Schedule 17 Significant accounting policies

1. General

1.1 IndusInd Bank Limited ('the Bank') was incorporated in 1994 under the Companies Act, 1956 and is licensed by the Reserve Bank of India (RBI) to operate as a commercial bank under the Banking Regulation Act, 1949. The Bank is publicly held and provides a wide range of banking products and financial services to corporate and retail clients besides undertaking treasury operations. The Bank operates in India including at the International Financial Service Centres in India, and does not have a branch in any foreign country.

1.2 The accompanying financial statements have been prepared under the historical cost convention except where otherwise stated, and in accordance with statutory requirements prescribed under the Banking Regulation Act 1949, circulars and guidelines issued by RBI from time to time (RBI guidelines), accounting standards referred to in Section 133 of the Companies Act, 2013 (the Act) and practices prevailing within the banking industry in India.

1.3 The preparation of the financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates and assumptions used in the preparation of the financial statements are prudent and reasonable. Any revision to accounting estimates is recognised prospectively in current and future periods.

2. Transactions involving Foreign Exchange

2.1 Monetary assets and liabilities of domestic and integral foreign operations denominated in foreign currency are translated at the Balance Sheet date at the closing rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resulting gains or losses are recognised in the Profit and Loss account.

2.2 Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

2.3 Both monetary and non-monetary assets and liabilities of non-integral foreign operations are translated at the Balance Sheet date at the closing rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resulting gains or losses are accumulated in the foreign currency translation reserve until disposal of the net investment in the non-integral foreign operation.

2.4 All foreign exchange contracts outstanding at the Balance Sheet date are re-valued on present value basis and the resulting gains or losses are recognised in the Profit and Loss account.

2.5 Swap Cost arising on account of foreign currency swap contracts to convert foreign currency funded liabilities and assets into rupee liabilities and assets is amortised to the Profit and Loss account under the head 'Interest – Others' over the underlying swap period.

2.6 Income and expenditure of domestic and integral foreign operations denominated in a foreign currency is translated at the rates of exchange prevailing on the date of the transaction. Income and expenditure of non-integral foreign operations is translated at quarterly average closing rates.

2.7 Contingent liabilities at the Balance Sheet date on account of outstanding forward foreign exchange contracts, guarantees, acceptances, endorsements and other obligations denominated in a foreign currency are stated at the closing rates of exchange notified by the FEDAI.

3. *Investments*

Significant accounting policies in accordance with RBI guidelines are as follows:

3.1 Categorisation of Investments

The Bank classifies its investment at the time of purchase into one of the following three categories:

(i) **Held to Maturity (HTM)** – Securities acquired with the intention to hold till maturity.

(ii) **Held for Trading (HFT)** – Securities acquired with the intention to trade.

(iii) **Available for Sale (AFS)** – Securities which do not fall within the above two categories.

Subsequent shifting amongst the categories is done in accordance with RBI guidelines.

3.2 Classification of Investments

For the purpose of disclosure in the Balance Sheet, investments are classified under six groups viz., (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Investments in Subsidiaries and Joint Ventures, and (vi) Other Investments.

3.3 Acquisition cost

(i) Broken period interest on debt instruments is treated as a revenue item.

(ii) Brokerage, commission, etc. pertaining to investments, paid at the time of acquisition is charged to the Profit and Loss account.

(iii) Cost of investments is computed based on the weighted average cost method.

3.4 Valuation of Investments

(i) **Held to Maturity** – Each security in this category is carried at its acquisition cost. Any premium on acquisition of the security is amortised over the balance period to maturity. The amortized amount is classified under Interest earned – Income on investments (Item II of Schedule 13). The book value of the security is reduced to the extent of amount amortized during the relevant accounting period. Diminution, other than temporary, is determined and provided for each investment individually.

(ii) **Held for Trading** – Securities are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net appreciation in each classification is ignored, while net depreciation is provided for.

(iii) **Available for Sale** – Securities are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net appreciation in each classification is ignored, while net depreciation is provided for.

(iv) Market value of government securities (excluding treasury bills) is determined on the basis of the prices / YTM published by Financial Benchmark India Private Limited (FBIL).

(v) Treasury bills are valued at carrying cost, which includes discount amortised over the period to maturity.

(vi) Fair value of other debt securities is determined based on the yield curve published by FBIL and credit spreads provided by Fixed Income Money Market and Derivatives Association (FIMMDA).

(vii) Quoted equity shares are valued at lower of cost and the closing price on a recognised stock exchange. Unquoted equity shares are valued at their break-up value or at ₹ 1 per company where the latest Balance Sheet is not available.

(viii) Units of the schemes of mutual funds are valued at the lower of cost and Net Asset Value (NAV) provided by the respective schemes of mutual funds.

(ix) Investments in equity shares held as long-term investments by erstwhile IndusInd Enterprises & Finance Limited and Ashok Leyland Finance Limited (since merged with the Bank) are valued at cost and classified as part of HTM category. Provision towards diminution in the value of such long-term investments is made only if the diminution in value is not temporary in the opinion of management.

(x) Security Receipts (SR) are valued at the lower of redemption value and NAV obtained from the Securitisation Company (SC) / Reconstruction Company (RC). In respect of significant investment in SRs backed by stressed assets sold by the Bank, the value is subject to a prudential floor considering the asset classification of the stressed assets, had they remained on the books of the Bank.

(xi) Purchase and sale transaction in securities are recorded under Settlement Date method of accounting, except in the case of the equity shares where Trade Date method of accounting is followed.

(xii) Provision for non-performing investments is made in conformity with RBI guidelines.

(xiii) Repurchase (Repo) and Reverse Repurchase (Reverse Repo) transactions (including transactions under Liquidity Adjustment Facility (LAF) with RBI) are accounted for as collateralised borrowing and lending respectively. On completion of the second leg of the Repo or Reverse Repo transaction, the difference between the consideration amounts is reckoned as Interest Expenditure or Income, as the case may be. Amounts outstanding in Repo and Reverse Repo account as at the Balance Sheet date is shown as part of Borrowings and Money at Call and at Short Notice respectively, and the accrued expenditure and income till the Balance Sheet date is recognised in the Profit and Loss account.

(xiv) In respect of the short sale transactions in Central Government dated securities, the short position is covered by outright purchase of an equivalent amount of the same security within a maximum period of three months including the day of trade. The short position is reflected as the amount received on sale in a separate account and is classified under 'Other Liabilities'. The short position is marked to market and loss, if any, is charged to the Profit and Loss account, while gain, if any, is not recognised. Profit or loss on settlement of the short position is recognised in the Profit and Loss account.

(xv) Profit in respect of investments sold from HTM category is included in the Profit on Sale of Investments and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such profits) is appropriated from the Profit and Loss Appropriation account to Capital Reserve account.

(xvi) In the event, provisions created on account of depreciation in the AFS or HFT categories are found to be in excess of the required amount in any year, the excess is credited to the Profit and Loss account and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such excess provisions) is appropriated to an Investment Reserve Account (IRA).

The balance in IRA account is used to meet provision on account of depreciation in AFS and HFT categories by transferring an equivalent amount to the Profit and Loss Appropriation account as and when required.

3.5 Investments in unquoted units of Venture Capital Funds (VCF) and Alternative Investment Funds (AIF) are categorised under HTM category for initial period of three years and valued at cost as per RBI guidelines. Units of VCF and AIF held under AFS category, where current quotations are not available, are marked to market based on the Net Asset Value (NAV) shown by VCF or AIF as per the latest audited financials of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹ 1 per VCF or AIF, as the case may be.

4. Derivatives

Derivative contracts are designated as hedging or trading and accounted for as follows:

4.1 The hedging contracts comprise of Forward Rate Agreements, Interest Rate Swaps, and Currency Swaps undertaken to hedge interest rate and currency risk on certain assets and liabilities. The net interest receivable or payable is accounted on an accrual basis over the life of the swaps. However, where the hedge is designated with an asset or liability that is carried at market value or lower of cost and market value, then the hedging instrument is also marked to market with the resulting gain or loss recorded as an adjustment to the market value of designated assets or liabilities.

4.2 The trading contracts comprise of trading in Interest Rate Swaps, Interest Rate Futures and Currency Futures. The gain or loss arising on unwinding or termination of the contracts, is accounted for in the Profit and Loss account. Trading contracts outstanding as at the Balance Sheet date are re-valued at their fair value and resulting gains or losses are recognised in the Profit and Loss account.

4.3 Gains or losses on the termination of hedge swaps is deferred and recognised over the shorter of the remaining life of the hedge swap or the remaining life of the underlying asset or liability.

4.4 Premium paid and received on currency options is accounted when due in the Profit and Loss Account.

4.5 Fair value of derivative is determined with reference to bid / asks quoted market price or by using valuation models. Where the fair value is calculated using valuation models, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to the present value. The valuation takes into consideration all relevant market factors (e.g. prices, interest rate, currency exchange rates, volatility, liquidity etc.). Most market parameters are either are directly observable or are implied from instrument prices. The model may perform numerical procedures in the pricing such as interpolation when input values do not directly correspond to the most actively traded market trade parameters.

4.6 Provisioning of overdue customer receivable on derivative contracts is made as per RBI guidelines.

5. Advances

5.1 Advances are classified as per RBI guidelines into standard, sub-standard, doubtful and loss assets after considering subsequent recoveries to date.

5.2 Specific provisions for non-performing advances and floating provisions are made in conformity with RBI guidelines. In addition the Bank considers accelerated provisioning based on past experience, evaluation of securities and other related factors.

5.3 A general provision on standard assets is made in accordance with RBI guidelines. Provision made against standard assets is included in 'Other Liabilities and Provisions'.

5.4 Advances are disclosed in the Balance Sheet, net of provisions and interest suspended for non-performing advances, and floating provisions.

5.5 Advances exclude derecognised securitised advances, inter-bank participation certificates issued and bills rediscounted.

5.6 Amounts recovered during the year against bad debts written off in earlier years are recognised in the Profit and Loss account.

5.7 Provision no longer considered necessary in the context of the current status of the borrower as a performing asset, are written back to the Profit and Loss account to the extent such provisions were charged to the Profit and Loss account.

5.8 For restructured / rescheduled assets, provision is made in accordance with the guidelines issued by RBI, which requires the diminution in the fair value of the assets to be provided at the time of restructuring. The restructured accounts are classified in accordance with RBI guidelines, including special dispensation wherever allowed.

6. Securitisation transactions and direct assignments

6.1 The Bank transfers its loan receivables both through Direct Assignment route as well as transfer to Special Purpose Vehicles ('SPV').

6.2 The securitisation transactions are without recourse to the Bank. The transferred loans and such securitised receivables are de-recognised as and when these are sold (true sale criteria being fully met) and the consideration has been received by the Bank. Gains or losses are recognised only if the Bank surrenders the rights to the benefits specified in the loan contracts.

6.3 In terms of RBI guidelines, profit or premium arising on account of sale of standard assets, being the difference between the sale consideration and book value, is amortized over the life of the securities issued by the Special Purpose Vehicles (SPV). Any loss arising on account of the sale is recognised in the Profit and Loss account in the period in which the sale occurs.

6.4 In case of sale of non-performing assets through securitisation route to Securitisation Company or Asset Reconstruction Company by way of assignment of debt against issuance of Security Receipts (SR), the recognition of sale and accounting of profit and loss thereon is done in accordance with applicable RBI guidelines. Generally, the sale is recognised at the lower of redemption value of SR and the Net Book Value (NBV) of the financial asset sold, and the surplus is recognised in the Profit and Loss Account; shortfall if any, is charged to the Profit and Loss account subject to regulatory forbearance, if any, allowed from time to time. Profit or loss realized on ultimate redemption of the SR is recognised in the Profit and Loss Account.

7. Property, Plant and Equipment

7.1 Fixed assets are stated at cost (except in the case of premises which were re-valued based on values determined by approved valuers) less accumulated depreciation and impairment, if any. Cost includes incidental expenditure incurred on the assets before they are ready for intended use.

7.2 The appreciation on account of revaluation is credited to Revaluation Reserve. Depreciation relating to revaluation is adjusted against the Revaluation Reserve.

7.3 Depreciation is provided over the useful life of the assets, pro rata for the period of use, on a straight-line method. The useful life estimates prescribed in Part C of Schedule II to the Companies Act, 2013 are generally adhered to, except in respect of asset classes where, based on technical evaluation, a different estimate of useful life is considered suitable. Pursuant to this policy, the useful life estimates in respect of the following assets are as follows:

(a) Computers at 3 years

(b) Application software and perpetual software licences at 5 years

(c) Printers, Scanners, Routers, Switch at 5 years

(d) ATMs at 7 years

(e) Network cabling, Electrical Installations, Furniture and Fixtures, Other Office Machinery at 10 years

(f) Vehicles at 5 years

(g) Buildings at 60 years

The useful life of an asset class is periodically assessed taking into account various criteria such as changes in technology, changes in business environment, utility and efficacy of an asset class to meet with intended user needs, etc. Whenever there is a revision in the estimated useful life of an asset, the unamortised depreciable amount is charged over the revised remaining useful life of the said asset.

7.4 The carrying amount of fixed assets is reviewed at the Balance Sheet date to determine if there are any indications of impairment based on internal / external factors. In case of impaired assets, the impairment loss i.e. the amount by which the carrying amount of the asset exceeds its recoverable value is charged to the Profit and Loss account to the extent the carrying amount of assets exceeds its estimated recoverable amount.

8. Revenue Recognition

8.1 Interest and discount income on performing assets is recognised on accrual basis. Interest and discount income on non-performing assets is recognised on realisation.

8.2 Interest on Government securities, debentures and other fixed income securities is recognised on a period proportion basis. Income on discounted instruments is recognised over the tenor of the instrument on a Constant Yield to Maturity method.

8.3 Dividend income is accounted on accrual basis when the right to receive dividend is established.

8.4 Commission (except for commission on Deferred Payment Guarantees which is recognised over the term on a straight line basis), Exchange and Brokerage are recognised on a transaction date and net of directly attributable expenses.

8.5 Fees are recognised on an accrual basis when binding obligation to recognise the fees has arisen as per agreement, except in cases where the Bank is uncertain of realisation.

8.6 Income from distribution of third party products is recognised on the basis of business booked.

9. *Operating Leases*

9.1 Lease rental obligations in respect of assets taken on operating lease are charged to the Profit and Loss account on a straight-line basis over the lease term.

9.2 Assets given under leases in respect of which all the risks and benefits of ownership are effectively retained by the Bank are classified as operating leases. Lease rentals received under operating leases are recognised in the Profit and Loss account as per the terms of the contracts.

10. *Employee Benefits*

10.1 The Gratuity scheme of the Bank is a defined benefit scheme and the expense for the year is recognised on the basis of actuarial valuation at the Balance Sheet date. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that gives rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Payment obligations under the Group Gratuity scheme are managed through purchase of appropriate policies from insurers.

10.2 Provident Fund contributions are made under trusts separately established for the purpose and the scheme administered by Regional Provident Fund Commissioner (RPFC), as applicable. The rate at which the annual interest is payable to the beneficiaries by the trusts is being administered by the government. The Bank has an obligation to make good the shortfall, if any, between the return from the investments of the trusts and the notified interest rates. Actuarial valuation of this Provident Fund interest shortfall is done as per the guidance note on Valuation of Interest Rate Guarantees on Exempt Provident Funds under AS 15 (Revised) issued by the Institute of Actuaries of India, and such shortfall, if any, is provided for.

10.3 Provision for compensated absences is made on the basis of actuarial valuation as at the Balance Sheet date. The actuarial valuation is carried out using the Projected Unit Credit Method.

10.4 Intrinsic value method is applied to account for the compensation cost of ESOP granted to the employees of the Bank. Intrinsic value is the amount by which the quoted market price of the underlying shares on the grant date exceeds the exercise price of the options. Accordingly, such compensation cost is amortized over the vesting period.

11. *Segment Reporting*

11.1 In accordance with the guidelines issued by RBI, the Bank has adopted Segment Reporting as under:

(a) Treasury includes all investment portfolios, Profit / Loss on sale of Investments, Profit / Loss on foreign exchange transactions, equities, income from derivatives and money market operations. The expenses of this segment consist of interest expenses on funds borrowed from external sources as well as internal sources and depreciation / amortisation of premium on Held to Maturity category investments.

(b) Corporate / Wholesale Banking includes lending to and deposits from corporate customers and identified earnings and expenses of the segment.

(c) Retail Banking includes lending to and deposits from retail customers and identified earnings and expenses of the segment.

(d) Other Banking Operations includes all other operations not covered under Treasury, Corporate / Wholesale Banking and Retail Banking.

Unallocated includes Capital and Reserves, Employee Stock Options (Grants) Outstanding and other unallocable assets, liabilities, income and expenses.

12. *Debit and Credit Card reward points liability*

12.1 The liability towards Credit Card reward points is computed based on an actuarial valuation and the liability towards Debit Card reward points is computed on the basis of management estimates considering past trends.

13. Bullion

13.1 The Bank imports bullion including precious metal bars on a consignment basis for selling to its customers. The imports are on a back-to-back basis and are priced to the customer based on the prevailing price quoted by the supplier and the local levies related to the consignment like customs duty, etc. The profit earned is included in commission income.

13.2 The Bank sells gold coins to its customers. The difference between the sale price to customers and purchase price is reflected under commission income.

14. Income-tax

14.1 Tax expenses comprise of current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised, in general, only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized; where there are unabsorbed depreciation and / or carry forward of losses under tax laws, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realized against future taxable income. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

15. Earnings per share

15.1 Earnings per share is calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding as at end of the year.

16. Provisions, contingent liabilities and contingent assets

16.1 A provision is recognised when there is an obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

16.2 A disclosure of contingent liability is made when there is:

(a) A possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the bank; or

(b) A present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

16.3 When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

16.4 Contingent assets are not recognised or disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the assets and related income are recognised in the period in which the change occurs.

17. Cash and Cash equivalents

17.1 Cash and cash equivalents comprises of Cash in Hand and Balances with RBI and Balances with Banks and Money at Call and Short Notice.

Schedule 18 Notes forming part of the Financial Statements

1. Capital

1.1 Capital Issue

During the year ended March 31, 2018, 20,74,482 equity shares (Previous year 31,62,370 equity shares) aggregating to ₹ 101.97 crores (Previous year ₹ 96.62 crores) were allotted on various dates to the employees who exercised their stock options.

1.2 Capital Adequacy Ratio

The Bank computes Capital Adequacy Ratio as per Basel III Capital Regulations issued by RBI.

Under Basel III Capital Regulations, on an on-going basis, the Bank has to maintain a Minimum Total Capital (MTC) of 10.875% (Previous year 10.25%) including Capital Conversion Buffer (CCB) at 1.875% (Previous year 1.25%), of the total risk weighted assets (RWA). Out of the MTC, at least 7.375% (Previous year 6.75%), including 1.875% (Previous year 1.25%) towards CCB, shall be from Common Equity Tier 1 (CET1) capital and at least 7.00% (Previous year 7.00%) from Tier 1 capital. The capital adequacy ratio of the Bank is set out below:

(₹ in crores)

No.	Particulars	March 31, 2018	March 31, 2017
1	Common Equity Tier 1 capital ratio	13.42%	14.02%
2	Tier 1 capital ratio	14.58%	14.72%
3	Tier 2 capital ratio	0.45%	0.59%
4	Total Capital ratio (CRAR)	15.03%	15.31%
5	Amount of equity capital raised	101.97	96.62
6	Amount of Additional Tier 1 capital raised;	1,000.00	1,000.00
	of which		
	Perpetual Non-Cumulative Preference Shares (PNCPS)	-	-
	Perpetual Debt Instruments (PDI)	1,000.00	1,000.00
7	Amount of Tier 2 capital raised;	-	-
	of which		
	Debt capital instrument	-	-
	Preference Share Capital Instruments [Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]	-	-

2. *Investments*

2.1 Details of Investments

(₹ in crores)

No.	Particulars	March 31, 2018	March 31, 2017
1	Value of Investments		
	(i) Gross value of Investments	50,285.31	36,789.86
	(a) In India	50,285.31	36,789.86
	(b) Outside India	-	-
	(ii) Provisions for Depreciation	208.59	87.72
	(a) In India	208.59	87.72
	(b) Outside India	-	-
	(iii) Net value of Investments	50,076.72	36,702.14
	(a) In India	50,076.72	36,702.14
	(b) Outside India	-	-
2	Movement of provisions held towards depreciation on Investments		
	(i) Opening balance	87.72	56.36
	(ii) Add: Provision made during the year	120.87	31.36
	(iii) Less: Write-off / (write-back) of excess provisions during the year	-	-
	(iv) Closing balance	208.59	87.72

2.2 Category-wise details of Investments (Net of provision for depreciation)

(₹ in crores)

No.	Particulars	As at March 31, 2018			As at March 31, 2017		
		HTM	AFS	HFT	HTM	AFS	HFT
(i)	Government securities	30,438.85	9,927.14	-	26,259.13	5,193.21	-
(ii)	Other approved securities	-	-	-	-	-	-
(iii)	Shares	4.75	287.19	-	4.75	156.50	-
(iv)	Debentures and bonds	-	4,476.42	-	-	2,524.57	-
(v)	Subsidiaries and / or Joint Ventures	-	-	-	-	-	-
(vi)	Others - Security Receipts, Pass Through Certificates, investment in units of Mutual Funds, Commercial Paper, Venture Capital, etc.	99.42	4,842.95	-	67.50	2,496.48	-
	Total	**30,543.02**	**19,533.70**	**-**	**26,331.38**	**10,370.76**	**-**

2.3 Details of Repo / Reverse Repo including under Liquidity Adjustment Facility (LAF) transactions (in face value terms)

(₹ in crores)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Balance as at the year end
Year ended March 31, 2018				
Securities sold under repo				
(i) Government Securities	11.17	1,159.00	18.35	-
(ii) Corporate Debt Securities	-	-	-	-
Securities purchased under reverse repo				
(i) Government Securities	150.00	13,300.00	2,046.83	-
(ii) Corporate Debt Securities	-	-	-	-
Year ended March 31, 2017				
Securities sold under repo				
(i) Government Securities	5.72	5,934.94	2,488.52	-
(ii) Corporate Debt Securities	-	-	-	-
Securities purchased under reverse repo				
(i) Government Securities	100.00	16,900.00	1,754.75	6,300.00
(ii) Corporate Debt Securities	-	-	-	-

2.4 Issuer composition of Non-SLR investments as at March 31, 2018

(₹ in crores)

No.	Issuer	Amount[(1)]	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities[(2)]	Extent of 'unlisted' securities[(3)]
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*
1	Public Sector Undertakings	338.16	338.16	-	-	-
2	Financial Institutions	883.43	883.43	-	-	-
3	Banks	2,803.28	2,803.28	-	-	-
4	Private corporates	4,563.09	4,555.84	-	-	7.25
5	Subsidiaries / Joint Ventures	-	-	-	-	-
6	Others	1,331.36	1,331.36	-	-	-
7	Provision held towards depreciation	(208.59)				
	Total	**9,710.73**	**9,912.07**	**-**	**-**	**7.25**

Issuer composition of Non-SLR investments as at March 31, 2017

(₹ in crores)

No.	Issuer	Amount[1]	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities[2]	Extent of 'unlisted' securities[3]
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*
1	Public Sector Undertakings	250.89	250.89	-	-	-
2	Financial Institutions	-	-	-	-	-
3	Banks	1,445.98	1,445.98	-	-	-
4	Private corporates	3,067.61	3,060.36	-	-	7.25
5	Subsidiaries / Joint Ventures	-	-	-	-	-
6	Others	573.05	573.05	-	-	-
7	Provision held towards depreciation	(87.72)				
	Total	**5,249.81**	**5,330.28**	**-**	**-**	**7.25**

Notes:

(1) Does not include amount of securities pledged with Central Counter Parties, viz., Clearing Corporation of India Limited, National Securities Clearing Corporation of India Limited and Multi Commodity Exchange of India Limited.

(2) Excludes investment in equity shares.

(3) Excludes investment in commercial papers, Certificates of Deposit and preference shares acquired by way of conversion of debts.

(4) Amounts reported under columns 4, 5, 6 and 7 are not mutually exclusive.

2.5 Non-performing Non-SLR investments

(₹ in crores)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening balance	2.26	2.26
Additions during the year	27.05	11.20
Reductions / Redemption during the year	0.33	11.20
Closing balance	28.98	2.26
Total provisions held	**24.32**	**2.26**

2.6 Sale / transfer from HTM category

During the year ended March 31, 2018 and year ended March 31, 2017, the value of sales and transfer of securities to / from HTM category, excluding one-time transfer of securities from HTM and sale on account of Open Market Operation (OMO), has not exceeded 5% of the book value of investments held in HTM category at the beginning of the year. As such, in line with RBI guidelines, specific disclosures on book value, market value, and provisions if any, relating to such sale and transfers are not required to be made.

3. Derivatives

3.1 Interest Rate Swaps, Forward Rate Agreements and Cross Currency Swaps

(₹ in crores)

Particulars		As at March 31, 2018	As at March 31, 2017
(i)	Notional principal of swap agreements	230,162.23	127,836.91
(ii)	Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements	1,754.93	1,845.19
(iii)	Collateral required by the Bank upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps – With banks	71.06%	62.90%
(v)	Net Fair value of the swap book	372.23	250.86

The nature and terms of Interest Rate Swaps (IRS) outstanding as on March 31, 2018 are set out below:

(₹ in crores)

Nature	No.	Notional Principal	Benchmark	Terms
Trading	705	51,058.89	MIBOR	Fixed Payable vs Floating Receivable
Trading	688	48,885.45	MIBOR	Fixed Receivable vs Floating Payable
Trading	402	28,850.00	MIFOR	Fixed Payable vs Floating Receivable
Trading	505	31,780.00	MIFOR	Fixed Receivable vs Floating Payable
Trading	7	511.76	EURIBOR	Fixed Payable vs Floating Receivable
Trading	21	493.77	EURIBOR	Fixed Receivable vs Floating Payable
Trading	32	30.14	EURIBOR	Floating Payable vs Fixed Receivable
Trading	161	19,233.39	LIBOR	Fixed Payable vs Floating Receivable
Trading	366	16,491.10	LIBOR	Fixed Receivable vs Floating Payable

The nature and terms of IRSs outstanding as on March 31, 2017 are set out below:

(₹ in crores)

Nature	No.	Notional Principal	Benchmark	Terms
Trading	163	9,715.50	MIBOR	Fixed Payable vs Floating Receivable
Trading	131	7,679.47	MIBOR	Fixed Receivable vs Floating Payable
Trading	301	25,922.00	MIFOR	Fixed Payable vs Floating Receivable
Trading	352	24,935.00	MIFOR	Fixed Receivable vs Floating Payable
Trading	1	48.49	EURIBOR	Fixed Payable vs Floating Receivable
Trading	34	80.01	EURIBOR	Fixed Receivable vs Floating Payable
Trading	113	14,345.93	LIBOR	Fixed Payable vs Floating Receivable
Trading	356	12,784.24	LIBOR	Fixed Receivable vs Floating Payable
Trading	1	226.98	LIBOR	Floating Payable vs Floating Receivable

The nature and terms of Cross Currency Swaps (CCSs) outstanding as on March 31, 2018 are set out below:

(₹ in crores)

Nature	No.	Notional Principal	Benchmark	Terms
Trading	1	9.70	EURIBOR	Fixed Payable vs Floating Receivable (Cross Currency Swap)
Trading	51	8,976.20	LIBOR	Fixed Payable vs Floating Receivable (Cross Currency Swap)
Trading	3	2,854.63	LIBOR	Floating Payable vs Fixed Receivable (Coupon only Swap)
Trading	178	7,846.01	LIBOR	Floating Payable vs Fixed Receivable (Cross Currency Swap)
Trading	1	153.76	LIBOR	Floating Payable vs Fixed Receivable (Principal Only Swap)
Trading	3	65.66	MIBOR	Floating Payable vs Fixed Receivable (Cross Currency Swap)
Trading	4	595.40	NA	Fixed Payable vs Fixed Receivable (Coupon Only Swap)
Trading	130	4,212.64	NA	Fixed Payable vs Fixed Receivable (Cross Currency Swap)
Trading	20	908.26	NA	Fixed Payable vs Fixed Receivable (Principal Only Swap)
Trading	3	104.99	NA	Fixed Payable vs Floating Receivable (Principal Only Swap)
Trading	3	63.90	LIBOR / LIBOR	Floating Payable vs Floating Receivable (Cross Currency Swap)
Trading	1	28.82	LIBOR / MIBOR	Floating Payable vs Floating Receivable (Cross Currency Swap)
Trading	6	1,099.32	LIBOR / MIFOR	Floating Payable vs Floating Receivable (Cross Currency Swap)
Trading	15	4,008.26	MIBOR / LIBOR	Floating Payable vs Floating Receivable (Cross Currency Swap)
Merchant and Cover	1	32.81	LIBOR	Fixed Payable vs Floating Receivable (Cross Currency Swap)
Merchant and Cover	1	25.00	LIBOR	Floating Payable vs Fixed Receivable (Cross Currency Swap)
Merchant and Cover	4	980.15	NA	Fixed Payable vs Fixed Receivable (Cross Currency Swap)
Trading	2	244.80	EURIBOR / LIBOR	Floating Payable vs Floating Receivable (Cross Currency Swap)
Trading	1	14.48	LIBOR	Fixed Payable vs Fixed Receivable (Cross Currency Swap)

Nature	No.	Notional Principal	Benchmark	Terms
Trading	1	85.91	LIBOR	Floating Payable vs Floating Receivable (Cross Currency Swap)
Trading	1	252.97	LIBOR / SOR	Floating Payable vs Floating Receivable (Cross Currency Swap)
Trading	1	264.06	SOR / LIBOR	Floating Payable vs Floating Receivable (Cross Currency Swap)

The nature and terms of CCSs outstanding as on March 31, 2017 are set out below:

(₹ in crores)

Nature	No.	Notional Principal	Benchmark	Terms
Merchant and Cover	2	25.91	LIBOR	Floating Payable vs Fixed Receivable (Cross Currency Swap)
Merchant and Cover	2	33.84	LIBOR	Fixed Payable vs Floating Receivable (Cross Currency Swap)
Merchant and Cover	6	1,301.48	NA	Fixed Payable vs Fixed Receivable (Cross Currency Swap)
Merchant and Cover	4	239.06	NA	Fixed Payable vs Fixed Receivable (Principal Only Swap)
Trading	242	9,746.70	LIBOR	Floating Payable vs Fixed Receivable (Cross Currency Swap)
Trading	53	8,207.36	LIBOR	Fixed Payable vs Floating Receivable (Cross Currency Swap)
Trading	3	563.83	LIBOR	Floating Payable vs Fixed Receivable (Principal Only Swap)
Trading	2	1,567.22	LIBOR	Floating Payable vs Fixed Receivable (Coupon only Swap)
Trading	107	2,537.85	NA	Fixed Payable vs Fixed Receivable (Cross Currency Swap)
Trading	3	520.15	NA	Fixed Payable vs Fixed Receivable (Coupon only Swap)
Trading	38	2,997.09	NA	Fixed Payable vs Fixed Receivable (Principal Only Swap)
Trading	2	61.37	LIBOR / LIBOR	Floating Payable vs Floating Receivable (Cross Currency Swap)
Trading	1	40.45	LIBOR / LIBOR	Floating Payable vs Floating Receivable (Coupon only Swap)
Trading	14	3,157.66	LIBOR / MIBOR	Floating Payable vs Floating Receivable (Cross Currency Swap)
Trading	6	1,099.32	LIBOR / MIFOR	Floating Payable vs Floating Receivable (Cross Currency Swap)

3.2 *Exchange Traded Interest Rate Derivatives*

The details of Exchange Traded Interest Rate Derivatives undertaken during the year ended March 31, 2018 are as below:

(₹ in crores)

Sr. No.	Particulars	Amount
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	
	a) Future Bond/697GS2026/27/07/2017	0.04
	b) Future Bond/697GS2026/31/08/2017	18.30
	c) Future Bond/697GS2026/28/09/2017	4.04
	d) Future Bond/679GS2027/28/09/2017	56.74
	e) Future Bond/679GS2027/26/10/2017	4.00
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2018 (instrument-wise)	-
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-
(iv)	Marked-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-

The details of Exchange Traded Interest Rate Derivatives undertaken during the year ended March 31, 2017 are as below:

(₹ in crores)

Sr. No.	Particulars	Amount
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	
	a) Future Bond/759GS2026/23/02/2017 - Feb 2017	0.04
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2017 (instrument-wise)	-
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-
(iv)	Marked-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-

3.3 *Risk Exposure in Derivatives*

Derivatives Policy approved by the Board of Directors defines the framework for carrying out derivatives business and lays down policies and processes to measure, monitor and report risk arising from derivative transactions. The policy provides for (a) appropriate risk limits for different derivative products and (b) authority levels for review of limit breaches and to take appropriate actions in such events. As part of the Derivatives Policy, the Bank has a Product Suitability and Customer Appropriateness Policy, which is used to classify customers on the basis of their need for various derivative products and their competence in understanding such products and the attendant risks involved.

Risk Management Department of the Bank is responsible for measuring, reporting and monitoring risk arising from derivatives transactions. It functions independent of Treasury business and undertakes the following activities:

- Monitors derivatives operations against prescribed policies and limits on a daily basis;
- Daily review of product-wise profitability and activity reports for derivatives operations;
- Daily submission of MIS and details of exceptions to the Top Management,
- Monitoring effectiveness of derivative deals identified as hedges against the terms of the hedging instruments and underlying hedged risk; and
- Collaterals are generally kept as cash or cash equivalent for securing derivative transactions.

The Risk Management function applies a host of quantitative tools and methods such as Value at Risk, PV01, stop-loss limits, counterparty limits, deal size limits and overnight position limits. The Bank undertakes derivative transactions for hedging customers' exposure, hedging the Bank's own exposure, as well as for trading purposes, wherever permitted by RBI. The customers use these derivative products to hedge their forex and interest rate exposures.

The following table presents quantitative disclosures relating to Derivatives:

(₹ in crores)

Sr. No.	Particulars	March 31, 2018		March 31, 2017	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate derivatives
1	Derivatives (Notional Principal Amount) (Note 1)	399,637.00	197,334.49	257,304.17	95,737.62
	a) For hedging	-	-	-	-
	b) For trading	399,637.00	197,334.49	257,304.17	95,737.62
2	Marked to Market Positions (Note 2)				
	a) Asset (+)	3,260.91	1,082.20	4,568.95	692.94
	b) Liability (-)	(2,687.97)	(728.06)	(4,020.87)	(534.81)
3	Credit Exposure (Note 3)	14,400.55	3,057.53	13,908.57	1,801.55
4	Likely impact of one percentage change in interest rate (100*PV01) (Note 4)				
	a) on hedging derivatives	-	-	-	-
	b) on trading derivatives	101.56	85.13	24.74	20.71
5	Maximum and Minimum of 100*PV01 observed during the year (Note 5)				
	a) on hedging	-	-	-	-
	b) on trading				
	Maximum	102.71	88.28	63.55	73.21
	Minimum	4.82	0.36	2.06	0.09

Note 1: Outstanding Notional principal amount of exchange traded currency future trades was ₹ 85.76 crores as at March 31, 2018 (Previous year Nil).

Note 2: Marked to Market positions include interest accrued on the swaps.

Note 3: Credit exposure is computed based on the current exposure method.

Note 4: Based on the absolute value of PV01 of the derivatives outstanding as at the year end.

Note 5: Based on the PV01 of the outstanding derivatives.

Note 6: PV01 for Currency Derivatives and Interest Rate Derivatives are presented in absolute terms. However, total net PV01 shall remain smaller as Currency Derivatives and Interest Rate Derivatives positions net off each other.

4. *Asset Quality*

4.1 *Non-Performing Assets*

The details of movement of gross non-performing assets (NPAs), net NPAs and provisions during the year ended March 31, 2018 and the year ended March 31, 2017 are given below:

(₹ in crores)

Sr. No.	Particulars	March 31, 2018	March 31, 2017
(i)	Net NPAs to Net Advances (%)	0.51%	0.39%
(ii)	Movement of Gross NPAs		
	a) Opening balance	1,054.87	776.82
	b) Additions during the year	3,324.55	1,429.27
	c) Reductions during the year		
	(i) Upgradations	292.25	196.59
	(ii) Recoveries (excluding recoveries made from upgraded accounts)	1,599.48	489.10
	(iii) Technical / Prudential write-offs	-	-
	(iv) Write-offs other than those under (iii) above	782.78	465.53
	Sub-total	2,674.51	1,151.22
	d) Closing balance	1,704.91	1,054.87
(iii)	Movement of Net NPAs		
	a) Opening balance	438.91	321.75
	b) Additions during the year	2,003.70	693.66
	c) Reductions during the year	1,696.94	576.50
	d) Closing balance	745.67	438.91
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	615.96	455.07
	b) Provisions made during the year	1,320.85	735.61
	c) Write-off / write back of excess provisions	977.57	574.72
	d) Closing balance	959.24	615.96

Notes:

1) Recoveries include sale to SC / RC.

2) In terms of RBI circular DBOD.BP.BC.No.98/21.04.132/2013-14 dated February 26, 2014, in respect of assets sold to SC/RCs, during the year ended March 31, 2015, the loss on sale arrived at by deducting sale consideration and provisions held as on the date of sale from the outstanding amount, was amortized over a period of two years. Accordingly, the Bank had charged to the Profit and Loss account the remaining amount of ₹ 96.26 crores during the year ended March 31, 2017.

3) Amounts for the year ended March 31, 2018 includes impact of NPAs and provisions as assessed by RBI in their Supervisory Programme for Assessment of Risk and Capital for the year ended March 31, 2017 as mentioned under note no 4.4.

4.2 Provision coverage ratio

Provision coverage ratio as at March 31, 2018 is 56.26% (Previous year 58.39%).

4.3 Details of technical write-offs and recoveries made thereon

(₹ in crores)

Items	March 31, 2018	March 31, 2017
Opening balance of technical / prudential written off accounts	-	-
Add: Technical / prudential write-offs during the year	-	-
Sub-total	-	-
Less : Recoveries made from previously technical / prudential written-off accounts during the year	-	-
Closing balance of technical / prudential written-off accounts	-	-

4.4 Divergence in Asset Classification and Provisioning for NPAs

Advances are classified into standard, sub-standard, doubtful and loss assets in conformity with RBI guidelines, and specific provisions for non-performing advances are made accordingly. NPAs as assessed by RBI in their Supervisory Programme for Assessment of Risk and Capital for the year ended March 31, 2017 was higher than that reported by the Bank, as shown in the summary below:

(₹ in crores)

Sr. No.	Particulars	Amount
1	Gross NPAs as on March 31, 2017 as reported by the Bank	1,054.87
2	Gross NPAs as on March 31, 2017 as assessed by RBI	2,405.07
3	Divergence in Gross NPAs (2-1) (Refer Note 1 and 2 below)	1,350.20
4	Net NPAs as on March 31, 2017 as reported by the Bank	438.91
5	Net NPAs as on March 31, 2017 as assessed by RBI	1,440.03
6	Divergence in Net NPAs (5-4)	1,001.12
7	Provisions for NPAs as on March 31, 2017 as reported by the Bank	615.96
8	Provisions for NPAs as on March 31, 2017 as assessed by RBI	965.04
9	Divergence in provisioning (8-7)	349.08
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2017	2,867.89
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2017 after taking into account the divergence in provisioning	2,639.62

Note:

1) Out of ₹ 1,350.20 crores identified by RBI as non-performing advances, four accounts amounting to ₹ 809.50 crores were fully realised during the year ended March 31, 2018. This includes one large cement company account with an exposure of ₹ 551.70 crores that was resolved as per the resolution plan arrived at the Joint Lenders Forum. Borrower accounts with an exposure of ₹ 118.80 crores were resolved by way of sale to Asset Reconstruction Companies.

2) The remaining borrower accounts were classified as non-performing advances during the year ended March 31, 2018 and provided for accordingly.

Details relating to divergence between the non-performing advances reported by the Bank, and as assessed by RBI in their Supervisory Programme for Assessment of Risk and Capital for the year ended March 31, 2016 are as below:

(₹ in crores)

Sr. No.	Particulars	Amount
1	Gross NPAs as on March 31, 2016 as reported by the Bank	776.82
2	Gross NPAs as on March 31, 2016 as assessed by RBI (Refer Note 1 below)	1,337.03
3	Divergence in Gross NPAs (2-1)	560.21
4	Net NPAs as on March 31, 2016 as reported by the Bank	321.75
5	Net NPAs as on March 31, 2016 as assessed by RBI	637.55
6	Divergence in Net NPAs (5-4)	315.80
7	Provisions for NPAs as on March 31, 2016 as reported by the Bank	455.07
8	Provisions for NPAs as on March 31, 2016 as assessed by RBI	699.48
9	Divergence in provisioning (8-7)	244.41
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2016	2,286.45
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2016 after taking into account the divergence in provisioning (Refer Note 2 below)	2,137.32

Note:

1) The above includes one account that had an outstanding balance of ₹ 356.00 crores as of March 31, 2016, which was fully repaid before March 31, 2017. The provision amount computed by RBI on this account amounted to ₹ 142.40 crores.

2) Sr. No. 11 does not include the impact of additional provision of ₹ 73.05 crores, towards a standard asset. The impact on net profit after tax due to this provision amounts to ₹ 47.77 crores.

3) Above divergences pointed out by the RBI have been provided for or repaid in the year ended March 31, 2017.

4.5 Sector-wise advances

(₹ in crores)

Sr. No.	Sector	March 31, 2018			March 31, 2017		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	**Priority Sector**						
1	Agriculture and allied activities	13,011.07	174.09	1.34%	10,260.55	78.99	0.77%
2	Advances to industries sector eligible as priority sector lending	5,049.12	-	-	4,091.50	0.86	0.02%
	Of which (refer note below):						
a)	Gems and Jewellery	1,001.99	-	-	1,194.12	-	-
b)	Construction (Other than Infrastructure)	21.58	-	-	3.94	-	-
c)	Infrastructure	19.64	-	-	9.11	-	-
d)	Basic Metal and Metal Products	-	-	-	343.08	-	-
3	Services	27,212.84	284.79	1.05%	20,451.95	187.45	0.92%
4	Personal loans	233.95	8.72	3.73%	150.68	6.87	4.56%
	Sub-total (A)	**45,506.98**	**467.60**	**1.03%**	**34,954.68**	**274.17**	**0.78%**
B	**Non Priority Sector**						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Industry	33,654.24	494.66	1.47%	22,984.01	225.45	0.98%
	Of which (refer note below):						
a)	Gems and Jewellery	5,885.54	102.33	1.74%	5,761.73	6.98	0.12%
b)	Construction (Other than Infrastructure)	3,583.03	92.18	2.57%	2,871.67	129.23	4.50%
c)	Infrastructure	6,561.89	219. 05	3.34%	3,333.59	-	-
d)	Basic Metal and Metal Products	-	-	-	2,689.03	2.98	0.11%
3	Services	59,524.12	575.48	0.97%	51,226.69	447.48	0.87%
4	Personal loans	7,227.56	167.17	2.31%	4,531.09	107.77	2.38%
	Sub-total (B)	**1,00,405.92**	**1,237.31**	**1.23%**	**78,741.79**	**780.70**	**0.99%**
	Total (A+B)	**1,45,912.90**	**1,704.91**	**1.17%**	**113,696.47**	**1,054.87**	**0.93%**

Note:

Segments contributing in excess of 10% of the Sector is individually listed; Basic Metal and Metal Products constituted less than 10% on March 31, 2018.

4.6 Details of Loan Assets subjected to Restructuring as on March 31, 2018

(₹ in crores)

S. No.	Type of Restructuring →		Under CDR Mechanism $					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification → Details ↓		Stan Dard	Sub-Stan Dard	Doubtful	Loss	Total	Stan dard	Sub-Stan Dard	Doubtful	Loss	Total	Stan Dard	Sub-Stan Dard	Doubtful	Loss	Total	Stan Dard	Sub-Stan dard	Doubtful	Loss	Total
1	Restructured Accounts as on 01/04/2017	No. of borrowers	4	-	1	-	**5**	3	-	-	-	**3**	2	-	-	-	**2**	9	-	1	-	**10**
		Amount outstanding	230.57	-	31.98	-	**262.55**	14.40	-	-	-	**14.40**	205.06	-	-	-	**205.06**	450.03	-	31.98	-	**482.01**
		Provision thereon	21.25	-	31.98	-	**53.23**	4.25	-	-	-	**4.25**	10.00	-	-	-	**10.00**	35.50	-	31.98	-	**67.48**
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**
		Amount outstanding	3.60	-	-	-	**3.60**	0.02	-	-	-	**0.02**	-	-	13.98	-	**13.98**	3.62	-	13.98	-	**17.60**
		Provision thereon	-	-	-	-	**-**	0.02	-	-	-	**0.02**	-	-	-	-	**-**	0.02	-	-	-	**0.02**
3	Upgradation to restructured standard category during the FY	No. of borrowers	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**
		Amount outstanding	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**
		Provision thereon	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**	-	-	-	-	**-**
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-				**-**	-				**-**	-				**-**	**-**				**-**
		Amount outstanding	-				**-**	-				**-**	-				**-**	**-**				**-**
		Provision thereon	-				**-**	-				**-**	-				**-**	**-**				**-**
5	Downgradations of restructured accounts during the FY	No. of borrowers	-1	-	1	-	**-**	-1	-	1	-	**-**	-2	-	2	-	**-**	-4	-	4	-	**-**
		Amount outstanding	-129.06	-	129.06	-	**-**	-14.24	-	14.24	-	**-**	-205.06	-	205.06	-	**-**	-348.36	-	348.36	-	**-**
		Provision thereon	-9.50	-	9.50	-	**-**	-4.09	-	4.09	-	**-**	-10.00	-	92.35	-	**82.35**	-23.59	-	105.94	-	**82.35**
6	Write-offs of restructured accounts during the FY 2017-18	No. of borrowers	-	-	-2	-	**-2**	-	-	-1	-	**-1**	-	-	-	-	**-**	-	-	-3	-	**-3**
		Amount outstanding	-22.60	-	-161.04	-	**-183.64**	-0.01	-	-14.24	-	**-14.25**	-	-	-	-	**-**	-22.61	-	-175.28	-	**-197.89**
		Provision thereon	-4.86	-	-41.48	-	**-46.34**	-0.01	-	-4.09	-	**-4.10**	-	-	-	-	**-**	-4.87	-	-45.57	-	**-50.44**
7	Restructured Accounts as on 31/03/2018 (closing figure)	No. of borrowers	3	-	-	-	**3**	2	-	-	-	**2**	-	-	2	-	**2**	5	-	2	-	**7**
		Amount outstanding	82.51	-	-	-	**82.51**	0.17	-	-	-	**0.17**	-	-	219.04	-	**219.04**	82.68	-	219.04	-	**301.72**
		Provision thereon	6.89	-	-	-	**6.89**	0.17	-	-	-	**0.17**	-	-	92.35	-	**92.35**	7.06	-	92.35	-	**99.41**

1. Provision includes diminution / FITL / NPA provision, wherever applicable.
2. Sr. No. 2 includes additions to existing restructured accounts of ₹ 17.60 crores (provision ₹ 0.02 crores).
3. Sr. No. 6 includes reductions in existing restructured accounts of ₹ 197.89 crores (provision ₹ 50.44 crores) due to repayment / CDR exit / OTS / sold to ARC / restructuring failures.

$ In case of NPAs, outstanding reported is net of unrealised interest.

4.6 *Details of Loan Assets subjected to Restructuring as on March 31, 2017*

(₹ in crores)

S. No.	Type of Restructuring →		Under CDR Mechanism $					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification → Details ↓		Stan Dard	Sub-Stan Dard	Doubtful	Loss	Total	Stan dard	Sub-Stan Dard	Doubtful	Loss	Total	Stan Dard	Sub-Stan Dard	Doubtful	Loss	Total	Stan Dard	Sub-Stan dard	Doubtful	Loss	Total
1	Restructured Accounts as on 01/04/2016	No. of borrowers	8	-	-	-	**8**	2	-	-	-	**2**	2	-	-	-	**2**	12	-	-	-	**12**
		Amount outstanding	334.99	-	-	-	**334.99**	26.78	-	-	-	**26.78**	173.55	-	-	-	**173.55**	535.32	-	-	-	**535.32**
		Provision thereon	50.89	-	-	-	**50.89**	4.28	-	-	-	**4.28**	10.00	-	-	-	**10.00**	65.17	-	-	-	**65.17**
2	Fresh restructuring during the year	No. of borrowers	1	-	-	-	**1**	2	-	-	-	**2**	-	-	-	-	-	3	-	-	-	**3**
		Amount outstanding	35.78	-	-	-	**35.78**	0.52	-	-	-	**0.52**	31.51	-	-	-	**31.51**	67.81	-	-	-	**67.81**
		Provision thereon	3.08	-	-	-	**3.08**	0.19	-	-	-	**0.19**	-	-	-	-	-	3.27	-	-	-	**3.27**
3	Upgradation to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-				-	-				-	-				-	-				-
		Amount outstanding	-				-	-				-	-				-	-				-
		Provision thereon	-				-	-				-	-				-	-				-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-5	2	3	-	-	-1	1	-	-	-	-	-	-	-	-	-6	3	3	-	-
		Amount outstanding	-133.52	30.63	100.43	-	**-2.46**	-8.47	8.47	-	-	-	-	-	-	-	-	-141.99	39.10	100.43	-	**-2.46**
		Provision thereon	-30.43	5.62	48.50	-	**23.69**	-	-	-	-	-	-	-	-	-	-	-30.43	5.62	48.50	-	**23.65**
6	Write-offs of restructured accounts during the FY 2016-17	No. of borrowers	-	-2	-2	-	**-4**	-	-1	-	-	**-1**	-	-	-	-	-	-	-3	-2	-	**-5**
		Amount outstanding	-6.68	-30.63	-68.45	-	**-105.76**	-4.43	-8.47	-	-	**-12.90**	-	-	-	-	-	-11.11	-39.10	-68.45	-	**-118.66**
		Provision thereon	-2.29	-5.62	-16.52	-	**-24.43**	-0.22	-	-	-	**-0.22**	-	-	-	-	-	-2.51	-5.62	-16.52	-	**-24.65**
7	Restructured Accounts as on 31/03/2017 (closing figure)	No. of borrowers	4	-	1	-	**5**	3	-	-	-	**3**	2	-	-	-	**2**	9	-	1	-	**10**
		Amount outstanding	230.57	-	31.98	-	**262.55**	14.40	-	-	-	**14.40**	205.06	-	-	-	**205.06**	450.03	-	31.98	-	**482.01**
		Provision thereon	21.25	-	31.98	-	**53.23**	4.25	-	-	-	**4.25**	10.00	-	-	-	**10.00**	35.50	-	31.98	-	**67.48**

1. Provision includes FITL / NPA provision in case of NPA accounts, wherever applicable, in addition to diminution in fair value provision held.
2. Sr. No. 2 includes additions to existing restructured accounts of ₹ 54.47 crores (provision ₹ 0.16 crores).
3. Sr. No. 6 includes reductions in existing restructured accounts of ₹ 118.66 crores (provision ₹ 24.65 crores). This also includes accounts which have exited CDR / Bank has done OTS with / sold to ARC / Restructuring Failures.

$ In case of NPAs, outstanding reported is net of unrealised interest.

4.7 In accordance with the Revised Framework on Resolution of Stressed Assets issued by RBI vide a circular dated February 12, 2018, the extant instructions on resolution of stressed assets such as Framework for Revitalising Distressed Assets, Corporate Debt Restructuring Scheme, Flexible Structuring of Existing Long Term Project Loans, Strategic Debt Restructuring Scheme (SDR), Change in Ownership outside SDR, and Scheme for Sustainable Structuring of Stressed Assets (S4A) have been withdrawn. The Joint Lenders' Forum as an institutional mechanism for resolution of stressed accounts was also discontinued. However, accounts where the schemes have been implemented by then were allowed to continue, and the following details pertain to such accounts where the respective schemes have been implemented before the said circular became effective.

a) Details of cases where scheme for Sustainable Structuring of Stressed Assets (S4A) is implemented

(₹ in crores)

No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision Held
		In Part A	In Part B	
As at March 31, 2018				
Classified as Standard	35.47	20.73	14.74	7.09
Classified as NPA	-	-	-	-
As at March 31, 2017				
Classified as Standard	-	-	-	-
Classified as NPA	-	-	-	-

b) Details of cases under Flexible Structuring of Existing Loans

(₹ in crores)

Year ended	No. of borrowers taken up for flexibly structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring (years)	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
March 31, 2018	1	51.85	-	6.25	7.83
March 31, 2017	-	-	-	-	-

c) Details of cases under Strategic Debt Restructuring Scheme (SDR) (accounts which are currently under the stand-still period)

As at March 31, 2018:

(₹ in crores)

No. of accounts where SDR has been invoked	Amount outstanding as at March 31, 2018		Amount outstanding as at March 31, 2018 with respect to accounts where conversion of debt to equity is pending		Amount outstanding as at March 31, 2018 with respect to accounts where conversion of debt to equity has taken place	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
-	-	-	-	-	-	-

As at March 31, 2017:

(₹ in crores)

No. of accounts where SDR has been invoked	Amount outstanding as at March 31, 2017**		Amount outstanding as at March 31, 2017 with respect to accounts where conversion of debt to equity is pending		Amount outstanding as at March 31, 2017 with respect to accounts where conversion of debt to equity has taken place**	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
4	267.80	-	-	-	267.80	-

** Includes ₹ 129.06 crores that is also reported under restructured standard advances (refer Schedule 18 – Note 4.6).

d) Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period): Nil (Previous year Nil).

e) Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period): Nil (Previous year Nil).

4.8 a) Details of financial assets sold to Securitisation Company (SC) / Reconstruction Company (RC) for asset reconstruction

(₹ in crores)

No.	Items	March 31, 2018	March 31, 2017
1	No. of accounts	2,892	1,633
2	Aggregate value (net of provisions) of accounts sold to SC / RC	466.56	330.37
3	Aggregate consideration	484.80	268.50
4	Additional consideration realized in respect of accounts transferred in earlier years	0.30	-
5	Aggregate gain / (loss) over net book value	18.54	(61.87)

b) Details of book value of investment in security receipts (SRs)

(₹ in crores)

Particulars	March 31, 2018	March 31, 2017
Backed by NPAs sold by the Bank as underlying	569.54	353.87
Backed by NPAs sold by the other Banks / Financial Institutions / Non-Banking Financial Companies as underlying	19.12	-
Total	**588.66**	**353.87**

c) Details of Investment in Security Receipts (SRs)

(₹ in crores)

Particulars		As at March 31, 2018			As at March 31, 2017		
		SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i)	Book value of SRs backed by NPAs sold by the bank as underlying	504.55	64.99	-	353.87	-	-
	Provision held against (i)	112.86	29.50	-	55.90	-	-
(ii)	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	19.12	-	-	-	-	-
	Provision held against (ii)	-	-	-	-	-	-
	Total (i) + (ii)	**523.67**	**64.99**	**-**	**353.87**	**-**	**-**

(a) This does not include SRs issued by Trusts that were closed and the outstanding SRs were cancelled and written off in the books of the Bank.

(b) During current year, no SRs issued by Trusts more than 8 years ago, were written off in the books of the Bank and held in physical form with Nil value (Previous year ₹ 11.00 crores).

4.9 During the year, there has been no individual purchase / sale of non-performing financial assets from / to other banks (Previous year Nil).

4.10 During the year, there was no sale of assets through securitisation except sale of assets to SC / RC (Previous year Nil).

4.11 Provision on Standard Assets

In accordance with RBI guidelines, general provision on standard assets is made at the following rates:

(a) At 1% on standard advances to Commercial Real Estate Sector;

(b) At 0.25% on standard direct advances to SME and Agriculture; and

(c) At 0.40% of the balance outstanding in other standard assets.

Standard assets provision also includes additional provision made pursuant to RBI instructions including provisions towards restructured standard assets.

The provision on standard assets is included in 'Other Liabilities and Provisions – Others' in Schedule 5, and is not netted off from Advances. The amount of provision held on standard assets is as below:

(₹ in crores)

Items	March 31, 2018	March 31, 2017
Cumulative Provision held for Standard Assets	738.65	801.52
[Including ₹ 52.00 crores towards Unhedged Foreign Currency Exposure of clients (Previous year ₹ 45.69 crores)]		

4.12 Unhedged Foreign Currency Exposure (UFCE) of Clients

Foreign exchange risk is the risk of loss arising out of adverse movements in foreign exchange rates affecting both on-balance sheet and off-balance sheet exposures. The forex positions that are not effectively hedged either by way of natural hedge or through derivatives / forward contracts expose a client to the risk of loss due to volatility in the forex rates. The Bank assesses the risk arising out of such UFCE of the clients at the time of credit appraisal and monitors the same at regular intervals. The provision for standard assets as of March 31, 2018, included an amount of ₹ 52.00 crores (Previous year ₹ 45.69 crores) towards UFCE. Further, capital held under Basel III Capital Regulations, as of March 31, 2018, includes an amount of ₹ 185.09 crores (Previous year ₹ 128.57 crores) on account of UFCE, computed at the applicable risk weights.

4.13 Floating provision

(₹ in crores)

Items	March 31, 2018	March 31, 2017
Opening balance	-	-
Provisions made during the year	70.00	-
Draw-down made during the year	-	-
Closing balance	70.00	-

4.14 As on March 31, 2018, no resolution plan in respect of accounts wherein aggregate exposure of the lenders amounted to ₹ 2,000 crores or above, has been implemented in accordance with the Revised Framework on Resolution of Stressed Assets issued by RBI *vide* a circular dated February 12, 2018.

5. Business ratios

No.	Ratio	March 31, 2018	March 31, 2017
(i)	Interest income as a percentage to working funds	9.10%	9.35%
(ii)	Non-interest income as a percentage to working funds	2.50%	2.71%
(iii)	Operating profit as a percentage to working funds	3.50%	3.54%
(iv)	Return on assets	1.90%	1.86%
(v)	Business (deposits plus gross advances) per employee (₹ in lakhs)	1,154.37	916.29
(vi)	Profit per employee (₹ in lakhs)	14.26	11.33

Notes:

(1) Working funds are reckoned as the average of total assets as per the monthly returns in Form X filed with RBI during the year.

(2) Returns on Assets are computed with reference to average working funds.

(3) Business per employee (deposits plus gross advances) is computed after excluding Inter-bank deposits.

6. *Asset Liability Management*

6.1 *Maturity Pattern of certain items of Assets and Liabilities*

As at March 31, 2018:

(₹ in crores)

Particulars	Deposits	Loans & Advances*	Investments	Borrowings	Foreign currency assets	Foreign currency liabilities
Day 1	822.35	689.17	-	0.39	1,447.10	310.95
2 to 7 Days	3,765.32	5,475.17	35.56	8,244.25	1,111.70	942.55
8 to 14 Days	5,245.91	5,510.78	1.10	-	541.80	51.52
15 to 30 Days	3,547.53	5,214.22	4.98	814.69	977.27	999.83
31 days to 2 months	9,822.62	5,495.79	282.81	814.69	1,964.65	913.71
Over 2 months to 3 months	10,345.54	6,870.29	2,379.11	-	2,962.65	97.35
Over 3 months to 6 months	9,229.09	11,999.72	2,299.77	3,032.59	1,802.97	519.02
Over 6 months to 1 year	33,352.50	19,651.62	4,716.85	3,387.75	1,245.41	3,488.70
Over 1 year to 3 years	21,765.34	49,134.46	6,652.40	15,601.25	1,492.10	9,164.52
Over 3 years to 5 years	16,017.03	15,675.57	3,665.57	1,878.08	1,962.44	1,867.55
Over 5 years to 7 years	7,838.82	6,677.20	3,958.18	942.08	263.49	998.16
Over 7 years to 10 years	11,409.27	6,674.85	7,327.46	3,573.31	366.15	159.96
Over 10 years to 15 years	11,136.65	2,977.04	9,735.89	-	-	81.54
Above 15 years	7,341.20	5,007.78	9,017.04	-	-	56.07
Total	**1,51,639.17**	**1,47,053.66**	**50,076.72**	**38,289.08**	**16,137.73**	**19,651.43**

* Loans & Advances include Bill Re-discounting Scheme of ₹ 2,100.00 crores.

As at March 31, 2017: (₹ in crores)

Particulars	Deposits	Loans & Advances*	Investments	Borrowings	Foreign currency assets	Foreign currency liabilities
Day 1	503.31	594.29	-	0.04	858.98	440.64
2 to 7 Days	3,745.60	7,243.48	96.54	603.52	1,578.23	792.10
8 to 14 Days	4,308.00	2,415.45	-	-	501.30	40.25
15 to 30 Days	4,435.01	1,883.22	-	-	762.89	290.17
31 days to 2 months	10,305.05	4,459.32	28.05	1,828.77	1,912.16	1,927.33
Over 2 months to 3 months	7,619.62	8,823.40	520.50	1,290.52	3,648.80	1,336.95
Over 3 months to 6 months	13,072.92	8,883.82	356.48	4,662.32	2,478.61	677.86
Over 6 months to 1 year	25,042.52	15,517.98	1,822.96	3,993.05	1,798.37	1,852.68
Over 1 year to 3 years	18,055.05	38,799.90	5,130.84	2,772.97	2,275.45	4,136.26
Over 3 years to 5 years	12,877.69	11,028.32	2,827.03	4,302.50	1,359.48	1,585.95
Over 5 years to 7 years	5,955.23	4,705.13	3,522.57	500.00	400.57	85.60
Over 7 years to 10 years	7,211.51	4,334.27	7,858.22	2,500.00	45.45	103.94
Over 10 years to 15 years	7,142.17	4,990.65	9,634.62	-	-	103.94
Above 15 years	6,298.54	501.28	4,904.33	-	-	91.71
Total	**1,26,572.22**	**1,14,180.51**	**36,702.14**	**22,453.69**	**17,620.29**	**13,465.38**

* Loans & Advances include Bill Re-discounting Scheme of ₹ 1,100.00 crores.

6.2 Liquidity Coverage Ratio (LCR)

Liquidity Coverage Ratio (LCR) aims in ensuring the Bank to maintain an adequate level of unencumbered High Quality Liquid Assets (HQLAs) to meet its liquidity needs convertible into cash under significantly severe liquidity stress scenario lasting for 30 days horizon period. LCR measures the Bank's potential to stand under combined idiosyncratic and market-wide liquidity stress condition, where the Bank experiences accelerated withdrawal of deposits from retail as well wholesale depositors, partial loss of secured funding, increase in collateral requirements and unscheduled draw down of unused credit lines.

LCR is the ratio of unencumbered HQLAs to Net Cash Outflows over the next 30 calendar days. From Jan 1, 2017 onwards, RBI guidelines mandate computation of LCR on daily average basis, which hitherto were measured on month-ends. The following table presents the minimum LCR to be maintained, in terms of RBI guidelines.

Effective from	**Jan 1, 2017**	**Jan 1, 2018**	**Jan 1, 2019**
Minimum LCR	80%	90%	100%

The Bank maintains HQLA in terms of Cash, unencumbered excess SLR, proportion of statutory SLR as allowed by RBI, excess statutory cash reserve and high rated corporate bonds issued by entities other than financial institutions. For the purposes of LCR computation, the Bank has considered all inflows and outflows that may have a quantifiable impact under the liquidity stress scenario.

Quantitative disclosure:

Following is the quantitative disclosures relating to LCR for the year ended March 31, 2018:

(₹ in crores)

No.	Particulars	June 2017		September 2017		December 2017		March 2018	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)		29,282.27		31,189.34		27,192.33		29,805.10
	Cash Outflows								
2	Retail deposits and deposits from small business customers, of which:								
(i)	Stable deposits	4,166.26	208.31	4,234.96	211.75	4,326.15	216.31	4,410.11	220.51
(ii)	Less stable deposits	30,112.98	3,011.30	32,576.68	3,257.67	33,467.16	3,346.72	33,726.48	3,372.65
3	Unsecured wholesale funding, of which:								
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	53,626.39	30,651.01	61,506.95	33,386.14	61,228.49	31,676.92	65,395.37	34,259.98
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		-		-		-		-
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	19,977.34	19,977.34	12,437.81	12,437.81	24,618.94	24,618.94	36,291.31	36,291.31
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	1,382.25	1,382.25	1,862.65	1,862.65	766.52	766.52	1,924.36	1,924.36
7	Other contingent funding obligations	44,749.53	1,583.00	41,342.61	1,415.73	46,683.83	1,641.55	51,553.36	1,797.53
8	**Total Cash Outflows**		**56,813.21**		**52,571.75**		**62,266.96**		**77,866.34**

No.	Particulars	June 2017		September 2017		December 2017		March 2018	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	Cash Inflows								
9	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	26,813.60	24,574.69	27,146.48	22,900.39	37,998.32	33,609.25	55,913.65	50,616.83
11	Other cash inflows	530.52	265.26	427.47	213.73	75.74	37.87	-	-
12	**Total Cash Inflows**		**24,839.95**		**23,114.12**		**33,647.12**		**50,616.83**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	**Total HQLA**		**29,282.27**		**31,189.34**		**27,192.33**		**29,805.10**
14	**Total Net Cash Outflows**		**31,973.26**		**29,457.63**		**28,619.84**		**27,249.51**
15	**Liquidity Coverage Ratio (%)**		**91.58%**		**105.88%**		**95.01%**		**109.38%**

Following is the quantitative disclosures relating to LCR for the year ended March 31, 2017:

(₹ in crores)

No.	Particulars	June 2016		September 2016		December 2016		March 2017	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)		13,732.54		16,426.54		22,131.53		28,214.84
	Cash Outflows								
2	Retail deposits and deposits from small business customers, of which:								
(i)	Stable deposits	3,115.48	155.77	3,258.47	162.92	4,140.96	207.05	4,312.41	215.62
(ii)	Less stable deposits	23,867.40	2,386.74	25,216.56	2,521.66	26,835.48	2,683.55	28,103.93	2,810.39
3	Unsecured wholesale funding, of which:								
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	30,520.64	19,387.71	37,450.56	22,063.37	40,132.60	25,539.21	51,225.42	31,202.45
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		-		-		-		-
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	10,871.20	10,871.20	15,565.24	15,565.24	18,482.37	18,482.37	21,566.92	21,566.92
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	3,026.33	3,026.33	2,512.15	2,512.15	1,659.84	1,659.84	1,305.80	1,305.80
7	Other contingent funding obligations	32,200.56	1,076.21	36,458.43	1,201.80	39,858.28	1,341.53	48,280.62	1,598.80
8	**Total Cash Outflows**		**36,903.96**		**44,027.14**		**49,913.55**		**58,699.98**

No.	Particulars	June 2016		September 2016		December 2016		March 2017	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	Cash Inflows								
9	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	24,169.14	19,397.14	27,174.48	23,771.98	28,777.62	25,668.71	31,912.59	28,793.60
11	Other cash inflows	-	-	-	-	-	-	166.39	83.19
12	**Total Cash Inflows**		**19,397.14**		**23,771.98**		**25,668.71**		**28,876.79**
			Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
13	**Total HQLA**		**13,732.54**		**16,426.54**		**22,131.53**		**28,214.84**
14	**Total Net Cash Outflows**		**17,506.82**		**20,255.16**		**24,244.84**		**29,823.19**
15	**Liquidity Coverage Ratio (%)**		**78.44%**		**81.10%**		**91.28%**		**94.61%**

Note: LCR data for the quarter ended March 31, 2017, has been computed based on simple average of daily observations. For the quarters ended June 30, 2016, September 30, 2016 and December 31, 2016 the same has been computed as the simple average of monthly observations over the quarter.

7. *Exposures*

7.1 *Exposure to Real Estate Sector:*

(₹ in crores)

No.	Particulars	March 31, 2018	March 31, 2017
(a)	**Direct exposure**		
(i)	Residential Mortgages -of which housing loans eligible for inclusion in priority sector advance ₹ 155.85 crores (Previous year ₹ 71.22 crores)	9,367.74	7,735.55
(ii)	Commercial Real Estate	12,376.32	11,008.45
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures:		
	Residential	-	-
	Commercial Real Estate	-	-
(b)	**Indirect exposure**		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	3,187.56	3,167.29
	Total Exposure to Real Estate Sector	**24,931.62**	**21,911.29**

As per RBI circular FIDD.CO.Plan.BC.54/04.09.01/2014-15 dated April 23, 2015, FIDD.CO.Plan.1/04.09.01/2016-17 dated July 7, 2016 limit for housing loan under priority sector has been changed from ₹ 25 lakhs to ₹ 28 lakhs.

7.2 *Exposure to Capital Market:*

(₹ in crores)

No.	Particulars	March 31, 2018	March 31, 2017
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	340.87	382.93
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	203.07	154.53
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds, i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	5,092.19	3,681.92
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	1,716.24	1,789.29

No.	Particulars	March 31, 2018	March 31, 2017
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii)	Bridge loans to companies against expected equity flows/issues	-	-
(viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix)	Financing to stockbrokers for margin trading	-	-
(x)	All exposures to Venture Capital Funds (both registered and unregistered)	99.42	67.50
(xi)	Irrevocable payment commitments issued by custodian banks in favour of stock exchanges	-	-
	Total Exposure to Capital Market	**7,451.79**	**6,076.17**

During the year ended March 31, 2018, no debt has been converted to equity as a part of strategic debt restructuring which is exempt from CME limit (Previous year ₹ 51.29 crores).

7.3 Risk Category-wise exposure to country risk

(₹ in crores)

Risk category	March 31, 2018		March 31, 2017	
	Exposure (net)	Provision held	Exposure (net)	Provision held
Insignificant	3,121.26	6.35	1,482.96	-
Low	5,054.25	-	3,529.42	-
Moderate	208.61	-	111.34	-
High	248.86	-	350.13	-
Very High	376.03	-	289.94	-
Restricted	112.26	-	37.00	-
Off Credit	72.37	-	45.40	-
Total	**9,193.64**	**6.35**	**5,846.19**	**-**

7.4 Single borrower limit and Group Borrower Limit

During the year ended March 31, 2018, the Bank's credit exposures to single borrowers and group borrowers were within the prudential limits prescribed by RBI.

During the year ended March 31, 2017, the Bank's credit exposures to single borrowers and group borrowers were within the prudential limits prescribed by RBI except in case of Vodafone Mobile Services Limited / Vodafone India Limited, where the single borrower limit was exceeded. This exposure has been approved by the Board of Directors of the Bank as it was within the prudential limit.

7.5 Unsecured advances

The Bank has not extended any project advances where the collateral is an intangible asset such as a charge over rights, licenses, authorizations, etc. (Previous year Nil). The Unsecured Advances of ₹ 29,396.20 crores (Previous year ₹ 14,291.58 crores) as disclosed in Schedule 9B (iii) are without any collateral or security.

7.6 Details of factoring exposure

The factoring exposure of the Bank as at March 31, 2018 is ₹ 46.59 crores (Previous year Nil).

8. *Concentration of Deposits, Advances, Exposures and NPAs*

8.1 *Concentration of Deposits*

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Total Deposits of twenty largest depositors	36,058.36	31,611.66
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	23.78%	24.98%

8.2 *Concentration of Advances*

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Total Advances to twenty largest borrowers	37,343.05	31,127.56
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	15.32%	15.26%

Advances are computed as per the definition of Credit Exposure including derivatives as prescribed in Master Circular on Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated July 1, 2015.

8.3 *Concentration of Exposures*

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Total Exposure to twenty largest borrowers / customers	37,343.05	32,538.76
Percentage of Exposure of twenty largest borrowers / customers to Total Exposure of the Bank on borrowers / customers	14.79%	15.58%

Exposures are computed as per the definition in Master Circular on Exposure Norms DBR. No. Dir. BC.12/13.03.00/2015-16 dated July 1, 2015 and includes credit, derivatives and investment exposure.

8.4 *Concentration of NPAs*

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Total Exposure to top four NPA accounts	417.54	171.25

Note: Exposure includes Funded Exposure (net of unrealised interest).

8.5 Intra-Group Exposure

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Total amount of intra-group exposure	-	-
Total amount of top-20 intra-group exposure	-	-
Percentage of Intra Group Exposure to Total Exposure of the Bank on borrower/ Customer	-	-
Details of Breach of Limit on Intra Group exposure and Regulatory action thereon, if any	-	-

8.6 Priority Sector Lending Certificates (PSLC):

(₹ in crores)

No.	Particulars	March 31, 2018		March 31, 2017	
		PSLC Sold	PSLC Purchase	PSLC Sold	PSLC Purchase
1	PSLC Agriculture	-	-	-	-
2	PSLC Small Farmers / Marginal Farmers	-	-	-	-
3	PSLC Micro Enterprises	83.00	-	-	-
4	PSLC General	900.00	1,000.00	600.25	-

9. Miscellaneous

9.1 Amount of Provisions for taxation during the year

(₹ in crores)

Particulars	March 31, 2018	March 31, 2017
Provision for Income Tax	1,900.02	1,681.33
Deferred tax credit	(25.33)	(189.54)
Total	**1,874.69**	**1,491.79**

9.2 Penalties imposed by RBI

During the year ended March 31, 2018, RBI imposed a penalty of ₹ 3.00 crores for non-adherence to Income Recognition and Asset Classification norms and regulatory restriction pertaining to non-fund based facilities in exercise of powers vested under Section 47(A)(1)(c) read with section 46(4) of the Banking Regulation Act, 1949. This penalty was duly paid by the Bank.

During the year ended March 31, 2017, RBI imposed a penalty of ₹ 2.00 crores for violation of regulatory directions / instructions / guidelines, among other things on KYC norms, in exercise of powers vested under Section 47(A)(1)(c) read with section 46(4) of the Banking Regulation Act, 1949. This penalty was duly paid by the Bank.

9.3 Fixed Assets

9.3.1 Cost of premises includes ₹ 4.09 crores (Previous year ₹ 4.09 crores) in respect of properties for which execution of documents and registration formalities are in progress. Of these properties, the Bank has not obtained full possession of one property having written down value of ₹ 1.51 crores (Previous year ₹ 1.56 crores) and has filed a suit for the same.

9.3.2 *Computer software*

The movement in fixed assets capitalized as computer software is given below:

(₹ in crores)

Particulars	31 March, 2018	31 March, 2017
At cost at the beginning of the year	338.52	280.48
Addition during the year	51.19	61.10
Deduction during the year	-	3.06
Accumulated depreciation as at the end of the year	260.50	207.26
Closing balance as at the end of the year	129.21	131.26
Depreciation charge for the year	53.24	47.20

9.4 *Contingent Liabilities*

The Bank's pending litigations include claims against the Bank by clients and counterparties and proceedings pending with tax authorities. The Bank has reviewed its pending litigations and proceedings and has adequately provided for where provisions are required, and disclosed as contingent liabilities where applicable, in its financial statements. Claims against the Bank not acknowledged as debts comprise of tax demands of ₹ 176.28 crores (Previous year ₹ 165.18 crores) in respect of which the Bank is in appeal, and legal cases *sub judice* of ₹ 300.24 crores (Previous year ₹ 357.50 crores). The Bank carries a provision of ₹ 4.52 crores (Previous year ₹ 4.48 crores) against cases *sub judice*. The amount of contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

9.5 The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

9.6 *Overseas Asset, NPAs and Revenue*

During the year, the Bank earned a revenue of ₹ 116.78 crores through overseas assets (Previous year ₹ 82.01 crores). The overseas assets as at March 31, 2018 amounted to ₹ 4,396.30 crores (Previous year ₹ 1,717.17 crores) and there were no NPA (Previous year Nil). Assets for this purpose is defined to include client advances.

9.7 The Bank does not have any Off-Balance Sheet SPVs (which are required to be consolidated as per accounting standards) (Previous year Nil).

9.8 *Transfers to Depositor Education and Awareness Fund (DEAF)*

(₹ in crores)

Particulars	March 31, 2018	March 31, 2017
Opening balance of amounts transferred to DEAF	18.95	15.59
Add: Amounts transferred to DEAF during the year	5.10	3.71
Less: Amounts reimbursed by DEAF towards claims	0.42	0.35
Closing balance of amounts transferred to DEAF	**23.63**	**18.95**

9.9 There is no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Bank (Previous year Nil).

9.10 Corporate Social Responsibility (CSR)

The Bank has spent an amount of ₹ 20.47 crores (Previous year ₹ 33.81 crores) towards CSR initiatives through various projects in the areas of Rural Development and Inclusiveness, Environment Sustainability, Preventive Healthcare, Education and Sports. Of the total CSR spends, an amount of ₹ 0.13 crores (Previous year ₹ 21.16 crores) was incurred towards capital expenditure.

9.11 Drawdown from Reserves

During the year ended March 31, 2018 and year ended March 31, 2017, the Bank did not draw down from the reserves.

9.12 Credit Default Swaps

The Bank has not undertaken any transactions in Credit Default Swaps (CDS) during the year ended March 31, 2018 (Previous year Nil).

9.13 In March 2017, the Bank made an announcement of entering into an agreement with Infrastructure Leasing and Financial Services Ltd., (IL&FS) the Promoter shareholders of IL&FS Securities Services Ltd., (ISSL) to acquire 100% of ISSL. RBI has granted approval for the proposed acquisition. This transaction is conditional on definitive agreements and other regulatory approvals, and thus, does not have any bearing on the current financial results or the financial position of the Bank as at March 31, 2018.

9.14 On October 14, 2017, the Board of Directors of the Bank and Bharat Financial Inclusion Limited (BFIL), at their respective meetings, approved a merger of BFIL with the Bank in an all-stock transaction through a Composite Scheme of Arrangement. The Competition Commission of India has approved the proposed Scheme and RBI has accorded their "No Objection" for the merger. The incorporation of the wholly owned subsidiary of the Bank is subject to the approval of the RBI, which is pending. The Scheme is pending approval from the Securities and Exchange Board of India (SEBI) / stock exchanges, the respective shareholders and creditors of the Bank and BFIL, the National Company Law Tribunal (NCLT), and is subject to compliance with the conditions specified by RBI. As such, the proposed transaction does not have any impact on the current financial results or the financial position of the Bank as at March 31, 2018.

9.15 Movement in depreciation of Fixed Assets

(₹ in crores)

Depreciation	**2017-18**	**2016-17**
Premises		
At the beginning of the year	74.96	66.72
Transferred from Revaluation Reserve	6.13	6.18
Charge for the year	2.05	2.06
Deduction during the year	0.99	-
Depreciation to date	82.15	74.96
Other Fixed Assets		
At the beginning of the year	940.21	771.09
Charge for the year	209.59	188.64
Deduction during the year	24.52	19.52
Depreciation to date	1,125.28	940.21

9.16 Bancasurrance business

Commission, Exchange and Brokerage in Schedule 14 include the following fees earned on Bancassurance business:

(₹ in crores)

Particulars	**March 2018**	**March 2017**
For selling life insurance policies	93.60	70.56
For selling non-life insurance policies	96.10	58.86
For selling mutual fund products	155.28	82.50
Others	-	-
Total	**344.98**	**211.92**

10. Employee Stock Option Scheme (ESOS)

10.1 The shareholders of the Bank approved Employee Stock Option Scheme (ESOS 2007) on September 18, 2007. ESOS enables the Board and the Compensation Committee to grant such number of stock options of the Bank not exceeding 7% of the aggregate number of issued and paid up equity shares of the Bank, in line with the guidelines issued by the SEBI. The options vest within a maximum period of five years from the date of grant of option. The exercise price for each grant is decided by the Compensation Committee, which is normally based on the latest available closing price. Upon vesting, the options have to be exercised within a maximum period of five years. The stock options are equity settled where the employees will receive one equity share per stock option.

Pursuant to the ESOS 2007 scheme, the Compensation Committee of the Bank has granted 4,16,33,300 options as set out below:

Sr. No.	**Date of grant**	**No of options**	**Range of exercise price (₹)**
1	18-Jul-08	1,21,65,000	48.00 - 50.60
2	17-Dec-08	34,56,000	38.95
3	05-May-09	8,15,500	44.00
4	31-Aug-09	3,18,500	100.05
5	28-Jan-10	7,47,000	48.00 - 140.15
6	28-Jun-10	13,57,450	196.50
7	14-Sep-10	73,500	236.20
8	26-Oct-10	1,43,500	274.80
9	17-Jan-11	25,00,000	228.70
10	07-Feb-11	20,49,000	95.45 - 220.45
11	24-Jun-11	21,54,750	253.60
12	16-Aug-11	89,500	254.90
13	30-Sep-11	2,61,000	262.25
14	21-Dec-11	9,20,000	231.95
15	29-Feb-12	1,95,000	304.05
16	19-Apr-12	1,40,500	345.60
17	25-May-12	1,34,500	304.55
18	10-Jul-12	2,67,000	343.25

Sr. No.	Date of grant	No of options	Range of exercise price (₹)
19	29-Aug-12	1,14,000	319.05
20	10-Oct-12	23,500	365.75
21	09-Jan-13	30,000	433.75
22	18-Apr-13	12,500	419.60
23	20-Jun-13	1,75,000	478.45
24	18-Jul-13	18,35,000	453.90
25	23-Sep-13	75,000	411.50
26	29-Oct-13	22,000	412.25
27	29-Jan-14	7,67,500	300.00 - 389.85
28	25-Mar-14	1,76,500	490.30
29	15-May-14	65,500	537.05
30	02-Jun-14	32,69,500	533.95
31	09-Jul-14	33,000	551.10
32	13-Oct-14	74,500	623.25
33	17-Jan-15	47,500	831.85
34	23-Feb-15	48,000	876.80
35	30-Mar-15	11,000	880.75
36	22-May-15	52,600	848.20
37	24-Jul-15	16,30,000	949.80
38	21-Sep-15	1,93,000	918.65
39	04-Nov-15	93,500	911.85
40	12-Jan-16	10,33,500	886.75 – 936.75
41	12-May-16	13,500	1,053.75
42	11-Jul-16	25,000	1,126.70
43	23-Aug-16	2,76,000	1,186.75
44	10-Oct-16	18,51,000	1,220.85
45	16-Nov-16	33,500	1,093.10
46	27-Jan-17	21,500	1,265.40
47	24-Mar-17	49,000	1,383.90
48	19-Apr-17	16,000	1,431.75
49	09-May-17	69,000	1,424.85
50	19-Jun-17	38,500	1,498.90
51	11-Jul-17	35,000	1,560.35
52	12-Oct-17	69,000	1,717.25
53	11-Jan-18	43,000	1,734.10
54	27-Mar-18	15,23,000	1,759.75

10.2 Recognition of expense

The Bank follows the intrinsic value method to recognize employee costs relating to ESOS, in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the ICAI. Excess of fair market price over the exercise price of an option at the grant date, is recognised as a deferred compensation cost and amortized on a straight-line basis over the vesting period of such options. The compensation so recognised in respect of which exercise of options is outstanding, is shown as Employee Stock Options Outstanding on the face of the Balance Sheet.

The fair market price is the latest available closing price on the stock exchange on which the shares of the Bank are listed, prior to the date of the meeting of the Compensation Committee in which stock options are granted. Since shares are listed on more than one stock exchange, the exchange where the Bank's shares have been traded highest on the said date is considered for this purpose.

10.3 Stock option activity under the scheme during the year

Particulars	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	1,17,32,111	657.14
Granted during the year	17,93,500	1,732.20
Forfeited / surrendered during the year	1,31,275	985.11
Exercised during the year	20,74,482	491.52
Expired during the year	2,980	253.41
Outstanding at the end of the year	1,13,16,874	854.18
Options exercisable at the end of the year	71,11,745	548.15

The weighted average price of options exercised during the year is ₹ 1,626.08.

Following table summarizes the information about stock options outstanding as at March 31, 2018:

Sr. No.	Date of grant	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)
1	28-Jan-10 A	48.00	4,00,000	0.84
2	28-Jun-10	196.50	18,662	0.24
3	17-Jan-11	228.70	8,40,000	0.82
4	07-Feb-11 A	220.45	1,07,500	0.86
5	24-Jun-11	253.60	61,333	0.88
6	21-Dec-11	231.95	4,03,000	1.36
7	29-Feb-12	304.05	67,000	1.43
8	19-Apr-12	345.60	39,500	1.70
9	25-May-12	304.55	5,675	1.16
10	10-Jul-12	343.25	1,47,400	1.79
11	10-Oct-12	365.75	3,750	1.88
12	20-Jun-13	478.45	28,500	3.12
13	18-Jul-13	453.90	2,50,630	2.60
14	23-Sep-13	411.50	10,000	2.49
15	29-Oct-13	412.25	3,560	3.58
16	29-Jan-14	389.85	9,100	3.40

Sr. No.	Date of grant	Exercise Price	Number of shares arising out of options	Weighted average life of options (in years)
17	29-Jan-14 A	300.00	7,00,000	2.84
18	25-Mar-14	490.30	1,25,510	3.00
19	15-May-14	537.05	8,765	3.58
20	02-Jun-14	533.95	18,08,320	3.30
21	09-Jul-14	551.10	1,700	4.28
22	13-Oct-14	623.25	23,865	3.72
23	17-Jan-15	831.85	38,150	3.84
24	23-Feb-15	876.80	1,040	4.56
25	30-Mar-15	880.75	9,000	4.01
26	22-May-15	848.20	41,114	4.27
27	24-Jul-15	949.80	10,97,095	4.50
28	21-Sep-15	918.65	70,760	5.27
29	04-Nov-15	911.85	61,040	4.68
30	12-Jan-16	936.75	3,500	4.80
31	12-Jan-16	886.75	10,00,000	4.80
32	12-May-16	1,053.75	8,510	5.25
33	11-Jul-16	1,126.70	22,420	5.41
34	23-Aug-16	1,186.75	2,04,340	5.65
35	10-Oct-16	1,220.85	18,17,340	5.56
36	16-Nov-16	1,093.10	23,270	6.09
37	27-Jan-17	1,265.40	19,025	5.97
38	24-Mar-17	1,383.90	49,000	6.00
39	19-Apr-17	1,431.75	16,000	6.07
40	09-May-17	1,424.85	69,000	6.12
41	19-Jun-17	1,498.90	38,500	6.23
42	11-Jul-17	1,560.35	35,000	6.29
43	12-Oct-17	1,717.25	69,000	6.55
44	11-Jan-18	1,734.10	43,000	6.80
45	27-Mar-18	1,759.75	15,17,000	7.00

10.4 Fair value methodology:

The fair value of options granted during the year has been estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

Particulars	2017-18
Average dividend yield	0.30 – 0.38%
Expected volatility	25.60 – 28.94%
Risk free interest rates	6.54 – 7.23%
Expected life of options (in years)	4.52

Expected volatility is a measure of the amount by which the equity share price is expected to fluctuate during a period. The measure of volatility used in Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the share over a period of time. Expected volatility has been computed by considering the historical data on daily volatility in the closing equity share price on the National Stock Exchange of India Limited (NSE), over a prior period equivalent to the expected life of the options, till the date of the grant.

The stock-based compensation cost calculated as per the intrinsic value method for the year ended March 31, 2018 is ₹ 1.21 crores (Previous year ₹ 3.29 crores). Had the Bank adopted the Black-Scholes model based fair valuation, compensation cost for the year ended March 31, 2018, would have increased by ₹ 68.81 crores (Previous year ₹ 70.05 crores) and the proforma profit after tax would have been lower by ₹ 44.99 crores (Previous year ₹ 45.80 crores). On a proforma basis, the basic and diluted earnings per share would have been as follows:

Particulars	**March 31, 2018**	**March 31,2017**
Proforma basis		
Basic earnings per share ₹	59.44	47.29
Diluted earnings per share ₹	58.82	46.80

The weighted average fair value of options granted during the year 2017-18 is ₹ 593.37 (Previous year ₹ 441.07).

11. Disclosures – Accounting Standards

11.1 Employee Benefits (AS-15)

Gratuity:

Gratuity is a defined benefit plan. The Bank has obtained qualifying insurance policies from IRDA approved insurance companies. The following table presents a summary of the components of net expenses recognised in the Profit and Loss account and funded status and amounts recognised in the Balance Sheet, on the basis of actuarial valuation.

(₹ in crores)

Sr. No.	**Particulars**	**March 31, 2018**	**March 31, 2017**
	Changes in the present value of the obligation		
1	Opening balance of Present Value of Obligation	75.31	61.67
2	Interest Cost	5.05	4.30
3	Current Service Cost	16.44	12.71
4	Benefits Paid	(6.40)	(7.44)
5	Actuarial loss / (gain) on Obligation	(0.92)	4.07
6	Closing balance of Present Value of Obligation	89.48	75.31
	Reconciliation of opening and closing balance of the fair value of the Plan Assets		
1	Opening balance of Fair value of Plan Assets	81.53	65.34
2	Adjustment to Opening Balance	0.66	0.57
3	Expected Return on Plan assets	6.54	5.10
4	Expenses	-	(0.33)
5	Contributions	15.51	17.07
6	Benefits Paid	(6.40)	(7.44)
7	Actuarial gain / (loss) on Plan Assets	(4.32)	1.22
8	Closing balance of Fair Value of Plan Assets	93.52	81.53

Sr. No.	Particulars	March 31, 2018	March 31, 2017
	Profit and Loss – Expenses		
1	Current Service Cost	16.44	12.71
2	Interest Cost	5.05	4.30
3	Expected Return on Plan assets	(6.54)	(5.10)
4	Expenses	-	0.33
5	Net Actuarial loss recognised in the year	3.40	2.86
6	Expenses recognised in the Profit and Loss account	18.35	15.10
	Funded status	**100 % insurance managed funds**	**100 % insurance managed funds**
	Actuarial Assumptions		
1	Discount Rate	7.55%	7.00%
2	Expected Rate of Return on Plan Assets	6.50%	7.60%
3	Expected Rate of Salary Increase	5.00%	5.00%
4	Employee Attrition Rate		
	- Past Service 0 to 5 years	30.00%	30.00%
	- Past Service above 5 years	0.50%	0.50%

Estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Experience Adjustment

(₹ in crores)

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Defined Benefit Obligations	89.48	75.31	61.67	46.38	34.36
Plan Assets	93.52	81.53	65.34	49.58	34.36
Surplus / (Deficit)	4.04	6.21	3.67	3.20	-
Experience Adjustments on Plan Liabilities	0.92	(4.07)	(7.60)	(4.25)	1.63
Experience Adjustments on Plan Assets	(4.32)	1.22	(0.80)	(0.35)	(1.72)

Contributions expected to be paid to the plan during the annual period beginning after the Balance Sheet date is ₹ 28 crores (Previous year ₹ 24 crores).

Provident Fund

The guidance on implementing AS 15 Employee Benefits (revised 2005) issued by the Accounting Standards Board of the Institute of Chartered Accountants of India states that employer established provident funds which require interest shortfalls to be recompensed are to be considered as defined benefit plans.

The details of the fund and plan assets position as at March 31, 2018, are as follows:

(₹ in crores)

Assets / Liabilities	**March 31, 2018**	**March 31, 2017**
Present value of Interest Rate guarantee on Provident Fund	0.99	1.20
Present value of Total Obligation	165.01	143.41
Fair value of Plan Assets	164.86	143.08
Net liability recognised in the Balance Sheet	(0.15)	(0.33)
Assumptions		
Normal Retirement age	60 years	60 years
Expected guaranteed interest on PF in future	8.55%	8.65%
Discount rate	7.55%	7.00%
Expected average remaining working lives of employees (years)	7.02-8.60	6.04-8.07
Benefit on normal retirement	Accumulated account balance with interest rate equal to or more than EPFO Rate	Accumulated account balance with interest rate equal to or more than EPFO Rate
Benefit on early retirement / withdrawal / resignation	Same as normal retirement benefit	Same as normal retirement benefit
Benefit on death in service	Same as normal retirement benefit	Same as normal retirement benefit

11.2 *Segment Reporting (AS - 17)*

The Bank operates in four business segments, viz. Treasury, Corporate / Wholesale Banking, Retail Banking and Other Banking Operations. There are no significant residual operations carried by the Bank.

Business Segments:

(₹ in crores)

Business Segment	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operation		Total	
Particulars	**31/03/18**	**31/03/17**	**31/03/18**	**31/03/17**	**31/03/18**	**31/03/17**	**31/03/18**	**31/03/17**	**31/03/18**	**31/03/17**
Revenue	4,095.20	3,490.63	7,036.38	6,311.25	11,779.15	9,608.76	72.75	40.81	22,983.48	19,451.45
Inter Segment Revenue									(952.63)	(874.29)
Total Income									22,030.85	18,577.16
Result	605.79	707.61	2,124.05	1,778.17	4,112.51	3,142.58	25.40	13.35	6,867.75	5,641.71
Unallocated Expenses									(211.64)	(190.70)
Operating Profit									6,656.11	5,451.01
Provisions and Contingencies										
(other than tax)									(1,175.43)	(1,091.33)
Tax Expenses									(1,874.69)	(1,491.79)
Extraordinary profit/ loss									-	-
Net Profit									3,605.99	2,867.89
Other Information:										
Segment Assets	56,969.78	45,131.28	68,167.50	54,185.90	86,296.31	71,820.77	-	-	2,11,433.59	1,71,137.95
Unallocated Assets									10,192.57	7,510.46
Total Assets									2,21,626.16	1,78,648.41
Segment Liabilities	38,717.43	23,001.05	67,234.30	61,913.39	85,833.83	65,901.83	-	-	1,91,785.56	1,50,816.27
Unallocated Liabilities									29,840.60	27,832.14
Total Liabilities									2,21,626.16	1,78,648.41

Note:

Fixed Assets, tax paid in advance and tax deducted at source (net of provisions), stationery and stamps, non-banking assets acquired in satisfaction of claims, and others which cannot be allocated to any segments, have been classified as unallocated assets; Depreciation on Fixed Assets has been classified as unallocated expenses. The unallocated liabilities include share capital, employee stock option outstanding, reserves and surplus, proposed dividend and others.

Geographic Segments:

The business operations of the Bank are largely concentrated in India. Activities outside India are restricted to resource mobilization in the international markets and lending to a few overseas entities through the IFSC Banking Unit at the GIFT City Gujarat. Since the Bank does not have material earnings emanating from foreign operations, the Bank is considered to operate only in domestic segment.

11.3 Related party transactions (AS - 18)

The following is the information on transactions with related parties:

Key Management Personnel

Mr. Romesh Sobti, Managing Director

Associates

IndusInd Marketing and Financial Services Private Limited

Subsidiaries

The Bank does not have any subsidiary. ALF Insurance Services Private Limited was an erstwhile subsidiary that went into a voluntary winding up. On February 24, 2016 the liquidator had repaid the entire share capital, and vide an order issued by the High Court of Madras on June 14, 2016 it has been liquidated pursuant to the voluntary winding up and the name has been struck off the Companies Register.

In accordance with RBI guidelines, details pertaining to the related party transactions have not been provided as there is only one related party in each of the above categories.

11.4 Operating Leases (AS - 19)

The Bank has taken a number of premises on operating lease for branches, offices, ATMs and residential premises for staff. The Bank has not given any assets on operating lease. The details of maturity profile of future operating lease payments are given below:

(₹ in crores)

Particulars	March 31, 2018	March 31, 2017
Future lease rentals payable as at the end of the year:		
- Not later than one year	325.04	277.25
- Later than one year but not later than five years	928.41	950.16
- Later than five years	326.12	349.00
Total of minimum lease payments recognised in the Profit and Loss Account for the year	280.11	243.84
Total of future minimum sub-lease payments expected to be received under non-cancellable sub-lease	-	-
Sub-lease payments recognised in the Profit and Loss account for the year	-	-

The Bank has not sub-leased any of the properties taken on lease. There are no provisions relating to contingent rent.

The terms of renewal and escalation clauses are those normally prevalent in similar agreements. There are no undue restrictions or onerous clauses in the agreements.

11.5 *Earnings per share (AS - 20)*

Details pertaining to earnings per share as per AS 20 are as under:

Particulars	**For the Year ended**	
	March 31, 2018	**March 31, 2017**
Net Profit after tax (₹ in crores)	3,605.99	2,867.89
Basic weighted average number of equity shares	59,90,63,006	59,66,99,170
Diluted weighted average number of equity shares	60,53,75,114	60,29,85,746
Nominal value of Equity Shares (₹)	10	10
Basic Earnings per Share (₹)	60.19	48.06
Diluted Earnings per Share (₹)	59.57	47.56

11.6 *Deferred Tax (AS - 22)*

The major components of deferred tax assets / liabilities are as under:

(₹ in crores)

Particulars	**March 31, 2018 Deferred Tax**		**March 31, 2017 Deferred Tax**	
Timing difference on account of	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Difference between depreciation as per the books of account and depreciation under the Income Tax Act, 1961	-	16.68	-	33.35
Difference between Provisions for doubtful debts and advances and amount allowable under Section 36(1)(viia) of the Income Tax Act, 1961	597.72	-	530.93	-
Difference between income as per the books of account and income offered under the Income Tax Act, 1961	-	252.84	-	177.93
Others	49.60	-	32.82	-
Sub-total	**647.32**	**269.52**	**563.75**	**211.28**
Net closing balance carried to the Balance Sheet (included in Sch. 11 – Others)	**377.80**		**352.47**	

12. *Additional Disclosures*

12.1 *Provisions and Contingencies charged to the Profit and Loss account for the year consist of:*

(₹ in crores)

Particulars	**March 31, 2018**	**March 31, 2017**
Depreciation on Investments	120.87	31.36
Provision for non-performing assets including bad debts written off (net of write backs)	900.90	704.76
Income Tax / Deferred Tax (Refer Note 9.1)	1,874.69	1,491.79
Other Provision and Contingencies (includes floating provision, provision towards standard assets and others)	153.66	355.22
Total	**3,050.12**	**2,583.13**

12.2 Movement in provisions

a) Movement in provision for credit card and debit card reward points

(₹ in crores)

Particulars	**2017-18**	**2016-17**
Opening provision for Reward Points	22.80	16.07
Provision for Reward Points made during the year	34.52	25.40
Utilisation / write back of provision for Reward Points	(26.35)	(18.67)
Effect of change in rate for accrual of Reward Points	-	-
Closing provision for Reward Points	**30.97**	**22.80**

b) Provision pertaining to fraud accounts:

(₹ in crores)

Particulars	**2017-18**	**2016-17**
Number of frauds reported	32	24
Amount involved in frauds	118.19	2.90
Provisions made during the year	101.42	1.69
Amount of unamortised provision debited from "other reserves" as at the end of the year	71.52	-

In respect of two borrower accounts where fraud was detected, in accordance with the RBI circular DBR.No.BP. BC.92/21.04.048/2015-16 dated April 18, 2016, the Bank opted to make the provision over four quarters. Accordingly, an amount of ₹ 71.52 crores remaining un-provided at the end of the year has been debited to Balance in Profit and Loss Account on March 31, 2018.

12.3 Disclosure relating to Complaints

A. (i) Customer complaints (other than complaints relating to ATM transactions):

No.	**Particulars**	**2017-18**	**2016-17**
(a)	No. of complaints pending at the beginning of the year	2,009	448
(b)	No. of complaints received during the year	46,223	36,079
(c)	No. of complaints redressed during the year	47,498	34,518
(d)	No. of complaints pending at the end of the year	734	2,009

(ii) Customer complaints relating to transactions on the Bank's ATMs:

No.	**Particulars**	**2017-18**	**2016-17**
(a)	No. of complaints pending at the beginning of the year	20	7
(b)	No. of complaints received during the year	1,491	546
(c)	No. of complaints redressed during the year	1,497	533
(d)	No. of complaints pending at the end of the year	14	20

(iii) Customer complaints relating to transactions on other banks' ATMs:

No.	Particulars	2017-18	2016-17
(a)	No. of complaints pending at the beginning of the year	55	-
(b)	No. of complaints received during the year	414	353
(c)	No. of complaints redressed during the year	465	298
(d)	No. of complaints pending at the end of the year	4	55

(iv) Customer complaints [Total of (i)+(ii)+(iii)]:

No.	Particulars	2017-18	2016-17
(a)	No. of complaints pending at the beginning of the year	2,084	455
(b)	No. of complaints received during the year	48,128	36,978
(c)	No. of complaints redressed during the year	49,460	35,349
(d)	No. of complaints pending at the end of the year	752	2084

B. Awards passed by the Banking Ombudsman:

No.	Particulars	2017-18	2016-17
(a)	No. of unimplemented Awards at the beginning of the year	-	-
(b)	No. of Awards passed by the Banking Ombudsman during the year	-	-
(c)	No. of Awards implemented during the year	-	-
(d)	No. of unimplemented Awards at the end of the year	-	-

(Compiled by management and relied upon by auditors)

12.4 Proposed Dividend

The Board of Directors, in their meeting held on April 19, 2018, have proposed a final dividend of ₹ 7.50 per equity share amounting to ₹ 542.70 crores, inclusive of corporate dividend tax. The proposal is subject to the approval of shareholders at the Annual General Meeting. This proposed dividend is not recognised as a liability on March 31, 2018 and accordingly, the said amount of ₹ 542.70 crores has not been considered as an appropriation from the Profit and Loss Account for the year ended March 31, 2018.

Dividend for the year ended March 31, 2017, paid during the year pursuant to the approval of the shareholders at the 23rd Annual General Meeting, at the rate of ₹ 6 per equity share amounting to ₹ 432.24 crores (including corporate dividend tax), has been considered as an appropriation from the Profit and Loss Account.

12.5 Letters of Comfort

The Bank has not issued any letters of comfort during the year ended March 31, 2018 (Previous year Nil).

12.6 Disclosure on Remuneration

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) presently comprises four members, three of whom are Independent Directors. On aspects relating to remuneration, the mandate of the Nomination and Remuneration Committee is to establish, implement and maintain remuneration policies, procedures and practices that help to achieve effective alignment between remuneration and risks. The Committee is also mandated to oversee framing, implementation and review of the Bank's Compensation Policy as per RBI guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Risk Takers and Control function staff. The Committee is also required to ensure that the cost to income ratio of the Bank supports the remuneration expense of the Bank consistent with the objective of maintaining sound capital adequacy ratio. The Nomination and Remuneration Committee also reviews compensation policies of the Bank with a view to attract, retain and motivate employees.

Compensation Policy

The Compensation Policy is formulated by the Board in alignment with the RBI guidelines and covers all components of compensation including fixed pay, variable pay, perquisites, retirement benefits as Provident Fund and Gratuity, Long term incentive plans and Employee Stock Options.

The key objectives of the policy are:

(i) Benchmark employee compensation for various job positions and skills with that of the market.

(ii) Maintain an optimal balance between fixed and variable pay.

(iii) Pay for 'Position, Performance and Person'.

(iv) Build employee ownership and long term association through long term incentive plans (ESOPs).

Some of the important features of the Compensation Policy are as follows:

(i) The Bank has identified "Risk Takers and Risk Controllers" separately. Risk Takers includes all employees in Grades Senior Vice President 3 (SVP3) and above belonging to the business line functions of Corporate & Commercial Banking Group, Global Markets Group, Transaction Banking Group, Gems and Jewellery business, Consumer Banking and Consumer Finance Division, whose functioning and decisioning impacts the Bank materially on tangible financial performance aspects of revenues, costs, and profits. Risk Controllers are employees in Grades SVP3 and above belonging to the business support functions of Operations, Finance & Accounts, Information Technology, Secretarial, Credit, Risk, Financial Restructuring & Reconstruction Group, Credit Quality Loan Assurance Review, Human Resources, Inspection and Audit, Investor Relations, Marketing, Client Experience and Quality etc., who support the business line functions through back office processes and activities and their functioning does not have a revenue impact through business generation on the Bank's financial performance.

(ii) The Nomination and Remuneration Committee will oversee the framing, implementation and review of the Compensation Policy.

(iii) In respect of WTDs / CEO / Risk Takers / Control function staff of the Bank, the Compensation policy provides for a reasonable annual increase in fixed pay in line with the market benchmarks. Their individual increments are linked to their annual performance rating and increment percentages at various performance rating levels, are decided on the basis of the financial performance of the Bank. Exceptions are restricted to a select few high performers to reward performance, motivate and retain critical employees.

(iv) The quantum of overall variable pay to be disbursed in a year for all eligible employees including the Risk Takers and Risk Controllers as defined above would vary from year to year on the basis of the financial performance of the Bank measured through various parameters such as Net Interest Margin, Net Interest Income, Return on Assets, Profit After Tax and Return on Equity.

(v) Employee Compensation is linked to performance. Increments and variable pay are linked to their annual performance rating. Annual Performance Rating for an employee is arrived on the basis of tangible performance against pre–set Key Results Areas (KRAs) / measurable objectives set at the beginning of the financial year.

(vi) The individual variable pay is linked to the annual performance rating, and based on variable pay grids that outline variable pay as a percentage of Annual Guaranteed cash at various rating levels for a grade band. Exceptional increments and variable pay may be paid to select high performers, but in no case they would violate the stipulated RBI guidelines. The Bank also makes a distinction between Risk Takers and Risk Controllers and incorporates separate parameters on variable pay for these segments in its Compensation Policy.

(vii) The individual variable pay would not exceed 70% of the fixed pay. Wherever variable pay exceeds a substantial portion of fixed pay as defined by the Bank, (currently set at 65% of fixed pay), the variable pay will be deferred over a period of 3 years in a ratio to be decided by the management in accordance with the RBI guidelines.

(viii) The Bank will implement *malus* / claw-back arrangements with the concerned employees in case of deferred variable pay as defined above. The criteria would be negative contributions to the bank and/or relevant line of business in any year. As applicable, *malus* arrangement would lay down policies to adjust deferred remuneration before vesting and claw-back arrangement would lay down policies to adjust deferred remuneration after vesting.

(ix) The Compensation Policy does not provide for guaranteed bonus or sign on bonus in cash. However, in case of select critical hires, sign on bonus can be granted in form of pre-hiring ESOPs (a one-time grant made at the time of joining). The Compensation Policy does not provide for severance pay for any employee of the Bank, irrespective of the reasons for severance.

(x) Retirement benefits in the form of Provident Fund and Gratuity are as per the Bank's HR policies which are in line with the statutory norms.

(xi) Perquisites are laid down in HR Policies of the Bank.

(xii) At present, the Bank uses cash based form of variable compensation. Cash based form of variable compensation is easy to administer and leads to an instant reward to the concerned employees.

(xiii) ESOPs do not form a part of the variable pay and are kept outside the computation of total compensation of an employee. They are very selectively granted to attract and retain talent. ESOPs are not granted with a defined periodicity. ESOP grant criteria include grade of the employee, criticality of the position in terms of business contribution, market value of the position, and performance and behavioural track record of the employee.

Other Disclosures

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Number of meetings held by NRC during the financial year and remuneration paid to its members	During the year, five meetings of the Nomination and Remuneration Committee were held. The members of the Nomination and Remuneration Committee were paid aggregate sitting fees of ₹ 4,60,000 for the five meetings.	During the year, one meeting of the HR and Remuneration Committee and two meetings of the Nomination and Remuneration Committee were held. The members of the HR and Remuneration Committee were paid aggregate sitting fees of ₹ 60,000 for one meeting. The members of the Nomination and Remuneration Committee were paid aggregate sitting fees of ₹ 1,80,000 for the two meetings.
Number of employees having received a variable remuneration award during the financial year	102 employees belonging to the category of WTD / CEO / Risk Takers/ Other Control function staff had received a variable remuneration award	87 employees belonging to the category of WTD / CEO / Risk Takers/ Other Control function staff had received a variable remuneration award.
Number and total amount of 'sign on' awards made during the financial year	-	-
Details of guaranteed bonus if any paid as sign on bonus	-	-
Details of severance pay in addition to the accrued benefits	-	-
Total amount of outstanding deferred remuneration split into cash, shares and share linked instruments and other forms	The outstanding deferred remuneration is ₹ 1.86 crores to be paid as cash in FY 2018-19 and FY 2019-20	The outstanding deferred remuneration is ₹ 1.57 crores to be paid as cash in FY 2017-18 and FY 2018-19
Total amount of deferred remuneration paid out in the financial year	The deferred remuneration paid in FY18 was ₹ 1.47 crores	The deferred remuneration paid in FY17 was ₹ 1.29 crores
Breakdown of amount of remuneration awards for the financial year	Breakup of remuneration awards for the 111 employees defined as WTD / CEO / Risk Takers/ Other control function staff (a) Fixed pay - ₹ 140.20 crores (b) Variable pay - ₹ 55.49 crores for FY 2016–17 (c) Deferred remuneration - ₹ 1.86 crores (d) Non-deferred remuneration - ₹ 53.63 crores	Breakup of remuneration awards for the 92 employees defined as WTD / CEO / Risk Takers/ Other control function staff (a) Fixed pay - ₹ 112.78 crores (b) Variable pay - ₹ 43.64 crores for FY 2015–16 (c) Deferred remuneration - ₹ 1.57 crores (d) Non-deferred remuneration - ₹ 42.07 crores

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and implicit adjustments.	-	-
Total amount of reductions during the FY due to ex – post explicit adjustments	-	-
Total amount of reductions during the FY due to ex – post implicit adjustments	-	-

Disclosure on remuneration to Non-Executive Directors:

The Non-Executive Directors are paid Sitting Fees for attending meetings of the Board and its Committees at the rate of ₹ 1,00,000/- per Board meeting, at the rate of ₹ 50,000/- per meeting of the Audit Committee of the Board, and at the rate of ₹ 20,000/- per meeting in respect of all the other Committees. An amount of ₹ 1.28 crores was paid as sitting fees to the Non-Executive Directors during the year ended March 31, 2018 (Previous year ₹ 1.11 crores). In accordance with RBI guidelines and the approval accorded at the 22nd Annual General Meeting, an amount of ₹ 0.93 crores (Previous year ₹ 0.84) has been paid as remuneration to Non-Executive Directors during the year ended March 31, 2018.

13. The Micro, Small and Medium Enterprises Development Act, 2006 that came into force from October 2, 2006, provides for certain disclosures in respect of Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or interest payments due to delays in such payments.

14. In terms of the clarification received from the Reserve Bank of India, the disclosure of details relating to Specified Bank Notes (SBNs) as per Notification No. G.S.R. 308(E) dated March 30, 2017 issued by the Ministry of Corporate Affairs (MCA) is not applicable to the banking companies.

15. Previous year's figures have been regrouped / reclassified wherever necessary.

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Chartered Accountants
Firm Registration No : 012754N / N500016

Russell I Parera
Partner
Membership No : 042190

Place : Mumbai
Date : April 19, 2018

For INDUSIND BANK LTD.

R. Seshasayee
Chairman

Romesh Sobti
Managing Director

T. Anantha Narayanan
Director

Kanchan Chitale
Director

S. V. Zaregaonkar
Chief Financial Officer

Haresh Gajwani
Company Secretary