

Schedules

forming part of the standalone financial statements for the year ended March 31, 2020

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

BACKGROUND

RBL Bank Limited ('RBL Bank' or 'the Bank'), incorporated in Kolhapur, India is a banking company engaged in providing a wide range of banking and financial services including wholesale banking, retail banking, treasury operations and other banking related activities. The Bank is governed by the Banking Regulation Act, 1949 and the Companies Act, 2013. The Bank commenced its operations at its International Financial Services Centre Banking Unit (IBU) in Gujarat International Finance Tec (GIFT) City, Gujarat in April 2017.

BASIS OF PREPARATION:

The accompanying financial statements have been prepared under the historical cost convention and on the accrual basis of accounting, unless otherwise stated, and comply with the requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to the Generally Accepted Accounting Principles in India ('Indian GAAP'), the guidelines issued by RBI from time to time, the Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, to the extent applicable, and practices generally prevalent in the banking industry in India.

USE OF ESTIMATES:

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that are considered in the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and reported income and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in the current and future periods.

SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1. Advances

a) Classification

Advances are classified as Performing and Non Performing (NPA) based on the relevant RBI guidelines and are stated net of bills rediscounted, inter-bank participation with risk, specific provisions, interest in suspense for non-performing advances. The premium paid on acquisition of portfolio is included in advances and is amortized over the economic life of the portfolio.

b) Provisioning

Specific provisions in respect of non-performing and restructured advances are made based on management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels prescribed under the RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning, prescribed from time to time. In case of restructured accounts, provision is made for erosion/diminution in fair value of restructured loans, in accordance with RBI guidelines.

In accordance with the RBI guidelines, the Bank also maintains provision on standard assets to cover potential credit losses which are inherent in any loan portfolio including provision for borrowers having un-hedged foreign currency exposures, provisions on loans to specific borrowers in specific stressed sectors and also for credit exposures considered at current marked to market values of interest rate and foreign exchange derivative contracts. Provision made against standard assets is included in 'Other Liabilities and Provisions'.

Further to the provisions held according to the asset classification status, provisions are held for individual country exposures (other than for home country exposure). Countries are categorised into risk categories as per Export Credit Guarantee Corporation of India Ltd. ('ECGC') guidelines and provision is held in respect of that country where the net funded exposure is one percent or more of the total assets. Provision for country risk is included under other liabilities.

Amounts recovered against debts written off in earlier years and provisions no longer considered necessary based on the current status of the borrower are

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recognized in the profit and loss account, as credit to 'Miscellaneous Income' under the head 'Other Income' or provision for NPAs, respectively.

2. Investments

Classification and valuation of the Bank's investments is carried out in accordance with RBI and Fixed Income Money Market and Derivatives Association ('FIMMDA') and Financial Benchmark India Private Limited ('FBIL') guidelines, prescribed in this regard from time to time.

a) Classification

Investments are classified into 'Held for Trading' ('HFT'), 'Available for Sale' ('AFS') and 'Held to Maturity' ('HTM') categories at the time of purchase. Investments, which the Bank intends to hold till maturity are classified as HTM investments. Investments in the equity of subsidiaries/ joint ventures are categorized as HTM in accordance with the RBI guidelines. Investments that are held principally for resale within a short period (90 days from the date of purchase), including short sale, are classified as HFT investments. All other investments are classified as AFS investments. The Bank follows settlement date method for accounting of its investments. For the purpose of disclosure in the financial statements, the Investments are classified under six groups a) Government Securities b) Other Approved Securities c) Shares d) Debentures and Bonds e) Subsidiaries / Joint Ventures and f) Others.

Investments are classified as performing or non-performing as per RBI guidelines. Non performing investments are subjected to prudential norms for Classification, valuations and Operation of Investment Portfolio by Banks, prescribed from time to time.

b) Valuation

Investments classified as HTM are carried at amortized cost. Any premium paid on acquisition, over the face value, is amortized over the remaining maturity of the instrument, by applying constant yield method. Where in the opinion of the management, a diminution, other than temporary, in the value of investments classified under HTM has taken place, appropriate provisions are made.

Investments classified as AFS and HFT are marked-to-market on a periodic basis as per the relevant RBI guidelines. The securities are valued scrip-wise and depreciation / appreciation are aggregated for each

category. Net appreciation in each category, if any, is ignored, while net depreciation is provided for. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Treasury bills, commercial papers and certificates of deposit are valued at carrying cost including the pro rata discount accreted for the holding period.

Quoted investments are valued at traded / quoted price available on the recognized stock exchanges, subsidiary general ledger account transactions are valued as per the price list of RBI or prices declared by FBIL as applicable as at the balance sheet date. For deriving market value of unquoted fixed income securities (other than Central and State Government securities), the Bank considers yields / mark-up rates (reflecting associate credit risk) declared by the FBIL/ FIMMDA.

Unquoted equity shares are valued at the break-up value, if the latest Balance Sheet is available (which should not be more than one year prior to the date of valuation) or at ₹ 1/- as per the RBI guidelines.

Quoted Mutual Fund units are valued as per the stock exchange quotations and un-quoted mutual fund units are valued at last available re-purchase price or Net Asset Value ('NAV') where re-purchase price is not available.

Units of Venture Capital Funds ('VCF') held under AFS category are valued using the ('NAV') shown by VCF as per the financial statement. The VCFs are valued based on the audited financials. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹ 1/- per VCF.

Security Receipts ('SR') issued by the asset reconstruction companies are valued in accordance with the guidelines prescribed by the RBI. Accordingly, SRs are valued at NAV provided by the issuing asset reconstruction company.

Investments received in lieu of restructured advances under Strategic Debt Restructuring (SDR) / Sustainable Structuring of Stressed Assets (S4A) schemes are valued in accordance with the RBI guidelines. Any diminution in value on these investments is provided for and is not used to set off against appreciation in respect of other performing securities in that category.

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Depreciation on equity shares acquired and held by the Bank under SDR / S4A schemes is provided as per RBI guidelines.

Pass Through Certificates (PTC) excluding Priority Sector-PTCs are valued using FBIL GOI par yield and FIMMDA credit spreads as applicable to associated risk category, based on the credit rating & tenor of the respective PTC instruments. PSL-PTCs are valued at book value.

c) Disposal of investments:

Profit / Loss on sale of investments under the aforesaid three categories are recognized in the Statement of Profit and Loss. Cost of investments is based on the weighted average cost method. The profit from sale of investment under HTM category, net of taxes and transfers to statutory reserve, is appropriated from Statement of Profit and Loss, to "Capital Reserve", in accordance with the RBI guidelines.

d) Transfer between categories

Transfer of investments between categories is accounted in accordance with the extant RBI guidelines:

- a) Transfer from AFS/HFT to HTM is made at the lower of book value or market value at the time of transfer.
- b) Transfer from HTM to AFS/HFT is made at acquisition price / amortized cost if originally placed in HTM at par or at a discount and at amortized cost if originally placed in HTM at a premium.
- c) Transfer from AFS to HFT category or vice-versa is made at book value and the provision for the accumulated depreciation, if any, held is transferred to the provisions for depreciation against the HFT securities or vice-versa.

e) Repurchase transactions

In accordance with the RBI guidelines, repurchase ('Repo') and reverse repurchase ('Reverse Repo') transactions and liquidity adjustment facility with RBI are accounted for as borrowing and lending transactions respectively. Accordingly, securities given as collateral under an agreement to repurchase them continue to be held under the investment account

of the Bank and the Bank would continue to accrue the coupon/discount on the security during the repo period. Also, the Bank continues to value the securities sold under repo as per the investment classification of the security. Borrowing cost on repo transactions is accounted for as interest expense and income on reverse repo transactions are accounted for as interest income.

f) Broken period interest, brokerage etc.

Broken period interest and costs such as brokerage paid at the time of acquisition of the security are charged to the Profit and Loss account and are not included in the cost of acquisition.

3. Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated at the Balance Sheet date at rates of exchange notified by 'Foreign Exchange Dealers' Association of India'(FEDAI) and the resultant exchange differences are recognized in the Profit and Loss account. Income and expenditure items are translated at the exchange rates prevailing on the date of the transaction.

Outstanding forward exchange contracts (other than deposit and placement swaps) and spot contracts outstanding at the Balance Sheet date are re-valued at rates notified by FEDAI for specified maturities and at the interpolated rates for interim maturities. In case of forward contracts of greater maturities where exchange rates are not notified by FEDAI, are re-valued at the forward exchange rates implied by the swap curves in respective currencies. The resulting profits or losses are recognized in the Profit and Loss Account as per the regulations stipulated by the RBI / FEDAI and corresponding asset or liability is included in 'Other assets' or 'Other liabilities'.

Foreign exchange swaps "linked" to foreign currency deposits and placements are translated at the prevailing spot rate at the time of swap. The premium or discount on the swap arising out of the difference in the exchange rate of the swap date and the maturity date of the underlying forward contract is amortized over the period of the swap and the same is recognized in the Profit and Loss Account.

Contingent liabilities on account of foreign exchange contracts, letters of credit, bank guarantees and acceptances and endorsements outstanding as at the Balance Sheet date denominated in foreign currencies are translated at year-end rates notified by FEDAI.

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The financial statements of IBU which are in the nature of non-integral overseas operations are translated on the following basis: (a) Income and expenses are converted at the average rate of exchange during the period and (b) All assets and liabilities are translated at closing rate as on Balance Sheet date. The exchange difference arising out of year end translation is debited or credited as "Foreign Currency Translation Reserve" forming part of "Reserves and Surplus".

4. Derivative transactions

Derivative transactions comprise interest rate swaps, cross currency swaps and currency futures and currency options.

The interest rate and currency swaps are marked to market using appropriate interest rates/exchange rates. Foreign currency futures are marked to market using closing price of the relevant futures contract as published by the exchange/clearing corporation. The profit or loss on revaluation is recorded in the Profit and Loss account and corresponding asset or liability is included in 'Other assets' or 'Other liabilities'. The notional value of these swaps / futures contract is recorded as contingent liability. Margin money deposited with the exchange in respect of the futures contracts is included in 'Other assets'.

Option premium paid or received is recognized in the Profit and Loss Account on expiry of the option. Option contracts are marked to market on every reporting date.

Outstanding derivative transactions designated as "Hedges" are accounted in accordance with hedging instrument on an accrual basis over the life of the underlying instrument.

Pursuant to the RBI guidelines, any receivable under a derivative contract with a counterparty which remains overdue for more than 90 days, mark-to-market gains on any other derivative contract with the same counterparty, is reversed through profit and loss account.

5. Bullion

The Bank imports bullion including precious metal bars on a consignment basis for selling to its wholesale customers. The imports are typically on a back-to-back basis and are priced to the customer based on an estimated price quoted by the supplier. The Bank earns a fee on such wholesale bullion transactions. The fee is classified under commission income.

The Bank also deals in bullion on a borrowing and lending basis and the interest paid / received thereon is classified as interest expense / income respectively.

6. Fixed Assets and Depreciation

Fixed Assets are accounted for at cost less accumulated depreciation, amortization and accumulated impairment losses. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Premises acquired up to March 31, 1998 have been re-valued by the management and are stated at such re-valued figure. The appreciation on revaluation is credited to 'Premises Revaluation Reserve' Account. On disposal of re-valued premises, the amount standing to the credit of the Premises Revaluation Reserve is transferred to Capital Reserve. In case of premises, which are carried at revalued amount, the depreciation on the revalued amount over the historical cost is debited to the Premises Revaluation Reserve.

Depreciation is provided as per straight-line method from the date put to use over the estimated useful life of the asset. Depreciation on assets sold during the year is charged to the Profit and Loss account up to the date of sale. Assets costing less than ₹ 5,000 are fully depreciated in the year of purchase. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter, then the depreciation is provided at a higher rate based on management's estimate of the useful life/remaining useful life. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from the life prescribed under Schedule II of Companies Act, 2013.

The useful lives of the fixed assets are given below:

Category	Estimated useful life
Premises	50 years
Desktop computers and printers, Laptops	3 years
VSATs, Telecom equipment, cabling, other computer hardware and related equipment, LAN/Mainframe servers and printers, scanners	5 years
Purchased and developed Software	5 years
Vehicles	5 years
Office equipment, Locker cabinets, Strong room	6.67 years
ATMs	7 years
Furniture, fittings and work of art	10 years

Improvements and installations of capital nature on the leasehold property are depreciated over the primary lease term.

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At each Balance Sheet date, the Bank assesses impairment on assets. If any such indication exists, the Bank estimates the recoverable amount of the asset. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

7. Employee benefits

Provident Fund

The Bank's contribution towards Provident fund, being a defined contribution scheme, is accounted for on an accrual basis and recognized in the Profit and Loss account. The Bank makes contributions to a fund administered by trustees.

Gratuity and Pension

Liability for Gratuity and Pension, being defined benefit retirement schemes, are determined based on an actuarial valuation as at the Balance Sheet date as per the Projected Unit Credit method as computed by an independent actuary. Actuarial gains/losses arising during the year are recognized in the Profit and Loss Account.

National Pension Scheme

The Bank contributes 10.0% of the total basic salary of certain employees to National Pension Scheme (NPS), a defined contribution plan, which is managed and administered by pension fund management companies. The Bank also gives an option to its employees allowing them to receive the amount in lieu of such contributions along with their monthly salary during their employment. The amounts so contributed/paid by the Bank to the NPS or to employee during the year are recognized in the profit and loss account.

Compensated Absences

The Bank provides for compensated absence liability of its employees who are eligible for encashment of accumulated leave and sick leave, which is a long-term benefit scheme, based on actuarial valuation of the compensated absences liability at the balance sheet date, carried out by an independent actuary. Actuarial gains/losses arising during the year are recognized in the Profit and Loss Account.

Employee Stock Option Plans

The Bank accounts for Employee Stock Option plans in accordance with the Guidance note on Employee Share Based Payments issued by The Institute of Chartered Accountants of India ('ICAI'). The Bank has applied intrinsic value method to arrive at the compensation cost of ESOP granted to the employees of the Bank. Intrinsic value is the amount by which value of the underlying shares as determined by an independent valuer (prior to the listing of the equity shares on the stock exchanges) or the market price on the date of the grant, as the case may be, exceeds the exercise price of the options. Compensation cost so determined is amortized over the vesting period of the option granted.

8. Revenue Recognition

- a) Interest income is recognized on accrual basis, except in the case of interest on loans categorised as NPA and on loan accounts which are restructured by the Bank under SDR or S4A scheme of RBI, in which case it is recognized on realisation.
- b) Recoveries in respect of past due loan accounts classified as NPA are appropriated towards overdue principal and thereafter towards interest and charges.
- c) Income on discounted instruments is recognized over the tenure of the instrument on a constant yield basis.
- d) Dividend is accounted on an accrual basis when the right to receive the dividend is established.
- e) Loan processing fee is accounted for upfront when it becomes due.
- f) Guarantee commission are recognized on straight-line basis over the period of the contract. Other fees and commission income are recognized when due, where the Bank is reasonably certain of collection.
- g) Fees received on sale of Priority Sector Lending Certificates (PSLC) is considered as Miscellaneous Income, while the fees paid for purchase is expensed as other expenses in accordance with the guidelines issued by the RBI. The fees income or expense is amortized on a straight-line basis over the tenor of the certificate.

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- h) Arrangements or syndication fee is accounted for on completion of the agreed service and when the right to receive is established.
- i) Interest income on investments in PTCs and loans bought out through the direct assignment route is recognized on accrual basis, at their contractual rate.
- j) All other fees are accounted for as and when they become due.

9. Lease transactions

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognized as an expense on straight-line basis over the lease period.

10. Taxation

Income tax comprises the current tax (i.e. amount of tax for the period, determined in accordance with the Income Tax Act, 1961 and the rules framed there under) and the net change in the deferred tax asset or liability for the period (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Provision for current income-tax is recognized in accordance with the provisions of Indian Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

The current tax, deferred tax charge or credit and the corresponding deferred tax liability or asset is recognized using the tax rates that have been enacted or substantively enacted as at the Balance Sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty (supported by convincing evidence of future taxable income) of realisation of such assets.

Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realised.

11. Provisions, contingent liabilities and contingent assets

The Bank creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. 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.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized 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 asset and related income are recognized in the period in which the change occurs.

12. Provision for reward points on credit cards

The Bank has a policy of awarding reward points for credit card spends by customers. Provision for the said reward points is made based on an actuarial valuation report which takes into account, among other things, probable redemption of credit card reward points and cost per point. Actuarial gains/losses arising during the year are recognized in the Profit and Loss account.

13. Earnings per share (EPS)

The Bank reports basic and diluted earnings per share in accordance with AS-20, Earnings per Share, as notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016

Basic earnings per share is calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the period. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period, except where the results are anti-dilutive.

14. Segment Reporting

The disclosure relating to segment information is in accordance with AS -17, Segment Reporting and as per guidelines issued by the RBI.

15. Share issue expenses

Share issue expenses are adjusted from Share Premium Account in terms of Section 52 of the Companies Act, 2013.

16. Cash and Cash Equivalents

Cash and Cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

17. Impairment of assets

The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

18. Non-Banking Assets acquired in satisfaction of claims

Non-banking assets (NBAs) acquired in satisfaction of claims are carried at lower of net book value and net realizable value.

19. Accounting for proposed dividend

As per AS-4 – 'Contingencies and events occurring after the Balance sheet date', the Bank is not required to create provision for dividend proposed / declared after the Balance Sheet date unless a statute requires otherwise.

20. Corporate Social Responsibility

Expenditure towards corporate social responsibility, in accordance with Companies Act, 2013, are recognized in the Profit and Loss account.

SCHEDULE 18 - NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. Capital Infusion

During the current year, the Bank allotted a total of 4,453,226 equity shares of face value ₹ 10/- each aggregating to

₹ 74.80 crore, to the employees who exercised their stock options in accordance to the Employee Stock Option Scheme (ESOS). During the current year, the Bank had further issued fresh equity shares of face value ₹ 10/- each a) 57,700,000 equity shares at a price of ₹ 351/- each by way of Qualified Institutional Placement process aggregating to ₹ 2,025.27 crores and b) 19,835,610 equity shares at a price of ₹ 340.70/- by way of Preferential Allotment aggregating to ₹ 675.80 crores.

During the previous year, the Bank on various dates during the year, allotted 7,042,181 equity shares aggregating to ₹ 100.54 crore to the employees who exercised their stock options in accordance to the ESOS.

2. Interim and Proposed Dividend

The Board of Directors (BoD) of the Bank on March 17, 2020 approved interim dividend of 15% [₹ 1.50 per equity share] for the Financial Year 2019-20. The interim dividend dividend (₹ 76.30 crore) along with corporate dividend tax (₹ 15.68 crore) was paid out during the current financial year. The Bank did not declare Final Dividend for the current financial year pursuant to RBI circular no. DOR.BP.BC. No.64/21.02.067/2019-20 dated April 17, 2020 directing all banks not to make any further dividend pay-outs from the profits pertaining to the financial year ended March 31, 2020 until further instructions.

For the previous year, in accordance with the revised Accounting Standard (AS) - 4 'Contingencies and Events occurring after the Balance Sheet Date', the proposed dividend ₹ 115.21 crore and corporate dividend tax ₹ 23.68 crore, has not been considered as a liability in the balance sheet. However, the effect of the proposed dividend has been reckoned in determining capital funds in the computation of the capital adequacy ratios.

3. Employee Stock Option Plan ("ESOP")

The shareholders of the Bank have approved and enabled the Board and / or the Nomination and Remuneration Committee ('NRC') to grant stock options to employees under one or more Employee Stock Option Plan (ESOP). The ESOP is equity settled where the employees will receive one equity share per option. The stock options granted to employees vest over a period of two years, three years or four years in the proportion of either 20:80, 40:30:30, 30:30:40 or 10:20:30:40, as the case may be. Vested options can be exercised within a period of three years from the date of vesting or within a period of one year from the date on which the shares of the Bank gets listed on a recognized stock exchange (listed since August 31, 2016), whichever is later.

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FY 2019-20

Stock option activity under the scheme	No. of Options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life years
Outstanding at the beginning of the year	30,574,453	55.00 – 580.45	437.97	4.45
Granted during the year	9,638,900	166.95 – 680.35	335.81	
Forfeited during the year	2,887,632	55.00 – 680.35	488.05	
Exercised during the year	4,453,226	55.00 – 564.45	167.98	
Expired during the year	20,420	55.00 – 120.00	90.13	
Outstanding at the end of the year	32,852,075	55.00 – 680.35	440.42	4.27
Options exercisable at the end of the year	6,524,353	55.00 – 680.35	384.71	2.11

During the current year, options were granted at the price determined by the relevant Board Committee (NRC / Human Resources & Remuneration ('HR&R') Committee) and was based on the market price per share as on date of grant of options which carried exercise price of ₹ 166.95, ₹ 295.25, ₹ 341.30, ₹ 449.45, ₹ 551.45, ₹ 571.75, ₹ 575.60, ₹ 636.90, ₹ 667.35 and ₹ 680.35. During the year corresponding market value of the shares for these grants at the time of respective grant was ₹ 166.95, ₹ 295.25, ₹ 341.30, ₹ 449.45, ₹ 551.45, ₹ 571.75, ₹ 575.60, ₹ 636.90, ₹ 667.35 and ₹ 680.35 respectively.

FY 2018-19

Stock option activity under the scheme	No. of Options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life years
Outstanding at the beginning of the year	23,380,255	46.50 – 564.45	279.24	4.03
Granted during the year	16,967,100	479.85 – 580.45	536.19	
Forfeited during the year	2,714,875	55.00 – 564.45	452.68	
Exercised during the year	7,042,181	46.50 – 564.45	142.78	
Expired during the year	15,846	46.50 – 80.00	67.68	
Outstanding at the end of the year	30,574,453	55.00 – 580.45	437.97	4.45
Options exercisable at the end of the year	4,518,941	55.00 – 564.45	232.65	2.14

During the previous year, options were granted at the price determined by the relevant Board Committee (NRC / HR&R Committee) and was based on the market price per share as on date of grant of options which carried exercise price of ₹ 479.85, ₹ 490.20, ₹ 503.50, ₹ 501.40, ₹ 510.00, ₹ 511.90, ₹ 512.65, ₹ 515.90, ₹ 518.08, ₹ 526.45, ₹ 530.55, ₹ 545.35, ₹ 552.05, ₹ 562.75, ₹ 564.15, ₹ 577.80 and ₹ 580.45. During the year corresponding market value of the shares for these grants at the time of respective grant was ₹ 479.85, ₹ 490.20, ₹ 503.50, ₹ 501.40, ₹ 510.00, ₹ 511.90, ₹ 512.65, ₹ 515.90, ₹ 545.35, ₹ 526.45, ₹ 530.55, ₹ 545.35, ₹ 552.05, ₹ 562.75, ₹ 564.15, ₹ 577.80 and ₹ 580.45 respectively.

Under Intrinsic Value method, during the current year there is ₹ 0.30 crore (previous year: ₹ 0.11 crore) charge to the profit and loss account on account of grant of the ESOPs in accordance to the Guidance Note on Accounting for Employee Share Based Payments issued by the ICAI.

If the Bank had adopted the Black-Scholes model based fair valuation for compensation cost, the Bank's net profit for the year and earnings per share would have been as per the proforma amounts indicated below:

Particulars	2019-20	2018-19
Net Profit (as reported)	505.67	866.95
Less: Stock-based compensation expense determined under fair value based method (₹ 117.90 crore and previous year – ₹ 106.96 crore) net of tax (proforma)	88.23	69.58
Net profit (proforma)	417.44	797.37
Basic earnings per share (as reported)	11.16	20.47
Basic earnings per share (proforma)	9.21	18.83
Diluted earnings per share (as reported)	11.10	20.04
Diluted earnings per share (proforma)	9.17	18.43

(₹ in crore)

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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	2019-20	2018-19
Expected dividend yield	0.31% - 1.62%	0.36% - 0.44%
Expected volatility	30.13%~42.13%	30.34%~32.04%
Risk free interest rates	5.19% - 7.43%	6.35% - 7.82%
Expected life of options in years (across each tranche)	1.0-5.5	1.0-5.5

Expected volatility is a measure of the amount by which the equity share price is expected to fluctuate during the 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 NSE of similar listed banks / RBL bank over the expected tenor of each tranche.

4. Appropriation to/from Reserve

For the year ended March 31, 2020, the Bank has appropriated ₹ 127.00 crore (previous year: ₹ 217.00 crore) towards Statutory Reserves, ₹ 29.00 crore (previous year: ₹ 9.00 crore) towards Capital Reserves, ₹ 51.50 crore (previous year: ₹ 78.36 crore) towards Investments Fluctuation reserves (IFR), ₹ 8.00 crore (previous year: Nil) towards Investments Reserve Account (IRA) and ₹ 175.00 crore (previous year: ₹ 400.00 crore) towards Revenue & other Reserves.

5. Earnings Per Share (EPS)

Particulars	2019-20	2018-19
(₹ in crore)		
Basic		
Weighted Average Number of equity shares	453,043,538	423,523,484
Net Profit after tax available for equity shareholders (₹)	505.67	866.95
Basic Earnings Per Share (F V ₹ 10/-)	11.16	20.47
Diluted		
Weighted Average Number of equity shares (including dilutive potential equity shares)	455,409,508	423,690,064
Net Profit after tax available for equity shareholders (₹)	505.67	866.95
Diluted Earnings Per Share (F V ₹ 10/-)	11.10	20.04
Nominal Value per share	₹ 10	₹ 10

The dilutive impact is due to stock options granted to the employees.

6. Capital Adequacy

The Bank's capital adequacy ratio as per Basel III is given below:

Particulars	2019-20	2018-19
(₹ in crore)		
i) Common Equity Tier 1 (CET) capital ratio (%)	15.33%	12.10%
ii) Tier I capital ratio (%)	15.33%	12.10%
iii) Tier II capital ratio (%)	1.12%	1.36%
iv) Total capital ratio (CRAR) (%)	16.45%	13.46%
v) Amount of Equity capital raised	2,775.87	100.54
vi) Amount of Additional Tier 1 capital raised	NIL	NIL
vii) Amount of Tier 2 capital raised	NIL	NIL

For the computation of CRAR the Bank has reduced the proposed dividend and corporate dividend tax thereon, totaling ₹ 138.89 crore for the year ending March 31, 2019, from CET Capital funds.

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7. Tier II Capital

During the current year, the Bank did not issue any Basel III compliant Tier II bonds (previous year: Nil).

Basel III compliant Tier II bonds outstanding as at March 31, 2020 are as below:

(₹ in crore)

Particulars	Nature of Security	Date of Issue	Coupon Rate %	Tenure	Amount
Redeemable, Unsecured, Non-Convertible	Debentures	September 27, 2016	10.20%	Six years and 7 Months	330.00
Redeemable, Unsecured, Non-Convertible	Debentures	March 31, 2016	10.25%	Six years and 3 Months	200.00
Redeemable, Unsecured, Non-Convertible	Debentures	February 16, 2016	10.25%	Six years and 3 Months	200.00

Basel III compliant Tier II bonds outstanding as at March 31, 2019 are as below:

(₹ in crore)

Particulars	Nature of Security	Date of Issue	Coupon Rate %	Tenure	Amount
Redeemable, Unsecured, Non-Convertible	Debentures	September 27, 2016	10.20%	Six years and 7 Months	330.00
Redeemable, Unsecured, Non-Convertible	Debentures	March 31, 2016	10.25%	Six years and 3 Months	200.00
Redeemable, Unsecured, Non-Convertible	Debentures	February 16, 2016	10.25%	Six years and 3 Months	200.00

8. Investments:

- 8.1** During the current year and the previous year there has been no sale/transfer from HTM categories in excess of 5% of the book value of investments held in the HTM category. The 5% threshold referred to above does not include onetime transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks as per extant RBI guidelines, sale of securities under pre-announced Open Market Operation (OMO) auction to the RBI and sale of securities or transfer to AFS / HFT consequent to the reduction of ceiling on SLR securities under HTM.
- 8.2** In the financial year ending March 31, 2016, with RBI's permission, the Bank exercised a pledge on the shares held by a defaulting borrower in an investee company and acquired the shares of a company (investee Company) to realize its dues. Consequent to this exercise of pledge, the Bank's shareholding in the said investee company stands at 24.38% as at March 31, 2020 (previous year 24.38%). The shares of the investee company are acquired and held exclusively with a view to its subsequent disposal in the near future and accordingly has not been accounted for as an associate under the purview of AS-23 – 'Accounting for Investments in Associates in Consolidated Financial Statements'. The Bank has classified these equity shares under AFS category and has fully provided for this investment in its book of accounts. Accordingly, this exposure is not considered as intra-group exposures.
- 8.3** The Bank holds 100% stake in RBL Finserve Limited, and thus the company is a "Wholly Owned Subsidiary" (WOS) of the Bank. The investment in the WOS is classified in Held to Maturity (HTM) category, in accordance with the RBI guidelines.

During the previous year ended March 31, 2019, the Bank has increased its holding in RBL Finserve Limited (RFL) (formerly Swadhaar Finserve Private Limited (SFPL)) from 60.48% to 100%, following which the company has become a "Wholly Owned Subsidiary" (WOS) of the Bank w.e.f. June 28, 2018. The investment is classified in Held to Maturity (HTM) category, in accordance with the RBI guidelines.

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8.4 Movement of Investments:

(₹ in crore)

Particulars	2019-20	2018-19
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	18,230.08	16,966.04
(b) Outside India	0.47	0.44
(ii) Provisions for Depreciation(including provision for NPI)		
(a) In India	80.77	126.12
(b) Outside India	0.04	-
(iii) Net Value of Investments		
(a) In India	18,149.31	16,839.92
(b) Outside India	0.43	0.44
(2) Movement of provisions held towards depreciation of investments (including provision for NPIS)		
(i) Opening balance	126.12	72.93
(ii) Add: Provisions made during the year	28.79	67.42
(iii) Less: Write-off / write back of excess / provisions (including provision for NPIS) during the year	74.10	14.23
(iv) Closing balance	80.81	126.12

8.5 Repo / Reverse Repo Transactions:

During the year, the Bank has undertaken Repo / Reverse Repo transactions including Repo / Reverse Repo transactions under the Liquidity Adjustment Facility (LAF) / Marginal Standing Facility (MSF) with RBI. Outstanding lending under Reverse Repo deals with RBI under LAF / MSF as at Mar 31, 2020 stood at ₹ 4,300.00 crore (previous year: ₹ 2,315.00 crore). Outstanding borrowing under Repo deals with RBI under LAF / MSF as at Mar 31, 2020 stood at ₹ 890.00 crore (previous year: Nil). Outstanding lending under Reverse Repo deals with CCIL as at Mar 31, 2020 were Nil (previous year: Nil). Outstanding borrowing under Repo deals with CCIL as at Mar 31, 2020, Nil (previous year: Nil). Face value of outstanding borrowing under Corporate Bond Repo with counter party as at March 31, 2020 stood at ₹ 600.00 Crores (previous year: Nil). The details of securities sold under repo and reverse repo are as under:

Disclosure for the year ended March 2020:-

(₹ in crore)

Nature	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2020
Securities sold under repo				
i. Government securities	NIL	NIL	NIL	NIL
ii. Corporate debt securities	NIL	600.00	377.87	600.00
Securities purchased under reverse repo				
i. Government securities	NIL	NIL	NIL	NIL
ii. Corporate debt securities	NIL	376.01	7.19	NIL

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Disclosure for the year ended March 2019:-

(₹ in crore)

Nature	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2019
Securities sold under repo				
i. Government securities	NIL	699.64	9.91	NIL
ii. Corporate debt securities	NIL	NIL	NIL	NIL
Securities purchased under reverse repo				
i. Government securities	NIL	989.29	16.37	NIL
ii. Corporate debt securities	NIL	NIL	NIL	NIL

The above tables represent the face value of securities sold and purchased under repos, tri-party repos (TREPS) and reverse repos. It does not include securities sold and purchased under LAF/MSF with RBI.

8.6 Collateralized Borrowing and Lending Obligation (CBLO) / Tri-party Repo Transactions (TREPS)

CBLO is a discounted money market instrument, established by CCIL and approved by RBI, which involves secured borrowings and lending transactions. CBLO was operational till November 05, 2018, post which Tri Party REPO / Reverse REPO, substituted CBLO. Securities received as collateral from CCIL under TREPS lending are eligible for SLR maintenance.

At March 31, 2020, the Bank had outstanding borrowings as Nil (previous year: Nil) and outstanding lending as Nil (previous year: ₹ 99.93 crore) under TREPS.

8.7 Issuer Composition of Non-SLR investments (investments not qualifying for the purpose of Statutory Liquidity Ratio (SLR) prescribed by RBI):

Issuer composition as at March 31, 2020 of non-SLR investments

(₹ in crore)

No	Particulars	Amount	Private Placement	Below Investment Grade	Unrated Securities \$	Unlisted Securities #
1	PSU	NIL	NIL	NIL	NIL	NIL
2	FIs	49.83	NIL	NIL	NIL	NIL
3	Banks	109.95	30.00	NIL	NIL	NIL
4	Private Corporates	683.67	365.03	92.59	41.74	82.92
5	Subsidiaries/Joint ventures	95.24	NIL	NIL	NIL	95.24
6	Others	1,654.77*	1,639.93	3.46	NIL	110.96
7	Provisions held towards depreciation	(80.81)	NA	NA	NA	NA
	Total	2,512.65	2,034.96	96.05	41.74	289.12

* includes Government securities of ₹ 2.93 crore which does not qualify as SLR securities.

Excludes Venture capital fund and pass through certificates.

\$ Excludes Equity shares and venture capital fund.

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Issuer composition as at March 31, 2019 of non-SLR investments

(₹ in crore)

No	Particulars	Amount	Private Placement	Below Investment Grade	Unrated Securities \$	Unlisted Securities #
1	PSU	NIL	NIL	NIL	NIL	NIL
2	FIs	465.43	98.82	NIL	NIL	NIL
3	Banks	230.74	80.00	NIL	NIL	NIL
4	Private Corporates	1,696.74	1,056.67	NIL	47.74	82.27
5	Subsidiaries/ Joint ventures	95.24	NIL	NIL	NIL	95.24
6	Others	2,535.63*	1,661.11	4.27	NIL	110.93
7	Provisions held towards depreciation	(126.12)	NA	NA	NA	NA
	Total	4,897.66	2,896.60	4.27	47.74	288.44

* includes Government securities of ₹ 2.93 crore which does not qualify as SLR securities.

Excludes Venture capital fund and pass through certificates.

§ Excludes Equity shares and venture capital fund.

8.8 Non Performing Non-SLR investment

(₹ in crore)

No	Particulars	2019-20	2018-19
1	Opening Balance	38.98	NIL
2	Additions during the year	12.59	42.74
3	Reductions during the year	0.81	3.76
4	Closing Balance	50.76	38.98
5	Total provisions held for NPI	47.65	25.10

8.9 Details of Investment category wise

The details of investments held under the three categories viz. Held for Trading (HFT), Available for Sale (AFS) and Held to Maturity (HTM) are as under:

(₹ in crore)

Particulars	As at 31 March 2020				As at 31 March 2019			
	HFT	AFS	HTM	Total	HFT	AFS	HTM	Total
Government Securities	779.64	3,281.98	11,575.47	15,637.09	685.35	3.65	11,253.70	11,942.70
Other Approved securities	-	-	-	-	-	-	-	-
Shares	-	174.44	-	174.44	-	173.77	-	173.77
Debentures and Bonds	-	1,501.74	-	1,501.74	25.02	1,401.85	-	1,426.87
Subsidiary / Joint Ventures	-	-	95.24	95.24	-	-	95.24	95.24
Others	208.73	526.58	86.73	822.04	1,270.61	1,963.00	94.29	3,327.90
Total	988.37	5,484.74	11,757.44	18,230.55	1,980.98	3,542.27	11,443.23	16,966.48

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8.10 Security Receipts (SR)

Details of the book value of investments held as Security Receipts received by sale of NPA to Securitization / Reconstruction Company are as follows:

(₹ in crore)

Particulars	Backed by NPAs sold by the Bank as underlying		Backed by NPAs sold by other banks/ Fis/ NBFCs as underlying		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Book value of investments in security receipts	–	32.18	–	–	–	32.18

The Bank has created a credit provision of Nil (previous year ₹ 29.62 crore) in respect of these SR investments.

Ageing analysis of SRs:

(₹ in crore)

Particulars	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		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(i) Book Value of SRs Backed by NPAs sold by the bank as underlying.	–	32.18	–	–	–	–	–	32.18
Provision held against (i)	–	29.62	–	–	–	–	–	29.62
(ii) Book value of SRs Backed by NPAs sold by Other banks / financial institutions / nonbanking Financial companies as Underlying	–	–	–	–	–	–	–	–
Provision held against (ii)	–	–	–	–	–	–	–	–
Total (i) + (ii)	–	32.18	–	–	–	–	–	32.18

9. Forward Rate Agreement / Interest Rate Swaps / Exchange Traded Interest Rate Derivatives:

9.1 Notional and concentration of FRAs and IRS

(₹ in crore)

Particulars	2019-20	2018-19
i) The notional principal of swap agreements	13,615.01	9,866.69
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements*	275.22	107.41
iii) Collateral required by the Bank upon entering into swaps	NIL	NIL
iv) Concentration of credit risk arising from the swaps	96.99	51.58
v) The fair value of the swap book#	11.43	15.87

* For trading portfolio both mark-to-market and accrued interest have been considered and for hedging portfolio only accrued interest has been considered.

fair value of the swap book is inclusive of interest accrual and banking book mark to market.

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9.2 The nature and terms of Interest Rate Swaps (IRS) – FCY as on March 31, 2020 are set out below

Nature	Nos.	Notional Principal (₹ in crore)	Benchmark	Terms
Trading	88	1,440.12	EURIBOR, GBP and USD LIBOR	Receive Fixed and Pay Floating
Trading	89	1,818.45	EURIBOR, GBP and USD LIBOR	Pay Fixed and Receive Floating

The nature and terms of Interest Rate Swaps (IRS) – FCY as on March 31, 2019 are set out below

Nature	Nos.	Notional Principal (₹ in crore)	Benchmark	Terms
Trading	84	1,123.84	EURIBOR, GBP and USD LIBOR	Receive Fixed and Pay Floating
Trading	84	1,123.84	EURIBOR, GBP and USD LIBOR	Pay Fixed and Receive Floating

9.3 The nature and terms of Interest Rate Swaps (IRS) – INR as on March 31, 2020 are set out below

Nature	Nos.	Notional Principal (₹ in crore)	Benchmark	Terms
Trading	124	4,531.44	FBIL MIBOR	Receive Fixed and Pay Floating
Trading	134	4,525.00	FBIL MIBOR	Pay Fixed and Receive Floating
Hedging	3	175.00	FBIL MIBOR	Receive Fixed and Pay Floating
Trading	2	375.00	MIFOR	Receive Fixed and Pay Floating
Trading	2	750.00	MIFOR	Pay Fixed and Receive Floating

The nature and terms of Interest Rate Swaps (IRS) – INR as on March 31, 2019 are set out below

Nature	Nos.	Notional Principal (₹ in crore)	Benchmark	Terms
Trading	97	3,709.01	FBIL MIBOR	Receive Fixed and Pay Floating
Trading	110	3,635.00	FBIL MIBOR	Pay Fixed and Receive Floating
Hedging	7	275.00	FBIL MIBOR	Receive Fixed and Pay Floating

9.4 Exchange Traded Interest Rate Derivatives

Exchange Traded Interest Rate Derivatives is set out below.

				(₹ in crore)	
Sr. No.	Particulars	2019-20	2018-19		
1	Notional Principal amount of exchange traded interest rate derivatives undertaken during the year	NIL	NIL		
2	Notional Principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2020	NIL	NIL		
3	Notional Principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" as on March 31, 2020	NIL	NIL		
4	Mark-to-Market value of exchange traded interest rate derivatives outstanding and not "highly effective" as on March 31, 2020.	NIL	NIL		

9.5 Risk Exposure in Derivatives:

Qualitative disclosures:

Derivatives are financial instruments whose characteristics are derived from underlying asset or interest rates or exchange rates or indices. The Bank deals in interest rate and foreign exchange (Fx) derivatives for balance sheet management, proprietary trading and market making purposes whereby the Bank offers derivative products to its customers, enabling them to hedge their risks.

Proprietary Traders manages trading positions within the approved risk limits. It deals in fixed income, equity and forex markets. The Bank transacts in derivative products such as forex options, currency swaps, interest rate swap, foreign currency interest rate swaps and long term foreign exchange contracts (LTFX) with its customers to hedge their market risk. The Bank also undertakes derivative transactions to hedge its balance sheet assets or liabilities.

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These transactions expose the Bank to various risks, primarily credit, market and operational risk. The Bank has adopted the following mechanism for managing risks arising out of the derivative transactions.

a) **The structure and organization for management of risk in derivatives trading.**

The Bank has a separate Treasury Front Office, Treasury Middle Office, Treasury Back Office and Market Risk functions. Derivative transactions are originated by Treasury Front Office, which ensures compliance with the trade origination requirements as per the RBI guidelines and the Bank's derivatives policy. Treasury Middle Office and Market Risk groups are responsible for identifying, measurement, monitoring, and analysis of derivative related risks. Treasury Back Office undertakes activities such as confirmations, settlements, documentation and accounting. Treasury functions are also subject to a concurrent audit.

b) **The scope and nature of risk measurement, risk reporting and risk monitoring systems.**

Derivative transactions are governed by the Bank's Derivative Policy, Commercial Credit Policy, Market Risk Policy, Liquidity Risk Management, ALM Policy and Client Suitability and Appropriateness Policy as well as by the extant RBI regulations.

The Bank has set up various risk limits taking into account market volatility, business strategy and management experience. The Bank measures and monitors risk of its derivatives portfolio using risk metrics such as Value at Risk (VaR), stop loss limits, PV01 and other risk measures. All exposures are monitored against these limits on a daily basis and breaches, if any, are reported to senior management/Asset and Liability Committee (ALCO) for corrective action/ratification.

All counterparty exposures are monitored against counterparty credit limits on a daily basis and breaches, if any, are reported to senior management/ALCO for corrective action/ratification.

c) **Policies for hedging and/ or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants.**

The Bank has a Board approved Hedge and Hedge effectiveness Policy, which govern the use of derivative for hedging purpose. Hedging transactions are undertaken by the Bank to protect the variability in the cash flow of the underlying Balance Sheet item. These deals are accounted on an accrual basis.

d) **Accounting policy for recording hedge and non-hedge transactions, recognition of income, premiums and discounts, valuation of outstanding contracts.**

The Bank undertakes derivative transactions for market making/trading and hedging purposes. Transactions for trading and hedging are recorded separately. The Bank revalue its trading positions on a daily basis and the resulting gain/loss is recorded in the Profit and Loss Account. The receivable and payable on marking the contracts to market are shown under "Other Assets" and "Other Liabilities" in the Balance Sheet.

Foreign exchange forward contracts not intended for trading, that are entered into to establish the amount of reporting currency required or available at the settlement date of a transaction, and are outstanding at the Balance Sheet date, are effectively valued at the closing spot rate. The premia or discount arising at the inception of such forward exchange contract is amortized as expense or income over the life of the contract.

The Bank follows the option premium accounting framework prescribed by FEDAI guidelines. Premium on option transaction is recognized as income/ expense on expiry or unwinding of the transaction. MTM gain/ loss, is recorded under 'Other Income'. The amounts received/paid on cancellation of option contracts are recognized as realised gains/ losses on options.

Charges receivable/payable on cancellation/ termination of foreign exchange Forward contracts and swaps are recognized as income/ expense on the date of cancellation/ termination under 'Other Income'. Pursuant to the RBI guidelines, any receivables (crystallised receivables and positive MTM) under Forex & derivatives contracts, which remain overdue for more than 90 days, are reversed through the Profit and Loss Account and are held in a separate Suspense account.

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e) Counterparty Credit Risk Mitigation

The credit risk on customer derivative transactions is mitigated through a laid down policy on sanction of Loan Equivalent Risk (LER) limits, monitoring mechanism for LER limits and trigger events for escalations, margin calls and terminations.

The Bank measures the counterparty risk using current exposure method as stipulated by RBI. Counterparty limits are approved as per the Bank's Credit Policies. The sanction terms may include the requirement, on a case to case basis, to provide upfront collateral, or place collateral if the mark to market (MTM) exceeds a specified threshold. The Bank retains the right to terminate transactions as a risk mitigation measure, in case the client does not adhere to the agreed terms.

Collateral requirements for derivative transactions determined through a usual credit appraisal process and are laid down in the credit sanction terms of the transactions. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

Quantitative disclosure on risk exposure in derivatives as at March 31, 2020

(₹ in crore)

Sr. No.	Particulars	2019-20				2018-19				
		Currency derivatives			Interest rate derivative	Currency derivatives			Interest rate derivative	
		Forward Contract	Currency Option	Currency Swap		Forward Contract	Currency Option	Currency Swap		
(i)	Derivatives (Notional Principal Amount)									
	a) For hedging #	6,116.79	–	285.32	175.00	5,650.80	–	475.53	275.00	
	b) For trading	24,132.29	1,374.39	5,043.46	13,440.01	18,075.61	2,206.92	4,680.17	9,591.69	
(ii)	Marked to Market Positions									
	a) Asset (+)	505.35	70.29	243.51	274.31	243.41	65.11	118.79	107.22	
	b) Liability (-)	(461.23)	(62.01)	(234.37)	(265.89)	(204.57)	(58.72)	(95.17)	(94.55)	
(iii)	Credit Exposure	1,577.24	119.97	736.34	407.49	1,064.38	145.29	627.26	207.06	
(iv)	Likely impact of one percentage change in interest rate (100*PV01)									
	a) on hedging derivatives #	7.10	–	1.22	0.88	19.93	–	–	–	
	b) on trading derivatives	1.49	–	–	0.55	0.30	–	–	–	
(v)	Maximum and Minimum of 100*PV01 observed during the year									
	a) on hedging #									
		Max	18.87	–	4.43	4.48	35.69	–	1.14	5.37
		Min	7.10	–	1.22	0.88	13.31	–	0.05	3.20
	b) on trading									
		Max	2.91	–	–	3.44	1.19	–	–	4.37
		Min	0.11	–	–	0.08	0.19	–	–	0.39

represents funding swaps undertaken by the Bank.

- (1) Mark to Market for Currency Swap & Interest Rate Derivative includes Interest accrued on the swap.
- (2) Maximum and minimum PV01 for the year is computed based on balances at the end of every month. The Notional principal of Forward Contracts does not include Tom and Spot Foreign Exchange trades.
- (3) The notional principal of derivative contracts reflect the volume of transactions outstanding as at the balance sheet date and do not represent the amount of risk taken by the Bank.

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10 Restructured / Rescheduled / Renegotiated Investments

During the year, Restructured / Rescheduled / Renegotiated investments are Nil (Previous year: Nil)

11 Asset Quality

11.1 Movement of NPA and NPA Provision

(₹ in crore)

Particulars	2019-20	2018-19
(i) Net NPAs to Net Advances (%)	2.05%	0.69%
(ii) Provisioning Coverage Ratio (PCR) (%)	64.04%	65.30%
(iii) Movement of Gross NPAs		
(a) Opening balance	754.62	566.73
(b) Additions during the year	3,359.10	707.01
(c) Reductions during the year	1,977.20	519.12
(i) Up – gradations	366.35	12.42
(ii) Recoveries (excluding recoveries made from up-graded accounts)	357.90	186.49
(iii) Write – offs	1,252.95	320.21
(d) Closing balance	2,136.52	754.62
(iv) Movement of Net NPAs		
(a) Opening balance	372.74	312.56
(b) Additions during the year	1,748.85	454.39
(c) Reductions during the year	932.22	394.21
(d) Closing balance	1,189.37	372.74
(v) Movement of provisions for NPAs (excluding general provisions on standard assets)		
(a) Opening balance	381.88	254.17
(b) Provisions made during the year	1,790.92	386.68
(c) Write-off / write back of excess provisions during the year	1,225.65	258.97
(d) Closing balance	947.15	381.88

11.2 Divergence in Asset Classification and Provisioning for NPAs

RBI vide its circular dated April 1, 2019, directed banks to make suitable disclosures, wherever either (a) the additional provisioning for NPA assessed by RBI exceeds 10 percent of the reported profits before provisions and contingencies for the reference period or (b) the additional Gross NPAs identified by RBI exceed 15 percent of the published incremental Gross NPAs for the reference period, or both.

The divergence observed by RBI for the financial year 2018-19 and financial year 2017-18 in respect of the Bank's asset classification and provisioning under the extant prudential norms on income recognition asset classification and provisioning (IRACP) did not exceed the relevant prescribed thresholds as per the aforesaid circulars in force.

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11.3 Technical Write-off:

(₹ in crore)

Particulars	2019-20	2018-19
Opening balance of Technical / Prudential written-off accounts as at April 1	319.57	169.96
Add : Technical / Prudential write-offs during the year	908.80	168.42
Sub-total (A)	1,228.37	338.39
Less : Recoveries made from previously technical / prudential written-off accounts during the year (B)	17.97	8.66
Less: Sacrifice made from previously technical/prudential written-off accounts during the year (C)	39.88	10.15
Closing balance as at March 31 (A-B-C)	1,170.52	319.57

11.4 Particulars of Restructured Accounts:

Details of loan assets subjected to restructuring during the year are given below:

Restructured Advances as at March 31, 2020.

(₹ in crore)

Type of restructuring Asset Classification		Under CDR					Under SME					Others					Total
		S	SS	D	L	Total	S	SS	D	L	Total	S	SS	D	L	Total	
Details																	
Restructured accounts as on 1 April of the FY	A	-	-	-	-	-	4	-	-	-	4	-	-	1	-	1	5
	B	-	-	-	-	-	10.23	-	-	-	10.23	-	-	4.91	-	4.91	15.14
	C	-	-	-	-	-	0.51	-	-	-	0.51	-	-	3.12	-	3.12	3.63
Fresh Restructuring during the year	A	-	-	-	-	-	19	-	-	-	19	-	1	1	-	2	21
	B	-	-	-	-	-	37.94	-	-	-	37.94	-	21.92	4.95	-	26.87	64.81
	C	-	-	-	-	-	2.22	-	-	-	2.22	-	5.48	1.98	-	7.46	9.68
Increase / (Decrease) in outstanding of Restructured cases	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	B	-	-	-	-	-	(0.12)	-	(1.98)	-	(2.10)	-	-	(0.37)	-	(0.37)	(2.47)
	C	-	-	-	-	-	-	-	-	-	-	-	-	1.42	-	1.42	1.42
Upgradation to restructured standard during the FY	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructured standard advances which cease to attract higher provision at the year end and need not be shown as restructured advances at the beginning of the next FY	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Down gradations of restructured accounts during the FY	A	-	-	-	-	-	(3)	1	2	-	-	-	-	-	-	-	-
	B	-	-	-	-	-	(7.99)	3.28	4.71	-	-	-	-	-	-	-	-
	C	-	-	-	-	-	(0.73)	0.49	0.80	-	0.56	-	-	-	-	-	0.56
Write-offs of restructured accounts	A	-	-	-	-	-	-	-	(1)	-	(1)	-	-	-	-	-	(1)
	B	-	-	-	-	-	-	-	(0.42)	-	(0.42)	-	-	-	-	-	(0.42)
	C	-	-	-	-	-	-	-	(0.12)	-	(0.12)	-	-	-	-	-	(0.12)
Restructured accounts as on 31 March (Closing)	A	-	-	-	-	-	20	1	1	-	22	-	1	2	-	3	25
	B	-	-	-	-	-	40.06	3.28	2.31	-	45.65	-	21.92	9.49	-	31.41	77.06
	C	-	-	-	-	-	2.00	0.49	0.68	-	3.17	-	5.48	6.52	-	12.00	15.17

A - No. of borrowers, B- Amt. outstanding, C- Provision thereon

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Restructured Advances as at March 31, 2019

Type of restructuring	Asset Classification	Under CDR					Under SME					Others					Total
		S	SS	D	L	Total	S	SS	D	L	Total	S	SS	D	L	Total	
(₹ in crore)																	
Details																	
Restructured accounts as on 1 April of the FY	A	-	-	-	-	-	-	-	1	-	1	-	-	1	-	1	2
	B	-	-	-	-	-	-	-	16.84	-	16.84	-	-	13.27	-	13.27	30.11
	C	-	-	-	-	-	-	-	9.17	-	9.17	-	-	10.58	-	10.58	19.75
Fresh Restructuring during the year	A	-	-	-	-	-	4	-	-	4	-	-	1	-	1	5	
	B	-	-	-	-	-	10.23	-	-	10.23	-	-	4.91	-	4.91	15.14	
	C	-	-	-	-	-	0.51	-	-	0.51	-	-	3.12	-	3.12	3.63	
Increase / (Decrease) in outstanding of Restructured cases	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Upgradation to restructured standard during the FY	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Restructured standard advances which cease to attract higher provision at the year end and need not be shown as restructured advances at the beginning of the next FY	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Down gradations of restructured accounts during the FY	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Write-offs of restructured accounts	A	-	-	-	-	-	-	-	(1)	(1)	-	-	(1)	-	(1)	(2)	
	B	-	-	-	-	-	-	-	(16.84)	(16.84)	-	-	(13.27)	-	(13.27)	(30.11)	
	C	-	-	-	-	-	-	-	(9.17)	(9.17)	-	-	(10.58)	-	(10.58)	(19.75)	
Restructured accounts as on 31 March (Closing)	A	-	-	-	-	-	4	-	-	4	-	-	1	-	1	5	
	B	-	-	-	-	-	10.23	-	-	10.23	-	-	4.91	-	4.91	15.14	
	C	-	-	-	-	-	0.51	-	-	0.51	-	-	3.12	-	3.12	3.63	

A - No. of borrowers, B- Amt. outstanding, C- Provision thereon

As per the circular DBR.No.BPBC.18/21.04.048/2018-19 dated January 1, 2019, the following is the disclosure pertaining to MSME accounts restructured during the year:-

Particulars	2019-20		2018-19	
	No. of accounts	Amount	No. of accounts	Amount
MSME accounts restructured	19	37.94	4	10.23

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11.5 Resolution of Stressed Assets / Scheme for Strategic Debt Restructuring Scheme (SDR) / Sustainable Structuring of Stressed Assets (S4A)

Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

(₹ in crore)

No. of accounts where SDR has been invoked #	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date 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
NIL	NIL	NIL	NIL	NIL	NIL	NIL

Above table does not include accounts where SDR has been invoked but not implemented during the current year.

During the previous year

(₹ in crore)

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date 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
NIL	NIL	NIL	NIL	NIL	NIL	NIL

11.5.1 Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period)

The Bank did not implement any scheme relating to change in the ownership outside the SDR during the current year and the previous year.

11.5.2 Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period)

The Bank did not implement any scheme relating to change in the ownership of Projects under Implementation during the current year and the previous year.

11.5.3 Disclosures on Flexible Structuring of Existing

The Bank did not do any flexible structuring of existing loans during the current year and the previous year.

11.5.4 Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A), as on March 31, 2020

(₹ in crore)

	No. of accounts where S4A has been applied	Amount outstanding			Provision Held
		Aggregate amount outstanding	In Part A	In Part B	
Classified as Standard	1	14.15	9.07	5.08	3.62
Classified as NPA	–	–	–	–	–

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As on March 31, 2019

	No. of accounts where S4A has been applied	Amount outstanding			Provision Held
		Aggregate amount outstanding	In Part A	In Part B	
Classified as Standard	1	17.99	12.91	5.08	3.62
Classified as NPA	-	-	-	-	-

(₹ in crore)

11.5.5 The Bank has not acquired any equity shares under SDR scheme during the current year (previous year Nil).

11.6 Details of financial assets sold to Securitization / Reconstruction Company for Asset Reconstruction:

Particulars	2019-20	2018-19
(i) No. of accounts	-	2
(ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	27.20
(iii) Aggregate consideration	-	28.01
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate loss over net book value	-	(0.81)

(₹ in crore)

11.7 Details of non-performing financial assets purchased / sold:

11.7.1 Non-performing financial assets purchased:

Particulars	2019-20	2018-19
1 (a) No. of accounts purchased during the year	-	-
(b) Aggregate Outstanding	-	-
2 (a) Of these, number of accounts restructured during the year	-	-
(b) Aggregate Outstanding	-	-

(₹ in crore)

11.7.2 Non-performing financial assets sold:

Particulars	2019-20	2018-19
No. of accounts sold during the year #	16,980	1
Aggregate Outstanding	56.54	-
Consideration Received	5.27	1.15

(₹ in crore)

Non-performing assets sold during the year includes 8,138 technically written-off / written-off accounts of the retail and credit card business segments with aggregate outstanding of ₹ 81.56 crores. (# Previous year, one technically written off account with aggregate outstanding of ₹ 7.00 crore sold to a NBFC). Sale of assets to ARC are covered in disclosure 11.6 and are not included in above table.

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11.8 Overseas Assets, NPAs and Revenue *

Particulars	(₹ in crore)	
	2019-20	2018-19
Total Assets	2,214.44	2,034.38
Total NPAs	75.67	-
Total Revenue	94.75	83.82

* pertains to International Banking Unit (IBU) at International Finance Service Centre – GIFT City

11.9 COVID - 19 disclosure

The SARS-CoV-2 virus known as COVID-19 is a global pandemic, which continues to spread across the globe and has contributed to increase in volatility in financial markets and an unprecedented level of disruption on socio-economic activities. The Government of India had announced a series of lock-down from March 24, 2020 which has extended into May 2020. The recent directions from the Government allows for calibrated and gradual withdrawal of lockdown and partial resumption of economic activity with major economic centres still continuing to be under strict lockdown. The extent to which the COVID-19 pandemic will impact the Bank's provision on assets will depend on the future developments, which are highly uncertain, including new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether mandated by external authorities or by the Bank.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Bank is granting a moratorium of three months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms). The Bank holds provisions of ₹ 114.34 crore as at March 31, 2020 against the potential impact of COVID-19 based on the information available currently, which includes ₹ 107.95 crore provision in addition to the RBI prescribed norms.

According to RBI circular DOR.No.BP.BC.63/21.04.048/2019-20, dated April 17, 2020, the following disclosure has been made:-

(₹ in crore)				
Amount in overdue categories, where moratorium was extended	Amount where asset classification benefits are extended	Provisioning made for default but standard accounts	Provisions adjusted against slippages	Residual provision due to adjustment against slippages
1,182.84	127.88	6.39	-	6.39

11.10 During the current year, the Bank implemented Resolution Plans (RP) for 2 borrower entities under the RBI circular RBI/2018-19/203/DBR.No.BP.BC.45/21.04.048/2018-19 dated June 07, 2019 on 'Prudential Framework for Resolution of Stressed Assets'. RP in one of the borrower entity with outstanding of ₹ 147.08 crore as at March 31, 2020 included regularisation of dues and the borrower continues to be regular as at March 31, 2020. RP in other borrower entity included Change of Management having outstanding of ₹ 75.00 crore. The borrower has paid off the entire dues during the year.

11.11 During the financial year, there was no conversion of debt into equity shares of the borrower.

12 The Bank has not done any securitization of loan assets during the current and the previous year.

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13 Segment Reporting: Information about business segments

In terms of the AS-17 (Segment Reporting) issued by ICAI and RBI circular Ref. DBOD.No. BP/BC.81/21.04.018/2006-07 dated April 18, 2007 read with DBR.BP/BC No.23/21.04.018/2015-16 dated July 1, 2015 and amendments thereto, the following business segments have been disclosed:

- **Corporate/Wholesale Banking:** Includes lending, deposits and other banking services provided to corporate customers of the Bank.
- **Retail Banking:** Includes lending, deposits and other banking services provided to retail customers of the Bank through branch network or other approved delivery channels.
- **Treasury:** includes investments, all financial markets activities undertaken on behalf of the Bank's customers, proprietary trading, bullion business, maintenance of reserve requirements and resource mobilization from other Banks and financial Institutions. Intersegment earnings of Balance Sheet management function are included in the Treasury segment.
- **Other Banking Operations:** Includes para banking activities like Bancassurance, Credit Cards etc.

Segment revenues include earnings from external customers and earnings from other segments on account of funds transferred at negotiated rates, which are determined by the management. Segment results includes segment revenues as reduced by interest expense, charge from other segments on account of funds transferred at negotiated rates and operating expenses and provisions either directly identified or allocated to each segment.

The following table sets forth the business segment results:

Particulars	2019-20					2018-19				
	Corporate/ Wholesale Banking	Retail Banking	Treasury	Other Banking Operations	Total	Corporate/ Wholesale Banking	Retail Banking	Treasury	Other Banking Operations	Total
Gross Revenue	5,321.77	5,170.83	6,041.12	2,861.21	19,394.93	4,348.84	3,923.41	4,657.13	1,470.50	14,399.88
Unallocated Revenue					0.04					-
Less: Inter Segment Revenue					8,970.34					6,656.81
Total Revenue					10,424.63					7,743.07
Segment Results	(688.11)	594.39	336.15	512.04	754.47	493.52	398.77	139.44	267.41	1,299.14
Unallocated revenue					0.04					(0.01)
Less: Unallocated expenses					1.73					-
Operating Profit					752.78					1,299.15
Income Tax expense (including deferred tax)					247.11					432.20
Net Profit					505.67					866.95
Segment Assets	29,597.22	18,545.28	28,308.01	10,781.55	87,232.06	33,488.89	16,049.70	23,787.18	5,370.03	78,695.80
Unallocated Assets					1,745.71					1,663.02
Total Assets					88,977.77					80,358.82
Segment Liabilities	25,882.25	28,938.03	23,312.45	257.30	78,390.03	21,044.07	29,767.95	21,868.24	124.84	72,805.10
Unallocated Liabilities					4.79					6.40
Total Liabilities					78,394.82					72,811.50

(₹ in crore)

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(₹ in crore)

Particulars	2019-20					2018-19				
	Corporate/ Wholesale Banking	Retail Banking	Treasury	Other Banking Operations	Total	Corporate/ Wholesale Banking	Retail Banking	Treasury	Other Banking Operations	Total
Capital Employed (Segment Assets – Segment Liabilities)	3,714.97	(10,392.75)	4,995.56	10,524.25	8,842.03	12,444.82	(13,718.24)	1,918.94	5,245.18	5,890.70
Unallocated Capital					1,740.92					1,656.62
Total Capital					10,582.95					7,547.32
Capital Expenditure	74.04	89.49	6.81	16.95	187.29	64.20	84.97	14.41	20.31	183.89
Depreciation	64.85	55.10	5.81	12.54	138.30	58.04	48.21	9.90	5.72	121.87

Notes:

- The business of the Bank is concentrated largely in India. Accordingly, geographical segment results have not been reported in accordance with AS-17 (Segment Reporting).
- The Bank commenced its operations at its International Financial Services Centre Banking Unit (IBU) in Gujarat International Finance Tec (GIFT) City, Gujarat in April 2017 and the same is included in Corporate and wholesale Banking segment.
- Income, expenses, assets, liabilities, depreciation for the year and Capital expenditure for the year have been either specifically identified to individual segment or allocated to segments on a reasonable basis or are classified as unallocated.
- Unallocated items include Fixed Assets, realized gains/losses on their sale, income tax expense, deferred income tax assets/liabilities, advance tax, cash in hand, share capital and reserves.

14 Related Party Transactions

As per AS 18 "Related Party Disclosures", the Bank's related parties for the year ended March 31, 2020 are disclosed below:

1. Key Management Personnel ('KMP')

Mr. Vishwavir Ahuja (Managing Director & Chief Executive Officer)

Mr. Rajeev Ahuja (Executive Director)

2. Relatives of Key Management Personnel

Mrs. Reva Ahuja, Mr. Dharam Bir Ahuja, Ms. Vasudhaa Ahuja, Ms. Vrinda Ahuja, Mrs. Deepika Dhand, Ms. Kanika Ahuja, D. B. Ahuja & Sons (HUF), Ms. Aishwarya Ahuja, Mr. Raman Ahuja, Ms. Nandita Ahuja, Miss Asavari Ahuja,

Grocate India Private Limited, Swyn Herds Private Limited, Samaaru Finance Private Limited, IKP Centre For Advancement in Agricultural Practice, Village Shop Private Limited.

3. Subsidiary

RBL Finserve Limited (RFL) (formerly Swadhaar Finserve Private Limited (SFPL)) (w.e.f. November 8, 2017)

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The following represents the significant transactions between the Bank and such related parties including relatives of above mentioned KMP during the year ended March 31, 2020.

(₹ in crore)

Items / Related Party	Subsidiary/ Associates/ Joint ventures #	Maximum Balance during the year #	KMP	Maximum Balance during the year	Relatives of KMP	Maximum Balance during the year
Dividend Paid	-	-	6.19	-	0.23	-
Remuneration	-	-	4.52	-	-	-
Deposit	-	-	18.37	23.40	4.15	4.37
Deposits placed	-	-	-	-	1.09	-
Advances@	-	-	0.51	0.71	0.03	0.07
Advance repaid^	-	-	0.09	-	-	-
Interest paid	-	-	1.24	-	0.24	-
Interest received	-	-	0.05	-	-	-
Interest payable	-	-	-	0.25	0.00	0.05
Interest receivable	-	-	-	0.01	-	-
Others payments	-	-	-	-	0.01	-

@ includes credit card outstanding

^excludes credit card

The following represents the significant transactions between the Bank and such related parties including relatives of above mentioned KMP during the previous year ended March 31, 2019.

(₹ in crore)

Items / Related Party	Subsidiary/ Associates/ Joint ventures #	Maximum Balance during the year #	KMP	Maximum Balance during the year	Relatives of KMP	Maximum Balance during the year
Dividend Paid	-	-	3.10	-	0.11	-
Remuneration	-	-	4.51	-	-	-
Deposit	-	-	11.55	14.39	4.27	4.41
Deposits Placed	-	-	-	-	0.65	-
Advances@	-	-	0.60	0.86	0.01	0.08
Advances repaid^	-	-	0.10	-	-	-
Interest paid	-	-	0.68	-	0.18	-
Interest received	-	-	0.06	-	-	-
Interest payable	-	-	-	0.11	-	0.05
Interest receivable	-	-	-	-	-	-

@ includes credit card outstanding

^excludes credit card

In accordance with RBI guidelines dated March 29, 2003 "Guidance on compliance with the accounting standards by banks", details pertaining to the related party transactions have not been provided where there is only one related party in each of the above categories.

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15 Operational Leases

The Bank has taken certain premises on operating lease, which primarily comprise office premises (including branches), staff residences and Automated Teller Machines ('ATM's). The agreements entered into provide for renewal and rent escalation. Particular of future minimum lease payments in respect of the same are as mentioned below:

(₹ in crore)

Period	2019-20	2018-19
Not later than one year	126.10	99.41
Later than one year and not later than five years	348.62	274.49
Later than five years	144.72	95.53
Total	619.44	469.43
Lease payment recognized in profit and loss account for the year	150.57	119.36

16 Fixed Assets

The following table sets forth, for the year indicated, the movement in software acquired by the Bank, as included in fixed assets

(₹ in crore)

Particulars	2019-20	2018-19
At cost at the beginning of the year	315.93	242.46
Additions during the year	71.89	75.94
Deductions during the year	0.26	2.47
Accumulated depreciation at March 31	222.46	160.82
Net Block at March 31	165.10	155.11
Depreciation charge for the year	61.74	52.97

17 Deferred Tax (AS -22)

Major components of Deferred Tax Assets and Deferred Tax Liabilities as on March 31, 2020 are as under:-

(₹ in crore)

Particulars	2019-20	2018-19
Deferred tax assets:		
Provision for Assets	249.75	191.62
Employee benefits	4.57	5.69
Depreciation on Fixed Assets	0.83	-
Others	20.67	18.00
Deferred tax liabilities:		
Depreciation on Fixed Assets	-	(5.82)
Total	275.82	209.49

18 Small and Micro Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006, which came into force from October 2, 2006, the organisations are required to make certain disclosures relating to payments made to Micro, Small and Medium enterprises. The Bank has received intimations from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. During the current year there is a delay in payment of an invoice for one such vendor with the invoice amount ₹ 0.0014 crore (previous year: Nil).

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The disclosures under the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises for the year ended March 31, 2020 is given below:

(₹ in crore)

Particulars	2019-20	2018-19
the principal amount and the interest due thereon remaining unpaid to any supplier at the end of the year	–	–
the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	–	–
the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	–	–
the amount of interest accrued and remaining unpaid at the end of each accounting year	–	–
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	–	–

Note: The above details are provided based on the available information with the Management, which has been relied upon by the auditors.

19 Disclosure of Customer Complaints and Unimplemented awards of Banking Ombudsman

A) Customer Complaints other than ATM transaction disputes

Particulars	2019-20	2018-19
a) No. of complaints pending at the beginning of the year	534	708
b) No. of complaints received during the year	30,981	24,777
c) No. of complaints redressed during the year	28,726	24,951
d) No. of complaints pending at the end of the year	2,789	534

B) ATM Transaction disputes relating to the Bank's customers on the Bank's ATM

Particulars	2019-20	2018-19
a) No. of complaints pending at the beginning of the year	–	8
b) No. of complaints received during the year	67	291
c) No. of complaints redressed during the year	67	299
d) No. of complaints pending at the end of the year	–	–

C) ATM Transaction disputes relating to the Bank's customers on other Bank's ATM

Particulars	2019-20	2018-19
a) No. of complaints pending at the beginning of the year	95	74
b) No. of complaints received during the year	4,291	6,632
c) No. of complaints redressed during the year	4,365	6,611
d) No. of complaints pending at the end of the year	21	95

D) Total Customer complaints (A+B+C)

Particulars	2019-20	2018-19
a) No. of complaints pending at the beginning of the year	629	790
b) No. of complaints received during the year	35,339	31,700
c) No. of complaints redressed during the year	33,158	31,861
d) No. of complaints pending at the end of the year	2,810	629

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E) Awards passed by the Banking Ombudsman

Particulars	2019-20	2018-19
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	-	-

20 Business Ratios

Particulars	2019-20	2018-19
(i) Interest income as % to Working funds ¹	10.12%	9.42%
(ii) Non-Interest income as % to Working funds ¹	2.27%	2.16%
(iii) Operating profit as % to Working funds ^{1,2}	3.27%	2.90%
(iv) Return on Assets (Working funds) ¹	0.60%	1.30%
(v) Business (Deposit plus Advance) per employee (₹ in crore) ^{3,4}	14.92	18.23
(vi) Net Profit / (Loss) per employee (₹ in crore) ⁴	0.07	0.15

(1) Working funds is the average of total assets as reported in monthly Form X to RBI under Section 27 of the Banking Regulations Act, 1949.

(2) Operating profit is net profit for the year before provisions and contingencies.

(3) "Business" is the total of net advances and deposits (net of inter-bank deposits).

(4) Productivity ratios are based on closing employee numbers.

21 Maturity Pattern

Maturity pattern of certain items of assets and liabilities is given below:

(₹ in crore)

Particulars	As at March 31, 2020					
	Loans & Advances (INR) #	Investments (INR) #	Deposits (INR) #	Borrowings (INR) #	Foreign currency Assets	Foreign currency Liabilities
1 day	697.66	4,005.69	607.78	0.85	747.46	1,144.83
2 to 7 days	1,514.78	1,744.20	2,989.79	0.00	43.27	34.95
8 to 14 days	756.95	834.61	3,966.65	12.82	81.27	335.58
15 to 30 Days	3,564.71	1,347.88	4,217.18	65.00	841.68	390.82
31 Days to 2 months	1,916.87	1,064.90	4,317.56	442.47	935.53	492.28
Over 2 months to 3 months	2,312.13	1,090.24	4,478.44	242.47	556.53	599.45
Over 3 months to 6 months	4,542.39	1,565.12	6,734.27	1,219.76	607.46	556.99
Over 6 months to 1 year	12,373.91	2,179.49	9,639.51	1,943.92	376.67	2,219.69
Over 1 year to 3 years	16,929.69	3,455.58	19,042.51	4,271.02	1,247.58	580.99
Over 3 years to 5 years	3,419.12	397.60	271.92	1,877.33	1,162.53	1,678.04
Over 5 years	5,143.22	463.96	461.52	0.00	47.88	61.70
Total	53,171.43	18,149.27	56,727.13	10,075.64	6,647.86	8,095.32

Foreign currency balances not included

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(₹ in crore)

Particulars	As at March 31, 2019					
	Loans & Advances (INR) #	Investments (INR) #	Deposits (INR) #	Borrowings (INR) #	Foreign currency Assets	Foreign currency Liabilities
1 day	537.52	1,145.60	792.70	32.37	869.79	56.25
2 to 7 days	1,343.89	375.65	3,651.41	0.00	30.57	27.12
8 to 14 days	568.62	1,223.10	2,362.90	0.00	140.45	67.76
15 to 30 Days	2,537.28	1,279.95	4,469.86	0.00	612.21	342.00
31 Days to 2 months	1,799.48	1,691.32	5,635.07	99.65	543.66	1,107.30
Over 2 months to 3 months	1,579.10	1,634.10	5,664.32	24.65	528.46	327.73
Over 3 months to 6 months	3,454.53	1,725.03	5,941.41	259.85	914.46	798.32
Over 6 months to 1 year	11,448.16	3,158.27	12,639.95	1,065.60	722.49	1,482.92
Over 1 year to 3 years	16,971.14	3,293.69	15,826.43	2,377.00	1,201.26	1,860.35
Over 3 years to 5 years	3,044.86	370.22	232.18	1,855.43	943.56	697.47
Over 5 years	5,012.39	942.99	476.68	0.00	363.81	119.51
Total	48,296.97	16,839.92	57,692.91	5,714.55	6,870.72	6,886.73

Foreign currency balances not included.

For the purpose of disclosing the maturity pattern, loans and advances that have been subject to risk participation vide Inter-Bank Participation Certificates ('IBPCs') have been classified in the maturity bucket corresponding to the contractual maturities of such IBPC.

Classification of assets and liabilities under the different maturity buckets for both current and previous financial years is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI. Maturity profile of assets and liabilities excludes off balance sheet items. As part of COVID Regulatory package announced by RBI vide its circular dated March 27, 2020 and April 17, 2020, the Bank is granting moratorium to eligible loan borrowers in accordance to its Board approved policy. Based on management estimates, deferred payments on such loans are accordingly adjusted in the above disclosure for the current year.

22 Lending to Sensitive Sector

22.1 Exposure to Real Estate Sector:

(₹ in crore)

Particulars	2019-20	2018-19
1) Direct exposure		
(a) Residential Mortgages -	391.10	282.45
Out of which Individual housing loans eligible for inclusion in priority sector advances	221.13	155.43
(b) Commercial Real Estate	3,200.34	3,610.90
(c) Investments in Mortgage Backed Securities (MBS) and other securitized exposures	-	-
i. Residential Mortgages	-	-
ii. Commercial Real Estate	-	-
2) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	2,088.30	1,115.52
Total Exposure to Real Estate Sector	5,679.74	5,008.87

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22.2 Exposure to Capital Market:

		(₹ in crore)	
Particulars	2019-20	2018-19	
(i) Direct investments made 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;	152.05	246.61	
(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	386.97	230.15	
(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	-	-	
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	123.50	169.75	
(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) will be deemed to be on par with equity and hence will be reckoned for compliance with the capital market exposure ceilings (both direct and indirect)	146.73	104.80	
Total Exposure to Capital Market	809.25	751.31	

22.3 Risk Category wise Country Exposure:

(₹ in crore)				
Risk Category	Exposure (net) as at March 31, 2020	Provision held as at March 31, 2020	Exposure (net) as at March 31, 2019	Provision held as at March 31, 2019
Insignificant	1,642.14	1.06	1,986.34	1.03
Low	826.23	-	612.77	-
Moderate	-	-	-	-
High	28.74	-	1.24	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	2,497.11	1.06	2,600.35	1.03

23 Details of Single counterparty / Group of connected counterparty limit exceeded by the Bank

During the current year and the previous year, the Bank has complied with the applicable RBI guidelines with regard to exposure to a single counterparty and group of connected counterparties. As per the exposure limits permitted under the extant RBI regulation, the Bank, with the approval of the Board of Directors, can enhance exposure to a single counterparty by a further 5 percent of eligible capital base.

During the current year and the previous the Bank's credit exposures to single counterparty and group of connected counterparties were within the applicable prudential limits prescribed by RBI.

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24 Amount of Provisions made for Income-tax during the year

Particulars	(₹ in crore)	
	2019-20	2018-19
Provision for Income tax	320.72	500.60
Provision for Deferred tax	(73.61)	(68.40)

25 Unsecured Advances against Intangible Collaterals

Particulars	(₹ in crore)	
	2019-20	2018-19
Total Advances against intangible securities such as charge over the rights, licenses, authority etc.	NIL	NIL
Estimated Value of intangible collateral such as charge over the rights, licenses, authority etc.	NIL	NIL

26 Penalties imposed by RBI

During the year ended March 31, 2020, RBI had levied penalties on the Bank totalling ₹ 35,200/- relating to process lapse observed in Branch incognito visit (exchanges of currency) and currency chest transactions towards detection of counterfeit notes and soiled notes.

During the previous year ended March 31, 2019, RBI had levied penalties on the Bank totaling ₹ 4,100/- relating to currency chest transactions towards detection of counterfeit notes and soiled notes.

27 Drawdown from Reserves

The Bank has not undertaken any drawdown from any reserves during the current year and the previous year.

28 Floating Provisions

The Bank has not created or utilized any floating provisions during the current year ended March 31, 2020 and the previous year ended March 31, 2019. The floating provision as at March 31, 2020 was Nil (previous year: Nil).

29 Concentration of Deposits, Advances, Exposures and NPAs

29.1 Concentration of Deposits

Particulars	(₹ in crore)	
	2019-20	2018-19
Total Deposits of twenty largest depositors	10,887.11	10,751.59
Percentage of Deposits of twenty largest depositors to Total Deposits	18.83%	18.41%

29.2 Concentration of Advances

Particulars	(₹ in crore)	
	2019-20	2018-19
Total Advances to twenty largest borrowers*	8,982.81	9,936.37
Percentage of Advances to twenty largest borrowers to Total Advances	10.14%	11.71%

* Credit Exposure excludes the exposures which are 100% cash backed

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29.3 Concentration of Exposures

(₹ in crore)

Particulars	2019-20	2018-19
Total Exposure to twenty largest borrowers / customers *	9,518.36	10,263.44
Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the Bank on borrowers / customers	10.44%	11.41%

* Credit Exposure excludes the exposures which are 100% cash backed

29.4 Concentration of NPA's

(₹ in crore)

Particulars	2019-20	2018-19
Total Exposure to top four NPA Accounts (Gross)	770.92	196.84

30 Sector Wise Advances

(₹ in crore)

Sr. No.	Sector	Current year (2019-20)			Previous year (2018-19)		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	6,842.67	176.16	2.57	5,216.25	234.22	4.49
2	Advances to industries sector eligible as priority sector lending	1,660.52	26.17	1.58	1,708.25	24.75	1.45
3	Services	6,313.60	125.32	1.98	6,197.04	63.45	1.02
4	Personal loans	792.14	9.78	1.23	881.55	12.24	1.39
	Sub-total (A)	15,608.93	337.43	2.16	14,003.09	334.66	2.39
B	Non Priority Sector						
1	Agriculture and allied activities	36.44	-	-	7.91	0.04	0.51
2	Industry	12,978.50	1,134.48	8.74	18,491.40	212.52	1.15
3	Services	16,743.62	507.60	3.03	13,248.49	105.52	0.80
4	Personal loans	13,598.71	157.01	1.15	8,939.23	101.88	1.14
	Sub-total (B)	43,357.27	1,799.09	4.15	40,687.03	419.96	1.03
	Total (A+B)	58,966.20	2,136.52	3.62	54,690.12	754.62	1.38

31 Details of Priority Sector Lending Certificates (PSLC)

31.1 Priority Sector Lending Certificates bought during the year

(₹ in crore)

Category	For the year ended March 31, 2020	For the year ended March 31, 2019
PSLC Agriculture	1,075.00	1,140.00
PSLC SF/MF	-	350.00
PSLC Micro Enterprise	-	-
PSLC General	-	-
Total	1,075.00	1,490.00

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31.2 Priority Sector Lending Certificates sold during the year

(₹ in crore)

Category	For the year ended March 31, 2020	For the year ended March 31, 2019
PSLC Agriculture	–	–
PSLC SF/MF	300.00	500.00
PSLC Micro Enterprise	–	100.00
PSLC General	–	–
Total	300.00	600.00

32 Off-Balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	Overseas
–	–

33 Disclosure of Fees / Remuneration Received in respect of Bancassurance Business

(₹ in crore)

Particulars	2019-20	2018-19
i) Fee / Remuneration from Life Insurance Business	26.63	25.59
ii) Fee / Remuneration from General Insurance Business	16.42	12.83

34 Break up of Provisions and Contingencies debited to Profit & Loss Account

(₹ in crore)

Particulars	2019-20	2018-19
i) Provision made towards NPAs / Write off/ Sacrifice for Restructured Advance / Debt Relief as per RBI guidelines		
a) For Advances	1,862.29	466.99
b) For Investments	54.24	25.10
ii) Provisions towards Standard Advances*	102.91	56.39
iii) Provision for depreciation on investments	(67.86)	28.10
iv) Provision / (Write-back) for credit card reward points	37.31	40.36
v) Provision for others	9.96	23.74
vi) Provisions towards Income tax	320.72	500.60
vii) Provision towards deferred tax (net)	(73.61)	(68.40)
Total	2,245.96	1,072.88

*includes provision pertaining to UFCE

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35 Employee Benefits: Disclosures under AS - 15 on employee benefits

Defined Contribution Plans:

Employer's contribution recognized and charged off for the year to defined contribution plans are as under:

(₹ in crore)

Particulars	2019-20	2018-19
Provident Fund	24.23	18.70
Pension Scheme (employees joining after 01.04.2010)	0.02	0.02
National Pension Scheme	1.15	0.74

Defined Benefit Plans:

The following table sets out the status of the defined benefit Pension and Gratuity Plan as required under Accounting Standard 15.

Change in the present value of the defined benefit obligation

(₹ in crore)

Particulars	2019-20		2018-19	
	Pension	Gratuity	Pension	Gratuity
Opening defined benefit obligation at 1st April	126.86	45.84	114.05	36.39
Current Service cost	4.41	6.33	5.55	5.86
Interest cost	9.88	3.19	8.77	2.73
Actuarial losses/ (gains)	50.50	8.49	6.74	3.35
Liability Transferred In /Out #	-	0.06	-	(0.73)
Past Service Cost	-	-	-	-
Benefits paid	(14.62)	(3.77)	(8.25)	(1.76)
Closing defined benefit obligation at 31st March	177.03	60.14	126.86	45.84

In respect to employees transferred to subsidiary RBL Finserve Limited (RFL)

Change in the plan assets

(₹ in crore)

Particulars	2019-20		2018-19	
	Pension	Gratuity	Pension	Gratuity
Opening fair value of plan assets at 1st April	116.75	36.59	111.63	30.12
Expected return on plan assets	9.10	2.55	8.59	2.26
Employers Contributions	11.75	9.25	4.04	6.27
Assets Transferred Out/ Divestments #	-	0.06	-	(0.73)
Benefit paid	(14.62)	(3.77)	(8.25)	(1.76)
Actuarial gains / (losses) on plan assets	7.27	2.91	0.74	0.43
Closing fair value of plan assets at 31st March	130.25	47.59	116.75	36.59

In respect to employees transferred to subsidiary RBL Finserve Limited (RFL)

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Reconciliation of present value of the obligations and fair value of the plan assets

(₹ in crore)

Particulars	2019-20		2018-19	
	Pension	Gratuity	Pension	Gratuity
Present value of funded obligation at 31st March	177.03	60.14	126.86	45.84
Fair value of plan assets at 31st March	130.25	47.59	116.75	36.59
Deficit / (Surplus)	46.78	12.55	10.11	9.25
Net Liability / (Asset)	46.78	12.55	10.11	9.25

Net cost recognized in the profit and loss account

(₹ in crore)

Particulars	2019-20		2018-19	
	Pension	Gratuity	Pension	Gratuity
Current Service cost	4.41	6.33	5.55	5.86
Interest cost	9.88	3.19	8.77	2.73
Past Service Cost	—	—	—	—
Expected return on plan assets	(9.10)	(2.55)	(8.59)	(2.26)
Net actuarial losses / (gains) recognized during the year	43.23	5.58	6.00	2.92
Total cost of defined benefit plans included in Schedule 16 Payments to and provisions for employees	48.42	12.55	11.73	9.25

Reconciliation of Expected return and actual returns on planned assets

(₹ in crore)

Particulars	2019-20		2018-19	
	Pension	Gratuity	Pension	Gratuity
Expected return on plan assets	9.10	2.55	8.59	2.26
Actuarial gain / (loss) on plan assets	7.27	2.91	0.74	0.43
Actual return on plan assets	16.37	5.46	9.33	2.69

Reconciliation of opening and closing net liability / (asset) recognized in balance sheet

(₹ in crore)

Particulars	2019-20		2018-19	
	Pension	Gratuity	Pension	Gratuity
Opening net liability as at 1st April	10.11	9.25	2.42	6.27
Expenses as recognized in Profit & Loss account	48.42	12.55	11.73	9.25
Employers contribution	(11.75)	(9.25)	(4.04)	(6.27)
Net liability / (asset) recognized in balance sheet	46.78	12.55	10.11	9.25

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Experience Adjustment

(₹ in crore)

Particulars	2019-20		2018-19		2017-18		2016-17		2015-16	
	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity
Present value of funded obligation at 31st March	177.03	60.14	126.86	45.84	114.05	36.39	108.15	29.85	107.88	23.34
Fair value of plan assets at 31st March	130.25	47.59	116.75	36.59	111.63	30.12	105.26	21.77	87.58	18.46
Deficit / (Surplus)	46.78	12.55	10.11	9.25	2.42	6.27	2.89	8.08	20.30	4.88
On Plan Liabilities (gains) / losses	27.45	4.66	8.55	2.74	1.91	1.52	(6.09)	2.20	18.46	1.35
On Plan Assets (losses) / gains	7.27	2.91	0.74	0.43	1.10	0.79	0.83	0.04	1.01	0.24

Other details

(₹ in crore)

Particulars	2019-20		2018-19	
	Pension	Gratuity	Pension	Gratuity
Expected Contribution on Plan assets (For next 12 months)	7.86	19.90	7.14	15.59

A breakup of Investments under Plan Assets of Gratuity fund and Pension fund is as follows:

Category of Assets	2019-20		2018-19	
	Pension (%)	Gratuity (%)	Pension (%)	Gratuity (%)
Central Government securities	16.31	5.03	16.03	6.22
State Government securities	40.14	44.09	37.52	42.15
Corporate Bonds	24.39	28.58	22.12	28.10
Funds with LIC	–	4.84	–	6.29
Others	19.16	17.46	24.33	17.25
Total	100.00	100.00	100.00	100.00

Key Actuarial Assumptions

Particulars	2019-20		2018-19	
	Pension	Gratuity	Pension	Gratuity
Discount rate	6.85%	5.45%	7.79%	6.96%
Expected rate of return on Plan Asset	6.85%	5.45%	7.79%	6.96%
Salary Escalation	For 0 yr to 1 yr 12% p.a. thereafter 6% p.a.	8.70% & IBA - 12.00% p.a. for the next 1 year and 6.00% p.a. thereafter, starting from the 2nd year as applicable	For 0 yr to 1 yr 12% p.a. thereafter 6% p.a.	8.50% & IBA - 12.00% p.a. for the next 1 year and 6.00% p.a. thereafter, starting from the 2nd year as applicable
Attrition rate	0.23%	0.23% (IBA) 31.19% (Others)	0.22%	0.22% (IBA) 25.52% (Others)

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Compensated absences

The Bank does not have a policy of encashing unavailed leave for its employees, except for employees under Indian Banks' Association ('IBA') structure. The actuarial liability of compensated absences of accumulated privileged and sick leaves of the employees of the Bank is given below:

Particulars	(₹ in crore)	
	2019-20	2018-19
Privileged leave	18.66	14.57
Sick leave	2.35	2.10
Total actuarial liability	21.01	16.67
Assumptions		
Discount rate	6.86%	7.79%
Salary escalation rate	12% for the next one year, 6% thereafter from 2nd year	12% for the next one year, 6% thereafter from 2nd year

36 Disclosure on Remuneration

Qualitative Disclosures

A. Information relating to the composition and mandate of the Remuneration Committee.

As formalized at the RBL Board Meeting dated March 20, 2020, Human Resources & Remuneration Committee and Nomination Committee have been merged to form a 'Nomination and Remuneration Committee' (NRC). The constitution of NRC is as per the RBI guidelines and list of members of the committee is given below.

1. Ms. Ranjana Agarwal - Committee Chairperson – (Independent Director)
2. Mr. Prakash Chandra (Non-executive Part time Chairman & Independent Director)
3. Ms. Veena Mankar (Non-executive Director)
4. Mr. Vijay Mahajan (Non-Executive Director)
5. Mr. Ishan Raina (Independent Director)

Mr. Prakash Chandra, Ms. Veena Mankar and Mr. Vijay Mahajan are also in the Risk Management Committee.

Role of NRC include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.
- To oversee the framing, review and implementation of compensation policy of the bank on behalf of the board.

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- To work in close coordination with Risk Management Committee of the bank, in order to achieve effective alignment between remuneration and risks.
- To ensure that the cost/income ratio of the bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio.
- To assist and advise the MD & CEO in planning for senior management build-out of the Bank so as to ensure appropriate leadership is in place for the Bank's transformation strategy.
- To evaluate and approve HR policies of the Bank
- To evaluate and approve various Employee Stock Ownership Schemes that may be required from time to time to ensure that the Bank gets the right talent and is able to retain high- performing employees etc.
- To award ESOPs to employees, whether in the form of joining or performance. The Committee may determine the grade of employees it desires to review and award.
- Any other related aspect to the above

B. Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.

Bank's remuneration policy is designed and aimed at attracting & retaining best possible / available talent that it requires to effectively grow the business and become a highly respected institution. It comprises of a balanced mix of fixed & variable cash and non-cash compensation and benefits / perquisites to deliver maximum value to the employee and other stakeholders.

The remuneration is divided into following components:

Fixed Remuneration:

For employees governed by Indian Banking Association's employment and compensation rules (IBA rules), their remuneration is based on the industry-wide bi-partite wage settlement agreements signed with the employees' union. These rules provide for basic salary, allowances and certain retirement benefits to the employees which are uniformly applicable for the employees covered under the IBA scale.

For the employees governed by the 'Cost to Company' (CTC) remuneration structure (i.e. Non-IBA scale employees), the CTC represents the total direct and fixed cost incurred by the Bank across all components of compensation including contributions paid by the Bank towards retiral benefits, and loans at concessional interest rates. It consists of Basic Salary, House Rent Allowance, Personal Allowance / Special Allowances, Car Related Benefits, Leave Travel Assistance, Reimbursements, Leave Travel Assistance and Retiral Benefits, etc.

Employee Stock Options:

In order to align the interest of the Bank, the senior management, its shareholders and the employees, there is an effort to create long term ownership and commitment for the senior officers of the Bank. This is also done with a view to recognize and compensate key employees for intellectual capital, the domain expertise in terms of product, market knowledge and the business relationships that they bring along. Accordingly, the Bank has formulated Employee Stock Option Program (ESOP) and offer Joining ESOPs based on the role in the Bank, domain knowledge, experience, current ability, future potential and expertise of the candidate.

Further, to reward the performance and recognize the contribution of employees, the Bank has a Performance Employee Stock Option Program (PESOPs). PESOPs are given after periodic evaluation of the individual performance, business unit as well as overall Bank performance during the review period. These plans are designed and implemented in such a way

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that an equity component in the compensation goes a long way in aligning the objectives of an individual with those of the Bank.

These stock option programs are administered by the NRC.

Annual Performance Linked Variable Compensation (APLVC):

APLVC is paid as a percentage of CTC as defined in the Remuneration Policy of the Bank.

As per the guidelines issued by RBI vide circular ref. RBI/2011-12/349, APLVC is capped at 70% of CTC for Whole-time Directors / CEO / Senior Executive Team and 40% for Risk Management & Compliance Staff. Also, the APLVC could be paid in a staggered manner based on the quantum of APLVC as a percentage of the CTC. APLVC does not include value of ESOPs.

C. Description of the ways in which current and future risks are taken into account in the remuneration processes.

The following principles apply for effective alignment of compensation with prudent risk taking:

- i. In order for incentive-based remuneration to work, the variable part of remuneration should be truly and effectively variable and can even be reduced to zero.
- ii. Methodologies for adjusting remuneration to risk and performance will be based on the general risk management and corporate governance framework adopted by the Bank.
- iii. Risks taken need to be estimated (ex ante), risk outcomes observed (ex post) and both ex ante estimates and ex post outcomes would have a bearing on the payoffs.
- iv. Risk adjustments would take into account the nature of the risks involved and the time horizons over which they could emerge. The impact of remuneration adjustments would be linked to actions taken by employees and / or business units, and their impact on the level of risk taken on by the Bank.
- v. Both ESOP as well as APLVC provides long term remuneration benefits to employees. JESOP/PESOP are equity settled where the employees will receive one equity share per option. JESOPs and PESOPs granted to employees vest over a period of three / four years, in the following proportion, 40:30:30, 30:30:40, 10:20:30:40 each year. Further, JESOP/PESOP and APLVC are subject to suitable claw-back and malus clauses to protect the Bank against misconduct, sub-optimal performance or decisions or actions leading to adverse financial consequence to the Bank.

D. Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.

The Bank has a performance management system in place. The Performance management system has goals on four themes namely Shareholder Value as the Focus, Customer at the Heart, Employee as the Pillar and Community as the Cause. Employees are appraised against the goals set at the beginning of the year. Employee performance and competence assessment are both considered for the performance rating. Performance Rating has a direct correlation with the increments and APLVC as well as PESOPs.

E. Description of the ways in which the Bank seeks to adjust remuneration to take account of the longer term performance

A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting:

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As per the guidelines issued by RBI, APLVC is capped at 70% of CTC for Whole-time Directors / As mentioned in point B, APLVC is capped as per the RBI guideline and could be paid in a staggered manner. Schedule for APLVC vesting and payout is as per pay schedule defined in the Remuneration Policy of the Bank. It does not include ESOPs/PESOPs. Deferred APLVC vests only in the year of payment. Voluntary Cessation of employment by the employee or termination with cause as defined in employment contract will result in forfeiture of the remaining APLVC

F. Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms.

Various forms of variable remuneration used by the Bank are:

APLVC: APLVC provides cash bonus in short to medium term to employees. The bank utilizes APLVC to reward superior performance.

Employee stock option (ESOP) plan: Employee stock option plan is a long term remuneration benefit. ESOP is equity settled where the employees will receive one equity share per option after vesting/ exercise. The stock options granted to employees vest over a period of three / four years, generally. ESOP is used to reward superior performance, aligning employee interests with the Bank, create long term ownership and commitment.

(The quantitative disclosure covers Whole Time Directors, Chief Executive Officer and Other Risk Takers)

Sr. No.	Particulars	₹ in crore)	
		2019-20	2018-19
1(i)	Number of meetings held by the Remuneration Committee during the financial period.	6	4
1(ii)	Remuneration paid to its members during the financial period	0.06	0.04
2(i)	Number of employees having received a variable remuneration award during the financial period.	190	177
2(ii)	Number and total amount of sign-on awards made during the financial period.	–	–
2(iii)	Details of guaranteed bonus, if any, paid as joining / sign on bonus	–	–
2(iv)	Details of severance pay, in addition to accrued benefits, if any.	–	–
3(i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	–	–
3(ii)	Total amount of deferred remuneration paid out in the period.	–	–
4	Breakdown of amount of remuneration awards for the financial year:		
	Fixed	121.05	107.00
	Variable	17.05	15.50
	Deferred	–	–
	Non-deferred	17.05	15.50
5(i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	–	–
5(ii)	Total amount of reductions during the period due to ex- post explicit adjustments	–	–
5(iii)	Total amount of reductions during the period due to ex- post implicit adjustments	–	–

37 Contingent Liabilities

Description of nature of contingent liabilities is set out below:

i) Claims against the Bank not acknowledged as debts:

These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress.

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- ii) Liability for partly paid investments:
These represent contingent liability on account of possible claims for uncalled amount by the issuer of the securities held by the Bank.
- iii) Liability on account of forward exchange and interest rate contracts:
The Bank enters into foreign exchange contracts currency options, forward rate agreements, currency swaps with inter-bank participants on its own account and for the customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by the way of interest/principal in one currency against another, based on pre-determined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The amount recorded as contingent liability with respect to these contracts represents the underlying notional amounts of these contracts.
- iv) Guarantees given on behalf of Constituents, Acceptances, Endorsement and other obligations:
As a part of its corporate banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customer of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make the payment in the event of the customer failing to fulfill its financial or performance obligations.
- v) Acceptances, endorsements and other obligations:
These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank.
- vi) Other contingent items:
 - a. Commitments for settlement date accounting for securities transactions;
 - b. Demands raised by income tax and other statutory authorities and disputed by the Bank.
 - c. Amount transferred to RBI under the Depositor Education and Awareness Fund (DEAF).

The Bank makes provident fund contributions to an independently administered Trust. The Bank is currently in dispute with the Provident Fund authorities regarding applicability of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 (the 'Act') on the Bank and the matter is pending with Central Government Industrial Tribunal, Mumbai ("CGIT") for further adjudication.

Any potential likely impact on the financial statements in view of the above will be ascertained on the decision of the Central Government Industrial Tribunal, Mumbai and on clarification from the Provident Fund authorities / courts, if any.

Refer Schedule 12 for amounts relating to contingent liabilities.

38 Bank has not issued any Letters of comfort and Letters of Undertaking during the year (previous year – Nil)

39 Liquidity Coverage Ratio (LCR)

Qualitative disclosure around LCR

Liquidity Coverage Ratio (LCR) is a global minimum standard aimed at measuring and promoting short-term resilience of banks to potential liquidity stress by ensuring maintenance of sufficient High Quality Liquid Assets (HQLAs) to survive net cash outflows over next 30 days under stress conditions. It is a ratio of Bank's High Quality Liquid Assets (HQLAs) to the estimated net outflows over next 30 day period of significant liquidity stress.

The Board of Directors has the overall responsibility for liquidity risk management. The Board at overall level decides the liquidity risk tolerance and accordingly decides the strategy, policies and procedures of the Bank. The Board has constituted a Risk

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Management Committee (RMC) consisting of Managing Director & Chief Executive Officer (MD&CEO) /Chairman and other Board members. The committee is responsible for evaluating the overall risks faced by the Bank including liquidity risk. The potential interaction of liquidity risk with other risks is included in the risks addressed by the Risk Management Committee. At the executive level, Asset Liability Management Committee (ALCO) ensures adherence to the risk limits set by the Board and implements the liquidity risk management strategy of the Bank. ALM team within Treasury function of the Bank is responsible for the day-to-day / intra-day liquidity management. ALCO channelizes various business segments of the Bank to target good quality asset and liability profile to meet the Bank's profitability as well as liquidity requirements.

High Quality Liquid Assets (HQLAs) under LCR are divided into two parts i.e. Level 1 and Level 2 HQLA.

Level 1 HQLA comprises primarily of cash, excess CRR, government securities in excess of SLR, Marginal Standing Facility (increased to 3% of NDTL w.e.f. Mar 27, 2020) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) as permitted under prudential guidelines (Currently 14.5%, phase-wise increase to 15% till April 01, 2020).

Level 2 HQLA comprises of investments in highly rated non-financial corporate bonds, debentures, commercial papers issued by non-financial institutes and are further considered at prescribed haircuts.

Cash outflows are calculated by applying prescribed outflow run-off factors to contractual outflows on account of various categories of liabilities and cash inflows are calculated by applying prescribed weights and factors to the contractual inflows. Additionally, probable outflows on account of contingent liabilities such as letters of credit (LC) and bank guarantees (BGs) and undrawn commitments both for fund & non fund based exposures are considered by applying prescribed run-off factors. The Bank has a very limited exposure to liquidity risk on account of its derivatives portfolio. Further, the Bank is not taking any benefit of classifying any deposit as Operational Deposit on a conservative basis.

The Bank computes LCR on a daily basis in accordance with RBI guidelines. LCR is reported as a simple average of daily observations for the quarter. The Bank believes that all inflows and outflows which might have a material impact under the liquidity stress scenario have been considered for the purpose of LCR.

Banks are required to maintain a LCR of 100% with effect from January 1, 2019. Given below is the quarterly average LCR maintained by the Bank for past years against the minimum prescribed by RBI.

Quarter Ended	Average LCR Maintained	LCR Required
31-Mar-20	155.16%	100%
31-Dec-19	157.90%	100%
30-Sep-19	155.87%	100%
30-Jun-19	136.49%	100%
31-Mar-19	127.90%	100%
31-Dec-18	120.67%	90%
30-Sep-18	111.25%	90%
30-Jun-18	99.26%	90%

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The Quantitative disclosures for the current year and the previous year is as below -

Quantitative Disclosures

FY2019-20

(₹ in crore)

	Q1 - June 2019		Q2 - Sep 2019		Q3 - Dec 2019		Q4 - March 2020		
	Total Unweighted Value (Avg)	Total Weighted Value (Avg)	Total Unweighted Value (Avg)	Total Weighted Value (Avg)	Total Unweighted Value (Avg)	Total Weighted Value (Avg)	Total Unweighted Value (Avg)	Total Weighted Value (Avg)	
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	13,681.73		15,545.00		16,289.57		18,002.25	
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	17,833.50	1,737.25	19,562.86	1,905.48	19,432.44	1,889.82	19,873.60	1,934.72
(i)	Stable deposits	921.87	46.09	1,016.01	50.80	1,068.47	53.42	1,052.69	52.63
(ii)	Less stable deposits	16,911.63	1,691.16	18,546.85	1,854.68	18,363.97	1,836.40	18,820.91	1,882.09
3	Unsecured wholesale funding, of which:	21,765.75	12,777.52	23,129.78	12,493.56	22,944.17	12,568.25	24,394.69	13,771.83
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	21,765.75	12,777.52	23,129.78	12,493.56	22,944.17	12,568.25	24,394.69	13,771.83
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	80.10	-	-
5	Additional requirements, of which	35.84	14.34	275.74	110.30	186.44	74.58	157.28	62.91
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	35.84	14.34	275.74	110.30	186.44	74.58	157.28	62.91
6	Other contractual funding obligations	105.48	105.48	93.89	93.89	93.65	93.65	152.32	152.32
7	Other contingent funding obligations	31,233.99	1,094.26	31,353.67	1,094.41	30,701.43	1,074.65	31,458.29	1,119.60
8	Total Cash Outflows		15,728.85		15,697.64		15,781.05		17,041.38
Cash Inflows									
9	Secured lending (e.g. reverse repos)	2,600.83	-	2,850.69	-	1,536.12	-	2,388.29	-
10	Inflows from fully performing exposures	5,312.89	3,626.82	6,753.20	4,969.80	6,785.88	4,651.89	6,184.73	4,077.47
11	Other cash inflows	2,668.61	2,078.35	1,117.82	754.92	950.55	812.69	1,495.38	1,361.88
12	Total Cash Inflows	10,582.33	5,705.17	10,721.71	5,724.72	9,272.55	5,464.58	10,068.40	5,439.35
21	TOTAL HQLA		13,681.73		15,545.00		16,289.57		18,002.25
22	Total Net Cash Outflows		10,023.68		9,972.92		10,316.47		11,602.03
23	Liquidity Coverage Ratio (%)		136.49		155.87		157.90		155.16

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FY2018-19

(₹ in crore)

	Q1 - June 2018		Q2 - Sep 2018		Q3 - Dec 2018		Q4 - March 2019		
	Total Unweighted Value (Avg)	Total Weighted Value (Avg)	Total Unweighted Value (Avg)	Total Weighted Value (Avg)	Total Unweighted Value (Avg)	Total Weighted Value (Avg)	Total Unweighted Value (Avg)	Total Weighted Value (Avg)	
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	7,323.28		8,964.95		10,164.53		13,062.72	
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	13,555.05	1,350.72	14,344.51	1,392.28	15,245.53	1,481.63	16,198.92	1,579.29
(i)	Stable deposits	107.41	5.76	861.11	43.49	866.53	43.55	812.14	40.61
(ii)	Less stable deposits	13,447.64	1,344.96	13,483.40	1,348.79	14,379.00	1,438.08	15,386.78	1,538.68
3	Unsecured wholesale funding, of which:	15,702.29	8,705.47	16,965.63	8,948.97	17,822.42	9,680.54	20,914.78	11,415.68
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	15,702.29	8,705.47	16,965.63	8,948.97	17,822.42	9,680.54	20,914.78	11,415.68
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding								
5	Additional requirements, of which	111.27	111.27	83.20	83.20	83.37	83.37	127.29	127.29
(i)	Outflows related to derivative exposures and other collateral requirements	45.09	45.09	28.66	28.66	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	308.74	87.21	124.60	48.54	11.59	4.64	24.64	9.85
7	Other contingent funding obligations	24,821.45	877.46	26,573.10	935.03	28,267.57	984.21	30,411.26	1,064.45
8	Total Cash Outflows	11,132.13		11,408.02		12,234.39		14,196.56	
Cash Inflows									
9	Secured lending (e.g. reverse repos)	579.26	-	672.95	-	976.93	-	2,830.36	-
10	Inflows from fully performing exposures	3,559.16	2,050.38	3,537.65	2,180.55	4,132.20	2,339.17	3,784.00	2,251.73
11	Other cash inflows	2,023.43	1,703.70	1,501.48	1,258.65	1,703.68	1,412.14	1,954.77	1,731.67
12	Total Cash Inflows	6,161.85	3,754.08	5,712.08	3,439.20	6,812.81	3,811.31	8,569.13	3,983.40
21	TOTAL HQLA		7,323.28		8,864.95		10,164.53		13,062.72
22	Total Net Cash Outflows		7,378.05		7,968.82		8,423.08		10,213.17
23	Liquidity Coverage Ratio (%)		99.26		111.25		120.67		127.90

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40 Intra-Group Exposures

(₹ in crore)

Particulars	2019-20	2018-19
Total amount of intra-group exposures	125.24	95.24
Total amount of top-20 intra-group exposures	125.24	95.24
Percentage of intra-group exposures to total exposure of the Bank on borrowers/ customers	0.14%	0.11%
Details of breach of limits on intra-group exposures and regulatory action thereon, if any	NIL	NIL

41 Corporate Social Responsibility (CSR)

Gross Amount required to be spent by the Bank on CSR activities during the current year ₹ 19.19 crore (previous year ₹ 13.83 crore). Operating expenses in the financials for the current year include ₹ 19.19 crore (previous year ₹ 10.55 crore).

The Bank has spent 0.98% (previous year: 1.09%) of its average net profit for the last three financial years as part of its CSR for the year ended March 31, 2020.

The areas of CSR activities and contributions made thereto are as follows.

(₹ in crore)

Particulars	2019-20			2018-19		
	Amount spent	Amount Yet to be spent	Total	Amount spent	Amount Yet to be spent	Total
i) Construction / Acquisition of any assets	–	–	–	–	–	–
ii) For purposes other than (i) above	9.44	9.75*	19.19	7.51	3.04	10.55

* ₹ 4.37 cr committed to CSR activities and not funded until March 31, 2020. The balance unspent amount of ₹ 5.38 cr is deposited in separate unspent CSR account.

42 Details of provisioning pertaining to fraud accounts

The following table sets forth for the year ended March 31, 2020, the details of provisioning pertaining to fraud accounts.

(₹ in crore)

Particulars	As at 31 March 2020	As at 31 March 2019
Number of frauds reported	387	161
Amount involved in frauds	40.74	20.34
Amount involved in fraud net of recoveries / charge-offs as at the end of the year	2.54	1.83
Provision made	2.54	1.83
Un-amortized provision debited from 'other reserves'	–	–

43 Transfers to Depositor Education and Awareness Fund (DEAF)

Below mentioned are the details of funds transferred to Depositor Education and Awareness Fund during financial year ended March 31, 2020.

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance of amounts transferred to DEAF	15.56	13.07
Add: Amounts transferred to DEAF during the year	2.03	2.62
Less: Amounts reimbursed by DEAF towards claims	0.08	0.13
Closing balance of amounts transferred to DEAF	17.51	15.56

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44 Movement in provision for credit cards reward points

The following table sets forth, for the periods indicated, movement in provision for credit cards rewards points

(₹ in crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening provision for reward points	71.03	30.49
Provision for reward points made during the year	192.54	112.92
Utilization/write-back of provision for reward points	155.41	72.39
Closing provision for reward points	108.16	71.03

45 Un-hedged Foreign Currency Exposure (UFCE) of Bank's Customer

The UFCE of corporate borrowers is assessed on a quarterly basis. The assessment includes foreign currency borrowings, foreign currency hedges, natural hedges available, as well as other foreign currency assets and liabilities on the balance sheet. RBI guidelines prescribe the methodology for computation of provision for UFCE. As per the guideline, UFCE leads to the determination of 'likely loss'. The ratio of 'likely loss' to clients' Earnings Before Interest and Depreciation (EBID), determines the provision as per the following grid.

Likely Loss/EBID (%)	Incremental Provisioning Requirement on the total credit exposures over and above extant standard asset provisioning	Incremental Capital Requirement
Up to 15 per cent	–	–
More than 15 per cent and up to 30 per cent	20bps	–
More than 30 per cent and up to 50 per cent	40bps	–
More than 50 per cent and up to 75 per cent	60bps	–
More than 75 per cent	80 bps	25 per cent increase in the risk weight

The Bank has maintained an additional provision of ₹ 6.37 crore (previous year ₹ 8.56 crore) towards UFCE of customers. Further, the Bank has maintained an additional capital of ₹ 12.51 crore (previous year ₹ 18.70) towards UFCE of customers.

46 The disclosure regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

47 Credit Default Swap

The Bank has not entered into Credit Default Swap during the current year and the previous year.

48 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 recorded adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements.

49 Figures for the previous year have been regrouped / reclassified wherever necessary to conform to current years' presentation.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No. 046882

Place : Mumbai
Date : May 7, 2020

For and on behalf of RBL Bank Limited

Prakash Chandra
Chairman

Vijay Mahajan
Director

Amrut Palan
Chief Financial Officer

Vishwvir Ahuja
Managing Director & CEO

Rajeev Ahuja
Executive Director

Niti Arya
Company Secretary