



## SCHEDULE – 17 : SIGNIFICANT ACCOUNTING POLICIES 2017-18

### A. Basis of Preparation:

The Bank's financial statements are prepared under the historical cost convention, on the accrual basis of accounting and on a going-concern basis, unless otherwise stated and they conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in force in India, Accounting Standards Issued by ICAI as well as to the applicable statutory provisions including those of Banking Regulation Act 1949, regulatory norms/guidelines prescribed by RBI including special dispensations (to the extent availed) announced from time to time, and the practices prevalent in the banking industry in India.

### B. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision in the estimates is recognised prospectively in the year in which they are known/materialised, unless otherwise stated.

## 1) FOREIGN EXCHANGE TRANSACTIONS

### I. Transactions other than FCNR/EEFC/ RFC Accounts

- a) Foreign Currency assets and liabilities and outstanding forward exchange contracts and swaps are translated at the year end rates as quoted by Foreign Exchange Dealers' Association of India (FEDAI). The resultant profit/loss is included in the Profit and Loss Account.
- b) Income and expenditure items are translated at the exchange rates ruling on the dates of the transactions.

- c) Contingent liabilities on account of acceptances, endorsements and other obligations including guarantees and Letters of Credit issued in Foreign Currencies, shown in the Balance Sheet are valued at the yearend rates as quoted by FEDAI.

## II. Transactions relating to FCNR/EEFC/ RFC accounts

Foreign Currency Deposits in FCNR/EEFC/ RFC accounts including interest accrued thereon and also the corresponding assets are recorded at market related notional rates, which are periodically reviewed. Assets and Liabilities at the yearend are revalued at rates quoted by Foreign Exchange Dealers' Association of India. The resultant profit / loss is shown as income / loss.

## 2) INVESTMENTS

### A) General

All the investment transactions are recorded on trade date and accounted on settlement date.

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and shown in the Balance Sheet under the following six groups:

- a) Government Securities
- b) Other Approved Securities
- c) Shares
- d) Debentures and Bonds
- e) Investments in Subsidiaries/Joint Ventures
- f) Others (Commercial Paper, Units of Mutual Fund, Venture Capital Funds etc.)

### B) Classification of investments:

**The Investment portfolio of the Bank is classified into the following three categories:**

- a) Held to Maturity – Investments that the Bank intends to hold till maturity



and Investments in subsidiaries, joint ventures and associates, if any, are classified as Held to Maturity (HTM).

- b) Held for Trading – Investments that are held principally for resale within 90 days from the date of purchase are classified as Held for Trading (HFT).
- c) Available for Sale – Investments which are not classified in the above two categories are classified as Available for Sale (AFS).

An investment is classified under HTM, HFT or AFS at the time of its acquisition and subsequent shifting amongst categories is done in conformity with regulatory guidelines as follows.

Transfer of scrips from AFS/HFT category to HTM category and vice versa is made at the lower of book value or market value. In cases where the market value is higher than the book value at the time of transfer, the appreciation is ignored and the security is transferred at the book value. In cases where the market value is lower than the book value, the provision against depreciation held against this security (including the additional provision required, if any, based on valuation done on the date of transfer) is adjusted to reduce the book value to the market value and the security is transferred at the market value.

In the case of transfer of securities from HTM to AFS/HFT category, if the security was originally placed under the HTM category at a discount, it is transferred to AFS/HFT category at the acquisition price/book value. After transfer, it is immediately re-valued and resultant depreciation, if any, is provided. If the security was originally placed in the HTM category at a premium, it is transferred to the AFS/HFT category at the amortised

cost. After transfer, the security is immediately re-valued and resultant depreciation, if any, is provided.

In the case of transfer of securities from AFS to HFT category or vice-versa, the securities are not re-valued on the date of transfer.

## C) Basis of Valuation:

### I. Cost of acquisition of investments:

In determining the acquisition cost of an investment:

- (a) Brokerage, Commission, Securities Transaction Tax (STT) etc., paid in connection with acquisition of investments are expensed upfront and excluded from cost.
- (b) Broken period interest paid / received on debt instruments is treated as interest expense / income and is excluded from cost/sale consideration.
- (c) Cost is determined on the moving weighted average cost method for investments under AFS and HFT and HTM Category.

### II Valuation of Investments under Held to Maturity

- (i) Investments classified under this category are valued at the year end at the acquisition cost, except where the acquisition cost is more than the face value, in which case the premium is amortized on constant yield method.
- (ii) Investments in venture capital funds are valued at cost of acquisition.
- (iii) Profit on sale of investments in this category is first taken to Profit and Loss Account and there after appropriated to the



“Capital Reserve Account”. Loss on sale is recognised in the Profit and Loss Account.

### III. Valuation of Investments under Available for Sale and Held for Trading categories:

Investments held under AFS and HFT categories are individually valued at the market price or fair value determined as per Regulatory guidelines, and only the net depreciation of each group for each category (viz., (i) Government securities (ii) Other Approved Securities (iii) Shares (iv) Bonds and Debentures (v) Subsidiaries and Joint Ventures; and (vi) others) is provided for and net appreciation, is ignored. The provision thus created, is not reduced from the book value of individual security, but such provision is held under liabilities as “Provision for depreciation on Investments”.

The valuation criteria for the various investments held under AFS and HFT category is given in the following table:

#### (a) Criteria for Valuation of Investments under AFS and HFT:

	Investments	Valuation Procedure
A	Central Govt. Securities and State Govt. Securities	At market prices / YTM as published by Fixed Income Money Market and Derivatives Association of India (FIMMDA) on periodical basis.
B	Securities guaranteed by Central / State Govt. PSU Bonds (Not in the nature of advances)	On appropriate yield to maturity basis as per FIMMDA / RBI guidelines.
C	Treasury Bills	At carrying cost

	Investments	Valuation Procedure
D	Equity Shares	At market price, if quoted, otherwise at breakup value of the shares as per latest balance sheet (Not more than one year old), otherwise at ₹ 1/- per company.
E	Preference Shares	At market price, if quoted or on appropriate yield to maturity basis not exceeding redemption value as per RBI / FIMMDA guidelines. In case of preference shares, where preference dividends are in arrears, no credit is taken for accrued dividends and the value determined on YTM is discounted by at least 15% if the arrears are for 1 year and more. The depreciation/provision requirement arrived at in the above manner in respect of non-performing preference shares where dividends are in arrears is held separately and it is not set off against appreciation on other performing preference shares.
F	Bonds and Debentures (Not in the nature of advances)	At market price, if quoted, or on appropriate yield to maturity as per RBI / FIMMDA guidelines.
G	Units of mutual funds	As per Stock Exchange quotation, if quoted; at repurchase price / NAV, if unquoted.
H	Commercial Papers	At carrying cost



	<b>Investments</b>	<b>Valuation Procedure</b>
I	Security Receipts	Security Receipts issued to the Bank by Securitisation Company / Asset Reconstruction Company, on sale of its loans, is recognised at lower of: (i) Net Book Value (NBV) (i.e., book value less provisions held) of the financial asset; and (ii) Redemption value of SR provided by the SC/ARC as per the Recovery Rating provided by Credit Rating Agencies.
J	Venture Capital Funds	At net asset value (NAV) declared by the VCF.
K	Other Investments	At carrying cost less diminution in value.

Depreciation on the instruments acquired by way of conversion, whether classified as standard or NPA, is not offset against the appreciation in any other securities held under the AFS category.

Profit/Loss on sale of investments in AFS/HFT category is recognised in Profit and Loss Account.

#### (b) Prudential Norms

Income recognition, asset classification and provisioning norms, applicable to loans and advances, shall apply, mutatis mutandis, to investments, as follows:

- (a) i) Securities with guarantees of the Central Government are treated as performing investments, notwithstanding arrears of principal/interest payments. However, interest if not realized for more than 90 days is recognized as income only on cash basis.

- ii) Securities guaranteed by the State Government, where the principal/interest is due but not paid for a period of more than 90 days, are treated as Non Performing Investments and provided for as per the RBI guidelines. Further, for securities guaranteed by the State Governments, where the principal/interest is due but not paid for a period of more than 90 days, interest is recognized as income only on cash basis.

- (b) Preference Shares and other Non SLR Securities including bonds and debentures not guaranteed by the Central Government/ State Governments: Where the Principal/Interest/Fixed Dividend is due but not paid for a period of more than 90 days are treated as Non Performing Investments and provided for as per the Reserve Bank of India guidelines.
- (c) If any credit facility availed by the issuer from the Bank is NPA, investments in any of the securities issued by the same issuer is also treated as Non Performing Investments and vice versa, except in the case of investment in preference shares.
- (e) The depreciation/provision requirement in respect of non-performing investments is not set off



against the appreciation in respect of other performing investments.

### 3) TRANSACTIONS RELATING TO DERIVATIVES

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

- a) Hedge Swaps: The interest rate swaps which hedge interest bearing assets and liabilities are accounted for on accrual basis except the swaps designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements. In such cases the swaps are marked to market with the resulting gain or loss recorded as an adjustment to the market value of designated asset or liability.

The gain or loss on the terminated swaps is deferred and recognized over the shorter of the remaining contractual life of the swap or the remaining life of the asset/liability.

- b) Re-designation of Hedge items: If a hedge is re-designated from one item of asset/liability to another item of asset/liability, such re-designation is accounted for as the termination of one hedge and acquisition of another. On the date of re-designation, the swap is marked to market and the mark to market value is amortized over the shorter period of the remaining life of the swap or remaining life of the asset/liability. The offsetting mark to market entry adjustments would be treated as premium received or paid for hedge on the newly designated item of asset/liability and this would be amortized over the life of the re-designated asset/liability or remaining term of the swap whichever is shorter.
- c) Trading Swaps: The trading swaps are marked to market with the resulting gain or loss recorded in the income statement. Gain or loss on termination of the swap is recorded as immediate income or expense.

### 4) FIXED ASSETS/DEPRECIATION & AMORTIZATION

#### I) Fixed Assets

- a) Premises of the bank include free hold as well as lease hold properties.

Land and buildings purchased or allotted have been capitalised based on agreements/letters of allotment and physical possession. Other Fixed Assets are capitalized on the date of put to use. Premises and other Fixed Assets are stated at their historical cost, except those which have been re-valued. Such Fixed Assets are stated on the revalued amount.

- b) Advance payments made for acquisition of capital assets and deposits made in respect of properties taken on lease/rent are included under 'Other Assets'.

#### II) Depreciation / Amortization

- a) Fixed Assets (other than computers and software) including leasehold land and building are depreciated at the rates prescribed under the rules framed under 'Income Tax Act 1961' on reducing balance method, including on the composite cost of certain properties, where it is not possible to segregate the land cost. Computers (including operating software) are depreciated on Straight Line Method at the rate of 33.33% per annum as per RBI guidelines. Other software expenses, treated as intangible assets are amortized at 100% in the year of acquisition. Depreciation on additions to Fixed Asset during the financial year is provided at 100% of the rate of depreciation prescribed, if the asset is put to use for 180 days and above during the year and at 50% of the rate of depreciation prescribed, if the asset is put to use for less than 180 days during the year. No depreciation is provided in the year of sale/disposal of fixed assets.
- b) Incremental depreciation on revalued amount in respect of premises is adjusted from Revaluation Reserve account and credited to Profit and Loss account.





## 5) LEASED OUT ASSETS

Accounting for leased assets is done as per Accounting Standard 19. Provision in respect of non-performing assets, is made by applying the asset classification norms prescribed by the RBI for advances.

## 6) NON BANKING ASSETS

Non-Banking assets are shown at cost.

## 7) ADVANCES

Advances are classified as per the RBI guidelines into standard, sub-standard, doubtful and loss assets after considering subsequent recoveries to date. Provision for non-performing assets is made in conformity with the guidelines issued by RBI from time to time.

- a) In terms of the guidelines of the Reserve Bank of India, advances are classified as "Performing" and "Non-Performing" assets based on recovery of principal/interest and advances are classified as "Non Performing Assets" as per the delinquency norms stipulated by RBI. In case of State Government Guaranteed advances, requirement of invocation of the Guarantee has been de-linked for classification of an account as NPA. Non Performing Advances (NPAs) are categorized as Sub-Standard, Doubtful and Loss Assets for the purpose of computing provision requirements.

Advances shown in the Balance Sheet are net of provisions [including floating provisions other than provision on standard assets] in respect of non-performing advances, interest suspense and ECGC/DICGC claims received.

- b) Advances include the Bank's participation in/ contributions to Pass through Certificates (PTCs) and /or to the asset-backed assignment of loan assets of other banks / financial institutions where the Bank has participated on risk-sharing basis.
- c) Amounts recovered against bad debts written off in earlier years are recognised in the Profit and Loss account.

- d) Provisions on Standard Advances are shown under "Other Liabilities and Provisions".

- e) Provision on advances is made as per the RBI guidelines as under:

1. **Standard Assets:** provision is made as per the extant RBI guidelines.
2. **Sub Standard Assets:** 15% of the outstanding advances. However, in case of sub standard assets which are identified ab-initio as "unsecured exposures" provision at 25% of the outstanding balance is made.
3. **Doubtful Assets:** 25% to 100% as applicable on the secured portion of advances, depending upon the period for which the asset has remained doubtful and 100% of the unsecured portion of the outstanding advance after netting realized amount in respect of realized/realizable amount of guarantee cover under the ECGC/CGSTI Schemes.
4. **Loss Assets:** 100% of the outstanding advances.

- f) Restructured / rescheduled accounts:

In case of restructured / rescheduled accounts provision is made for the sacrifice against erosion/ diminution in fair value of restructured loans, in accordance with the general framework of restructuring of advances issued by RBI.

The diminution in the fair value is recomputed on each balance sheet date till satisfactory completion of all repayment obligations and full repayments of the outstanding, so as to capture the changes in the fair value on account of changes in base rate, term premium and credit category of the borrower.

The restructured accounts are classified in accordance with RBI guidelines.



## 8) REVENUE RECOGNITION

Income is accounted on accrual basis except in the following cases:

- a) In the case of Non Performing Assets, income is recognized on cash basis, in terms of guidelines of the Reserve Bank of India. Where recovery is not adequate to upgrade the Non Performing Asset accounts by way of regularization, such recovery is being appropriated towards the principal/book balance in the first instance and towards interest dues thereafter. In respect of Non Performing Investments, the same accounting treatment, as above, is followed.
- b) Income from Units of Mutual Funds, Commission on Insurance and Depository Participant business, Merchant Banking transactions, General Insurance business, Money transfer services, Sale of Mutual Fund products, Locker Rent, Commission on Government business, etc. are accounted on cash/realisation basis.
- c) Commission earned from Non-fund based business viz., Letter of Credits and Bank Guarantees is accounted on cash basis.
- d) Interest on securities which is due and not paid for a period of more than 90 days is recognized on realisation basis as per RBI guidelines.
- e) In the case of suit filed accounts, legal expenses are charged to the profit and loss account. Similarly, at the time of recovery of legal expenses in respect of such suit filed accounts, the amount recovered is accounted as income.
- f) Dividend is recognised as income in the year the right to receive the dividend is established.

## 9) NET PROFIT

The net profit is arrived at after

- a) Provisions for Income Tax in accordance with statutory requirements
- b) Provision on advances/investments
- c) Adjustments to the value of investments
- d) Transfers to provisions and contingencies

- e) Provision for Inter Branch accounts lying unadjusted for more than six months as per RBI norms

- f) Other usual and necessary provisions

## 10) EMPLOYEE BENEFITS

- a) Expenses arising out of claims in respect of employee matters under dispute/negotiation are accounted during the year of final settlement/determination.
- b) In respect of employees who have opted for Provident Fund scheme, matching contribution as applicable is made by the Bank to the recognised Provident Fund. For others who have opted for pension scheme, contribution to Pension Fund is made based on actuarial valuation, as per Accounting Standard 15.
- c) Contribution to Gratuity Fund is made based on actuarial valuation, as per Accounting Standard 15.
- d) Liability towards leave encashment, privilege leave and sick leave is provided based on actuarial valuation, as per Accounting Standard 15.

### Details are as under:

#### Long term employee benefits:

Long term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which employees render service), and post employment benefits (benefits which are payable after completion of employment), are measured on a discounted basis by the Projected Unit Credit Method, on the basis of annual third party actuarial valuations. The bank provides for the following long term employee benefits as per actuarial valuation:

1. **Leave encashment:** The Bank provides for liability accruing on account of deferred entitlement towards leave encashment in the year in which the employees concerned render their services based on third party actuarial valuation obtained as of each year end balance sheet date.
2. **Sick Leave:** Provision for sick leave is non-funded.



3. **Pension:** The Bank provides for liability accruing on account of the employees who have opted for pension based on the actuarial valuation obtained as of each year end balance sheet date.
4. **Gratuity:** The Bank provides for gratuity liability based on the actuarial valuation obtained as of each year end balance sheet date.

The pension and gratuity contributions are transferred to self-managed trusts.

#### 11) PROVISION FOR TAXATION

Tax expenses comprise current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

#### 12) IMPAIRMENTS

The carrying amounts of assets are reviewed at each Balance Sheet date for any indication of impairment based on internal/external factor. An impairment loss is recognized whenever the carrying amount of an asset exceeds its estimated recoverable amount.

#### 13) SEGMENT REPORTING:

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

1. **Treasury** includes all investment portfolio, profit/ loss on sale of investments, profit/ loss on foreign exchange transactions, equities, income from derivatives and money market operations. The expenses of this segment consist of interest expenses on funds borrowed from external sources as well as internal sources and depreciation / amortisation of premium on Held to Maturity category investments.
2. **Corporate/ Wholesale Banking** includes lending and deposits from corporate

customers and identified earnings and expenses of the segment.

3. **Retail Banking** includes lending and deposits from retail customers and identified earnings and expenses of the segment.
4. **Other Banking Operations** includes all other operations not covered under Treasury, Wholesale Banking and Retail Banking.

#### 14) EARNINGS PER SHARE:

Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividend and attributable taxes thereto) by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding as at the end of the year.

#### 15) CONTINGENT LIABILITIES AND PROVISIONS:

1. A provision is recognised when there is an obligation as a result of past event if it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
2. Transactions in Government securities and others which were pending for settlement on the balance sheet date are shown as off balance sheet items under contingent liabilities head.

#### 16) CASH FLOW STATEMENT

Cash and cash equivalents in the cash flow statement comprise cash and balances with RBI and balances with banks and money at call and short notice.

- 17) The Bank has followed the same accounting policies as in the previous year's subject to regulatory changes.





## SCHEDULE – 18 : NOTES ON ACCOUNTS

1. Reconciliation of entries outstanding as on 31.03.2018 in the inter-branch and other accounts has been done. Matching of entries outstanding in inter-branch and inter-bank accounts including balances in drafts accounts, suspense accounts, GST, branch adjustment accounts, clearing transactions, funds transfers, balances pertaining to dividends / interest / refund orders paid / payable accounts, advances paid for acquisition of assets etc. is complete up to 31.03.2018. In the opinion of the Bank, consequential effect of the above on the revenue / assets / liabilities is not material.
2. In respect of certain premises having written down value of ₹ 3.56 Crore (PY ₹ 3.96 Crore) documentation / registration in favour of the bank are yet to be completed pending legal or other formalities.
3. In the case of un-audited branches, the returns / classification of advances as reported by the concerned branches/by the concurrent auditors have been adopted.
4. Claims pending and to be preferred with ECGCI Limited amounting to ₹ 79.60 Crore (PY ₹ 98.80 Crore) have been considered as realisable for the purpose of computing provisions.
5. No provision has been considered necessary by the Management in respect of certain disputed tax liabilities in view of the judgements in favour of the Bank. Provision for Income Tax act have been considered on the basis of legal opinion obtained.
6. As per Indian Banks' Association (IBA) communication vide letter no LEGAL/CIR Dtd. March 03<sup>rd</sup> 2015, Ministry of Company Affairs (MCA) has advised that provisions related to Corporate Social Responsibility (CSR) are not applicable to the nationalised banks, as they are not registered under the Companies Act.
7. During the year the bank has issued 11,10,22,997 equity shares of face value of ₹ 10 each at a premium of ₹ 53.05 per share aggregating to ₹ 699,99.99 lakhs through Qualified Institutional Placement (QIP) for augmenting Bank's Tier I Capital to support growth plans of the Bank and for other general corporate purposes. Further, during the year the bank has issued 19,42,79,628 equity shares of face value of ₹ 10 each at a premium of ₹ 55.73 per share aggregating to ₹ 1277.00 Crore to the Government of India by way of preferential issue. Also during the year, Bank has redeemed Upper Tier II Series Bonds aggregating to ₹ 300.00 Crores by exercising call option.
8. During the year Goods and Service Tax (GST) Act has been implemented and income are stated inclusive of GST in consistence with the accounting treatment of service tax.
9. In terms of RBI circular RBI/2015-16/366 FIDD.CO/Plan.BC.23/04.09.01/2015-16 dated April 7, 2016 Banks are allowed for issuance of Priority Sector Lending Certificates (PSLCs) and trade their Priority sector portfolios by selling/buying these certificates. During the year, the bank has purchased PSLCs (Agriculture Category) amounting to ₹ 981.00 Crores and has not sold any PSLCs.
10. In terms of the guidelines issued by the Reserve Bank of India, the following disclosures are made:

### (I) Capital :

Sl. No.	Particulars	31.03.2018	31.03.2017
1.	CRAR (%)		
	Basel II	13.32	12.95
	Basel III*	13.90	12.73
2.	CRAR – Common Equity Tier I Capital (%)		
	Basel III*	10.36	8.44



Sl. No.	Particulars	31.03.2018	31.03.2017
3.	CRAR – Tier I Capital (%)		
	Basel II	10.75	9.56
	Basel III*	11.71	9.96
4.	CRAR – Tier II Capital (%)		
	Basel II	2.57	3.39
	Basel III	2.19	2.77

\* Basel III Common Equity Tier I, Tier I and CRAR ratios include Capital Conservation Buffer (CCB) 1.875% as on 31.03.2018 and 1.25% as on 31.03.2017.

### Basel III

Sl. No.	Particulars	31.03.2018	31.03.2017
i)	Common Equity Tier 1 Capital Ratio (%)	10.36	8.44
ii)	Tier 1 Capital Ratio (%)	11.71	9.96
iii)	Tier 2 Capital Ratio (%)	2.19	2.77
iv)	Total Capital Ratio (CRAR) (%)	13.90	12.73
v)	Percentage of the shareholding of Government of India in the bank	68.77	70.33
vi)	Amount of Equity Capital raised including share premium (₹ In Crore)	1977.00	-
vii)	₹ in Crore of Additional Tier 1 Capital raised of which:-		
	i. PNCPS:	0.00	0.00
	ii. PDI:	0.00	325.00
	Amount of Tier 2 capital raised of which:		
	i. Debt capital instrument (₹ In Crore):	0.00	0.00
	ii. Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS)/ Redeemable Non-Cumulative Preference Shares (RNCPS)/ Redeemable Cumulative Preference Shares (RCPS)]	0.00	0.00

## (II) Investments :

### (i) Particulars of Investments

(₹ in Crore)

Sl. No.	Particulars	31.03.2018	31.03.2017
1.	Value of Investments**		
	Gross value of investments	40281.86	44786.97
	In India	40281.86	44786.97



(₹ in Crore)

Sl. No.	Particulars	31.03.2018	31.03.2017
	Outside India	Nil	Nil
	Provisions for depreciation and NPI Dep.*	770.20	362.42
	In India	770.20	362.42
	Outside India	Nil	Nil
	Net value of investments	39511.66	44424.55
	In India	39511.66	44424.55
	Outside India	Nil	Nil
2.	Movement of provisions held towards depreciation on investments		
	Opening balance	272.29	265.04
	Add: i) Provision made during the year	384.75	7.25
	ii) Diminution on shifting of investments	-	-
	Less: Write back of excess provisions	61.09	-
	Closing balance	595.95	272.29

Gross value of investments includes securities pledged with RBI under LAF Repo of ₹ 3,435.00 Crore (PY ₹ 300.00 Crore), MSF of ₹ Nil (PY ₹ Nil) and securities pledged with other market participants under Non-Standard Repo of ₹ 97.67 Crore (PY ₹ 6857.39 Crore) and CBLO of ₹ Nil (PY ₹ Nil) outstanding as on 31.03.2018.

\*Includes provision of ₹ 174.25 Crore (PY ₹ 90.13 Crore) made on NPI.

\*\*excluding RIDF Investments.

(ii) The particulars of repo transactions (including those from RBI under LAF Repo) are as under:

(₹ in Crore)

Particulars	Outstanding during the year			As on 31.03.2018
	Minimum	Maximum	Daily average	
Securities sold under Repos:				
1) Govt. Securities	400.20	7157.39	3479.68	3532.67
2) Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under Reverse Repos:				
1) Govt. Securities	0.00	3000.00	228.47	3000.00
2) Corporate debt securities	Nil	Nil	Nil	Nil



(₹ in Crore)

Particulars	Outstanding during the year			As on 31.03.2017
	Minimum	Maximum	Daily average	
Securities sold under Repos:				
1) Govt. Securities	1033.84	10235.75	5676.00	7157.39
2) Corporate debt securities	Nil	Nil	Nil	Nil
Securities purchased under Reverse Repos:				
1) Govt. Securities	0.00	2150.00	235.08	961.66
2) Corporate debt securities	Nil	Nil	Nil	Nil

## (iii) Non-SLR Investment Portfolio

## Issuer composition of Non-SLR Investments -31.03.2018

(₹ in Crore)

Sl. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs	2896.79	1411.99	97.23	2630.81	236.01
(ii)	FIs**	654.63	393.96	10.00	170.08	0.00
(iii)	Banks	143.86	119.08	13.80	57.06	0.00
(iv)	Private Corporate	987.70	860.75	74.03	414.27	14.13
(v)	Subsidiaries/ Joint Ventures	0.00	0.00	0.00	0.00	0.00
(vi)	Other	346.88	346.88	0.00	346.88	0.00
(vii)	Provision held towards depreciation and NPI	408.29	XXX	XXX	XXX	XXX
	<b>Total *</b>	<b>4621.57</b>	<b>3132.66</b>	<b>195.06</b>	<b>3619.10</b>	<b>250.14</b>

**Note:**

- (1) \*Total under column 3 should tally with the total of Investments included under the following categories in Schedule 8 to the balance sheet:
  - a) Shares
  - b) Debentures & Bonds
  - c) Subsidiaries/joint ventures
  - d) Others
- (2) Amounts reported under columns 4, 5, 6 and 7 above may not be mutually exclusive.
- (3) The column (6) "Unrated Securities" mainly include Special State Government securities of ₹ 833.34 Crore, Central Govt. Securities issued as per Capital Infusion Plan of ₹ 1,277 Crore,



Equity Shares of ₹ 618.46 Crore, Venture Capital ₹ 17.70 Crore, Mutual Fund ₹ 5.00 Crore, Security Receipt of ₹ 329.11 Crore and DISCOM bonds of ₹ 447.73 Crore.

\*\* Excludes the investment under RIDF of ₹ 3,907.88 Crore outstanding as on Mar 31, 2018.

**a) Non performing Non-SLR investments**

(₹ in Crore)

Particulars	31.03.2018	31.03.2017
Opening balance	118.50	123.39
Additions during the year	95.19	25.89
Reductions during the above period	0.23	30.78
Closing balance	213.46	118.50
Total provisions held	174.25	90.13

**b) Movement in provision for Non Performing Investments**

(₹ in Crore)

Particulars	31.03.2018	31.03.2017
Opening balance	90.13	70.59
Add: Provision made during the year	84.35	48.06
Less: Write off/write back of excess provisions	0.23	28.52
Closing balance	174.25	90.13

**(iv) Sale and Transfer to/from HTM category**

During the year the book value of securities sold under HTM category exceeds 5% of the book value of investments held on HTM category as at the beginning of the year. The details of HTM category on 31.03.2018 are furnished hereunder:

(₹ in Crore)

Sl. No.	Particulars	Amount
1	Market Value	22,236.74
2	Book Value	22,783.06
3	Excess of book value over market value for which provision is not made	546.32

All SLR securities held under HTM have been valued as per FIMMDA/FIBIL rates.

**(v) Derivatives**

**a) Forward Rate Agreement / Interest Rate Swap**

(₹ in Crore)

	Particulars	31.03.2018	31.03.2017
a.	The notional principal of swap agreements	115.00	NIL
b.	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	NIL	NIL





(₹ in Crore)

	Particulars	31.03.2018	31.03.2017
c.	Collateral required by the bank upon entering into swaps	No collateral are required as the counterparties are Banks	NIL
d.	Concentration of credit risk arising from the swaps	The swaps undertaken are within interbank limits approved by Board. There is no concentration of credit risk arising from IRS undertaken during the year	NIL
e.	The fair value of the swap book	-0.28	NIL

**b) Exchange Traded Interest Rate Derivatives**

(₹ in Crore)

Sl. No.	Particulars	31.03.2018	31.03.2017
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	NIL	NIL
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 <sup>st</sup> March 2018 (instrument-wise)	NIL	NIL
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL
(iv)	Mark-to-Market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument -wise)	NIL	NIL

(vi) RBI circular DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018 grants the banks an option to spread provisioning for Mark to Market Losses (MTM Loss) on investments for the quarters ended December 31, 2017 and March 31, 2018, equally over the four quarters commencing with the quarter in which the loss is incurred. However, the Bank has not exercised the option and recognised the mark to market loss on investments in the quarter of incurrence.

**(vii) Disclosures on risk exposure in derivatives**

**a) Qualitative Disclosure**

Bank has put in place Board approved derivative policy for undertaking derivative transactions for hedging, trading and for catering to customer requirements as per RBI guidelines. The policy lays down the type, scope and usage with appropriate limits for derivative transactions. From the view point of operational efficiency and risk oversight the derivative desk is segregated into Front Office, Mid Office and Back office with clear segregation of functions.



**b) Quantitative Disclosures**

(₹ in Crore)

Sl. No.	Particulars	Currency Derivatives		Interest Rate Derivatives	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
(i)	<b>Derivatives (Notional Principal Amount)</b>	<b>NIL</b>	<b>NIL</b>	<b>115.00</b>	<b>NIL</b>
	a) For Hedging	<b>NIL</b>	<b>NIL</b>	<b>0.00</b>	<b>NIL</b>
	b) For Trading	<b>NIL</b>	<b>NIL</b>	<b>115.00</b>	<b>NIL</b>
(ii)	<b>Marked to Market Positions(1)</b>	<b>NIL</b>	<b>NIL</b>	<b>0.00</b>	<b>NIL</b>
	a) Asset(+)	<b>NIL</b>	<b>NIL</b>	<b>0.00</b>	<b>NIL</b>
	b) Liability(-)	<b>NIL</b>	<b>NIL</b>	<b>0.28</b>	<b>NIL</b>
(iii)	<b>Credit Exposure(2)</b>	<b>NIL</b>	<b>NIL</b>	<b>1.05</b>	<b>NIL</b>
(iv)	<b>Likely impact of one percentage change in interest rate (100*PV01)</b>	<b>NIL</b>	<b>NIL</b>	<b>3.86</b>	<b>NIL</b>
	a) On hedging derivatives	<b>NIL</b>	<b>NIL</b>	<b>0.00</b>	<b>NIL</b>
	b) On trading derivatives	<b>NIL</b>	<b>NIL</b>	<b>3.86</b>	<b>NIL</b>
(v)	<b>Maximum and Minimum of 100*PV01 observed during the year</b>	<b>NIL</b>	<b>NIL</b>	<b>0.00</b>	<b>NIL</b>
	a. On hedging				
		Maximum	<b>NIL</b>	<b>NIL</b>	<b>0.00</b>
		Minimum	<b>NIL</b>	<b>NIL</b>	<b>0.00</b>
	b. On trading				
		Maximum	<b>NIL</b>	<b>NIL</b>	<b>4.92</b>
		Minimum	<b>NIL</b>	<b>NIL</b>	<b>0.41</b>

**(III) Asset Quality**

**a. Non-Performing Asset**

(₹ in Crore)

Particulars	31.03.2018	31.03.2017
(i) Net NPAs to Net Advances (%)	<b>4.32</b>	4.36
(ii) Movement of NPAs (Gross)		
Opening balance	<b>6381.78</b>	6027.07
Additions during the year	<b>4388.20</b>	2893.44
Reductions during the year	<b>3243.89</b>	2538.73
Closing balance	<b>7526.09</b>	6381.78
(iii) Movement of NPAs (Net)		
Opening balance	<b>4118.16</b>	4276.82
Additions /( reductions) during the year	<b>903.08</b>	(158.66)
Closing balance	<b>5021.24</b>	4118.16



(₹ in Crore)

Particulars	31.03.2018	31.03.2017
(iv) Movement of provisions for NPAs*		
Opening balance	2227.33	1730.40
Provisions made during the year	1746.62	1558.29
Write-off / Write back of excess provision	1531.31	1061.36
Closing balance	2442.64	2227.33

(\*excluding provisions on standard assets and including floating provision)

**b. Divergence in Asset Classification and Provisioning for NPAs**

(₹ in '000)

Sl. No.	Particulars	Amount
1.	Gross NPA as on 31.03.2017 as reported by the Bank	63817736
2.	Gross NPA as on 31.03.2017 as assessed by RBI	71195736
3.	Divergence in Gross NPAs (2-1)	7378000
4.	Net NPA as on 31.03.2017 as reported by the Bank	41181600
5.	Net NPA as on 31.03.2017 as assessed by RBI	45540506
6.	Divergence in Net NPA (5-4)	4358906
7.	Provision for NPAs as on 31.03.2017 as reported by the Bank	22273230
8.	Provision for NPAs as on 31.03.2017 as assessed by RBI	25655230
9.	Divergence in Provisioning (8-7)	3382000
10.	Reported Net Profit after Tax (PAT) for the year ended 31.03.2017	7504851
11.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended 31.03.2017 after taking into account	5293023

**c. Details of Loan Assets subjected to Restructuring**

(₹ in Crore)

	Particulars	31.03.2018	31.03.2017
a.	Total amount of loan assets subjected to restructuring, re-scheduling, re-negotiation	944.26	1523.78
	Of which under CDR	21.40	425.93
b.	The amount of Standard assets subjected to restructuring, re-scheduling, re-negotiation	547.59	1115.35
	Of which under CDR	21.40	298.06
c.	The amount of sub-standard assets subjected to restructuring, rescheduling, renegotiation	175.33	105.26
	Of which under CDR	0.00	80.95
d.	The amount of doubtful assets subjected to restructuring, rescheduling, renegotiation	221.34	303.18
	Of which under CDR	0.00	46.92
	Note: (a = b + c + d)		



	<b>Debt restructuring for MSME accounts</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
a.	Total amount of assets of MSMEs subjected to restructuring (b+c+d)	<b>18.83</b>	22.30
b.	Amount of standard assets of MSMEs subjected to restructuring	<b>5.05</b>	6.58
c.	Amount of sub-standard assets of MSMEs subjected to restructuring	<b>1.89</b>	1.24
d.	Amount of doubtful assets of MSMEs subjected to restructuring	<b>11.89</b>	14.48

**d. Disclosure on the Scheme for Sustainable Structuring of Stressed Assets(S4A)**

(₹ in Crore)

<b>No. of accounts where S4A has been applied</b>	<b>Aggregate amount outstanding</b>		<b>Amount Outstanding</b>		<b>Provision held</b>
	<b>FB</b>	<b>NFB</b>	<b>In Part A*</b>	<b>In Part B</b>	
Classified as Standard (1 accounts)	34.66	72.85	107.51	45.48	₹ 21.25 Crore (Investment: ₹ 14.32 Crore requirement, Standard Assets Provision: ₹ 6.93 Crore)
Classified as NPA (1 accounts)	46.24	130.21	176.45	28.61	₹ 31.17 Crore (Investment: ₹ 7.37 Crore, NPA Provision: ₹ 23.80 Crore)

\*Including Non fund based

**e. Disclosure on Flexible Structuring of Existing Loans**

(₹ in Crore)

<b>Period</b>	<b>No. of Borrowers taken up for flexibly structuring</b>	<b>Amount of loans taken up for flexible structuring</b>		<b>Exposure weighted average duration of loans taken up for flexible structuring</b>	
		<b>Classified as Standard</b>	<b>Classified as NPA</b>	<b>Before applying flexible structuring</b>	<b>After applying flexible structuring</b>
31.03.2017	7	898.79	-	10.50 yrs	18.66 yrs
31.03.2018	1	215.13	-	10.07 yrs	19.96 yrs



f. **Disclosure 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						

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

(₹ in Crore)

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
NIL								

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

(₹ in Crore)

No. of project loan accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		
	Classified as Standard	Classified as standard restructured	Classified as NPA
NIL			





**i. Particulars of Standard Restructured Accounts attracting higher restructuring provision: Disclosure of Restructured Accounts as at March 2018\***

(₹ in crores)

Sl. No.	Type of Restructuring → Asset Classification → Details ↓	Under CDR Mechanism					Under SIME Debt Restructuring Mechanism					Others					Total									
		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total					
1	Restructured Accounts as on April 1, 2017* No. of borrowers Amount outstanding Provision thereon	0	4	5	2	11	0.02	1.24	11.87	2.81	15.74	28.58	23.07	237.45	4.33	293.43	587	295	1807	615	3304	588	307	2605	922	4422
2	Fresh restructuring during the FY 2017-18 No. of borrowers Amount outstanding Provision thereon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	53	0	5	1	59	53	0	5	1	59
3	Up gradations to restructured standard category during the FY 2017-18 No. of borrowers Amount outstanding Provision thereon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34	-14	-16	-4	0	39	-15	-20	-4	0.00
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY 2018 and hence need not be shown as restructured standard advances at the beginning of the next FY 2017-18 (accounts restructured before 31st March, 2016) No. of borrowers Amount outstanding Provision thereon	2				2	29				29	1281					506.33				506.33	532.78				532.78
5	Down gradations of restructured accounts during the FY 2017-18 No. of borrowers Amount outstanding Provision thereon	0	0	0	0	0	-5	2	3	0	0	-304	155	149	0	0.00	-208.93	173.42	35.51	0	0.00	-309	157	152	0	0.00
6	Write-offs of restructured accounts during the FY 2017-18 No. of borrowers Amount outstanding Provision thereon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	992	382	1642	682	2472	0	150	2250	1064	3464
7	Restructured Accounts as on March 31 of FY 2018* No. of borrowers Amount outstanding Provision thereon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1.21	14.81	33.39	0.14	48.48	14.81	1.35	33.39	0.14	49.69
		0	0	0	0	0	0	0	0	0	0.003	0.24	0	5.45	0	5.69	0.24	0.003	5.45	0	5.69	0.24	0.003	5.45	0	5.69

\*Excluding the figures of Standard Restructured Advances which have completed two years from the date of restructure or two years plus moratorium period, if any.



**j. Details of Assets sold to Securitisation Company (SC) / Reconstruction Company (RC), for Assets Reconstruction –**

(₹ in Crore)

Sl. No.	Particulars	31.03.2018	31.03.2017
1	Number of accounts	NIL	NIL
2	Aggregate Value (net of provisions) of accounts sold to SC/ RC	NIL	NIL
3	Aggregate consideration	NIL	NIL
4	Additional consideration realised in respect of accounts transferred in earlier years	NIL	NIL
5	Aggregate gain / loss over net book value	NIL	NIL

**k. Sale of Financial Assets to Securitisation Company/Reconstruction Company**

**Table (i)**

(₹ in Crore)

Sl. No.	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
1	Book value of SRs backed by NPAs sold by the bank as underlying	146.39	20.06	NIL
	Provision held against (1)	115.40	16.01	NIL
2	Book value of SRs backed by NPAs sold by other banks/ financial institutions/non-banking financial companies as underlying	NIL	NIL	NIL
	Provision held against (2)	NIL	NIL	NIL
	<b>Total (1+2)</b>	<b>146.39</b>	<b>20.06</b>	<b>NIL</b>

**Table (ii)**

(₹ in Crore)

Sl. No.	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
1	Book value of SRs backed by standard assets sold by the bank as underlying	162.66	NIL	NIL
	Provision held against (1)	16.26	NIL	NIL
2	Book value of SRs backed by standard assets sold by other banks/financial institutions/ non-banking financial companies as underlying	NIL	NIL	NIL
	Provision held against (2)	NIL	NIL	NIL
	<b>Total (1+2)</b>	<b>162.66</b>	<b>NIL</b>	<b>NIL</b>



**I. Credit Default Swaps : NIL**

**m. Details of non-performing financial assets purchased/sold**

**i. Details of non-performing financial assets purchased**

(₹ in Crore)

Particulars		31.03.2018	31.03.2017
1.	(a) No. of accounts purchased during the year	NIL	NIL
	(b) Aggregate outstanding	NIL	NIL
2.	(a) Of these, number of accounts restructured during the year	NIL	NIL
	(b) Aggregate outstanding	NIL	NIL

**ii. Details of non-performing financial assets sold**

(₹ in Crore)

Particulars		31.03.2018	31.03.2017
1.	No. of accounts sold	NIL	NIL
2.	Aggregate outstanding	NIL	NIL
3.	Aggregate consideration received	NIL	NIL

There was no case where the banks had spread the shortfall over 2 years.

**n. Provision on Standard Asset**

(₹ in Crore)

Particulars	31.03.2018	31.03.2017
Provisions towards Standard Assets	459.92	516.64
<b>TOTAL</b>	<b>459.92</b>	<b>516.64</b>

**o. Business Ratios**

Particulars	31.03.2018	31.03.2017
Interest Income as a percentage to Working Funds	7.69%	8.14%
Non-interest income as a percentage to Working Funds	0.98%	1.09%
Operating Profit as percentage to Working Funds	1.89%	1.59%
Return on Average Assets	0.44%	0.49%
Average Business [Deposits + Advances] per employee (₹ in Crore)	18.10	14.17
Net profit per employee	0.05	0.05

**p. In terms of directions of RBI vide letter no DBR.No.BP.15199/21.04.048/2016-17 dt.23.06.2017 and DBR.No.BP.1926/21.04.048/2017-18 dt.28.08.2017 in respect of certain NPA accounts under Insolvency and Bankruptcy code (IBC), bank has fully provided the additional provision of ₹ 14979 lakhs required to be provided by 31st March 2018 in respect of such accounts. In this regard RBI has reduced the provisioning requirement from 50% to 40 % vide circular number**



DBR.No.BP.8756/21.04.048/2017-18 dated 2nd April 2018. The bank, however, has not reduced the provision and maintained the provision as aforesaid.

- q. In respect of advances under IBC, provision has been done considering the value of security as per available records in view of uncertainty involved in fair value which will be decided on resolution of the case in NCLT.
- r. RBI vide its circular no DBR.NO.BPBC.101/21.04.048/2017-18 dated 12<sup>th</sup> February 2018, has issued revised framework on Resolution of Stressed Assets. In pursuance to the revised framework the bank has classified the specific restructured accounts as non performing and accordingly made provision towards such stressed accounts of ₹ 116.45 Crores.
- s. In view of fraud detected during the year in certain banks, in respect of a Gems and Jewellery borrower Group, the Bank has classified certain accounts as non-performing and made an additional provision of ₹ 27.38 Crores by way of abundant caution.

**(IV) Asset Liability Management : Maturity pattern of certain items of assets and liabilities:**

(₹ in Crore)

	1 day	2-7 days	8-14 days	15-30 days	31 days and upto 2 months	More than 2 months and upto 3 months	Over 3 months to 6 months	Over 6 months to 12 months	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	490.13	3513.07	2856.29	3351.94	9176.34	15413.84	20880.40	44190.30	20480.37	35467.91	1466.94	157287.53
Advances*	1294.32	135.15	159.64	1278.72	2203.66	2971.56	4196.47	8285.12	59198.90	14215.21	22226.70	116165.44
Investments*	36.91	290.62	0.00	50.14	20.50	40.34	10.00	1396.89	4114.43	5070.66	28481.18	39511.67
Borrowings**	0.00	3205.67	427.00	200.00	86.18	71.31	1.56	9.10	1012.42	338.90	1947.65	7299.79
Foreign Currency Assets	47.54	10.82	13.52	477.44	217.11	48.80	101.93	12.25	70.23	9.31	48.04	1056.99
Foreign Currency Liabilities	595.23	1.37	3.03	2.08	76.80	19.28	33.33	138.29	152.55	35.03	0.00	1056.99

Assets and Liabilities are classified as per the guidelines issued by the Reserve Bank of India and compiled by the management and relied upon by the auditors.

\* Figures are broadly net of provision.

\*\* Borrowings in India.

**(V) Lending to Sensitive Sectors**

**a) Exposure to Real Estate Sector**

(₹ in Crore)

Particulars	31.03.2018	31.03.2017
1) Direct exposure		
a. Residential mortgages		
(i) Lendings fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	<b>15584.36</b>	11771.19
(ii) Individual housing loans eligible for inclusion in priority sector advances (included in the above)	<b>7105.46</b>	5889.23



(₹ in Crore)

Particulars	31.03.2018	31.03.2017
b. Commercial Real Estate		
Lendings secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure also includes non-fund based (NFB) limits.	1256.89	1925.24
c. Income Producing Real Estate	2347.24	2208.07
d. Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
i) Residential	--	500.46
ii) Commercial Real Estate	--	--
2) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	688.12*	100.88
<b>Total exposure to real estate sector</b>	<b>19878.27</b>	<b>16005.38</b>

\*Including indirect investment exposure of ₹ 561.87 Crore to NHB & HFC.

**b) Exposure to Capital Market**

(₹ in Crore)

Sl. No.	Particulars	31.03.2018	31.03.2017
(I)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	352.71	183.45
(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.	NIL	NIL
(III)	Advances for any other purpose where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	NIL	NIL





(₹ in Crore)

Sl. No.	Particulars	31.03.2018	31.03.2017
(IV)	Advances for any other purpose 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.	NIL	NIL
(V)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stock brokers and market makers.	25.00	25.30
(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.	NIL	NIL
(VII)	Bridge loans to companies against expected equity flows/issues.	NIL	NIL
(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.	NIL	NIL
(IX)	Financing to stock brokers for margin trading.	NIL	NIL
(X)	All exposures to Venture Capital Funds (both registered and unregistered)	17.70	20.05
	<b>Total exposure to capital market</b>	<b>395.41</b>	<b>228.80</b>

**(VI) Disclosure for investments under SDR :-**

Pursuant to the master circular DBR.BP.BC.No.101/21.04.132/2014-15 dated June 08, 2015, on Strategic Debt Restructuring Scheme, Point No. 7, and acquisition of shares under SDR mechanism is exempted from regulatory ceilings/restrictions on Capital Market Exposures, investment in Para-Banking activities and intra-group exposure.

Details of shares held under SDR mechanism and details of the same as on 31.03.2018 are as under:

Name of Company	Shares allotted	Allotment price/ share in ₹	Book value ₹ in Cr
LancoTeesta Hydro Power Limited	4,00,00,000	10.00	40.00
Monnet Ispat and Energy Limited	20,00,000	34.20	6.84
Bellona Estate Developers Limited	36,140	10.00	0.04
Athena Chhattisgarh Power Limited	5,86,57,727	10.00	58.66
ETCO Denim Private Limited	79,23,749	10.00	7.92
GTL Infrastructure Limited	1,57,86,048	10.00	15.79
<b>Total</b>			<b>129.25</b>



**(VII) Risk Category-wise Country Exposure:**

(₹ in Crore)

Risk Category	Exposure (net) as at 31.03.2018	Provision held as at 31.03.2018	Exposure (net) as at 31.03.2017	Provision held as at 31.03.2017
Insignificant	380.94	NIL	336.71	NIL
Low	318.30	NIL	292.72	NIL
Moderate	8.05	NIL	19.92	NIL
High	7.22	NIL	6.60	NIL
Very High	0.00	NIL	1.25	NIL
Restricted	0.00	NIL	0.00	NIL
Off credit	0.00	NIL	0.00	NIL
<b>Total</b>	<b>714.51</b>	<b>NIL</b>	<b>657.20</b>	<b>NIL</b>

The net funded exposure of the Bank in respect of foreign exchange transactions with each country is within 1% of the total assets of the Bank and hence no provision is required to be made as per the Reserve Bank of India Circular DBOD. BPBC.71/21.01.103/2002-03 dated 19.02.2003 read with DBOD. BPBC.96/21.04.103/2003-04 dated 17.06.2004.

**(VIII) Details of Credit Exposures where the Bank had exceeded the Prudential Exposure during the year :**

(₹ in Crore)

Sl. No.	Name of the Borrower	Exposure Ceiling	Limit sanctioned	Period during which limit exceeds	Amt. outstanding during the period limit exceeded	Board Sanction details	Position on 31.03.2018
2017-18	M/s. Kaleshwaram irrigation Project Corporation limited	2210.30 (individual exposure ceiling @20% of capital fund of Rs.11051.49 as on 31.03.2017 applicable for Infrastructure)	2750.00	Not applicable under drawdown	Not applicable under drawdown-outstanding within prudential exposure ceiling	Sanctioned vide MCB proceeding No. CD:MC:Cir-01/2018 dated 04.01.2018 approved by Board vide agenda No.A-09/18 dated 02.01.2018	1961.83
2016-17	NIL	NA					

**(IX) Concentration of Deposits, Advances, Exposures and NPAs**

**a) Concentration of Deposits**

(₹ in Crore)

Particulars	31.03.2018	31.03.2017
Total Deposits of twenty largest depositors	<b>38196.29</b>	26490.55
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	<b>24.28%</b>	19.92%



## b) Concentration of Advances –

(₹ in Crore)

Particulars	31.03.2018	31.03.2017
Total Advances of twenty largest borrowers	24574.01	13156.81
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	20.71%	13.59%

## c) Concentration of Exposures -

(₹ in Crore)

Particulars	31.03.2018	31.03.2017
Total Exposure of twenty largest borrowers/customers	26822.39	16987.56
Percentage of Exposures of twenty largest borrowers to aggregate exposure under fund based, non-fund based investment and derivative exposure Total Exposure of the bank on borrowers/customers	20.16%	15.06%

## d) Concentration of Exposures -

(₹ in Crore)

Particulars	31.03.2018	31.03.2017
Total Exposure of twenty largest groups	17516.93	16931.01
Percentage of Exposures of twenty largest borrowers to aggregate exposure under fund based, non-fund based investment and derivative exposure Total Exposure of the bank on borrowers/customers	13.17%	15.01%

## e) Concentration of NPAs -

(₹ in Crore)

Particulars	31.03.2018	31.03.2017
Total Exposure of top four NPA accounts	1653.90	1317.46

## (X) Sector-Wise advances (Gross) -

(₹ in Crore)

Sl. No.	Sector	31.03.2018			31.03.2017		
		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
<b>A</b>	<b>Priority Sector</b>						
1	Agriculture and allied activities	15897.00	578.64	3.64	12752.54	544.89	4.27



(₹ in Crore)

Sl. No.	Sector	31.03.2018			31.03.2017		
		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
2	Advances to industries sector eligible as priority sector lending	5005.03	506.93	10.13	4554.50	305.89	6.72
3	Services	12916.34	464.74	3.60	11453.06	85.13	0.74
4	Personal Loans	9656.63	79.63	0.82	7973.53	480.46	6.03
	<b>Sub-total (A)</b>	<b>43475.00</b>	<b>1629.94</b>	<b>3.75</b>	<b>36733.63</b>	<b>1416.37</b>	<b>3.86</b>
<b>B</b>	<b>Non-Priority Sector</b>						
1	Agriculture and allied activities	Nil	Nil	Nil	Nil	Nil	Nil
2	Advances to Industries Sector	70381.90	5378.70	7.64	27545.59	4316.43	15.67
3	Services	3363.28	428.21	12.73	3329.60	51.82	1.56
4	Personal Loans	1457.22	89.24	6.12	29212.63	597.16	2.04
	<b>Sub-total (B)</b>	<b>75202.40</b>	<b>5896.15</b>	<b>7.84</b>	<b>60087.82</b>	<b>4965.41</b>	<b>8.26</b>
	<b>Total (A+B)</b>	<b>118677.40</b>	<b>7526.09</b>	<b>6.34</b>	<b>96821.45</b>	<b>6381.78</b>	<b>6.59</b>

## (XI) Movement of NPAs –

(₹ in Crore)

Particulars	31.03.2018	31.03.2017
Gross NPAs as on 01 <sup>st</sup> April 2017 (Opening Balance)	6381.78	6027.07
Additions (Fresh NPAs) during the year	4388.20	2893.44
<b>Sub-total (A)</b>	<b>10769.98</b>	<b>8920.51</b>
Less:-		
(i) Up gradations	876.57	895.44
(ii) Recoveries (excluding recoveries made from upgraded accounts)	827.33	575.00
(iii) Technical/Prudential Write-off	1531.32	1061.36
(iv) Write-offs Other than those under (iii) above	8.67	6.93
<b>Sub-total (B)</b>	<b>3243.89</b>	<b>2538.73</b>
Gross NPAs as on 31st March 2018 (A-B)	7526.09	6381.78

**(XII) Technical write off and recoveries made thereon: –**

(₹ in Crore)

Particulars	31.03.2018	31.03.2017
Opening balance of technical/prudential write-off accounts	3459.51	2540.48
Add: Technical/Prudential write off during the year	1531.31	1061.36
Sub Total	4990.82	3601.84
Less: Recoveries made from previously technical/prudential written off accounts during the year	151.27	142.33
Closing balance	4839.55	3459.51

**(XIII) Overseas Assets, NPAs and Revenue : NIL****(XIV) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)**

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

**(XV) Unsecured advances:** The Bank has no unsecured advances wherein intangible securities have been taken as collateral securities.

**(XVI) Fees / remuneration from insurance business during 2017-18:**

(₹ in Crore)

Sl. No.	Nature of Income	2017-18	2016-17
1	For selling life insurance policies	2.15	2.17
2	For selling non-life insurance policies	6.13	4.64
3	For selling mutual fund products	NIL	NIL
4	Others (Specify)	NIL	NIL

**11. Disclosure requirements as per Accounting Standards notified by the Ministry of Corporate Affairs under section 133 of Companies Act 2013 read rule 7 of Companies (Act) Rules 2014 where RBI has issued guidelines:**

- i) There were no material prior period income/ expenditure required to be disclosed as per AS -5.
- ii) As per the past practice, the bank does not provide details for the gross amount of each class of depreciable asset as and related accumulated depreciation as required under AS-6.
- iii) In terms of accounting policy No.8 of the Bank, some items are recognised on cash basis. However, the management is of the view that since the amount involved is not material, it does not require any disclosure under AS-9.
- iv) The Bank is revaluing foreign currency transactions consistently at the weekly average rate of the last week of the preceding month, prescribed by FEDAI, instead of the rate at the date of the transaction as per AS 11. The management is of the view that there is no material impact on the accounts for the year.





v) The following information is disclosed under AS-15 - Employee benefits :-

(₹ in Crore)

SI. No.	Particulars	Pension	Pension	Pension	Pension	Pension
		31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
<b>I.</b>	<b>Principal Actuarial Assumptions</b>					
	Discount Rate	7.64%	7.50%	8.00%	8.00%	8.50%
	Salary escalation rate	5.50%	5.50%	5.50%	5.50%	5.50%
	Attrition rate	1.00%	1.00%	1.00%	1.00%	1.00%
	Expected rate of return on Plan Assets	8.17%	9.16%	9.02%	8.95%	9.50%
<b>II.</b>	<b>Changes in the Present Value of the Obligation (PVO)</b>					
	PVO as at the beginning of the period	3282.09	2602.03	2407.14	2132.84	2009.65
	Interest Cost	239.45	184.70	180.28	161.87	161.48
	Current Service Cost	95.38	341.24	208.27	268.84	268.90
	Benefits Paid	295.95	278.49	(307.37)	(218.99)	(219.72)
	Actuarial (gain) / loss on obligation (balancing figure)	355.34	432.60	113.71	62.58	(87.47)
	PVO as at the end of the period	3676.31	3282.08	2602.03	2407.14	2132.84
<b>III.</b>	<b>Changes in the Fair Value of Plan Assets</b>					
	Fair Value of Plan Assets as at the beginning of the period	3070.66	2542.70	2347.50	2246.06	1963.99
	Expected return on Plan Assets	250.87	232.91	211.74	201.02	186.58
	Contributions	811.43	560.58	299.64	89.00	271.58
	Benefits Paid	295.95	278.50	(307.37)	(218.99)	(219.72)
	Actuarial gain / (loss) on Plan Assets	23.18	12.97	(8.81)	30.40	43.64
	Fair Value of Plan Assets as at the end of the period	3860.19	3070.66	2542.70	2347.50	2246.06
<b>IV.</b>	<b>Actual Return on Plan Assets</b>					
	Expected return on Plan Assets	250.87	232.91	211.74	201.02	186.58
	Actuarial gain / (loss) on Plan Assets	23.18	12.97	(8.81)	30.40	43.64
	Actual return on Plan Assets	274.05	245.88	202.93	231.43	230.22
<b>V.</b>	<b>Actuarial gain / (loss) recognised</b>					
	Actuarial gain / (loss) for the period – Obligation	355.34	432.60	(113.71)	(62.58)	87.47
	Actuarial gain / (loss) for the period – Plan Assets	23.18	12.97	(8.81)	30.41	43.64
	Total gain / (loss) for the period	332.16	419.63	(122.52)	(32.17)	131.11
	Actuarial gain / (loss) recognised in the period	332.16	419.63	(122.52)	(32.17)	131.11



(₹ in Crore)

Sl. No.	Particulars	Pension	Pension	Pension	Pension	Pension
		31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
<b>VI.</b>	<b>Amounts recognised in the Balance Sheet and related analysis</b>					
	Present Value of the obligation	<b>3676.30</b>	3282.08	2602.03	2407.14	2132.84
	Fair Value of Plan Assets	<b>3860.20</b>	3070.66	2542.70	2347.50	2246.06
	Funded Status [Surplus/(Deficit)]	<b>183.89</b>	(211.42)	(59.33)	(59.64)	113.22
	Amount recognised in the Balance Sheet	<b>183.89</b>	(211.42)	(59.33)	(59.64)	113.22
<b>VII.</b>	<b>Expenses recognised in the Statement of Profit and Loss</b>					
	Current Service Cost	<b>95.38</b>	341.24	208.27	268.84	268.90
	Interest Cost	<b>239.45</b>	184.70	180.28	161.87	161.48
	Expected return on Plan Assets	<b>250.87</b>	232.91	(211.74)	(201.02)	(186.58)
	Net Actuarial (gain) / loss recognised in the year	<b>332.16</b>	419.63	122.52	32.17	(131.11)
	Expenses recognised in the statement of Profit and Loss	<b>416.11</b>	712.68	299.33	261.86	112.69
<b>VIII.</b>	<b>Movements in the liability recognised in the Balance Sheet</b>					
	Opening net liability	<b>211.43</b>	59.33	59.64	(113.22)	45.66
	Expense as above	<b>416.11</b>	712.68	299.33	261.86	112.70
	Contribution Paid	<b>811.43</b>	560.58	(299.64)	(89.00)	(271.58)
	Closing Net Liability	<b>(183.89)</b>	211.42	59.33	59.64	(113.22)
<b>IX.</b>	<b>Amount for the Current Period</b>					
	Present Value of obligation	<b>3676.30</b>	3282.08	2602.03	2407.14	2132.84
	Plan Assets	<b>3860.20</b>	3070.66	2542.70	2347.50	2246.06
	Surplus / (Deficit)	<b>(183.89)</b>	(211.42)	(59.33)	(59.64)	113.22
	Experience adjustments on Plan Liabilities – gain / (loss)	<b>(355.34)</b>	(432.60)	(113.71)	(62.58)	87.47
	Experience adjustments on Plan Assets – gain / (loss)	<b>23.18</b>	12.97	(8.81)	30.40	43.64



(₹ in Crore)

Sl. No.	Particulars	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity
		31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
<b>I.</b>	<b>Principal Actuarial Assumptions</b>					
	Discount Rate	7.71%	7.50%	8.00%	8.00%	8.50%
	Salary escalation rate	5.50%	5.50%	5.50%	5.50%	5.50%
	Attrition rate	1.00%	1.00%	1.00%	1.00%	1.00%
	Expected rate of return on Plan Assets	8.42%	10.79%	9.00%	8.81%	8.50%
<b>II.</b>	<b>Changes in the Present Value of the Obligation (PVO)</b>					
	PVO as at the beginning of the period	332.16	298.88	298.16	315.93	343.85
	Interest Cost	23.76	20.64	21.39	22.77	26.49
	Service Cost*	101.80	24.77	22.06	18.63	17.45
	Benefits Paid	47.93	47.29	(61.68)	(62.70)	(64.50)
	Actuarial (gain) / loss on obligation (balancing figure)	6.86	35.16	18.95	3.54	(7.36)
	PVO as at the end of the period	416.65	332.16	298.88	298.17	315.93
<b>III.</b>	<b>Changes in the Fair Value of Plan Assets</b>					
	Fair Value of Plan Assets as at the beginning of the period	339.71	308.99	326.30	354.14	368.24
	Expected return on Plan Assets	28.60	33.34	29.37	31.20	31.30
	Contributions	36.00	44.89	16.00	0.00	21.00
	Benefits Paid	47.93	47.29	(61.68)	(62.70)	(64.50)
	Actuarial gain / (loss) on Plan Assets	(5.23)	(0.22)	(1.00)	3.67	(1.90)
	Fair Value of Plan Assets as at the end of the period	351.15	339.71	308.99	326.31	354.14
<b>IV.</b>	<b>Actual Return on Plan Assets</b>					
	Expected return on Plan Assets	28.60	33.34	29.37	31.20	31.30
	Actuarial gain / (loss) on Plan Assets	(5.23)	(0.22)	(1.00)	3.67	(1.90)
	Actual return on Plan Assets	23.37	33.12	28.37	34.87	29.40
<b>V.</b>	<b>Actuarial gain / (loss) recognised</b>					
	Actuarial gain / (loss) for the period – Obligation	(6.86)	(35.16)	(18.95)	(3.54)	7.36
	Actuarial gain / (loss) for the period – Plan Assets	(5.23)	(0.22)	(1.00)	3.67	(1.90)
	Total gain / (loss) for the period	(12.09)	(35.38)	(19.95)	0.13	5.46
	Actuarial gain / (loss) recognised in the period	(6.86)	(35.38)	(19.95)	0.13	5.46



(₹ in Crore)

Sl. No.	Particulars	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity
		31.03.18	31.03.17	31.03.16	31.03.15	31.03.14
<b>VI.</b>	<b>Amounts recognised in the Balance Sheet and related analysis</b>					
	Present Value of the obligation	<b>416.65</b>	332.16	298.88	298.17	315.93
	Fair Value of Plan Assets	<b>351.15</b>	339.72	308.99	326.31	354.14
	Funded Status [Surplus/(Deficit)]	<b>(65.50)</b>	7.54	10.12	28.14	38.21
	Amount recognised in the Balance Sheet	<b>(65.50)</b>	7.54	10.12	28.14	38.21
<b>VII.</b>	<b>Expenses recognised in the Statement of Profit and Loss</b>					
	Current Service Cost	<b>23.13</b>	24.77	22.06	18.63	17.45
	Interest Cost	<b>23.76</b>	20.64	21.39	22.77	26.49
	Expected return on Plan Assets	<b>28.60</b>	33.34	29.37	31.20	31.30
	Net Actuarial (gain) / loss recognised in the year	<b>12.09</b>	35.38	19.95	(0.13)	(5.46)
	Expenses recognised in the statement of Profit and Loss	<b>101.50</b>	47.46	34.02	10.06	7.18
<b>VIII.</b>	<b>Movements in the liability recognised in the Balance Sheet</b>					
	Opening net liability	<b>(7.54)</b>	(10.12)	(28.14)	(38.21)	(24.39)
	Expense as above	<b>101.50</b>	47.46	34.02	10.06	7.18
	Contribution Paid	<b>(36.00)</b>	(44.89)	(16.00)	-	(21.00)
	Closing Net Liability	<b>65.50</b>	(7.54)	(10.12)	28.15	(38.21)
<b>IX.</b>	<b>Amount for the Current Period</b>					
	Present Value of obligation	<b>416.65</b>	332.16	298.88	298.16	315.93
	Plan Assets	<b>351.15</b>	339.72	308.99	326.30	354.14
	Surplus / (Deficit)	<b>(65.50)</b>	7.54	10.12	28.14	38.21
	Experience adjustments on Plan Liabilities – gain / (loss)	<b>(6.86)</b>	(35.16)	(18.95)	(3.54)	7.36
	Experience adjustments on Plan Assets – gain / (loss)	<b>(5.23)</b>	(0.22)	(1.00)	3.67	(1.90)

\*includes part service cost of ₹ 78.68 Crore

Actuarial assumptions relating to provisions for compensated absence are given below :

Interest rate :- 7.71% p.a

Salary inflation:-5.50% p.a

Mortality :- LIC1 1994-96

Attrition rate :- 10 per thousand p.a

Formula :- projected unit credit method



vi) Details of Provisions as per AS-15 made for various Long Term Employee Benefits during the year are as follows:

(₹ in Crore)

Sl. No.	Other Long Term Benefits	31.03.2018	31.03.2017
1.	Pension	416.11	712.68
2.	Gratuity	101.50	37.35
3.	Leave Encashment*	4.29	(14.28)
4.	Sick Leave	0.51	3.41

\* Note: Actual expenditure of ₹ 45.00 crores (Previous year ₹ 41.00 Crore) has been recognized in P&L Account by debiting salary & allowance A/c.

vii) In view of fraud detected during the year in certain banks, in respect of Two Gems and Jewellery borrower Group, the Bank has classified those accounts as non-performing assets and made necessary provisions.

viii) Segment Reporting (AS-17)

(₹ in Crore)

	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Revenue	3705.80	4182.90	5550.06	5560.09	3866.58	3540.34	1068.02	747.39	14190.45	14030.72
Result	1471.79	1067.80	471.16	298.06	680.79	857.12	576.45	280.98	3200.18	2503.96
Unallocated Expenses									2216.97	1589.48
Profit Before Taxes									983.22	914.48
Provision for Taxes									256.19	164.00
Extraordinary Profit/Loss									Nil	Nil
Net Profit									727.02	750.48
OTHER INFORMATION										
Segment Assets	43576.93	47466.52	71707.52	57498.55	53591.62	41358.83	5239.70	4304.81	174115.80	150628.71
Unallocated Assets									3516.27	4252.86
<b>Total Assets</b>									<b>177632.05</b>	<b>154881.57</b>
Segment Liabilities	42058.51	45666.57	69148.43	56279.23	51781.89	40730.61	4016.02	3873.35	167004.85	146549.76
Unallocated Liabilities									10627.20	8331.81
<b>Total Liabilities</b>									<b>177632.05</b>	<b>154881.57</b>

# For the purpose of segment reporting in terms of AS-17 and as prescribed in RBI guidelines, the business of the Bank has been classified into four segments i.e., a) Treasury Operations (b) Corporate/ Wholesale Banking, (c) Retail Banking and (d) Other Banking Operations. Segmenting is based on the current policy of the bank.

# Since the Bank does not have any Overseas Branch, reporting under geographic segment is not applicable.

# Expenses wherever directly related to segments have been accordingly allocated to segments and wherever not directly related have been allocated on the basis of segment revenue.



# Assets/liabilities wherever directly related to segments have been accordingly allocated to segments and wherever not directly related have been allocated on the basis of segment revenue/segments assets ratio.

The above information has been compiled based on data available at Head Office.

**ix) The Bank has identified the following as related party as per AS-18 on Related Party Disclosures –**

- a) Key Management Personnel :
- Dr. Kishore Sansi (EX- M.D & CEO)-Part of the year
  - Shri B.S. Rama Rao (EX-ED)- Part of the year
  - Shri R. A. Sankara Narayanan (M.D & CEO)
  - Shri Nageswara Rao Y (Executive Director)
  - Shri Murali Ramaswami (Executive Director)

The transactions with Related Parties during the year are as under:

- a) i) Remuneration paid to Key Management Personnel during the year

Shri R. A. Sankara Narayanan, M.D & CEO (01.09.2017 to 31.03.2018)	₹ 18,81,486.46
Dr. Kishore Sansi, EX- M.D & CEO (01.04.2017 to 31.08.2017)	₹ 35,44,539.00
Shri Nageswara Rao Y, ED (01.04.2017 to 31.03.2018)	₹ 25,69,848.50
Shri Murali Ramaswami, ED (20.02.2017 to 31.03.2018)	₹ 3,37,092.80
Shri B.S. Rama Rao, EX-ED (01.04.2017 to 31.01.2018)	₹ 46,58,007.30

- ii) Previous year figures (2016-17)

Dr. Kishore Sansi, EX- M.D & CEO (01.04.2016 to 31.03.2017)	₹ 30,15,624.00
Shri B.S. Rama Rao, EX-ED (01.04.2016 to 31.03.2017)	₹ 27,36,526.00
Shri Nageswara Rao Y, ED (01.04.2016 to 31.03.2017)	₹ 25,30,938.00

- b) There has been no transaction with the relatives of the Key Management Personnel during the year.

- c) Associates: NIL

**x) Leases (AS -19)**

- a) Lease rent paid for operating leases are recognized as an expense in the Profit & Loss Account in the year to which it relates.
- b) Future Lease Rent Payable for operating lease :

(₹ in Crore)

Particulars	31.03.2018	31.03.2017
Not Later than 1 year	200.59	153.06
Later than 1 year but not Later than 5 years	961.32	696.66
Later than 5 years	944.05	765.75
<b>Total</b>	<b>2105.96</b>	<b>1615.40</b>
Amount Charged to P&L	191.98	151.29





- c) Future lease rents and escalation in the rent are determined on the basis of agreed terms.
- d) At the expiry of initial lease term, generally the Bank has an option to extend the lease for a further pre-determined period.
- e) The Bank does not have any financial lease.

**xi) Earning Per Share (AS-20)**

The Bank reports basic earnings per equity share in accordance with Accounting Standard 20 on "Earnings per Share". Basic earnings per share for the period is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

Calculation of Basic EPS/ Diluted		31.03.2018	31.03.2017
a.	Net Profit after tax available for equity share holders (₹ in Crore)	727.02	750.48
b.	Weighted average number of equity shares (Numbers in Crore) Number of shares at beginning: 998845340*365/365 Addition as on 05/09/2017: 111022997*208/365 Addition as on 27/03/2018 : 194279628*5/365	106.48	99.10
c.	Basic EPS/ Diluted (in rupees)	6.83	7.57
d.	Nominal Value per share (in rupees)	10.00	10.00

**(xii) Accounting for Taxes on Income (AS-22)**

The Bank has accounted for Taxes on Income in compliance with Accounting Standard 22 - "Accounting for Taxes on Income" issued by the ICAI. Accordingly, deferred tax assets and liabilities are recognised.

- a) The components of deferred tax are as under:

(₹ in Crore)

Timing Difference	Deferred Tax Asset		Deferred tax liability	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
1. Provision for leave encashment	53.57	52.09	Nil	Nil
2. Depreciation on Fixed Assets	0.55	0.55	Nil	Nil
3. Unamortized pension	NIL	Nil	Nil	Nil
4. Unamortized gratuity	NIL	Nil	Nil	Nil
5. Provision for Restructured Advances	2.45	3.98	1.74	Nil
6. Special Reserve u/s 36(i) (viii) of IT Act	NIL	Nil	215.85	188.17
7. Provision for NPA	773.68	475.67	Nil	Nil
<b>Total</b>	<b>830.25</b>	<b>532.29</b>	<b>217.59</b>	<b>188.17</b>

In view of the application of ICDS (Income Computation and Disclosure Standards) from the year 2017-18, provisions of AS 22 in respect of DTL on Investments under HTM category are not applicable.



- b) During the financial year 2017-18, the Bank has recognised DTA in respect of provision made in excess of deduction allowable u/s 36(i)(vii)(a) of the Income Tax Act.
- c) Amount of provisions made for Income Tax during the year:

(₹ in Crore)

Particulars	31.03.2018	31.03.2017
Provision for Income Tax	524.74	307.76
Provision for Deferred Tax	(268.55)	(143.76)

(xiii) In the opinion of the Management, there is no material impairment of any of the Fixed Assets of the Bank as per Accounting Standard 28 – Impairment of Assets.

## 12. Additional disclosures

### (i) Break up of provisions and contingencies

(₹ in Crore)

Break up of 'Provisions and contingencies' shown under the head Expenditure in Profit and Loss A/c	31.03.2018	31.03.2017
Provision for depreciation on investment	457.06	44.97
Provisions towards NPA	1746.81	1347.34
Provisions towards Standard Assets (including Restructured Std.)	(68.32)	58.27
Provisions made towards Income Tax (net):		
i) Current Tax	524.74	307.76
ii) Deferred Tax	(268.55)	(143.76)
Other Provision and Contingencies :		
i) Provision for Contingencies	15.42	10.94
ii) Others	15.79	47.29
iii) Excess Provision written back	(52.18)	(2.14)
<b>Total</b>	<b>2370.78</b>	<b>1670.67</b>

### (ii) Floating Provisions

(₹ in Crore)

Particulars	31.03.2018	31.03.2017
(a) Opening balance	71.35	71.35
(b) Floating provisions made during the year	Nil	Nil
(c) Amount withdrawn during the year	Nil	Nil
(d) Closing balance	71.35	71.35



### (iii) Disclosure of Customer Complaints

#### a) Customer Complaint

Sl. No.	Particulars	31.03.2018	31.03.2017
(a)	No. of complaints pending at the beginning of the year	39	37
(b)	No. of complaints received during the year	4660	5850
(c)	No. of complaints redressed during the year	4659	5848
(d)	No. of complaints pending at the end of the year	40*	39

\*Since redressed

#### b) Complaint details related to ATM transactions

Sl. No.	Particulars	31.03.2018	31.03.2017
1	No. of issues pending at the beginning of the year	53	98
2	No. of issues received during the year	10297	32148
3	No. of issues resolved during the year	10273	32193
4	No. of issues pending at the end of the year	77	53

#### c) Awards passed by the Bank's ombudsman

Sl. No.	Particulars	31.03.2018	31.03.2017
(a)	No. of unimplemented Awards at the beginning of the year	Nil	Nil
(b)	No. of Awards passed by the Banking Ombudsman during the year	1	12
(c)	No. of Awards implemented during the year	1	12
(d)	No. of unimplemented Awards at the end of the year	Nil	Nil

d) During the current financial year RBI has levied penalty of ₹ 93.61 lacs (Previous year ₹ 18.31 lacs).

(iv) During the year 2017-18 the Bank had issued 453 Letters of Undertaking (LoU) amounting to USD 139107187.37 covering imports of goods into India. These Letters of Undertaking have been issued after due assessment of its financial impact on the Bank and with the approval of the competent authorities. As on the date of balance sheet 150 Letters of Undertaking amounting to USD 55495216.68 (approximately ₹ 361.69 Crore @ USD 1 = ₹ 65.175) are outstanding which, in the opinion of the management, will not have any significant impact on the Bank's financial position.

(v) **Provision coverage ratio (PCR):** Provision Coverage ratio as of 31.03.2018 is 59.39% (previous year 58.15%) as per RBI guidelines. The Bank has achieved the PCR as envisaged in RBI circular DBOD. No.BPBC.87-21.048/2010-11 dt.21.04.2011.

**13. Intra Group Exposure: -**

- a) Total Amount of Intra group Exposures: NIL
- b) Total amount of top-20 intra group exposures: NIL
- c) Percentage of intra group exposures to total exposure of the bank on borrowers/customers: NIL
- d) Details of breach of limits on intra-group exposures and regulatory action thereon, if any: NIL

**14. Transfers to Depositor Education and awareness Fund (DEAF): -**

(₹ in Crore)

Particulars	31.03.2018	31.03.2017
Opening balance of amounts transferred to DEAF	117.05	87.53
Add: Amounts transferred to DEAF during the year	79.85	30.54
Less: Amounts reimbursed by DEAF towards claims	1.53	1.02
Closing balance of amounts transferred to DEAF	195.37	117.05

**15. Un hedged Foreign Currency Exposure:**

(To the extent bank has been able to ascertain from borrowers and as certified by bank and relied upon by auditors)

Incremental provisioning as on 31.03.2018: ₹ 3.70 Crore

Regulatory requirement for incremental capital: ₹ 5.90 Crore

**16 (a) Liquid Coverage Ratio:**

(₹ in Crore)

LCR Disclosure Template			
		Total Unweighted Value (average)	Total Weighted Value (average)
<b>High Quality Liquid Assets</b>			
1	Total High Quality Liquid Assets (HQLA)		20083.78
<b>Cash Outflows</b>			
2	Retail deposits and deposits from small business customers, of which:	90259.21	6669.31
(i)	Stable deposits	47132.14	2356.61
(ii)	Less stable deposits	43127.07	4312.71
3	Unsecured wholesale funding, of which:	15871.66	10547.29
(i)	Operational deposits (all counterparties)	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	18651.95	10547.29
(iii)	Unsecured debt	0.00	0.00
4	Secured wholesale funding	3348.93	0.00



(₹ in Crore)

LCR Disclosure Template			
		Total Unweighted Value (average)	Total Weighted Value (average)
5	Additional requirements, of which	16594.45	1957.30
(i)	Outflows related to derivative exposures and other collateral requirements	0.00	0.00
(ii)	Outflows related to loss of funding on debt products	0.00	0.00
(iii)	Credit and liquidity facilities	7992.86	1010.54
6	Other contractual funding obligations	679.74	679.74
7	Other contingent funding obligations	7921.86	267.02
<b>8</b>	<b>TOTAL CASH OUTFLOWS</b>		<b>19173.90</b>
9	Secured lending (e.g. reverse repos)	213.67	0.00
10	Inflows from fully performing exposures	5663.05	2831.52
11	Other cash inflows	1263.09	885.70
<b>12</b>	<b>TOTAL CASH INFLOWS</b>	<b>7139.81</b>	<b>3717.23</b>
<b>TOTAL ADJUSTED VALUE</b>			
<b>13</b>	<b>TOTAL HQLA</b>		20083.78
<b>14</b>	<b>TOTAL NET CASH OUTFLOWS</b>		15456.67
<b>15</b>	<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>129.94%</b>

**16 (b) Qualitative disclosures around LCR:**

**(a) The main drivers of their LCR results and the evolution of the contribution of inputs to the LCR's calculation over time:**

The main drivers of the LCR is HQLA, the involvement of healthy HQLA not only improve the LCR percentage but also increase the ability of the bank to meet the liquidity requirement upto 30 days.

**(b) Intra-period changes as well as changes over time:**

Not Applicable

**(c) The composition of HQLA:**

The composition of HQLA is divided into Level 1 Asset and Level 2A & Level 2B.

**Level 1 Asset includes:**

- i. Cash including cash reserves in excess of required CRR.
- ii. Government securities in excess of the minimum Statutory Liquidity Ratio (SLR) requirement.
- iii. Within the mandatory Statutory Liquidity Ratio (SLR) requirement, Government securities to the extent allowed by Reserve Bank of India (RBI), under Marginal Standing Facility (MSF).
- iv. Marketable securities issued or guaranteed by foreign sovereigns satisfying all the following conditions:-
  - (a) Assigned a 0% risk weight under the Basel II standardized approach for credit risk.



- (b) Traded in large, deep and active repo or cash markets characterized by a low level of concentration and proven record as a reliable source of liquidity in the markets (repo or sale) even during stressed market conditions.
- (c) Not issued by a bank/financial institution/NBFC or any of its affiliated entities.

**Level 2 assets** (comprising Level 2A assets and Level 2B assets) can be included in the stock of liquid assets, subject to the requirement that they comprise no more than 40% of the overall stock of HQLAs after haircuts have been applied.

**Level 2A and Level 2B assets would comprise of the following:**

**Level 2A Assets includes:**

A minimum 15% haircut should be applied to the current market value of each Level 2A asset held in the stock. Level 2A assets are limited to the following:

- 1) Marketable securities representing claims on or claims guaranteed by sovereigns, Public Sector Entities (PSEs) or multilateral development banks that are assigned a 20% risk weight under the Basel II Standardised Approach for credit risk and provided that they are not issued by a bank/financial institution/NBFC or any of its affiliated entities.
- 2) Corporate bonds, not issued by a bank/financial institution/NBFC or any of its affiliated entities, which have been rated AA- or above by an Eligible Credit Rating Agency.
- 3) Commercial Papers not issued by a bank / Primary dealers (PD)/financial institution or any of its affiliated entities, which have a short-term rating equivalent to the long-term rating of AA- or above by an Eligible Credit Rating Agency.

**Level 2B Assets includes:**

A minimum 50% haircut should be applied to the current market value of each Level 2B asset held in the stock. Further, Level 2B assets should comprise no more than 15% of the total stock of HQLA. They must also be included within the overall Level 2 assets. Level 2B assets are limited to the following:

- i. Marketable securities representing claims on or claims guaranteed by sovereigns having risk weights higher than 20% but not higher than 50%, i.e., they should have a credit rating not lower than BBB- as per RBI Master Circular on 'Basel III – Capital Regulations'.
- ii. Common Equity Shares which satisfy all of the following conditions:
  - a) not issued by a bank/financial institution/NBFC or any of its affiliated entities;
  - b) included in NSE CNX Nifty index and/or S&P BSE Sensex index.

**(d) Concentration of funding sources:**

Amount to be received by RBI / Central banks.

**(e) Derivative exposures and potential collateral calls:**

Not Applicable

**(f) Currency mismatch in the LCR:**

Not Applicable

**(g) A description of the degree of centralization of liquidity management and interaction between the group's units and**

The Fund Management desk in Treasury Management Department (TMD) is centralized liquidity management desk that manages the flow of funds between the two units.



**(h) Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile.**

Not Applicable

17. As per RBI circular no. DBR.NO.BPBC.92/21.04.048/2015-16 dated April 18, 2016 on disclosures pertaining to Provisions for frauds is as follows:-

Sl. No.	Particulars	Amt in Crores
1	No. of Frauds reported (Nos.)	19
2	Amount involved in such frauds	31.02
3	Quantum of Provisions during the year (net of recoveries)	28.44
4	Quantum of unamortized Provision debited to other reserves	Nil

18. The bank has drawn down a sum of Rs. NIL/- (Previous year Rs. NIL) from General Reserve on account of payment of Lapsed Demand Drafts which were taken to general reserve earlier as per RBI approval.
19. Bank is not having adequate information in respect of Suppliers/Service providers covered under Micro, Small and Medium Enterprises Development Act, 2006. In view of this, information required to be disclosed u/s 22 of the said Act is not given.
20. Previous year's figures have been re-grouped / re-classified / re-cast wherever necessary to conform to current year's classification.
21. Cash flow has been prepared using Indirect method.

**GOPALAKRISHNAN NARAYANAN**  
Chairman

**R. A. SANKARA NARAYANAN**  
Managing Director & CEO

**NAGESWARA RAO.Y**  
Executive Director

**MURALI RAMASWAMI**  
Executive Director

**N. SRINIVAS RAO**  
Director

**G. P. BORAH**  
Director

**VIVEK SONI**  
Director

**M. BHAGAVANTHA RAO**  
Director

**V. V. R. SASTRY**  
Director

**S. RAGHUNATH**  
Director

**RAJAN DOGRA**  
Director

**RAGHVENDER GUPTA**  
Director

**RAMESH KUMAR MIGLANI**  
General Manager

AS PER OUR REPORT OF EVEN DATE

**For M/s JAGANNATHAN & SARABESWARAN**  
Chartered Accountants  
Registration No: 001204S

**N. RANGAN**  
Partner  
Membership No:012190

**For M/s O. P. BAGLA & CO. LLP**  
(Formerly M/s O P Bagla & Co.)  
Chartered Accountants  
Registration No: 000018N/NYA

**RAKESH KUMAR**  
Partner  
Membership No: 087537

**For M/s SHIV JINDAL & CO.**  
Chartered Accountants  
Registration No: 011316N

**VIKRAM JINDAL**  
Partner  
Membership No:095464

**For M/s PRICE PATT & CO.**  
Chartered Accountants  
Registration No: 02783S

**M. NAGANATHAN**  
Partner  
Membership No:07547

Place : Bengaluru  
Date : 07.05.2018