SCHEDULES FORMING PART OF THE BALANCE SHEET
AS AT 31 MARCH, 2018

Schedule 1 - Capital

(₹ in Thousands)

	As at 31-03-2018	As at 31-03-2017
Authorised Capital		
4,250,000,000 (Previous year - 4,250,000,000) Equity Shares of ₹2/- each	8,500,000	8,500,000
Issued, Subscribed and Paid-up capital		
2,566,538,936 (Previous year - 2,395,036,109) Equity Shares of ₹2/- each fully paid-up [refer Schedule 18(1.1)]	5,133,078	4,790,072

Schedule 2 - Reserves and Surplus

(₹ in Thousands)

		As at 31-03-2018	As at 31-03-2017
I.	**Statutory Reserve**		
	Opening Balance	115,070,523	105,872,325
	Additions during the year	689,203	9,198,198
		115,759,726	115,070,523
II.	**Share Premium Account**		
	Opening Balance	170,025,731	166,769,462
	Additions during the year	88,122,658	3,256,269
	Less: Share issue expenses	(257,869)	-
		257,890,520	170,025,731
III.	**Investment Reserve Account**		
	Opening Balance	-	871,671
	Additions during the year	1,034,894	-
	Deductions during the year	-	(871,671)
		1,034,894	-
IV.	**General Reserve**		
	Opening Balance	3,543,100	3,543,100
	Additions during the year	-	-
		3,543,100	3,543,100
V.	**Capital Reserve**		
	Opening Balance	18,656,395	11,100,655
	Additions during the year [Refer Schedule 18 (2.2.1)]	1,016,559	7,555,740
		19,672,954	18,656,395
VI.	**Foreign Currency Translation Reserve** [Refer Schedule 17 (4.5)]		
	Opening Balance	997,506	1,020,343
	Additions during the year	-	-
	Deductions during the year	(84,674)	(22,837)
		912,832	997,506
VII.	**Reserve Fund**		
	Opening Balance	58,816	41,294
	Additions during the year [Refer Schedule 18 (2.2.2)]	16,158	17,522
		74,974	58,816
VIII.	**Balance in Profit & Loss Account**	230,430,518	244,483,275
	Total	629,319,518	552,835,346

Schedule 3 - Deposits

(₹ in Thousands)

			As at 31-03-2018	As at 31-03-2017
A.	I.	Demand Deposits		
		(i) From banks	58,821,218	47,949,171
		(ii) From others	897,674,284	822,068,294
	II.	Savings Bank Deposits	1,482,020,475	1,260,482,884
	III.	Term Deposits		
		(i) From banks	125,623,957	112,242,565
		(ii) From others	1,972,087,289	1,901,044,964
Total			4,536,227,223	4,143,787,878
B.	I.	Deposits of branches in India	4,513,153,671	4,108,878,428
	II.	Deposits of branches outside India	23,073,552	34,909,450
Total			4,536,227,223	4,143,787,878

Schedule 4 - Borrowings

(₹ in Thousands)

		As at 31-03-2018	As at 31-03-2017
I.	Borrowings in India		
	(i) Reserve Bank of India	61,000,000	-
	(ii) Other banks #	12,017,000	22,265,000
	(iii) Other institutions & agencies **	687,948,202	488,557,527
II.	Borrowings outside India $	719,196,244	539,486,167
	Total	1,480,161,446	1,050,308,694
	Secured borrowings included in I & II above	65,837,380	13,810,898

Borrowings from other banks include Subordinated Debt of ₹35.00 crores (previous year ₹35.00 crores) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹50.00 crores (previous year NIL) [Also refer Note 18 (2.1.2)]

** Borrowings from other institutions & agencies include Subordinated Debt of ₹21,170.00 crores (previous year ₹16,170.00 crores) in the nature of Non-Convertible Debentures and Perpetual Debt of ₹6,950.00 crores (previous year ₹3,500.00 crores) [Also refer Note 18 (2.1.2)]

$ Borrowings outside India include Upper Tier II instruments of Nil (previous year ₹389.06 crores) [Also refer Note 18 (2.1.2)]

Schedule 5 - Other Liabilities and Provisions

(₹ in Thousands)

		As at 31-03-2018	As at 31-03-2017
I.	Bills payable	49,175,679	39,525,431
II.	Inter-office adjustments (net)	-	-
III.	Interest accrued	30,348,683	19,614,831
IV.	Proposed dividend (includes tax on dividend) [Refer Schedule 18(2.2.5)]	-	-
V.	Contingent provision against standard assets	22,075,241	23,385,751
VI.	Others (including provisions)	160,854,931	180,428,700
	Total	262,454,534	262,954,713

Schedule 6 - Cash and Balances with Reserve Bank of India

(₹ in Thousands)

		As at 31-03-2018	As at 31-03-2017
I.	Cash in hand (including foreign currency notes)	52,580,352	63,579,154
II.	Balances with Reserve Bank of India		
	(i) in Current Account	208,230,225	183,000,236
	(ii) in Other Accounts	94,000,000	62,000,000
	Total	354,810,577	308,579,390

Schedule 7 - Balances with Banks and Money at Call and Short Notice

(₹ in Thousands)

		As at 31-03-2018	As at 31-03-2017
I.	In India		
	(i) Balance with Banks		
	(a) in Current Accounts	1,199,457	1,423,790
	(b) in Other Deposit Accounts	30,987,346	19,594,700
	(ii) Money at Call and Short Notice		
	(a) With banks	-	-
	(b) With other institutions	-	143,221,545
	Total	32,186,803	164,240,035
II.	Outside India		
	(i) in Current Accounts	20,263,092	9,689,155
	(ii) in Other Deposit Accounts	11,537,816	14,755,151
	(iii) Money at Call & Short Notice	15,750,618	5,298,100
	Total	47,551,526	29,742,406
	Grand Total (I+II)	79,738,329	193,982,441

Schedule 8 - Investments

(₹ in Thousands)

		As at 31-03-2018	As at 31-03-2017
I.	**Investments in India in -**		
	(i) Government Securities ##	1,013,545,679	905,980,625
	(ii) Other approved securities	-	-
	(iii) Shares	15,255,309	13,227,530
	(iv) Debentures and Bonds	306,537,689	264,848,859
	(v) Investment in Subsidiaries/Joint Ventures	17,931,421	10,726,865
	(vi) Others (Mutual Fund units, CD/CP, PTC etc.)	152,548,130	64,196,202
	Total Investments in India	1,505,818,228	1,258,980,081
II.	**Investments outside India in -**		
	(i) Government Securities (including local authorities)	26,984,150	24,097,852
	(ii) Subsidiaries and/or joint ventures abroad	2,995,712	2,995,712
	(iii) Others (Equity Shares and Bonds)	2,962,737	1,860,059
	Total Investments outside India	32,942,599	28,953,623
	Grand Total (I+II)	1,538,760,827	1,287,933,704

Includes securities costing ₹27,588.43 crores (previous year ₹27,179.69 crores) pledged for availment of fund transfer facility, clearing facility and margin requirements

Schedule 9 - Advances

(₹ in Thousands)

				As at 31-03-2018	As at 31-03-2017
A.	(i)	Bills purchased and discounted		128,131,247	67,496,591
	(ii)	Cash credits, overdrafts and loans repayable on demand		1,381,341,566	1,042,273,019
	(iii)	Term loans#		2,887,030,232	2,620,923,885
		Total		4,396,503,045	3,730,693,495
B.	(i)	Secured by tangible assets$		3,094,017,064	2,840,548,136
	(ii)	Covered by Bank/Government Guarantees&&		37,502,934	63,995,186
	(iii)	Unsecured		1,264,983,047	826,150,173
		Total		4,396,503,045	3,730,693,495
C.	I.	Advances in India			
		(i)	Priority Sector	986,081,073	938,737,979
		(ii)	Public Sector	48,271,057	29,134,862
		(iii)	Banks	32,204,558	7,233,845
		(iv)	Others	2,792,292,698	2,273,892,697
		Total		3,858,849,386	3,248,999,383
	II.	Advances Outside India			
		(i)	Due from banks	78,991,174	26,861,261
		(ii)	Due from others -		
			(a) Bills purchased and discounted	32,721,313	25,448,317
			(b) Syndicated loans	77,652,080	91,277,687
			(c) Others	348,289,092	338,106,847
		Total		537,653,659	481,694,112
		Grand Total (CI+CII)		4,396,503,045	3,730,693,495

Net of borrowings under Inter Bank Participation Certificate (IBPC) ₹1,399.00 crores (previous year Nil), includes IBPC lending ₹1,303.32 crores (previous year Nil)

$ Includes advances against book debts

&& Includes advances against L/Cs issued by banks

Schedule 10 - Fixed Assets

(₹ in Thousands)

		As at 31-03-2018	As at 31-03-2017
I.	**Premises**		
	Gross Block		
	At cost at the beginning of the year	18,330,983	18,289,466
	Additions during the year	-	41,517
	Deductions during the year	-	-
	Total	18,330,983	18,330,983
	Depreciation		
	As at the beginning of the year	1,165,354	860,678
	Charge for the year	304,673	304,676
	Deductions during the year	-	-
	Depreciation to date	1,470,027	1,165,354
	Net Block	16,860,956	17,165,629
II.	**Other fixed assets (including furniture & fixtures)**		
	Gross Block		
	At cost at the beginning of the year	45,796,606	39,665,948
	Additions during the year	7,573,015	6,645,577
	Deductions during the year	(1,165,234)	(514,919)
	Total	52,204,387	45,796,606
	Depreciation		
	As at the beginning of the year	28,302,892	23,932,741
	Charge for the year	5,376,301	4,783,303
	Deductions during the year	(869,734)	(413,152)
	Depreciation to date	32,809,459	28,302,892
	Net Block	19,394,928	17,493,714
III.	**Capital Work-In-Progress (including capital advances)**	3,460,908	2,809,582
	Grand Total (I+II+III)	39,716,792	37,468,925

Schedule 11 - Other Assets

(₹ in Thousands)

		As at 31-03-2018	As at 31-03-2017
I.	Inter-office adjustments (net)	-	-
II.	Interest Accrued	56,655,247	52,440,280
III.	Tax paid in advance/tax deducted at source (net of provisions)	17,448,539	4,101,192
IV.	Stationery and stamps	3,829	19,790
V.	Non banking assets acquired in satisfaction of claims	22,086,151	22,086,151
VI.	Others[#@]	407,572,463	377,371,335
	Total	503,766,229	456,018,748

Includes deferred tax assets of ₹6,876.35 crores (previous year ₹5,062.19 crores) [Refer Schedule 18 (2.2.10)]

@ Includes Priority Sector Shortfall Deposits of ₹21,479.30 crores (previous year ₹17,107.12 crores)

Schedule 12 - Contingent Liabilities

(₹ in Thousands)

		As at 31-03-2018	As at 31-03-2017
I.	Claims against the Bank not acknowledged as debts	5,169,119	4,702,440
II.	Liability for partly paid investments	216,000	-
III.	Liability on account of outstanding forward exchange and derivative contracts:		
	a) Forward Contracts	3,148,018,991	2,681,952,183
	b) Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	1,960,694,522	2,011,141,718
	c) Foreign Currency Options	593,425,900	493,833,247
	Total (a+b+c)	5,702,139,413	5,186,927,148
IV.	Guarantees given on behalf of constituents		
	In India	762,933,813	763,736,463
	Outside India	86,819,823	47,579,859
V.	Acceptances, endorsements and other obligations	324,101,256	335,366,639
VI.	Other items for which the Bank is contingently liable	471,597,561	357,945,893
	Grand Total (I+II+III+IV+V+VI) [Refer Schedule 18 (2.2.15)]	7,352,976,985	6,696,258,442

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH, 2018

Schedule 13 - Interest Earned

(₹ in Thousands)

		Year ended 31-03-2018	Year ended 31-03-2017
I.	Interest/discount on advances/bills	341,374,719	331,249,593
II.	Income on investments	99,833,027	96,228,239
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	3,878,262	5,038,389
IV.	Others	12,717,115	12,905,358
	Total	457,803,123	445,421,579

Schedule 14 - Other Income

(₹ in Thousands)

		Year ended 31-03-2018	Year ended 31-03-2017
I.	Commission, exchange and brokerage	77,298,752	70,283,094
II.	Profit/(Loss) on sale of investments (net) [Refer Schedule 18(2.2.1)]	13,251,603	31,737,897
III.	Profit/(Loss) on sale of fixed assets (net)	(163,809)	(35,506)
IV.	Profit on exchange/derivative transactions (net)	14,286,958	10,802,458
V.	Income earned by way of dividends etc. from subsidiaries/companies and/or joint venture abroad/in India	2,560,608	1,832,842
VI.	Miscellaneous Income [including recoveries on account of advances/investments written off in earlier years ₹182.92 crores (previous year ₹181.89 crores) and net loss on account of portfolio sell downs/ securitisation ₹0.64 crores (previous year net profit of ₹3.79 crores)]	2,436,753	2,292,322
	Total	109,670,865	116,913,107

Schedule 15 - Interest Expended

(₹ in Thousands)

		Year ended 31-03-2018	Year ended 31-03-2017
I.	Interest on deposits	191,735,198	196,396,260
II.	Interest on Reserve Bank of India/Inter-bank borrowings	17,982,554	18,358,479
III.	Others	61,908,066	49,735,681
	Total	271,625,818	264,490,420

Schedule 16 - Operating Expenses

(₹ in Thousands)

		Year ended 31-03-2018	Year ended 31-03-2017
I.	Payments to and provisions for employees	43,129,556	38,918,640
II.	Rent, taxes and lighting	10,017,106	9,345,921
III.	Printing and stationery	1,646,269	1,860,164
IV.	Advertisement and publicity	1,536,459	1,303,362
V.	Depreciation on bank's property	5,680,974	5,087,979
VI.	Directors' fees, allowance and expenses	23,344	24,668
VII.	Auditors' fees and expenses	18,697	17,976
VIII.	Law charges	200,587	109,057
IX.	Postage, telegrams, telephones etc.	3,119,630	3,040,845
X.	Repairs and maintenance	8,291,777	8,565,421
XI.	Insurance	5,535,110	5,014,831
XII.	Other expenditure	60,703,889	48,710,189
	Total	139,903,398	121,999,053

17 SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH, 2018

1 Background

Axis Bank Limited ('the Bank') was incorporated in 1993 and provides a complete suite of corporate and retail banking products. The Bank is primarily governed by the Banking Regulation Act, 1949. The Bank has overseas branches at Singapore, Hong Kong, DIFC - Dubai, Shanghai and Colombo. During the year, the Bank opened an Offshore Banking Unit at International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India.

2 Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India to comply with the statutory requirements prescribed under the Banking Regulation Act, 1949, the circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time and the Accounting Standards 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 to the extent applicable and practices generally prevalent in the banking industry in India.

3 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) at the date of the financial statements, revenues and expenses during the reporting period. Actual results could differ from those estimates. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognised prospectively in the current and future periods.

4 Significant accounting policies

4.1 Investments

Classification

In accordance with the RBI guidelines, investments are classified at the time of purchase as:

- Held for Trading ('HFT');
- Available for Sale ('AFS'); and
- Held to Maturity ('HTM').

Investments that are held principally for sale within a short period are classified as HFT securities. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are reclassified as AFS securities.

Investments that the Bank intends to hold till maturity are classified under the HTM category. Investments in the equity of subsidiaries/joint ventures are categorised as HTM in accordance with the RBI guidelines.

All other investments are classified as AFS securities.

However, for disclosure in the Balance Sheet, investments in India are classified under six categories - Government Securities, Other approved securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures and Others.

Investments made outside India are classified under three categories – Government Securities, Subsidiaries and/or Joint Ventures abroad and Others.

Transfer of security between categories

Transfer of security between categories of investments is accounted as per the RBI guidelines.

Acquisition cost

Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the Profit and Loss Account.

Broken period interest is charged to the Profit and Loss Account.

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

Valuation

Investments classified under the HTM category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period remaining to maturity on a constant yield to maturity basis. In terms of RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity.

Investments classified under the AFS and HFT categories are marked to market. The market/fair value of quoted investments included in the 'AFS' and 'HFT' categories is the market price of the scrip as available from the trades/quotes on the stock exchanges or prices declared by Primary Dealers Association of India ('PDAI') jointly with Fixed Income Money Market and Derivatives Association of India ('FIMMDA')/Financial Benchmark India Private Limited ('FBIL'), periodically. Net depreciation, if any, within each category of each investment classification is recognised in the Profit and Loss Account. The net appreciation if any, under each category of each investment classification is ignored. The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with the RBI guidelines. The book value of individual securities is not changed consequent to the periodic valuation of investments. Non-performing investments are identified and provision is made thereon as per RBI guidelines.

Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost.

Units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund.

Market value of investments where current quotations are not available, is determined as per the norms prescribed by the RBI as under:

- the market/fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities included in the AFS and HFT categories is computed as per the Yield-to-Maturity ('YTM') rates published by FIMMDA/FBIL;

- in case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the YTM for Government Securities as published by FIMMDA/PDAI/FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each categories and credit ratings along with residual maturity issued by FIMMDA/ FBIL is adopted for this purpose;

- in case of bonds and debentures (including Pass Through Certificates) where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by RBI;

- equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet. In case the latest Balance Sheet is not available, the shares are valued at ₹1 per company;

- units of Venture Capital Funds ('VCF') held under AFS category where current quotations are not available are marked to market based on the Net Asset Value ('NAV') shown by VCF as per the latest audited financials of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1 per VCF. Investment in unquoted VCF after 23 August, 2006 are categorised under HTM category for the initial period of three years and valued at cost as per RBI guidelines and

- in case of investments in security receipts on or after 1 April, 2017 which are backed by more than 50 percent of the stressed assets sold by the Bank, provision for depreciation in value is made at the higher of - provisioning rate required in terms of net asset value declared by the Reconstruction Company ('RC')/Securitisation Company ('SC') or the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the bank. All other investments in security receipts are valued as per the NAV obtained from the issuing RC/SCs.

Investments in subsidiaries/joint ventures are categorised as HTM and assessed for impairment to determine permanent diminution, if any, in accordance with the RBI guidelines.

Realised gains on investments under the HTM category are recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Losses are recognised in the Profit and Loss Account. Realised gains/losses on investments under the AFS and HFT category are recognised in the Profit and Loss Account.

All investments are accounted for on settlement date, except investments in equity shares which are accounted for on trade date.

Repurchase and reverse repurchase transactions

Repurchase and reverse repurchase transactions in government securities and corporate debt securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are accounted as collateralised borrowing and lending respectively. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income.

Short Sales

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. The short positions are reflected in 'Securities Short Sold ('SSS') A/c', specifically created for this purpose. Such short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant mark-to-market gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments discussed earlier.

4.2 Advances

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of bills rediscounted, inter-bank participation certificates, specific provisions made towards NPAs, interest in suspense for NPAs, claims received from Export Credit Guarantee Corporation, provisions for funded interest on term loan classified as NPAs, provisions in lieu of diminution in the fair value of restructured assets and floating provisions.

NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Advances held at the overseas branches that are identified as impaired as per host country regulations for reasons other than record of recovery, but which are standard as per the RBI guidelines, are classified as NPAs to the extent of amount outstanding in the host country. Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI with the exception for agriculture advances and schematic retail advances. In respect of schematic retail advances, provisions are made in terms of a bucket-wise policy upon reaching specified stages of delinquency (90 days or more of delinquency) under each type of loan, which satisfies the RBI prudential norms on provisioning. Provisions in respect of agriculture advances classified into sub-standard and doubtful assets are made at rates which are higher than those prescribed by the RBI. Provisions for advances booked in overseas branches, which are standard as per the RBI guidelines but are classified as NPAs based on host country guidelines, are made as per the host country regulations.

Restructured assets are classified and provided for in accordance with the guidelines issued by RBI from time to time. In addition to the above, the Bank on a prudential basis, makes provision for expected losses against advances or other exposures to specific assets/industry/sector either on a case-by-case basis or for a group of assets, based on specific information or general economic environment. These are classified as contingent provision and included under Schedule 5 - Other Liabilities in the Balance Sheet.

Loss assets and unsecured portion of doubtful assets are provided/written off as per the extant RBI guidelines.

Amounts recovered against debts written off are recognised in the Profit and Loss Account.

The Bank holds provision in accordance with the RBI guidelines, on assets where change in ownership under Strategic Debt Restructuring (SDR) scheme/Outside SDR scheme has been implemented or Scheme for Sustainable Structuring of Stressed Asset (S4A) has been implemented. In respect of borrowers classified as non-cooperative and wilful defaulters, the Bank makes accelerated provisions as per extant RBI guidelines.

For entities with Unhedged Foreign Currency Exposure (UFCE), provision is made in accordance with the guidelines issued by RBI, which requires to ascertain the amount of UFCE, estimate the extent of likely loss and estimate the riskiness of unhedged position. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

The Bank maintains a general provision on standard advances at the rates prescribed by RBI. In case of overseas branches, general provision on standard advances is maintained at the higher of the levels stipulated by the respective overseas regulator or RBI.

Under its home loan portfolio, the Bank offers housing loans with certain features involving waiver of Equated Monthly Installments ('EMIs') of a specific period subject to fulfilment of a set of conditions by the borrower. The Bank makes provision against the probable loss that could be incurred in future on account of waivers to eligible borrowers in respect of such loans based on actuarial valuation conducted by an independent actuary. This provision is classified under Schedule 5 – Other Liabilities in the Balance Sheet.

4.3 Country risk

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country as per the RBI guidelines). The countries are categorised into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit and provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the net funded exposure of the Bank in respect of each country does not exceed 1% of the total assets, no provision is maintained on such country exposure in accordance with RBI guidelines.

4.4 Securitisation

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the assignee/SPV. The Bank also provides credit enhancement in the form of cash collaterals and/or by subordination of cash flows to Senior Pass Through Certificate ('PTC') holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Bank, appropriate provision/disclosure is made at the time of sale in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets 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.

In accordance with RBI guidelines of 7 May, 2012, on 'Guidelines on Securitisation of Standard Assets', gain on securitisation transaction is recognised over the period of the underlying securities issued by the SPV as prescribed under RBI guidelines. Loss on securitisation is immediately debited to the Profit and Loss Account.

4.5 Foreign currency transactions

In respect of domestic operations, transactions denominated in foreign currencies are accounted for at the rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated at the Balance Sheet date at rates notified by Foreign Exchange Dealers Association of India ('FEDAI'). All profits/losses resulting from year end revaluations are recognised in the Profit and Loss Account.

Financial statements of foreign branches classified as non-integral foreign operations as per the RBI guidelines are translated as follows:

- Assets and liabilities (both monetary and non-monetary as well as contingent liabilities) are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- Income and expenses are translated at the rates prevailing on the date of the transactions.
- All resulting exchange differences are accumulated in a separate 'Foreign Currency Translation Reserve' till the disposal of the net investments. Any realised gains or losses on such disposal are recognised in the Profit and Loss Account.

Outstanding forward exchange contracts including tom/spot contracts (excluding currency swaps undertaken to hedge foreign currency assets/liabilities and funding swaps which are not revalued) are revalued at year end on PV basis by discounting the forward value till spot date and converting the FCY amount using the respective spot rates as notified by FEDAI. The resulting gains or losses on revaluation are included in the Profit and Loss Account in accordance with RBI/ FEDAI guidelines.

Premium/discount on currency swaps undertaken to hedge foreign currency assets and liabilities and funding swaps is recognised as interest income/expense and is amortised on a pro-rata basis over the underlying swap period.

Contingent liabilities on account of forward exchange and derivative contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI.

4.6 Derivative transactions

Derivative transactions comprise of forward contracts, swaps and options which are disclosed as contingent liabilities. The forwards, swaps and options are categorised as trading or hedge transactions. Trading derivative contracts are revalued at the Balance Sheet date with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets (representing positive Mark-to-Market) and in other liabilities (representing negative Mark-to-Market (MTM)) on a gross basis. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Hedge swaps are accounted for on accrual basis except in case of 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. Pursuant to the RBI guidelines any receivables under derivative contracts comprising of crystallised receivables as well as positive Mark-to-Market (MTM) in respect of future receivables which remain overdue for more than 90 days are reversed through the Profit and Loss Account and are held in separate Suspense Account.

Currency futures contracts are marked-to-market using daily settlement price on a trading day, which is the closing price of the respective futures contracts on that day. While the daily settlement price is computed based on the last half an hour weighted average price of such contracts, the final settlement price is taken as the RBI reference rate on the last trading day of the futures contracts or as may be specified by the relevant authority from time to time. All open positions are marked-to-market based on the settlement price and the resultant marked-to-market profit/loss is daily settled with the exchange.

Valuation of Exchange Traded Currency Options (ETCO) is carried out on the basis of the daily settlement price of each individual option provided by the exchange and valuation of Interest Rate Futures (IRF) is carried out on the basis of the daily settlement price of each contract provided by the exchange.

4.7 Revenue recognition

Interest income is recognised on an accrual basis in accordance with AS–9, Revenue Recognition as notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Amendment Rules, 2016 and the RBI guidelines, except in the case of interest income on non-performing assets and loans under Strategic Debt Restructuring (SDR) scheme and Scheme for Sustainable Structuring of Stressed Asset (S4A) of RBI, where it is recognised on receipt basis if overdue for more than 90 days. Income on non-coupon bearing discounted instruments or low-coupon bearing instruments is recognised over the tenor of the instrument on a constant yield basis.

Guarantee commission is recognized on a pro-rata basis over the period of the guarantee. Locker rent and annual fees for credit cards are recognised on a straight-line basis over the period of contract. Arrangership/syndication fee is accounted for on completion of the agreed service and when right to receive is established. Other fees and commission income are recognised when due.

Interest income on investments in PTCs is recognized on a constant yield basis.

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

Gain/loss on sell down of loans and advances through direct assignment is recognised at the time of sale.

Fees paid/received for Priority Sector Lending Certificates ('PSLC') is amortised on straight-line basis over the tenor of the certificate.

In accordance with RBI guidelines on sale of non-performing advances, if the sale is at a price below the net book value (i.e. book value less provisions held), the shortfall is charged to the Profit and Loss Account. If the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year the amounts are received.

The Bank deals in bullion business on a consignment basis. The difference between the price recovered from customers and cost of bullion is accounted for at the time of sale to the customers. The Bank also deals in bullion on a borrowing and lending basis and the interest paid/received is accounted on an accrual basis.

4.8 Fixed assets and depreciation/impairment

Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes initial handling and delivery charges, duties, taxes and incidental expenses related to the acquisition and installation of the asset.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

Depreciation is provided over the estimated useful life of a fixed asset on the straight-line method from the date of addition. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets based on historical experience of the Bank, though these rates in certain cases are different from lives prescribed under Schedule II of Companies Act, 2013.

Asset	Estimated useful life
Owned premises	60 years
Computer hardware including printers	3 years
Application software	5 years
Vehicles	4 years
EPABX, telephone instruments	8 years
CCTV and video conferencing equipment	3 years
Mobile phone	2 years
Locker cabinets/cash safe/strong room door	10 years
Modem, scanner, routers, hubs, switches, racks/cabinets for IT equipment	5 years
UPS, VSAT, fax machines	5 years
Cheque book/cheque encoder, currency counting machine, fake note detector	5 years
Assets at staff residence	3 years
All other fixed assets	10 years

Depreciation on assets sold during the year is recognised on a pro-rata basis to the Profit and Loss Account till the date of sale.

Profit on sale of premises is appropriated to Capital Reserve Account (net of taxes and transfer to statutory reserve) in accordance with RBI instructions.

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

4.9 Non-banking assets

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

4.10 Lease transactions

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating lease. Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

4.11 Retirement and other employee benefits

<u>Provident Fund</u>

Retirement benefit in the form of provident fund is a defined benefit plan wherein the contributions are charged to the Profit and Loss Account of the year when the contributions to the fund are due and when services are rendered by the employees. Further, an actuarial valuation is conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year to determine the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate. Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

Gratuity

The Bank contributes towards gratuity fund (defined benefit retirement plan) administered by various insurers for eligible employees. Under this scheme, the settlement obligations remain with the Bank, although various insurers administer the scheme and determine the contribution premium required to be paid by the Bank. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Bank. Liability with regard to gratuity fund is accrued based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year. In respect of employees at overseas branches (other than expatriates) liability with regard to gratuity is provided on the basis of a prescribed method as per local laws, wherever applicable. Actuarial gains/losses are immediately taken to the Profit and Loss Account and are not deferred.

Compensated Absences

The Bank provides for compensated absences based on actuarial valuation conducted by an independent actuary. The actuarial valuation is carried out as per the Projected Unit Credit Method as at 31 March each year. Actuarial gains/ losses are immediately taken to the Profit and Loss Account and are not deferred.

Superannuation

Employees of the Bank are entitled to receive retirement benefits under the Bank's Superannuation scheme either under a cash-out option through salary or under a defined contribution plan. Through the defined contribution plan, the Bank contributes annually a specified sum of 10% of the employee's eligible annual basic salary to LIC, which undertakes to pay the lump sum and annuity benefit payments pursuant to the scheme. Superannuation contributions are recognised in the Profit and Loss Account in the period in which they accrue.

New Pension Scheme ('NPS')

In respect of employees who opt for contribution to the 'NPS', the Bank contributes certain percentage of the total basic salary of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. NPS contributions are recognised in the Profit and Loss Account in the period in which they accrue.

4.12 Reward points

The Bank runs a loyalty program which seeks to recognize and reward customers based on their relationship with the Bank. Under the program, eligible customers are granted loyalty points redeemable in future, subject to certain conditions. In addition, the Bank continues to grant reward points in respect of certain credit cards (not covered under the loyalty program). The Bank estimates the probable redemption of such loyalty/reward points using an actuarial method at the Balance Sheet date by employing an independent actuary. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the said independent actuary.

4.13 Taxation

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the relevant provisions of Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off assets against liabilities representing current tax and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The impact of changes in the deferred tax assets and liabilities is recognised in the Profit and Loss Account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realised against future profits.

4.14 Share issue expenses

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

4.15 Earnings per share

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 computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

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

4.16 Employee stock option scheme

The 2001 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Directors of the Bank and its subsidiaries. The Scheme is in accordance with the Securities and Exchange Board of India (SEBI) (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the Guidelines'). These Guidelines have been repealed in the month of October, 2014 and were substituted by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Scheme is in compliance with the said regulations. The Bank follows the intrinsic value method to account for its stock based employee compensation plans as per the Guidelines. Options are granted at an exercise price, which is equal to/less than the fair market price of the underlying equity shares. The excess of such fair market price over the exercise price of the options as at the grant date, if any, is recognised as a deferred compensation cost and amortised on a straight-line basis over the vesting period of such options.

The fair market price is the latest available closing price, prior to the date of grant, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

4.17 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Bank has a present obligation as a result of past event where 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 its 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.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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.

Contingent assets are not recognised 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 recognised in the period in which the change occurs.

4.18 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.

18 NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH, 2018

(Currency: In Indian Rupees)

1.1 During the year, the Bank raised additional equity capital through a preferential allotment of 165,328,892 shares at a price of ₹525.00 per share. As a consequence, the paid-up share capital of the Bank has increased by ₹33.07 crores and the reserves of the Bank have increased by ₹8,620.73 crores after charging of issue related expenses. Further, the Bank also allotted 45,357,385 convertible warrants carrying a right to the convertible warrant holder to apply for, get issued and allotted one (1) equity share of the Bank of face value ₹2 each, for cash, at a price of ₹565.00 per share against which the Bank has received an amount of ₹640.67 crores upfront representing 25% of the warrant price. The convertible warrants are exercisable upto 18 months from the date of allotment. The funds mobilised from the equity raising were utilised for enhancing the capital adequacy ratio and for general corporate purposes.

2.1 Statutory disclosures as per RBI

2.1.1 'Provisions and contingencies' recognised in the Profit and Loss Account comprise of:

(₹ in crores)

For the year ended	31 March, 2018	31 March, 2017
Provision for income tax		
- Current tax	1,671.19	4,988.90
- Deferred tax (Refer 2.2.10)	(1,825.30)	(3,200.62)
	(154.11)	1,788.28
Provision for non-performing assets (including bad debts written off and write backs)	16,598.71	11,157.06
Provision for restructured assets/strategic debt restructuring/sustainable structuring	(307.16)	290.53
Provision towards standard assets	(135.00)	348.45
Provision for depreciation in value of investments	(211.01)	238.70
Provision for unhedged foreign currency exposure	(9.30)	(13.88)
Provision for country risk	(19.94)	19.94
Provision for other contingencies*	(443.39)	76.16
Total	15,318.80	13,905.24

* includes contingent provision for advances/other exposures, legal cases and other contingencies

2.1.2 The capital adequacy ratio of the Bank, calculated as per the RBI guidelines (under Basel III) is set out below:

(₹ in crores)

	31 March, 2018	31 March, 2017
Common Equity Tier I	60,476.35	52,555.81
Tier I	67,476.27	56,039.32
Tier II	18,298.59	14,565.85
Total capital	85,774.86	70,605.17
Total risk weighted assets and contingents	517,630.78	472,313.18
Capital ratios		
Common Equity Tier I	11.68%	11.13%
Tier I	13.04%	11.87%
Tier II	3.53%	3.08%
CRAR	16.57%	14.95%
Amount of equity capital raised	33.07*	-
Amount of additional Tier I capital raised of which:		
Perpetual Non-Cumulative Preference Shares (PNCPS)	-	-
Perpetual Debt Instruments (PDI) (details given below)	3,500.00	3,500.00
Amount of Tier II capital raised of which:		
Debt capital instrument (details given below)	5,000.00	4,230.00
Preferential capital instrument	-	-

*excluding securities premium of ₹8,646.70 crores

During the year ended 31 March, 2018, the Bank raised debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	15 June, 2027	120 months	7.66%	₹5,000 crores
Perpetual debt	Additional Tier I	-*	-	8.75%	₹3,500 crores

*Call option on expiry of 60 months from the date of allotment

During the year ended 31 March, 2017, the Bank raised debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Perpetual debt	Additional Tier-I	-*	-	8.75%	₹3,500 crores
Subordinated debt	Tier-II	27 May, 2026	120 months	8.50%	₹2,430 crores
Subordinated debt	Tier-II	23 November, 2026	120 months	7.84%	₹1,800 crores

*Call option on expiry of 60 months from the date of allotment

During the year ended 31 March, 2018, the Bank redeemed debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Upper Tier-II	Tier-II	28 June, 2017*	180 months	7.125%	$60 million

* represents call date

During the year ended 31 March, 2017, the Bank redeemed debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	28 June, 2016	120 months	9.10%	₹104.90 crores
Upper Tier-II	Tier-II	11 August, 2016*	180 months	7.25%	$150 million
Perpetual debt	Tier-I	30 September, 2016*	-	10.05%	₹214.00 crores
Perpetual debt	Tier-I	16 November, 2016*	-	7.17%	$46 million
Upper Tier-II	Tier-II	24 November, 2016*	180 months	9.35%	₹200.00 crores
Upper Tier-II	Tier-II	6 February, 2017*	180 months	9.50%	₹107.50 crores
Subordinated debt	Tier-II	30 March, 2017	120 months	10.10%	₹250.90 crores

* represents call date

2.1.3 The key business ratios and other information is set out below:

As at	**31 March, 2018 %**	31 March, 2017 %
Interest income as a percentage to working funds#	7.15	7.88
Non-interest income as a percentage to working funds#	1.71	2.07
Operating profit as a percentage to working funds#	2.43	3.11
Return on assets (based on working funds#)	0.04	0.65
Business (deposits less inter-bank deposits plus advances) per employee**	₹14.84 crores	₹14.00 crores
Profit per employee**	₹0.47 lacs	₹6.68 lacs
Net non-performing assets as a percentage of net customer assets*	3.40	2.11

\# Working funds represent average of total assets as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949 during the year

* Net Customer assets include advances and credit substitutes

** Productivity ratios are based on average employee numbers for the year

2.1.4 The provisioning coverage ratio of the Bank computed in terms of the RBI guidelines as on 31 March, 2018 was 65.05% (previous year 64.79%).

2.1.5 Asset Quality

i) Net non-performing advances to net advances is set out below:

	31 March, 2018 %	31 March, 2017 %
Net non-performing advances as a percentage of net advances	3.64	2.27

ii) Movement in gross non-performing assets is set out below:

(₹ in crores)

	31 March, 2018			
	Advances	**Investments**	**Others**	**Total**
Gross NPAs as at the beginning of the year	20,045.66	1,234.82	-	21,280.48
Intra Category Transfer	(537.85)	537.85	-	-
Additions (fresh NPAs) during the year@	31,218.46	2,200.54	-	33,419.00
Sub-total (A)	50,726.27	3,973.21	-	54,699.48
Less:-				
(i) Upgradations@	4,740.13	169.71	-	4,909.84
(ii) Recoveries (excluding recoveries made from upgraded accounts)#	3,836.02	17.13	-	3,853.15
(iii) Technical/Prudential Write-offs	9,773.94	376.21	-	10,150.15
(iv) Write-offs other than those under (iii) above#	1,499.86	37.84	-	1,537.70
Sub-total (B)	19,849.95	600.89	-	20,450.84
Gross NPAs as at the end of the year (A-B)	30,876.32	3,372.32	-	34,248.64

@ Over the quarters ended 31 December, 2017 and 31 March, 2018, the Bank has changed its practice of reporting additions and upgradations to NPAs considering the days past due status of an account at the end of each day as against at the end of each quarter of a financial year, followed hitherto. Accordingly, the additions/ upgradations to NPAs for FY 2017-18 shown above reflect this change prospectively over the respective periods.

including sale of NPAs

(₹ in crores)

	31 March, 2017			
	Advances	Investments	Others*	Total
Gross NPAs as at the beginning of the year	5,848.48	239.03	-	6,087.51
Intra Category Transfer	(42.23)	45.69	(3.46)	-
Additions (fresh NPAs) during the year	19,857.84	1,920.49	3.46	21,781.79
Sub-total (A)	25,664.09	2,205.21	-	27,869.30
Less:-				
(i) Upgradations	1,806.53	559.25	-	2,365.78
(ii) Recoveries (excluding recoveries made from upgraded accounts)#	1,824.79	176.16	-	2,000.95
(iii) Technical/Prudential Write-offs	469.01	35.00	-	504.01
(iv) Write-offs other than those under (iii) above#	1,518.10	199.98	-	1,718.08
Sub-total (B)	5,618.43	970.39	-	6,588.82
Gross NPAs as at the end of the year (A-B)	20,045.66	1,234.82	-	21,280.48

* represents amount outstanding under application money classified as non-performing asset

including sale of NPAs

iii) Movement in net non-performing assets is set out below:

(₹ in crores)

	31 March, 2018			
	Advances	**Investments**	**Others**	**Total**
Opening balance at the beginning of the year	8,487.20	139.35	-	8,626.55
Additions during the year	15,539.27	742.22	-	16,281.49
Effect of exchange rate fluctuation	(5.70)	(1.91)	-	(7.61)
Reductions during the year	(8,202.20)	(253.75)	-	(8,455.95)
Interest Capitalisation – Restructured NPA Accounts	185.85	(38.62)	-	147.23
Closing balance at the end of the year#	16,004.42	587.29	-	16,591.71

net of balance outstanding in interest capitalisation-restructured NPA accounts amounting to ₹300.98 crores

(₹ in crores)

	31 March, 2017			
	Advances	Investments	Others	Total
Opening balance at the beginning of the year	2,518.59	3.55	-	2,522.14
Additions during the year	10,000.70	1,138.60	-	11,139.30
Effect of exchange rate fluctuation	90.11	(0.64)	-	89.47
Reductions during the year	(3,977.46)	(870.69)	-	(4,848.15)
Interest Capitalisation – Restructured NPA Accounts	(144.74)	(131.47)	-	(276.21)
Closing balance at the end of the year#	8,487.20	139.35	-	8,626.55

net of balance outstanding in interest capitalisation-restructured NPA accounts amounting to ₹448.21 crores

iv) Movement in provisions for non-performing assets is set out below:

(₹ in crores)

	31 March, 2018			
	Advances	**Investments**	**Others**	**Total**
Opening balance at the beginning of the year	11,244.79	960.93	-	12,205.72
Intra-Category Transfer	(434.71)	434.71	-	-
Provisions made during the year	15,543.21	1,561.46	-	17,104.67
Effect of exchange rate fluctuation	5.70	1.91	-	7.61
Transfer from restructuring provision	32.84	-	-	32.84
Write-offs/(write back) of excess provision*	(11,647.75)	(347.14)	-	(11,994.89)
Closing balance at the end of the year	14,744.08	2,611.87	-	17,355.95

* includes provision utilised for sale of NPAs amounting to ₹552.14 crores

(₹ in crores)

	31 March, 2017			
	Advances	Investments	Others	Total
Opening balance at the beginning of the year	3,160.96	232.41	-	3,393.37
Intra-Category Transfer	(42.23)	45.69	(3.46)	-
Provisions made during the year	9,798.09	781.89	3.46	10,583.44
Effect of exchange rate fluctuation	(90.11)	0.64	-	(89.47)
Transfer from restructuring provision	59.05	-	-	59.05
Write-offs/(write back) of excess provision*	(1,640.97)	(99.70)	-	(1,740.67)
Closing balance at the end of the year	11,244.79	960.93	-	12,205.72

* includes provision utilised for sale of NPAs amounting to ₹964.16 crores

v) Movement in technical/prudential written off accounts is set out below:

(₹ in crores)

	31 March, 2018	31 March, 2017
Opening balance at the beginning of the year	3,221.08	3,627.15
Add: Technical/Prudential write-offs during the year*	10,150.15	504.01
Sub-total (A)	13,371.23	4,131.16
Less: Recovery made from previously technical/prudential written-off accounts during the year	91.33	339.29
Less: Sacrifice made from previously technical/prudential written-off accounts during the year	58.64	570.79
Sub-total (B)	149.97	910.08
Closing balance at the end of the year (A-B)	13,221.26	3,221.08

* includes effect of exchange fluctuation for foreign currency loans written off in earlier years

vi) Total exposure to top four non-performing assets is given below:

(₹ in crores)

	31 March, 2018	31 March, 2017
Total exposure to top four NPA accounts	5,340.06	4,983.87

vii) Sector-wise advances:

(₹ in crores)

Sr. No.	Sector	31 March, 2018			31 March, 2017		
		Outstanding Total Advances	**Gross NPAs**	**% of Gross NPAs to Total Advances in that sector**	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	**Priority Sector**						
1	Agriculture and allied activities	27,636.39	1,086.38	3.93%	25,882.66	840.48	3.25%
2	Advances to industries sector eligible as priority sector lending	23,520.58	870.49	3.70%	20,301.02	630.46	3.11%
	- Chemical & Chemical products	***1,942.47***	***45.17***	***2.33%***	-*	-*	-*
	- Basic Metal & Metal Products	***2,076.66***	***56.08***	***2.70%***	*1,824.25*	*54.36*	*2.98%*
	- Infrastructure	***593.03***	***29.60***	***4.99%***	*549.17*	*21.95*	*4.00%*
3	Services	17,192.15	583.39	3.39%	15,904.56	428.02	2.69%
	- Professional Services	-*	-*	-*	*725.40*	*9.61*	*1.32%*
	- Banking and Finance other than NBFCs and MFs	*2,042.63*	*82.38*	*4.03%*	*3,496.52*	*107.06*	*3.06%*
	- Non-banking financial companies (NBFCs)	*1,360.01*	-	-	*1,799.13*	-	-
	- Commercial Real Estate	*242.44*	*45.89*	*18.93%*	*226.52*	*6.80*	*3.00%*
	- Trade	*10,342.95*	*392.76*	*3.80%*	*7,554.33*	*264.74*	*3.50%*
4	Personal loans	31,643.30	530.51	1.68%	32,903.26	250.29	0.76%
	- Consumer Durables	*2,883.75*	*57.72*	*2.00%*	*3,801.88*	*26.00*	*0.68%*
	- Housing	*24,859.04*	*248.02*	*1.00%*	*23,173.31*	*123.54*	*0.53%*
	- Vehicle Loans	*3,226.47*	*178.07*	*5.52%*	-*	-*	-*
	Sub-total (A)	99,992.42	3,070.77	3.07%	94,991.50	2,149.25	2.26%

(₹ in crores)

Sr. No.	Sector	31 March, 2018 Outstanding Total Advances	31 March, 2018 Gross NPAs	31 March, 2018 % of Gross NPAs to Total Advances in that sector	31 March, 2017 Outstanding Total Advances	31 March, 2017 Gross NPAs	31 March, 2017 % of Gross NPAs to Total Advances in that sector
B	**Non-Priority Sector**						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Industry	132,677.65	22,865.46	17.23%	124,556.99	13,294.97	10.67%
	- Chemical & Chemical products	*13,869.33*	*778.97*	*5.62%*	-*	-*	-*
	- Basic Metal & Metal Products	*19,340.99*	*3,600.93*	*18.62%*	*23,650.81*	*4,103.34*	*17.35%*
	- Infrastructure	*37,886.52*	*11,211.30*	*29.59%*	*42,621.62*	*3,405.53*	*7.99%*
3	Services	90,635.98	3,563.69	3.93%	67,039.50	3,688.76	5.50%
	- Professional Services	-*	-*	-*	*7,719.71*	*1,594.60*	*20.66%*
	- Banking and Finance other than NBFCs and MFs	*31,024.41*	-	-	*11,525.80*	-	-
	- Non-banking financial companies (NBFCs)	*10,875.27*	*5.49*	*0.05%*	*8,762.60*	-	-
	- Commercial Real Estate	*16,094.85*	*1,469.12*	*9.13%*	*14,022.35*	*562.33*	*4.01%*
	- Trade	*12,239.86*	*514.92*	*4.07%*	*11,167.65*	*332.71*	*2.98%*
4	Personal loans	131,244.78	1,376.40	1.05%	98,135.43	912.68	0.93%
	- Consumer Durables	*13,577.70*	*127.72*	*0.94%*	*9,712.81*	*64.05*	*0.66%*
	- Housing	*59,179.13*	*785.51*	*1.33%*	*51,647.93*	*370.73*	*0.72%*
	- Vehicle Loans	*15,010.29*	*171.63*	*1.14%*	-*	-*	-*
	Sub-total (B)	354,558.43	27,805.55	7.84%	289,731.92	17,896.41	6.18%
	Total (A+B)	454,550.85	30,876.32	6.79%	384,723.42	20,045.66	5.21%

Classification of advances into sector is based on Sector wise Industry Bank Credit return submitted to RBI

Figures in italics represent sub-sectors where the outstanding advance exceeds 10% of total outstanding advance to that sector.

* does not exceed 10% of total advances to sector as on 31st March

viii) Divergence in Asset Classification and Provisioning for NPAs

- The Bank classifies advances into performing and non-performing advances (NPAs) as per the RBI guidelines. NPAs are identified and provided for based on RBI's Prudential Norms on Income Recognition, Asset Classification and Provisioning.

- Based on application of RBI's prudential norms as stated above, the Bank classified and made the prescribed provisions against the NPAs as at the end of 31 March, 2017.

- As part of its Risk Based Supervision exercise for FY 2016-17 the RBI pointed out certain modifications in the Banks' asset classification and provisioning as detailed in the table below:

Sr.No.	Particulars	(₹ in crores)
1	Gross NPAs as on 31 March, 2017, as reported by the Bank	21,280.48
2	Gross NPAs as on 31 March, 2017, as assessed by RBI	26,913.28
3	Divergence in Gross NPAs (2-1)	5,632.80
4	Net NPAs as on 31 March, 2017, as reported by the Bank	8,626.55
5	Net NPAs as on 31 March, 2017, as assessed by RBI	12,943.65
6	Divergence in Net NPAs (5-4)	4,317.10
7	Provisions for NPAs as on 31 March, 2017, as reported by the Bank	12,205.72

Sr.No.	Particulars	(₹ in crores)
8	Provisions for NPAs as on 31 March, 2017, as assessed by RBI	13,521.42
9	Divergence in provisioning (8-7)	1,315.70
10	Reported Net Profit after Tax (PAT) for the year ended 31 March, 2017	3,679.28
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended 31 March, 2017 after taking into account the divergence in provisioning	2,793.95

- The Bank has duly considered the impact of the above in the Financial Statements for the year ended 31 March, 2018.

2.1.6 During the years ended 31 March, 2018 and 31 March, 2017; none of the loans and advances held at overseas branches of the Bank have been classified as NPA by any host banking regulator for reasons other than record of recovery.

2.1.7 Movement in floating provision is set out below:

(₹ in crores)

For the year ended	**31 March, 2018**	31 March, 2017
Opening balance at the beginning of the year	3.25	3.25
Provisions made during the year	-	-
Draw down made during the year	-	-
Closing balance at the end of the year	3.25	3.25

The Bank has not made any draw down out of the floating provision during the current and the previous year.

2.1.8 Provision on Standard Assets

(₹ in crores)

	31 March, 2018	31 March, 2017
Provision towards Standard Assets [includes ₹26.57 crores (previous year ₹37.60 crores) of standard provision on derivative exposures]	2,207.52	2,338.58

2.1.9 Details of Investments are set out below:

i) Value of Investments:

(₹ in crores)

				31 March, 2018	31 March, 2017
1)	Gross value of Investments				
	a)	In India		153,247.04	127,248.79
	b)	Outside India		3,495.44	2,915.37
2)	(i)	Provision for Depreciation			
		a)	In India	(254.54)	(409.86)
		b)	Outside India	-	-
	(ii)	Provision for Non-Performing Investments			
		a)	In India	(2,410.68)	(940.93)
		b)	Outside India	(201.18)	(20.00)
3)	Net value of Investments				
	a)	In India		150,581.82	125,898.00
	b)	Outside India		3,294.26	2,895.37

ii) Movement of provisions held towards depreciation on investments:

(₹ in crores)

	31 March, 2018	31 March, 2017
Opening balance	409.86	222.62
Add: Provisions made during the year	101.60	316.19
Less: Write offs/write back of excess provisions during the year	(256.92)	(128.95)
Closing balance	254.54	409.86

iii) Detail of investments category wise

(₹ in crores)

Particulars	31 March, 2018				31 March, 2017			
	HTM	AFS	HFT	Total	HTM	AFS	HFT	Total
Government Securities	88,712.15	13,836.13	1,504.70	104,052.98	80,024.33	12,020.61	962.91	93,007.85
Other approved securities	-	-	-	-	-	-	-	-
Shares	-	1,612.90	-	1,612.90	-	1,326.19	-	1,326.19
Debentures and Bonds	-	24,531.73	6,330.94	30,862.67	-	25,546.34	1,121.10	26,667.44
Subsidiary/Joint Ventures	2,092.71	-	-	2,092.71	1,372.26	-	-	1,372.26
Others	6.65	5,932.38	9,315.79	15,254.82	7.56	5,331.11	1,080.96	6,419.63
Total	90,811.51	45,913.14	17,151.43	153,876.08	81,404.15	44,224.25	3,164.97	128,793.37

2.1.10 A summary of lending to sensitive sectors is set out below:

(₹ in crores)

As at			31 March, 2018	31 March, 2017
A.	**Exposure to Real Estate Sector**			
1)	Direct Exposure			
	(i)	Residential mortgages	102,152.04	89,904.42
		- of which housing loans eligible for inclusion in priority sector advances	26,414.52	23,505.73
	(ii)	Commercial real estate	29,328.94	25,330.23
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
		a. Residential	-	-
		b. Commercial real estate	75.00	75.00
2)	Indirect Exposure			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		20,522.69	11,680.20
	Total Exposure to Real Estate Sector		152,078.67	126,989.85
B.	**Exposure to Capital Market**			
1.	Direct investments 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*		2,510.46	1,429.31
2.	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		4.70	2.94
3.	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		1,649.84	1,346.70

(₹ in crores)

As at		31 March, 2018	31 March, 2017
4.	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 primary security other than shares/convertible bonds/convertible debentures/units of equity-oriented mutual funds does not fully cover the advances	3,074.53	4,336.97
5.	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	5,001.87	5,104.61
6.	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	6.13	0.19
7.	Bridge loans to companies against expected equity flows/issues	6.09	25.20
8.	Underwriting commitments taken up in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds	-	-
9.	Financing to stock brokers for margin trading	-	-
10.	All exposures to Venture Capital Funds (both registered and unregistered)	118.16	26.77
	Total exposure to Capital Market (Total of 1 to 10)	12,371.78	12,272.69

* excludes investment in equity shares on account of conversion of debt into equity as part of restructuring amounting to ₹1,838.02 crores as on 31 March, 2018 (previous year ₹1,258.11 crores) which are exempted from exposure to Capital Market

2.1.11 As on 31 March, 2018, outstanding receivables acquired by the Bank under factoring stood at ₹218.73 crores (previous year ₹7.10 crores) which are reported under 'Bills Purchased and Discounted' in Schedule 9 of the Balance Sheet.

2.1.12 During the years ended 31 March, 2018 and 31 March, 2017 there are no unsecured advances for which intangible securities such as charge over the rights, licenses, authority etc. have been taken as collateral by the Bank.

2.1.13 Details of Non-SLR investment portfolio are set out below:

i) Issuer composition as at 31 March, 2018 of non-SLR investments*:

(₹ in crores)

No.	Issuer	Total 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.	Public Sector Units	8,287.85	7,290.45	661.26	-	505.19
ii.	Financial Institutions	3,293.83	1,487.28	0.30	-	347.71
iii.	Banks	3,951.95	1,537.42	149.40	-	2,875.18
iv.	Private Corporates	31,999.97	23,027.05	1,147.71	866.50	12,622.29
v.	Subsidiaries	2,092.71	2,092.71	-	-	2,092.71
vi.	Others	5,761.36	3,662.10	-	-	3,757.63
vii.	Provision held towards depreciation on investments	(254.30)				
viii.	Provision held towards non performing investments	(2,611.86)				
Total		52,521.51	39,097.01	1,958.67	866.50	22,200.71

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

Issuer composition as at 31 March, 2017 of non-SLR investments*:

(₹ in crores)

No.	Issuer	Total 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.	Public Sector Units	8,587.03	7,533.92	175.50	-	6.50
ii.	Financial Institutions	5,901.15	4,247.55	0.30	-	3,907.07
iii.	Banks	2,421.00	1,582.35	102.84	-	-
iv.	Private Corporates	17,210.48	14,451.99	1,353.11	751.31	3,951.72
v.	Subsidiaries	1,429.44	1,429.44	-	-	1,372.26
vi.	Others	4,017.00	2,210.18	-	-	2,382.22
vii.	Provision held towards depreciation on investments	(409.86)				
viii.	Provision held towards non performing investments	(960.93)				
Total		38,195.31	31,455.43	1,631.75	751.31	11,619.77

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

*excludes investments in non-SLR government securities amounting to ₹42.54 crores (previous year ₹604.04 crores)

ii) Movement in non-performing non SLR investments are set out below:

(₹ in crores)

	31 March, 2018	31 March, 2017
Opening balance	1,234.82	239.03
Additions during the year	2,738.39	1,966.18
Reductions during the year	(600.89)	(970.39)
Closing balance	3,372.32	1,234.82
Total provisions held	2,611.86	960.93

2.1.14 Details of securities sold/purchased (in face value terms) under repos/reverse repos including LAF and MSF transactions:

Year ended 31 March, 2018 (₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31 March, 2018
Securities sold under repos				
i. Government Securities	-	12,683.10	3,578.54	6,488.43
ii. Corporate debt Securities	-	2,675.00	1,023.42	-
Securities purchased under reverse repos				
i. Government Securities	-	19,140.39	1,654.70	8,802.12
ii. Corporate debt Securities	-	50.00	0.27	-

There have been no defaults in making the same set of securities available at the time of 2nd leg settlement of the Term Reverse Repo during the year ended 31 March, 2018.

Year ended 31 March, 2017 (₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31 March, 2017
Securities sold under repos				
i. Government Securities	-	31,372.78	8,220.60	44.46
ii. Corporate debt Securities	-	1,365.00	844.78	1,365.00
Securities purchased under reverse repos				
i. Government Securities	-	23,260.41	5,063.20	19,140.39
ii. Corporate debt Securities	-	-	-	-

There have been no defaults in making the same set of securities available at the time of 2nd leg settlement of the Term Reverse Repo during the year ended 31 March, 2017.

2.1.15 Details of financial assets sold to Securitisation/Reconstruction companies for Asset Reconstruction:

(₹ in crores)

	31 March, 2018	31 March, 2017
Number of accounts*	43^	39
Aggregate value (net of provisions) of accounts sold	41.91	2,960.40
Aggregate consideration#	67.48	2,475.58
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain/(loss) over net book value	25.57	(484.82)

* Excludes 5 accounts already written-off (previous year 15 accounts)

^ Includes 1 account where debt has been acquired by Reconstruction company as a part of resolution plan under Insolvency and Bankruptcy Code

\# Value of security receipts received as a part of the consideration has been initially recognised at lower of net book value of the financial asset or redemption value of the security receipts as per RBI guidelines

In accordance with the RBI guidelines on sale of NPAs, banks have the dispensation of amortising the shortfall on sale of NPAs to Securitisation/Reconstruction companies, if the sale value is lower than the net book value, over the period specified therein. The Bank has not amortised any such shortfall arising during the years ended 31 March, 2018 and 31 March, 2017.

(₹ in crores)

Particulars	Backed by NPAs sold by the Bank as underlying		Backed by NPAs sold by other banks/financial institutions/non-banking financial companies as underlying		Total	
	As on 31 March, 2018	As on 31 March, 2017	**As on 31 March, 2018**	As on 31 March, 2017	**As on 31 March, 2018**	As on 31 March, 2017
Book value of investments in Security Receipts ('SRs')	2,918.39	1,517.76*	5.58	7.68	2,923.97	1,525.44

*excludes application money of ₹1,420.35 crores

(₹ in crores)

Particulars		As at 31 March, 2018 SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i)	Book value of SRs backed by NPAs sold by the bank as underlying	2,918.06	0.33	-
	Provisions held against (i)	-	-	-
(ii)	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	4.33	1.25	-
	Provisions held against (ii)	-	-	-
Total (i) + (ii)		2,922.39	1.58	-

(₹ in crores)

Particulars		As at March 31, 2017 SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i)	Book value of SRs backed by NPAs sold by the bank as underlying	1,517.43	0.33	-
	Provisions held against (i)	-	-	-
(ii)	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	7.02	0.66	-
	Provisions held against (ii)	-	-	-
Total (i) + (ii)		1,524.45	0.99	-

2.1.16 Details of the Non-Performing Financial Assets sold to other banks (excluding securitisation/reconstruction companies):

(₹ in crores)

	31 March, 2018	31 March, 2017
Number of accounts sold	2	-
Aggregate outstanding*	734.07	-
Aggregate consideration received	615.30	-

*Represents principal outstanding as on date of sale

During the years ended 31 March, 2018 and 31 March, 2017 there were no Non-Performing Financial Assets purchased by the Bank from other banks (excluding securitisation/reconstruction companies).

2.1.17 Details of securitisation transactions undertaken by the Bank are as follows:

(₹ in crores)

Sr. No.	Particulars	31 March, 2018	31 March, 2017
1	No. of SPVs sponsored by the bank for securitisation transactions	-	-
2	Total amount of securitised assets as per books of the SPVs sponsored by the Bank	-	-
3	Total amount of exposures retained by the bank to comply with MRR as on the date of balance sheet		

(₹ in crores)

Sr. No.	Particulars	31 March, 2018	31 March, 2017
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	-
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	-	-
	Loss	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitizations		
	First loss	-	-
	Loss	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

2.1.18 The information on concentration of deposits is given below:

(₹ in crores)

	31 March, 2018	31 March, 2017
Total deposits of twenty largest depositors	51,886.56	48,081.76
Percentage of deposits of twenty largest depositors to total deposits	11.44	11.60

2.1.19 The information on concentration of advances* is given below:

(₹ in crores)

	31 March, 2018	31 March, 2017
Total advances to twenty largest borrowers	66,597.41	65,055.41
Percentage of advances to twenty largest borrowers to total advances of the Bank	10.27	11.13

* Advances represent credit exposure (funded and non-funded) including derivative exposure as defined by RBI

2.1.20 The information on concentration of exposure* is given below:

(₹ in crores)

	31 March, 2018	31 March, 2017
Total exposure to twenty largest borrowers/customers	95,610.35	83,229.90
Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers	13.21	13.06

* Exposure includes credit exposure (funded and non-funded), derivative exposure, investment exposure (including underwriting and similar commitments) and deposits placed for meeting short fall in Priority Sector Lending

2.1.21 During the year ended 31 March, 2018, the Bank's credit exposure to single borrower was within the prudential exposure limits except in one case, where the single borrower limit was exceeded upto an additional exposure of 5% with the approval of the Committee of Directors. The details of such case are set out below :

Name of the Borrower	**Reliance Industries Limited**
Period	August, 2017
Original exposure ceiling	11,865.78 crores
Limit Sanctioned	15,821.03 crores
% of excess limit sanctioned over original ceiling	33.33%
Exposure ceiling as on 31 March, 2018	13,165.49 crores
Exposure as on 31 March, 2018	11,245.72 crores

During the year ended 31 March, 2018, the Bank's credit exposure to group borrowers was within the Prudential exposure limits prescribed by RBI.

During the year ended 31 March, 2017, the Bank's credit exposure to single borrower and group borrowers was within the prudential exposure limits prescribed by RBI.

2.1.22 Details of Risk Category wise Country Exposure:

(₹ in crores)

Risk Category	**Exposure (Net) as at 31 March, 2018**	**Provision Held as at 31 March, 2018**	Exposure (Net) as at 31 March, 2017	Provision Held as at 31 March, 2017
Insignificant	-	-	-	-
Low	25,390.99	-	29,144.84	19.94
Moderate	3,049.83	-	2,301.13	-
High	4,095.09	-	4,014.89	-
Very High	573.60	-	338.60	-
Restricted	0.28	-	0.33	-
Off-Credit	-	-	-	-
Total	33,109.79	-	35,799.79	19.94

2.1.23 A maturity pattern of certain items of assets and liabilities at 31 March, 2018 and 31 March, 2017 is set out below:

As at 31 March, 2018

(₹ in crores)

	Deposits	**Advances***	**Investments**	**Borrowings**	**Foreign Currency Assets**	**Foreign Currency Liabilities**
1 day	9,306.55	2,662.93	33,116.11	-	4,769.53	216.54
2 days to 7 days	23,249.34	7,040.81	2,267.04	8,303.91	5,671.46	2,729.29
8 days to 14 days	8,090.08	3,311.69	5,607.65	1,245.13	1,560.51	1,517.86
15 days to 30 days	12,937.59	12,192.97	4,062.76	2,771.28	7,776.30	2,854.22
31 days and upto 2 months	24,011.63	10,134.53	5,920.81	6,468.16	4,294.17	7,230.06
Over 2 months and upto 3 months	25,695.76	10,919.63	7,538.01	6,795.99	3,285.83	7,922.85
Over 3 months and upto 6 months	35,196.78	18,835.00	7,991.87	19,846.64	6,542.82	17,414.16
Over 6 months and upto 1 year	66,959.06	26,028.57	17,063.60	22,631.53	8,759.21	19,517.46
Over 1 year and upto 3 years	35,569.79	74,775.86	16,784.51	30,112.68	14,199.73	21,008.16
Over 3 years and upto 5 years	16,436.37	58,233.50	9,653.42	23,198.99	11,154.08	9,664.45
Over 5 years	196,169.77	215,514.82	43,870.30	26,641.84	26,061.69	2,755.53
Total	453,622.72	439,650.31	153,876.08	148,016.15	94,075.33	92,830.58

As at 31 March, 2017						(₹ in crores)
	Deposits	Advances*	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1 day	5,561.09	4,738.06	19,038.68	-	232.94	4,682.66
2 days to 7 days	16,154.59	2,942.50	4,119.70	830.97	1,512.44	1,579.19
8 days to 14 days	8,619.31	2,478.10	2,055.69	828.21	1,036.04	976.21
15 days to 30 days	12,706.72	11,382.78	2,776.60	3,429.24	3,547.41	6,458.97
31 days and upto 2 months	18,899.18	7,713.50	4,002.32	5,050.40	3,810.04	2,795.53
Over 2 months and upto 3 months	19,690.06	10,255.26	4,064.54	8,052.01	6,287.42	5,314.49
Over 3 months and upto 6 months	44,667.08	19,616.97	8,436.47	16,414.12	13,001.27	5,926.14
Over 6 months and upto 1 year	67,157.22	23,819.76	14,808.47	19,888.78	20,226.83	8,953.44
Over 1 year and upto 3 years	32,840.70	65,017.59	13,601.13	10,573.26	6,442.15	12,164.41
Over 3 years and upto 5 years	7,036.47	48,160.05	6,943.49	16,806.09	10,226.33	7,933.38
Over 5 years	181,046.37	176,944.78	48,946.28	23,157.79	3,188.15	12,759.54
Total	414,378.79	373,069.35	128,793.37	105,030.87	69,511.02	69,543.96

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors. Maturity profile of foreign currency assets and liabilities is excluding off balance sheet items.

* For the purpose of disclosing the maturity pattern, loans and advances that have been subject to risk participation vide Inter-Bank Participation Certificates ('IBPCs') and Funded Risk Participation ('FRPs') have been classified in the maturity bucket corresponding to the contractual maturities of such underlying loans and advances gross of any risk participation. The IBPC and FRP amounts have been classified in the respective maturities of the corresponding underlying loans.

2.1.24 Disclosure on Restructured Assets

Details of loans subjected to restructuring during the year ended 31 March, 2018 are given below:

(₹ in crores)

Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Restructured accounts as on April 1 of the FY (Opening Balance)	No. of borrowers	15	-	16	9	40	-	-	-	-	-
	Amount Outstanding – Restructured facility	1,099.10	-	1,546.18	418.83	3,064.11	-	-	-	-	-
	Amount Outstanding – Other facility	441.95	-	358.33	328.55	1,128.83	-	-	-	-	-
	Provision thereon	36.67	-	48.89	-	85.56	-	-	-	-	-
Movement in balance for accounts appearing under opening balance	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	11.69	-	(108.80)	0.77	(96.34)	-	-	-	-	-
	Amount Outstanding – Other facility	(67.22)	-	13.72	-	(53.50)	-	-	-	-	-
	Provision thereon	(15.79)	-	(30.09)	-	(45.88)	-	-	-	-	-
Fresh Restructuring during the year [1,2]	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Other facility	49.99	-	-	-	49.99	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-

(₹ in crores)

Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Upgradation to restructured standard category during the FY	No. of borrowers	1	-	(1)	-	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	35.65	-	(35.65)	-	-	-	-	-	-	-
	Amount Outstanding – Other facility	31.13	-	(31.13)	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Restructured Standard Advances which cease to attract higher provisioning and/or additional risk weight at the end of FY	No. of borrowers	(2)				(2)	-				-
	Amount Outstanding – Restructured facility	(22.41)				(22.41)	-				-
	Amount Outstanding – Other facility	-				-	-				-
	Provision thereon	(0.03)				(0.03)	-				-
Downgradation of restructured accounts during the FY[3]	No. of borrowers	(7)	-	8	1	2	-	-	-	-	-
	Amount Outstanding – Restructured facility	(621.74)	-	785.22	(137.78)	25.70	-	-	-	-	-
	Amount Outstanding – Other facility	(162.27)	-	165.82	3.42	6.97	-	-	-	-	-
	Provision thereon	(9.57)	-	9.57	-	-	-	-	-	-	-
Write-offs of restructured accounts during the FY[4,5,6]	No. of borrowers	-	-	(5)	(4)	(9)	-	-	-	-	-
	Amount Outstanding – Restructured facility	(74.49)	-	(816.16)	(157.17)	(1,047.82)	-	-	-	-	-
	Amount Outstanding – Other facility	(14.25)	-	(156.43)	(297.87)	(468.55)	-	-	-	-	-
Restructured accounts as on March 31 of the FY (closing figures)	No. of borrowers	7	-	18	6	31	-	-	-	-	-
	Amount Outstanding – Restructured facility	427.80	-	1,370.79	124.65	1,923.24	-	-	-	-	-
	Amount Outstanding – Other facility	279.33	-	350.31	34.10	663.74	-	-	-	-	-
	Provision thereon	11.28	-	28.37	-	39.65	-	-	-	-	-

(₹ in crores)

Type of Restructuring		Others					Total				
Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Restructured accounts as on April 1 of the FY (Opening Balance)	No. of borrowers	350	3	373	91	817	365	3	389	100	857
	Amount Outstanding – Restructured facility	4,522.92	417.74	728.67	693.13	6,362.46	5,622.02	417.74	2,274.85	1,111.96	9,426.57
	Amount Outstanding – Other facility	1,259.47	0.04	155.56	302.82	1,717.89	1,701.42	0.04	513.89	631.37	2,846.72
	Provision thereon	39.14	22.03	10.80	-	71.97	75.81	22.03	59.69	-	157.53
Movement in balance for accounts appearing under opening balance	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	(230.72)	5.28	(17.76)	(0.57)	(243.77)	(219.03)	5.28	(126.56)	0.20	(340.11)
	Amount Outstanding – Other facility	357.60	-	(4.56)	(7.38)	345.66	290.38	-	9.16	(7.38)	292.16
	Provision thereon	(6.22)	(12.66)	(6.48)	-	(25.36)	(22.01)	(12.66)	(36.57)	-	(71.24)

(₹ in crores)

Type of Restructuring		Others					Total				
Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Fresh Restructuring during the year[1,2]	No. of borrowers	401	15	-	-	416	401	15	-	-	416
	Amount Outstanding – Restructured facility	328.36	40.58	-	-	368.94	328.36	40.58	-	-	368.94
	Amount Outstanding – Other facility	19.69	-	-	-	19.69	69.68	-	-	-	69.68
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Upgradation to restructured standard category during the FY	No. of borrowers	1	-	(1)	-	-	2	-	(2)	-	-
	Amount Outstanding – Restructured facility	206.74	-	(206.74)	-	-	242.39	-	(242.39)	-	-
	Amount Outstanding – Other facility	14.44	-	(14.44)	-	-	45.57	-	(45.57)	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Restructured Standard Advances which cease to attract higher provisioning and/or additional risk weight at the end of FY	No. of borrowers	(23)				(23)	(25)				(25)
	Amount Outstanding – Restructured facility	(187.01)				(187.01)	(209.42)				(209.42)
	Amount Outstanding – Other facility	(34.90)				(34.90)	(34.90)				(34.90)
	Provision thereon	(2.29)				(2.29)	(2.32)				(2.32)
Downgradation of restructured accounts during the FY[3]	No. of borrowers	(167)	1	188	63	85	(174)	1	196	64	87
	Amount Outstanding – Restructured facility	(3,770.90)	(418.21)	3,891.70	335.05	37.64	(4,392.64)	(418.21)	4,676.92	197.27	63.34
	Amount Outstanding – Other facility	(1,327.62)	0.29	1,325.39	2.25	0.31	(1,489.89)	0.29	1,491.21	5.67	7.28
	Provision thereon	(23.28)	(9.37)	32.65	-	-	(32.85)	(9.37)	42.22	-	-
Write-offs of restructured accounts during the FY[4,5,6]	No. of borrowers	(46)	(1)	(369)	(67)	(483)	(46)	(1)	(374)	(71)	(492)
	Amount Outstanding – Restructured facility	(112.06)	(40.84)	(492.91)	(875.71)	(1,521.52)	(186.55)	(40.84)	(1,309.07)	(1,032.88)	(2,569.34)
	Amount Outstanding – Other facility	(19.86)	-	(71.90)	(293.94)	(385.70)	(34.11)	-	(228.33)	(591.81)	(854.25)
Restructured accounts as on March 31 of the FY (closing figures)	No. of borrowers	516	18	191	87	812	523	18	209	93	843
	Amount Outstanding – Restructured facility	757.33	4.55	3,902.96	151.90	4,816.74	1,185.13	4.55	5,273.75	276.55	6,739.98
	Amount Outstanding – Other facility	268.82	0.33	1,390.05	3.75	1,662.95	548.15	0.33	1,740.36	37.85	2,326.69
	Provision thereon	7.35	-	36.97	-	44.32	18.63	-	65.34	-	83.97

Amount outstanding under restructuring facilities and other facilities is as on 31 March, 2018

1. Amount reported here represents outstanding as on 31 March, 2018. Actual amount subjected to restructuring determined as on the date of approval of restructuring proposal is ₹366.76 crores for the FY 2017-18
2. Includes ₹51.07 crores of fresh/additional sanction to existing restructured accounts (₹0.02 crores under restructured facility and ₹51.05 crores under other facility)
3. Includes accounts which were not attracting higher provisioning and/or additional risk weight at the beginning of FY
4. Includes accounts partially written-off during the year
5. Amount outstanding under restructuring facilities and other facilities is as on the date of write-off in the books
6. Includes ₹363.46 crores of reduction from existing restructured accounts by way of sale/recovery (₹299.57 crores from restructured facility and ₹63.89 crores from other facility)
7. The cumulative value of net restructured advances after reducing the provision held for diminution in fair value and balance in interest capitalization account upto 31 March, 2018 aggregated ₹1,087.10 crores
8. Information appearing under substandard, doubtful and loss category also include accounts slipped into NPAs from restructured standard advances along with restructured NPAs

Details of loans subjected to restructuring during the year ended 31 March, 2017 are given below:

(₹ in crores)

Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
Asset Classification		**Standard**	**Sub-Standard**	**Doubtful**	**Loss**	**Total**	**Standard**	**Sub-Standard**	**Doubtful**	**Loss**	**Total**
Restructured accounts as on April 1 of the FY (Opening Balance)	No. of borrowers	37	-	10	6	53	-	-	-	-	-
	Amount Outstanding – Restructured facility	3,522.19	-	601.54	97.88	4,221.61	-	-	-	-	-
	Amount Outstanding – Other facility	1,170.57	-	48.63	26.64	1,245.84	-	-	-	-	-
	Provision thereon	122.50	-	27.10	-	149.60	-	-	-	-	-
Movement in balance for accounts appearing under opening balance	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	(365.88)	-	0.75	(0.03)	(365.16)	-	-	-	-	-
	Amount Outstanding – Other facility	44.51	-	0.01	-	44.52	-	-	-	-	-
	Provision thereon	(39.55)	-	(16.67)	-	(56.22)	-	-	-	-	-
Fresh Restructuring during the year [1,2]	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Other facility	60.55	-	-	-	60.55	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Upgradation to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Other facility	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Restructured Standard Advances which cease to attract higher provisioning and/or additional risk weight at the end of FY	No. of borrowers	(7)				(7)	-				-
	Amount Outstanding – Restructured facility	(311.73)				(311.73)	-				-
	Amount Outstanding – Other facility	(28.33)				(28.33)	-				-
	Provision thereon	(7.81)				(7.81)	-				-
Downgradation of restructured accounts during the FY[3]	No. of borrowers	(15)	-	12	5	2	-	-	-	-	-
	Amount Outstanding – Restructured facility	(1,567.82)	-	1,444.96	339.06	216.20	-	-	-	-	-
	Amount Outstanding – Other facility	(682.50)	-	401.62	302.57	21.69	-	-	-	-	-
	Provision thereon	(38.47)	-	38.46	-	(0.01)	-	-	-	-	-
Write-offs of restructured accounts during the FY[4,5,6]	No. of borrowers	-	-	(6)	(2)	(8)	-	-	-	-	-
	Amount Outstanding – Restructured facility	(177.66)	-	(501.07)	(18.08)	(696.81)	-	-	-	-	-
	Amount Outstanding – Other facility	(122.85)	-	(91.93)	(0.66)	(215.44)	-	-	-	-	-

(₹ in crores)

Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism				
Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Restructured accounts as on March 31 of the FY (closing figures)	No. of borrowers	15	-	16	9	40	-	-	-	-	-
	Amount Outstanding – Restructured facility	1,099.10	-	1,546.18	418.83	3,064.11	-	-	-	-	-
	Amount Outstanding – Other facility	441.95	-	358.33	328.55	1,128.83	-	-	-	-	-
	Provision thereon	36.67	-	48.89	-	85.56	-	-	-	-	-

(₹ in crores)

Type of Restructuring		Others					Total				
Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Restructured accounts as on April 1 of the FY (Opening Balance)	No. of borrowers	821	1	281	31	1,134	858	1	291	37	1,187
	Amount Outstanding – Restructured facility	5,211.23	0.04	785.07	68.48	6,064.82	8,733.42	0.04	1,386.61	166.36	10,286.43
	Amount Outstanding – Other facility	1,216.63	-	123.10	10.88	1,350.61	2,387.20	-	171.73	37.52	2,596.45
	Provision thereon	61.51	-	17.20	-	78.71	184.01	-	44.30	-	228.31
Movement in balance for accounts appearing under opening balance	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	35.18	-	(0.43)	0.03	34.78	(330.70)	-	0.32	-	(330.38)
	Amount Outstanding – Other facility	429.67	0.01	(0.12)	0.01	429.57	474.18	0.01	(0.11)	0.01	474.09
	Provision thereon	(15.94)	-	(13.39)	-	(29.33)	(55.49)	-	(30.06)	-	(85.55)
Fresh Restructuring during the year[1,2]	No. of borrowers	43	2	1	-	46	43	2	1	-	46
	Amount Outstanding – Restructured facility	597.63	417.73	33.59	-	1,048.95	597.63	417.73	33.59	-	1,048.95
	Amount Outstanding – Other facility	161.56	-	0.01	-	161.57	222.11	-	0.01	-	222.12
	Provision thereon	-	22.03	0.56	-	22.59	-	22.03	0.56	-	22.59
Upgradation to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Restructured facility	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding – Other facility	-	-	-	-	-	-	-	-	-	-
	Provision thereon	-	-	-	-	-	-	-	-	-	-
Restructured Standard Advances which cease to attract higher provisioning and/or additional risk weight at the end of FY	No. of borrowers	(225)				(225)	(232)				(232)
	Amount Outstanding – Restructured facility	(349.16)				(349.16)	(660.89)				(660.89)
	Amount Outstanding – Other facility	(171.75)				(171.75)	(200.08)				(200.08)
	Provision thereon	-				-	(7.81)				(7.81)

(₹ in crores)

Type of Restructuring		Others					Total				
Asset Classification		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
Downgradation of restructured accounts during the FY[3]	No. of borrowers	(203)	-	165	67	29	(218)	-	177	72	31
	Amount Outstanding – Restructured facility	(821.74)	(0.03)	208.83	646.91	33.97	(2,389.56)	(0.03)	1,653.79	985.97	250.17
	Amount Outstanding – Other facility	(335.61)	0.03	43.68	292.11	0.21	(1,018.11)	0.03	445.30	594.68	21.90
	Provision thereon	(6.43)	-	6.43	-	-	(44.90)	-	44.89	-	(0.01)
Write-offs of restructured accounts during the FY[4,5,6]	No. of borrowers	(86)	-	(74)	(7)	(167)	(86)	-	(80)	(9)	(175)
	Amount Outstanding – Restructured facility	(150.22)	-	(298.39)	(22.29)	(470.90)	(327.88)	-	(799.46)	(40.37)	(1,167.71)
	Amount Outstanding – Other facility	(41.03)	-	(11.11)	(0.18)	(52.32)	(163.88)	-	(103.04)	(0.84)	(267.76)
Restructured accounts as on March 31 of the FY (closing figures)	No. of borrowers	350	3	373	91	817	365	3	389	100	857
	Amount Outstanding – Restructured facility	4,522.92	417.74	728.67	693.13	6,362.46	5,622.02	417.74	2,274.85	1,111.96	9,426.57
	Amount Outstanding – Other facility	1,259.47	0.04	155.56	302.82	1,717.89	1,701.42	0.04	513.89	631.37	2,846.72
	Provision thereon	39.14	22.03	10.80	-	71.97	75.81	22.03	59.69	-	157.53

Amount outstanding under restructuring facilities and other facilities is as on 31 March, 2017:

1. Amount reported here represents outstanding as on 31 March, 2017. Actual amount subjected to restructuring determined as on the date of approval of restructuring proposal is ₹1,001.35 crores for the FY 2016-17
2. Includes ₹213.53 crores of fresh/additional sanction to existing restructured accounts (₹3.56 crores under restructured facility and ₹209.97 crores under other facility)
3. Includes accounts which were not attracting higher provisioning and/or additional risk weight at the beginning of FY
4. Includes accounts partially written-off during the year
5. Amount outstanding under restructuring facilities and other facilities is as on the date of write-off in the books
6. Includes ₹881.83 crores of reduction from existing restructured accounts by way of sale/recovery (₹716.59 crores from restructured facility and ₹165.24 crores from other facility)
7. The cumulative value of net restructured advances after reducing the provision held for diminution in fair value and balance in interest capitalization account upto 31 March, 2017 aggregated ₹5,379.10 crores
8. Information appearing under substandard, doubtful and loss category also include accounts slipped into NPAs from restructured standard advances along with restructured NPAs

2.1.25 Disclosure on Flexible Structuring of existing loans

(₹ in crores)

Particulars	**Year ended 31 March, 2018**	Year ended 31 March, 2017
No. of borrowers taken up for flexible structuring	3	8
Amount of loans taken up for flexible structuring#		
- Classified as Standard*	682.18	1,066.14
- Classified as NPA*	290.36	803.79
Exposure weighted average duration of loans taken up for flexible structuring (years)		
- Before applying flexible structuring	9.43	9.22
- After applying flexible structuring	19.25	20.72

represents outstanding as on date of sanction of the proposal

* asset classification represents position as on 31 March of the respective year

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

(₹ in crores)

Particulars	As at 31 March, 2018	As at 31 March, 2017
No. of accounts where SDR has been invoked	-	19
Amount outstanding #		
- Classified as Standard	-	3,807.18
- Classified as NPA	-	322.40
Amount outstanding with respect to accounts where conversion of debt to equity is pending		
- Classified as Standard	-	846.10
- Classified as NPA	-	214.69
Amount outstanding with respect to accounts where conversion of debt to equity has taken place#		
- Classified as Standard	-	2,961.08
- Classified as NPA	-	107.71

includes outstanding under equity investments post conversion under SDR

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

(₹ in crores)

Particulars	As at 31 March, 2018	As at 31 March, 2017
No. of accounts where banks have decided to effect change in ownership	-	-
Amount outstanding		
- Classified as Standard	-	-
- Classified as NPA	-	-
Amount outstanding with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		
- Classified as Standard	-	-
- Classified as NPA	-	-
Amount outstanding with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		
- Classified as Standard	-	-
- Classified as NPA	-	-
Amount outstanding with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale if promoters equity		
- Classified as Standard	-	-
- Classified as NPA	-	-

2.1.28 Disclosure on Change in Ownership of Projects under Implementation (accounts which are currently under the stand-still period)

(₹ in crores)

Particulars	As at 31 March, 2018	As at 31 March, 2017
No. of project loan accounts where banks have decided to effect change in ownership	-	1
Amount outstanding		
- Classified as Standard	-	98.87
- Classified as standard restructured	-	-
- Classified as NPA	-	-

2.1.29 Disclosure on Scheme for Sustainable Structuring of Stressed Assets (S4A)

(₹ in crores)

Particulars	As at 31 March, 2018	As at 31 March, 2017
No. of accounts where S4A has been applied	5	2
Aggregate amount outstanding		
- Classified as Standard	486.24	323.46
- Classified as NPA	647.52	-
Amount outstanding in Part A		
- Classified as Standard	281.48	160.35
- Classified as NPA	409.21	-
Amount outstanding in Part B		
- Classified as Standard	204.76	163.11
- Classified as NPA	238.31	-
Provision Held		
- Classified as Standard	107.46	67.05
- Classified as NPA	567.79	-

2.1.30 Disclosure in respect of Interest Rate Swaps ('IRS'), Forward Rate Agreement ('FRA') and Cross Currency Swaps ('CCS') outstanding is set out below:

A 'FRA' is a financial contract between two parties to exchange interest payments for 'notional principal' amount on settlement date, for a specified period from start date to maturity date. Accordingly, on the settlement date cash payments based on contract rate and the settlement rate, which is the agreed bench-mark/reference rate prevailing on the settlement date, are made by the parties to one another. The benchmark used in the FRA contracts of the Bank is London Inter-Bank Offered Rate (LIBOR) of various currencies.

An 'IRS' is a financial contract between two parties exchanging or swapping a stream of interest payments for a 'notional principal' amount on multiple occasions during a specified period. The Bank deals in interest rate benchmarks like Mumbai Inter-Bank Offered Rate (MIBOR), Indian Government Securities Benchmark Rate (INBMK), Mumbai Inter-Bank Forward Offer Rate (MIFOR) and LIBOR of various currencies.

A 'CCS' is a financial contract between two parties exchanging interest payments and principal, wherein interest payments and principal in one currency would be exchanged for an equally valued interest payments and principal in another currency.

(₹ in crores)

Sr. No.	Items	As at 31 March, 2018	As at 31 March, 2017
i)	Notional principal of swap agreements	196,069.45	197,871.67
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	2,872.20	2,558.71
iii)	Collateral required by the Bank upon entering into swaps	826.23	903.93
iv)	Concentration of credit risk arising from the swaps		
	Maximum single industry exposure with Banks (previous year with Banks)		
	- Interest Rate Swaps/FRAs	2,695.48	2,379.59
	- Cross Currency Swaps	2,947.91	2,086.53
v)	Fair value of the swap book (hedging & trading)		
	- Interest Rate Swaps/FRAs	(804.12)	(410.81)
	- Currency Swaps	1,228.65	1,056.44

The nature and terms of the IRS as on 31 March, 2018 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	33	11,698.91	LIBOR	Fixed Receivable v/s Floating Payable
Trading	4	275.00	INBMK	Fixed Receivable v/s Floating Payable
Trading	250	36,726.98	LIBOR	Fixed Receivable v/s Floating Payable
Trading	319	22,201.66	MIBOR	Fixed Receivable v/s Floating Payable
Trading	350	17,107.00	MIFOR	Fixed Receivable v/s Floating Payable
Trading	21	1,659.00	INBMK	Floating Receivable v/s Fixed Payable
Trading	294	41,559.60	LIBOR	Floating Receivable v/s Fixed Payable
Trading	353	17,553.49	MIBOR	Floating Receivable v/s Fixed Payable
Trading	181	9,741.00	MIFOR	Floating Receivable v/s Fixed Payable
Trading	28	5,116.24	LIBOR	Floating Receivable v/s Floating Payable
Trading	5	229.07	LIBOR	Pay Cap
Trading	5	229.07	LIBOR	Receive Cap
	1,843	164,097.02		

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

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	39	12,178.83	LIBOR	Fixed Receivable v/s Floating Payable
Hedging	2	907.90	LIBOR	Floating Receivable v/s Fixed Payable
Trading	6	325.00	INBMK	Fixed Receivable v/s Floating Payable
Trading	259	32,773.03	LIBOR	Fixed Receivable v/s Floating Payable
Trading	467	29,645.28	MIBOR	Fixed Receivable v/s Floating Payable
Trading	341	16,724.00	MIFOR	Fixed Receivable v/s Floating Payable
Trading	25	1,909.00	INBMK	Floating Receivable v/s Fixed Payable
Trading	304	36,231.81	LIBOR	Floating Receivable v/s Fixed Payable
Trading	476	25,709.54	MIBOR	Floating Receivable v/s Fixed Payable
Trading	225	12,223.00	MIFOR	Floating Receivable v/s Fixed Payable
Trading	28	4,669.20	LIBOR	Floating Receivable v/s Floating Payable
Trading	3	66.14	LIBOR	Pay Cap
Trading	1	197.11	LIBOR	Pay Cap/Receive Floor
Trading	1	197.11	LIBOR	Pay Floor/Receive Cap
Trading	3	66.14	LIBOR	Receive Cap
	2,180	173,823.09		

The nature and terms of the FRA as on 31 March, 2018 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	1	325.88	LIBOR	Floating Receivable v/s Fixed Payable
	1	325.88		

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

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	2	2,107.63	LIBOR	Fixed Receivable v/s Floating Payable
	2	2,107.63		

The nature and terms of the CCS as on 31 March, 2018 are set out below:

(₹ in crores)

Nature	**Nos.**	**Notional Principal**	**Benchmark**	**Terms**
Trading	84	9,787.05	Principal & Coupon Swap	Fixed Payable v/s Fixed Receivable
Trading	70	6,047.29	LIBOR	Fixed Receivable v/s Floating Payable
Trading	65	7,061.51	LIBOR	Floating Receivable v/s Fixed Payable
Trading	6	2,445.14	LIBOR/MIFOR/ MIBOR	Floating Receivable v/s Floating Payable
Trading	37	3,613.89	Principal Only	Fixed Receivable
Trading	20	2,691.67	Principal Only	Fixed Payable
	282	31,646.55		

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

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	85	5,095.10	Principal & Coupon Swap	Fixed Payable v/s Fixed Receivable
Trading	58	4,646.82	LIBOR	Fixed Receivable v/s Floating Payable
Trading	62	6,247.64	LIBOR	Floating Receivable v/s Fixed Payable
Trading	3	1,011.29	LIBOR/MIFOR/ MIBOR	Floating Receivable v/s Floating Payable
Trading	40	3,858.99	Principal Only	Fixed Receivable
Trading	6	1,081.11	Principal Only	Fixed Payable
	254	21,940.95		

Details of Exchange Traded Interest Rate Derivatives for the year ended 31 March, 2018 are set out below:

(₹ in crores)

Sr. No.	Particulars	**As at 31 March, 2018**
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year	
	679GS2027 - 6.79% GOI 2027	1,269.52
	697GS2026 - 6.97% GOI 2026	356.60
	759GS2026 - 7.59% GOI 2026	29.72
	EDM7 - 90 Day Euro Future - June 2017	1,629.38
	EDM8 - 90 Day Euro Future - June 2018	1,629.38
	EDU7 - 90 Day Euro Future - September 2017	3,258.75
	EDU8 - 90 Day Euro Future - September 2018	3,258.75
	FFF8 - 30 Days FED Funds - January 2018	3,258.75
	TUM7 - 2 Years Treasury Note - June 2017	130.35
	TUU7 - 2 Years Treasury Note - September 2017	260.70
	TYM7 - 10 Years US Note - June 2017	162.93
	TYU7 - 10 Years US Note - September 2017	239.84
	FVZ7 - 5 Years US Note - December 2017	130.35
	FVH8 - 5 Years US Note - March 2018	130.35
	TYH8 - 10 Years US Note - March 2018	82.12

Sr. No.	Particulars	**As at 31 March, 2018**
	TUH8 - 2 Years US Note - March 2018	260.70
	FVM8 - 5 Years US Note - June 2018	130.35
		16,218.54
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2018	Nil
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2018 and "not highly effective"	N.A.
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March, 2018 and "not highly effective"	N.A.

Details of Exchange Traded Interest Rate Derivatives for the year ended 31 March, 2017 are set out below:

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2017
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year	
	697GS2026 - 6.97% GOI 2026	152.38
	759GS2026 - 7.59% GOI 2026	4,678.12
	759GS2029 - 7.59% GOI 2029	186.98
	761GS2030 - 7.61% GOI 2030	0.10
	768GS2023 - 7.68% GOI 2023	2.00
	772GS2025 - 7.72% GOI 2025	3,219.84
	788GS2030 - 7.88% GOI 2030	1,531.36
	EDH7 - 90 Day Euro Future - March 2017	12,970.00
	EDH8 - 90 Day Euro Future - March 2018	12,970.00
	EDM7 - 90 Day Euro Future - June 2017	8,754.75
	EDM8 - 90 Day Euro Future - June 2018	8,754.75
	EDQ6 - 90 Day Euro $ Future - August 2016	1,297.00
	EDZ6 - 90 Day Euro Future - December 2016	9,662.65
	EDZ7 - 90 Day Euro Future - December 2017	907.90
	FVH7 - 5Years US Note - March 2017	64.85
	FVM6 - 5 Years US Note - June 2016	2,042.78
	FVU6 - 5 Years US Note - September 2016	1,725.01
	TUM6 - 2 Years Treasury Note - June 2016	2,983.10
	TUM7 - 2 Years Treasury Note - June 2017	259.40
	TUU6 - 2 Years Treasury Note - September 2016	3,761.30
	TYH7 - 10 Years US Note - March 2017	453.95
	TYM6 - 10 Years US Note - June 2016	4,344.95
	TYM7 - 10 Years US Note - June 2017	136.19
	TYU6 - 10 Years US Note - September 2016	12,133.43
	TYZ6 - 10 Years US Note - December 2016	911.79
		93,904.58
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2017	
	EDM7 - 90 Day Euro Future - June 2017	1,621.25
	EDM8 - 90 Day Euro Future - June 2018	1,621.25
		3,242.50
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2017 and "not highly effective"	N.A.
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March, 2017 and "not highly effective"	N.A.

The Bank has not undertaken any transactions in Credit Default Swaps (CDS) during the year ended 31 March, 2018 and 31 March, 2017.

2.1.31 Disclosure on risk exposure in Derivatives

Qualitative disclosures:

(a) Structure and organisation for management of risk in derivatives trading, the scope and nature of risk measurement, risk reporting and risk monitoring systems, policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants:

Derivatives are financial instruments whose characteristics are derived from an underlying asset, or from interest and exchange rates or indices. The Bank undertakes over the counter and Exchange Traded derivative transactions for Balance Sheet management and also for proprietary trading/market making whereby the Bank offers derivative products to the customers to enable them to hedge their interest rate and currency risks within the prevalent regulatory guidelines.

Proprietary trading includes Interest Rate Futures, Currency Futures and Rupee Interest Rate Swaps under different benchmarks (viz. MIBOR, MIFOR and INBMK), and Currency Options. The Bank also undertakes transactions in Cross Currency Swaps, Principal Only Swaps, Coupon Only Swaps and Long Term Forex Contracts (LTFX) for hedging its Balance Sheet and also offers them to its customers. These transactions expose the Bank to various risks, primarily credit, market, legal, reputation and operational risk. The Bank has adopted the following mechanism for managing risks arising out of the derivative transactions.

There is a functional separation between the Treasury Front Office, Treasury Mid Office and Treasury Back Office to undertake derivative transactions. The customer and interbank related derivative transaction are originated by Transaction Banking-Derivative sales and Treasury Front Office team respectively which ensures compliance with the trade origination requirements as per the bank's policy and the RBI guidelines. The derivative transactions are originated by Treasury Front Office, which ensures compliance with the trade origination requirements as per the Bank's policy and the RBI guidelines. The Market Risk Group within the Bank's Risk Department independently identifies measures and monitors the market risks associated with derivative transactions and apprises the Asset Liability Management Committee (ALCO) and the Risk Management Committee of the Board (RMC) on the compliance with the risk limits. The Treasury Back Office undertakes activities such as trade confirmation, settlement, ISDA documentation, accounting, valuation and other MIS reporting.

The derivative transactions are governed by the derivative policy, market risk management policy, hedging policy and the Asset Liability Management (ALM) policy of the Bank as well as by the extant RBI guidelines. The Bank has also implemented policy on customer suitability & appropriateness approved by the Board to ensure that derivatives transactions entered into are appropriate and suitable to the customer. The Bank has also put in place a detailed process flow on documentation for customer derivative transactions for effective management of operational risk/reputation risk.

Various risk limits are set up and actual exposures are monitored vis-à-vis the limits allocated. These limits are set up taking into account market volatility, risk appetite, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, VaR, Stop Loss, Delta, Gamma and Vega. Actual positions are monitored against these limits on a daily basis and breaches, if any, are dealt with in accordance with board approved Risk Appetite Statement. Risk assessment of the portfolio is undertaken periodically. The Bank ensures that the Gross PV01 (Price value of a basis point) position arising out of all non-option rupee derivative contracts are within 0.25% of net worth of the Bank as on Balance Sheet date.

Hedging transactions are undertaken by the Bank to protect the variability in the fair value or the cash flow of the underlying Balance Sheet item. These deals are accounted on an accrual basis except the swap designated with an asset/liability that is carried at market value or lower of cost or market value. In that case, the swap is marked to market with the resulting gain or loss recorded as an adjustment to the market value of designated asset or liability. These transactions are tested for hedge effectiveness and in case any transaction fails the test, the same is re-designated as a trading deal with the approval of the competent authority and appropriate accounting treatment is followed.

(b) Accounting policy for recording hedge and non-hedge transactions, recognition of income, premiums and discounts, valuation of outstanding contracts

The Hedging Policy approved by the RMC governs the use of derivatives for hedging purpose. Subject to the prevailing RBI guidelines, the Bank deals in derivatives for hedging fixed rate and floating rate coupon or foreign currency assets/liabilities. Transactions for hedging and market making purposes are recorded separately. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of the transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Hedge derivative transactions are accounted for in accordance with the hedge accounting principles. Derivatives for market making purpose are marked to market and the resulting gain/loss is recorded in the Profit and Loss Account. The premium on option contracts is accounted for as per FEDAI guidelines. Derivative transactions are covered under International Swaps and Derivatives Association (ISDA) master agreements with respective counterparties. The exposure on account of derivative transactions is computed as per the RBI guidelines and is marked against the credit limits approved for the respective counterparties.

(c) Provisioning, collateral and credit risk mitigation

Derivative transactions comprise of swaps, FRAs, futures and options which are disclosed as contingent liabilities. Trading swaps/FRAs/futures/options are revalued at the Balance Sheet date with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets or other liabilities respectively. Hedged swaps are accounted for as per the RBI guidelines. In accordance with RBI guidelines, any receivables (crystallised receivables and positive MTM) under 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.

Collateral requirements for derivative transactions are laid down as part of credit sanction terms on a case by case basis. Such collateral requirements are determined, based on usual credit appraisal process. The Bank retains the right to terminate transactions as a risk mitigation measure in certain cases.

The credit risk in respect of customer derivative transactions is sought to be mitigated through a laid down policy on sanction of Loan Equivalent Risk (LER) limits, monitoring mechanism for LER limits and trigger events for escalation/margin calls/termination.

Quantitative disclosure on risk exposure in derivatives$:

(₹ in crores)

		As at 31 March, 2018			
		Currency Derivatives			Interest rate Derivatives
Sr. No.	Particulars	Forward Contracts^	CCS	Options	
1	**Derivatives (Notional Principal Amount)**				
	a) For hedging	40,335.85	-	-	12,024.79
	b) For trading	274,466.05	31,646.55	59,342.59	152,398.11
2	**Marked to Market Positions#**				
	a) Asset (+)	2,182.90	1,734.30	1,488.58	1,130.94
	b) Liability (-)	(2,464.30)	(505.64)	(1,390.53)	(1,685.31)
3	**Credit Exposure@**	13,074.02	4,799.22	1,670.63	2,991.32
4	**Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March, 2018)**				
	a) on hedging derivatives	8.84	-	-	58.15
	b) on trading derivatives	7.32	3.68	97.84	47.27
5	**Maximum and Minimum of 100*PV01 observed during the year**				
	a) on hedging				
	i) Minimum	0.10	-	-	51.35
	ii) Maximum	12.84	5.32	-	85.73
	b) on Trading				
	i) Minimum	0.31	1.75	8.50	45.98
	ii) Maximum	10.19	3.68	108.73	64.71

Only on trading derivatives
@ Includes accrued interest
^ Excluding Tom/Spot contracts

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2017 Currency Derivatives Forward Contracts^	CCS	Options	Interest rate Derivatives
1	Derivatives (Notional Principal Amount)				
	a) For hedging	27,154.50	-	-	15,194.36
	b) For trading	241,040.72	21,940.95	49,383.32	160,736.36
2	Marked to Market Positions#				
	a) Asset (+)	5,435.98	1,537.28	1,540.08	988.93
	b) Liability (-)	(5,429.65)	(480.84)	(1,374.76)	(1,361.16)
3	Credit Exposure@	15,606.43	4,079.81	1,793.32	3,015.89
4	Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March, 2018)				
	a) on hedging derivatives	2.33	-	-	249.77
	b) on trading derivatives	2.15	1.81	12.35	63.12
5	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging				
	i) Minimum	4.15	-	-	128.43
	ii) Maximum	1.05	3.77	-	272.71
	b) on Trading				
	i) Minimum	0.01	0.96	4.08	27.55
	ii) Maximum	13.03	3.68	94.91	97.29

Only on trading derivatives
@ Includes accrued interest
^ Excluding Tom/Spot contracts

$ only Over The Counter derivatives included

The outstanding notional principal amount of Exchange Traded Currency Options as at 31 March, 2018 was Nil (previous year Nil) and the mark-to-market value was Nil (previous year Nil).

2.1.32 Details of penalty/stricture levied by RBI during the year ended 31 March, 2018 is as under:

Amount (₹ in crores)	**Reason for stricture issued/ levy of penalty by RBI**	**Date of payment of penalty**
3.00	Non-compliance of RBI guidelines on income Recognition and Asset Classification (IRAC) norms. Penalty was imposed in terms of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949	7 March, 2018

Details of penalty/stricture levied by RBI during the year ended 31 March, 2017 is as under:

Amount (₹ in crores)	Reason for stricture issued/ levy of penalty by RBI	Date of payment of penalty
-	Warning issued by RBI on 27 July, 2016 for certain lapses in adherence to KYC/AML guidelines on monitoring of transactions in customer accounts and FEMA provisions	-

2.1.33 Disclosure of customer complaints

(a) Disclosure of customer complaints relating to Bank's customers on Bank's ATMs

		31 March, 2018	31 March, 2017
a.	No. of complaints pending at the beginning of the year	143	208
b.	No. of complaints received during the year	51,096	35,009
c.	No. of complaints redressed during the year	50,955	35,074
d.	No. of complaints pending at the end of the year	284	143

(b) Disclosure of customer complaints relating to Bank's customers on other bank's ATMs

		31 March, 2018	31 March, 2017
a.	No. of complaints pending at the beginning of the year	1,233	934
b.	No. of complaints received during the year	88,301	80,572
c.	No. of complaints redressed during the year	87,174	80,273
d.	No. of complaints pending at the end of the year	2,360	1,233

(c) Disclosure of customer complaints other than ATM transaction complaints

		31 March, 2018	31 March, 2017
a.	No. of complaints pending at the beginning of the year	40,808	8,357
b.	No. of complaints received during the year	229,027	222,092
c.	No. of complaints redressed during the year	245,379	189,641
d.	No. of complaints pending at the end of the year	24,456	40,808

(d) Total customer complaints

		31 March, 2018	31 March, 2017
a.	No. of complaints pending at the beginning of the year	42,184	9,499
b.	No. of complaints received during the year	368,424	337,673
c.	No. of complaints redressed during the year	383,508	304,988
d.	No. of complaints pending at the end of the year	27,100	42,184

The above information does not include complaints redressed within 1 working day and is as certified by the Management and relied upon by the auditors.

2.1.34 Disclosure of Awards passed by the Banking Ombudsman

		31 March, 2018	31 March, 2017
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	-	-

The above information is as certified by the Management and relied upon by the auditors.

2.1.35 Draw Down from Reserves

During the year ended 31 March, 2018 the Bank has not undertaken any draw down from reserves, except towards issue expenses incurred for the equity raising through the preferential issue, which have been adjusted against the share premium account.

During the year ended 31 March, 2017 the Bank has made a draw down out of the Investment Reserve account towards depreciation on investments in AFS and HFT categories in terms of RBI guidelines.

2.1.36 Letter of Comfort

The Bank has not issued any Letter of Comfort (LoC) on behalf of its subsidiaries during the current and previous year.

2.1.37 Disclosure on Remuneration

Qualitative disclosures

a) Information relating to the bodies that oversee remuneration:

- Name, composition and mandate of the main body overseeing remuneration:

  The Nomination and Remuneration Committee of the Board oversees the framing, review and implementation of the compensation policy of the Bank on behalf of the Board. The Committee works in close co-ordination with the Risk Management Committee of the Bank, in order to achieve effective alignment between remuneration and risks.

  As at 31 March, 2018, the Nomination and Remuneration Committee comprises of the following Non-Executive Directors:

  1. Shri Prasad R. Menon - Chairman
  2. Shri Rohit Bhagat
  3. Shri Rakesh Makhija
  4. Shri Som Mittal

  In respect of Remuneration/HR matters, the Nomination and Remuneration Committee of the Board, functions with the following main objectives:

  a. Review and recommend to the Board for approval, the overall remuneration framework and associated policy of the Bank (including remuneration policy for Directors and key managerial personnel) including the level and structure of fixed pay, variable pay, perquisites, bonus pool, stock-based compensation and any other form of compensation as may be included from time to time to all the employees of the Bank including the Managing Director & CEO (MD & CEO), other Whole-Time Directors (WTD) and senior managers one level below the Board.

  b. Review and recommend to the Board for approval, the total increase in manpower cost budget of the Bank as a whole, at an aggregate level, for the next year.

  c. Recommend to the Board the compensation payable to the Chairman of the Bank.

  d. Review the Code of Conduct and HR strategy, policy and performance appraisal process within the Bank, as well as any fundamental changes in organisation structure which could have wide ranging or high risk implications.

  e. Review and recommend to the Board for approval, the talent management and succession policy and process in the Bank for ensuring business continuity, especially at the level of MD & CEO, the other WTDs, senior managers one level below the Board and other key roles and their progression to the Board.

f. Review and recommend to the Board for approval:

   - the creation of new positions one level below MD & CEO
   - appointments, promotions and exits of senior managers one level below the MD & CEO

g. Set the goals, objectives and performance benchmarks for the Bank and for MD & CEO, the other WTDs for the financial year and over the medium to long term.

h. Review the performance of the MD & CEO and other WTDs at the end of each year.

i. Review organisation health through feedback from employee surveys conducted on a regular basis.

j. Perform such other duties as may be required to be done under any law, statute, rules, regulations etc. enacted by Government of India, Reserve Bank of India or by any other regulatory or statutory body.

❖ External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process:

The Nomination and Remuneration Committee has commissioned McLagan Aon Hewitt, a globally renowned compensation benchmarking firm, to conduct market benchmarking of employee compensation. The Bank participates in the salary benchmarking survey conducted by Aon Hewitt every year. Aon Hewitt collects data from multiple private sector peer banks across functions, levels and roles which is then used by the Bank to assess market competitiveness of remuneration offered to Bank employees.

❖ A description of the scope of the Bank's remuneration policy, including the extent to which it is applicable to foreign subsidiaries and branches:

The Committee monitors the remuneration policy for both domestic and overseas branches of the Bank on behalf of the Board. However, it does not oversee the compensation policy for subsidiaries of the Bank.

❖ A description of the type of employees covered and number of such employees:

Employees are categorised into following three categories from remuneration structure and administration standpoint:

Category 1

MD & CEO and WTDs. This category includes 4 employees.

Category 2

All the employees in the Grade of Vice President and above engaged in the functions of Risk Control and Compliance. This category includes 28 employees.

Category 3: Other Staff

'Other Staff' has been defined as a "group of employees who pose a material risk". This category includes all the employees of the Bank in the grade of Executive Vice President (EVP) and above and also few other key business roles in case they are below the grade of Executive Vice President. This category includes 34 employees.

b) Information relating to the design and structure of remuneration processes:

❖ An overview of the key features and objectives of remuneration policy:

The compensation philosophy of the Bank aims to attract, retain and motivate professionals in order to enable the Bank to attain its strategic objectives and develop a strong performance culture in the competitive environment in which it operates. To achieve this, the following principles are adopted:

- Affordability: Pay to reflect productivity improvements to retain cost-income competitiveness

- Maintain competitiveness on fixed pay in talent market
- Pay for performance to drive meritocracy through variable pay
- Employee Stock Options for long-term value creation
- Benefits and perquisites to remain aligned with market practices and provide flexibility

Apart from the above, the compensation structure for MD & CEO and WTDs is aligned to RBI's guidelines for sound compensation practices (effective FY 2012-13) and addresses the general principles of:

- Effective and independent governance and monitoring of compensation
- Alignment of compensation with prudent risk-taking through well designed and consistent compensation structures
- Clear and timely disclosure to facilitate supervisory oversight by all stakeholders

Accordingly, the compensation policy for MD & CEO and WTDs seeks to:

a) Ensure that the compensation, in terms of structure and total amount, is in line with the best practices, as well as competitive vis-à-vis that of peer banks

b) Establish the linkage of compensation with individual performance as well as achievement of the corporate objectives of the Bank

c) Include a significant variable pay component tied to the achievement of pre-established objectives in line with Bank's scorecard while ensuring that the compensation is aligned with prudent risk taking

d) Encourage attainment of long term shareholder returns through inclusion of equity linked long-term incentives as part of compensation

Compensation is structured in terms of fixed pay, variable pay and employee stock options (for selective employees), with a strong linkage of variable pay to performance. The compensation policy of the Bank is approved by the Nomination and Remuneration Committee. Additional approval from Shareholders and RBI is obtained specifically for compensation of MD & CEO and WTDs.

❖ Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made:

The Nomination and Remuneration committee reviews the Bank's remuneration policy every year. There were no major changes made in the remuneration policy during the year.

❖ A discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee:

The Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee and is guided by the individual employee performance. The remuneration is determined on the basis of relevant risk measures included in the Balanced Scorecard / key deliverables of staff in these functions. The parameters reviewed for performance based rewards are independent of performance of the business area they oversee and commensurate with their individual role in the Bank. Additionally, the ratio of fixed and variable compensation is weighed towards fixed compensation.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes:

❖ An overview of the key risks that the Bank takes into account when implementing remuneration measures:

The business activity of the Bank is undertaken within the limits of the following risk measures to achieve the financial plan:

- NPA - net slippages
- Ratio of Risk Weighted Assets to Total Assets
- Liquidity Coverage Ratio

❖ An overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure:

The Bank has a robust system of measuring and reviewing these risks. The risk parameters are a part of the Balanced Scorecard used for setting of performance objectives and for measuring performance which includes, besides financial performance, adherence to internal processes, compliance and people perspectives. Weightage is placed on not only financial or quantitative achievement of objectives but also on qualitative aspects detailing how the objectives were achieved.

❖ A discussion of the ways in which these measures affect remuneration:

The relevant risk measures are included in the scorecards of MD & CEO and WTDs. Inclusion of the above mentioned measures ensures that performance parameters are aligned to risk measures at the time of performance evaluation. The Nomination and Remuneration Committee takes into consideration all the above aspects while assessing organisational and individual performance and making compensation related recommendations to the Board.

❖ A discussion of how the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration:

During FY 2017-18, the risk measures were reviewed and certain additional metrics pertaining to stressed loans were incorporated in the Balanced Scorecards, in view of the asset quality challenges faced by the Banking industry in recent years.

d) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration:

The Bank's performance management and compensation philosophies are structured to support the achievement of the Bank's on-going business objectives by rewarding achievement of objectives linked directly to its strategic business priorities. These strategic priorities are cascaded through annualised objectives to the employees.

The Bank follows the Balanced Scorecard approach in designing its performance management system. Adequate attention is given to the robust goal setting process to ensure alignment of individual objectives to support the achievement of business strategy, financial and non-financial goals across and through the organisation. The non-financial goals for employees includes customer service, process improvement, adherence to risk and compliance norms, operations and process control, learning and knowledge development.

❖ An overview of main performance metrics for Bank, top level business lines and individuals:

The Bank follows a Balanced Scorecard approach for measuring performance for the Bank, top business lines and individuals. The approach broadly comprises financial, customer, internal processes, compliance and people perspectives and includes parameters on revenue and profitability, business growth, customer initiatives, operational efficiencies, regulatory compliance, risk management and people management.

❖ A discussion of how amounts of individual remuneration are linked to the Bank-wide and individual performance:

The Bank's remuneration practices are underpinned by principles of meritocracy and fairness. The remuneration system strives to maintain the ability to attract, retain, reward and motivate the talent in order to enable the Bank to attain its strategic objectives within the increasingly competitive context in which it operates. The Bank's pay-for-performance approach strives to ensure both internal and external equity in line with emerging market trends. However, the business model and affordability form the overarching boundary conditions.

The Bank follows a Balanced Scorecard approach for measuring individual performance at Senior levels. The Balanced scorecard parameters for individuals are cascaded from the Bank's Balanced Scorecard. The Management Committee or the Nomination and Remuneration Committee reviews the achievements against the set of parameters which determines the performance of the individuals. For all other employees, performance appraisals are conducted annually and initiated by the employee with self-appraisal. The immediate supervisor reviews the appraisal ratings in a joint consultation meeting with the employee and assigns the performance rating. The final ratings are discussed by a Moderation Committee comprising of senior officials of the Bank. Both relative and absolute individual performances are considered for the moderation process. Individual fixed pay increases, variable pay and ESOPs are linked to the final performance ratings. In addition, the fixed pay increase is also influenced by an employee's position in the salary range.

❖ A discussion of the measures the Bank will in general implement to adjust remuneration in the event that performance metrics are weak:

In cases where the performance metrics are weak or not well defined to measure the performance effectively, the Bank uses discretion to reward such employees. The remuneration is then influenced by the operational performance parameters of the Bank along with individual performance achievement.

Whilst determining fixed and variable remuneration, relevant risk measures are included in scorecards of senior employees. Identified risk parameters that are taken into account are as under:

- NPA – net slippages
- Ratio of Risk Weighted Assets to Total Assets
- Liquidity Coverage Ratio

As a prudent measure, a portion of variable pay if it exceeds a certain threshold is deferred and is paid proportionately over a period of 3 years. The deferred variable pay amount of reference year would be held back in case of any misrepresentation or gross inaccuracy resulting in a wrong risk assessment.

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, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance:

The deferral of the Variable Pay for the three categories of employees as stated earlier is given below:

Category 1: MD & CEO and WTDs

Variable Pay will not exceed 70% of the Fixed Pay

To ensure that risk measures do not focus only on achieving short term goals, variable payout is deferred. If the variable pay exceeds 40% of fixed pay, 45% of the variable pay to be deferred proportionately over a period of three years.

Category 2: All the employees in the Grade of Vice President and above engaged in the functions of Risk Control and Compliance

- Variable Pay will be paid on the basis of laid down risk control, compliance and process improvement parameters in the balanced scorecard / key deliverables of staff in this function

- The parameters will be independent of performance of the business area they oversee and will commensurate with their key role in the Bank

- The ratio of fixed and variable compensation will be weighed towards fixed compensation

- Percentage of variable pay to be capped at 70% of fixed pay

- Appropriate deferral structure as approved by the Nomination and Remuneration Committee will be applicable to this category of employees

Category 3: Other Staff

- Variable Pay will be paid on the basis of performance against key deliverables and overall business performance for the financial year

- Percentage of variable pay to be capped at 70% of fixed pay

- Appropriate deferral structure as approved by the Nomination and Remuneration Committee will be applicable to this category of employees

❖ A discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements:

The deferred portion of the variable pay may be delayed in the event of an enquiry determining gross negligence or breach of integrity. The deferred portion is withheld by the Bank till the completion of such enquiries, if any. As a result, no claw back arrangements are made on the deferred portion of the variable pay.

f) Description of the different forms of variable remuneration that the Bank utilizes and the rationale for using these different forms:

❖ An overview of the forms of variable remuneration offered:

- Variable Pay: Variable Pay is linked to corporate performance, business performance and individual performance and ensures differential pay based on the performance levels of employees

- Employee Stock Options (ESOPs): ESOPs are given to selective set of employees at senior levels based on their level of performance and role. ESOP scheme has an inbuilt deferred vesting design which helps in directing long term performance orientation among employees

❖ A discussion of the use of different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or group of employees, a description of the factors that determine the mix and their relative importance:

Variable pay in the form of performance based bonus is paid out annually and is linked to performance achievement against balanced performance measures and aligned with the principles of meritocracy. The proportion of variable pay in total pay shall be higher at senior management levels. The payment of all forms of variable pay is governed by the affordability of the Bank and based on profitability and cost income ratios. At senior management levels (and for certain employees with potential to cause material impact on risk exposure), a portion of variable compensation may be paid out in a deferred manner in order to drive prudent behaviour as well as long term & sustainable performance orientation. Long term variable pay is administered in the form of ESOPs with an objective of enabling employee participation in the business as an active stakeholder and to usher in an 'owner-manager' culture. The quantum of grant of stock options is determined and approved by the Nomination and Remuneration Committee, in terms of the said Regulations and in line with best practices, subject to the approval of RBI. The current ESOP design has an inbuilt deferral intended to spread and manage risk.

Quantitative disclosures

a) The quantitative disclosures pertaining to the MD & CEO, Whole Time Directors and other risk takers for the year ended 31 March, 2018 and 31 March, 2017 are given below. Other risk takers include all employees in the grade of Executive Vice President (EVP) and above and also cover certain select roles in case they are below the grade of EVP.

			31 March, 2018	31 March, 2017
a.	i)	Number of meetings held by the Remuneration Committee (main body overseeing remuneration) during the financial year	8	7
	ii)	Remuneration paid to its members (sitting fees)	₹15,00,000	₹13,50,000
b.		Number of employees having received a variable remuneration award during the financial year	33*	38*
c.		Number and total amount of sign-on awards made during the financial year	N.A.	N.A.
d.		Number and total amount of guaranteed bonus awarded during the financial year, if any	N.A.	N.A.
e.		Details of severance pay, in addition to accrued benefits, if any	N.A.	N.A.
f.		Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms	₹0.34 crores (cash bonus)	₹0.99 crores (cash bonus)
g.		Total amount of deferred remuneration paid out in the financial year	₹0.65 crores	₹0.65 crores
h.		Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred, different forms used	Fixed - ₹41.00 crores#	Fixed - ₹38.19 crores#
			Variable - ₹9.78 crores*	Variable - ₹11.22 crores*
			Deferred - Nil	Deferred - Nil
			Non-deferred - ₹9.78 crores*	Non-deferred - ₹11.22 crores*
			Number of stock options granted during the financial year - 3,067,750	Number of stock options granted during the financial year - 3,491,000
i.		Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments	N.A.	N.A.
j.		Total amount of reductions during the financial year due to ex- post explicit adjustments	N.A.	N.A.
k.		Total amount of reductions during the financial year due to ex- post implicit adjustments	N.A.	N.A.

* pertains to FY 2016-17 paid to other risk takers (previous years pertains to MD & CEO, WTDs and other risk takers for FY 2015-16)

Fixed Remuneration includes basic salary, fixed allowance, leave fare concession, house rent allowance, location pay, super annuation allowance, certain other allowances and contribution towards provident fund

b) Disclosure for compensation of Non-executive Directors (Except Part-time Chairman):

(₹ in crores)

		31 March, 2018	31 March, 2017
a.	Amount of remuneration paid during the year (pertains to preceding year)	1.02	0.90

2.1.38 The details of fees / brokerage earned in respect of insurance broking, agency and bancassurance business undertaken by the Bank are as under:

(₹ in crores)

Sr. No.	Nature of Income*	31 March, 2018	31 March, 2017
1.	For selling life insurance policies	539.49	558.24
2.	For selling non-life insurance policies	56.40	32.95
3.	For selling mutual fund products	388.46	317.44
4.	Others (wealth advisory, RBI and other bonds etc.)	88.48	88.57
	Total	1,072.83	997.20

*includes receipts on account of marketing activities undertaken on behalf of bancassurance partners

2.1.39 The Bank has not sponsored any special purpose vehicle which is required to be consolidated in the consolidated financial statements as per accounting norms.

2.1.40 Amount of total assets, non-performing assets and revenue of overseas branches is given below:

(₹ in crores)

Particulars	31 March, 2018	31 March, 2017
Total assets	61,007.58	54,252.62
Total NPAs	4,311.02	4,695.18
Total revenue	2,380.67	2,636.36

2.1.41 During the year ended 31 March, 2018 the value of sales/transfers of securities to/from HTM category (excluding one-time transfer of securities and sales to RBI under OMO auctions) did not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

During the year ended 31 March, 2017 the value of sales/transfers of securities to/from HTM category (excluding one-time transfer of securities and sales to RBI under OMO auctions) exceeded 5% of the book value of investments held in HTM category at the beginning of the year by ₹11,558.20 crores.

Market value of investments held in HTM category	Excess of book value over market value for which provision is not made
₹82,665.92 crores	Nil

2.1.42 Disclosure on transfers to Depositor Education and Awareness Fund (DEAF)

(₹ in crores)

Particulars	31 March, 2018	31 March, 2017
Opening balance of amounts transferred to DEAF	64.90	41.57
Add : Amounts transferred to DEAF during the year	34.07	24.23
Less : Amounts reimbursed by DEAF towards claims	(1.83)*	(0.90)*
Closing balance of amounts transferred to DEAF	97.14	64.90

*includes ₹0.39 crores (previous year ₹0.21 crores) of claim raised and pending settlement with RBI

2.1.43 Disclosure on Intra-Group Exposures

(₹ in crores)

Particulars	31 March, 2018	31 March, 2017
Total amount of intra-group exposures	4,954.82	3,232.20
Total amount of top-20 intra-group exposures	4,954.80	3,232.20
Percentage of intra-group exposures to total exposure of the Bank on borrowers/customers	0.68	0.51

During the years ended 31 March, 2018 and 31 March, 2017, the intra-group exposures were within the limits specified by RBI.

2.1.44 Unhedged Foreign Currency Exposure

The Bank's Corporate Credit Policy lays down the framework to manage credit risk arising out of unhedged foreign currency exposures of the borrowers. Both at the time of initial approval as well as subsequent reviews/renewals, the assessment of credit risk arising out of foreign currency exposure of the borrowers include details of imports, exports, repayments of foreign currency borrowings, as well as hedges done by the borrowers or naturally enjoyed by them vis-a-vis their intrinsic financial strength, history of hedging and losses arising out of foreign currency volatility. The extent of hedge/cover required on the total foreign currency exposure including natural hedge and hedged positions, is guided through a matrix of internal ratings. The hedging policy is applicable for existing as well as new clients with foreign currency exposures above a predefined threshold. The details of un-hedged foreign currency exposure of customers for transactions undertaken through the Bank are monitored periodically. The Bank also maintains additional provision and capital, in line with RBI guidelines.

During the year ended 31 March, 2018, there is a write back of ₹9.30 crores (previous year write back of ₹13.88 crores) in provision for un-hedged foreign currency exposures. As on 31 March, 2018, the Bank held incremental capital of ₹220.11 crores (previous year ₹300.05 crores) towards borrowers having un-hedged foreign currency exposures.

2.1.45 Disclosure on provisioning pertaining to fraud accounts

(₹ in crores)

	31 March, 2018	31 March, 2017
Number of frauds reported during the year*	521	205
Amounts involved	353.97	72.92
Provisions held at the beginning of the year	125.49	48.63
Provisions made during the year	228.48	24.29
Provisions held at the end of the year	353.97	72.92
Unamortised provision debited from 'other reserves' as at the end of the year	-	-

*Excluding 2 cases (previous year 4 cases) amounting to ₹98.96 crores (previous year ₹407.73 crores) reported as fraud during the year and subsequently prudentially written off

2.1.46 Detail of Priority Sector Lending Certificates (PSLC) purchased by the Bank are set out below:

(₹ in crores)

Category	31 March, 2018	31 March, 2017
PSLC – General	9,416.00	600.00
PSLC – Micro Enterprises	300.00	-
PSLC – Small/Marginal Farmers	-	5,000.00
Total	9,716.00	5,600.00

During the years ended 31 March, 2018 and 31 March, 2017, the Bank has not sold any Priority Sector Lending Certificates.

2.1.47 Disclosure on Liquidity Coverage Ratio
Qualitative disclosure

The Bank has adopted the Basel III framework on liquidity standards as prescribed by RBI and has put in place requisite systems and processes to enable periodical computation and reporting of the Liquidity Coverage Ratio (LCR). The mandated regulatory threshold as per the transition plan is embedded into the Risk Appetite Statement of the Bank thus subjecting LCR maintenance to Board oversight and periodical review. The Risk department computes the LCR and reports the same to the Asset Liability Management Committee (ALCO) every month for review as well as to the Risk Management Committee of the Board.

The Bank computes LCR on a daily basis and in accordance with RBI guidelines the quarterly disclosures of LCR contains data on the simple average calculated on daily observations over a period of 90 days.

The Bank follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises Government securities viz. Treasury Bills, Central and State Government securities. A relatively smaller part of HQLA is accounted for by the corporate bonds rated AA- and above with mandated haircuts applied thereto.

The Bank monitors the concentration of funding sources from significant counterparties, significant instruments/products as part of the asset liability management framework. The Bank adheres to the regulatory and internal limits on Inter-bank liability and call money borrowings which form part of the ALM policy. The Bank's funding sources are fairly dispersed across sources and maturities.

Expected derivative cash outflows and inflows are calculated for outstanding contracts in accordance with laid down valuation methodologies. Cash flows, if any, from collaterals posted against derivatives are not considered.

Apart from the LCR position in all currencies put together, the Bank monitors the LCR in US Dollar currency which qualifies as a significant currency as per RBI guidelines.

The liquidity risk management of the Bank is undertaken by the Asset Liability Management group in the Treasury in accordance with the Board approved policies and ALCO approved funding plans. The Risk department measures and monitors the liquidity profile of the Bank with reference to the Board approved limits, for both domestic as well as overseas operations, on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and periodical liquidity stress testing. Periodical reports are placed before the Bank's ALCO for perusal and review.

All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.

Quantitative disclosure

(₹ in crores)

		Quarter ended 31 March, 2018		Quarter ended 31 December, 2017		Quarter end 30 September, 2017		Quarter ended 30 June, 2017	
		Total Unweighted Value (average)	**Total Weighted Value (average)**	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLAs)		79,973.26		73,116.53		71,834.98		71,379.76
Cash Outflows									
2	Retail Deposits and deposits from small business customers,	238,884.37	21,478.87	231,420.68	20,762.31	225,670.59	20,248.80	222,834.02	19,970.18
	of which:								
(i)	Stable Deposits	48,191.37	2,409.57	47,595.16	2,379.76	46,365.18	2,318.26	46,264.28	2,313.21
(ii)	Less Stable Deposits	190,693.00	19,069.30	183,825.52	18,382.55	179,305.41	17,930.54	176,569.74	17,656.97
3	Unsecured wholesale funding, of which:	134,036.28	71,532.35	136,167.50	68,709.21	129,994.35	64,211.05	125,377.35	63,394.94
(i)	Operational deposits (all counterparties)	40,656.37	10,158.50	44,378.91	11,089.40	40,099.06	10,019.37	36,389.68	9,091.82

		Quarter ended 31 March, 2018		Quarter ended 31 December, 2017		Quarter end 30 September, 2017		Quarter ended 30 June, 2017	
		Total Unweighted Value (average)	**Total Weighted Value (average)**	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
(ii)	Non-operational deposits (all counterparties)	93,379.91	61,373.85	91,788.59	57,619.81	89,895.29	54,191.68	88,987.67	54,303.12
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		805.00		478.26		673.91		618.13
5	Additional requirements, of which	37,389.88	28,299.66	49,195.82	38,150.38	34,403.02	22,945.12	30,661.83	22,632.38
(i)	Outflows related to derivative exposures and other collateral requirements	26,614.31	26,614.31	33,064.39	33,064.39	21,302.10	21,302.10	21,433.96	21,433.97
(ii)	Outflows related to loss of funding on debt products	311.69	311.69	2,981.08	2,981.08	186.50	186.50	162.21	162.21
(iii)	Credit and liquidity facilities	10,463.88	1,373.66	13,150.35	2,104.91	12,914.42	1,456.52	9,065.66	1,036.20
6	Other contractual funding obligations	4,128.51	4,038.52	4,003.84	3,913.84	4,035.69	3,945.69	3,591.80	3,501.80
7	Other contingent funding obligations	224,085.43	8,718.93	222,696.55	8,685.97	211,371.82	8,181.74	205,149.55	7,942.22
8	Total Cash Outflows		134,873.33		140,699.97		120,206.31		118,059.65
Cash Inflows									
9	Secured lending (eg. reverse repo)	673.75	-	673.52	-	1,323.93	-	2,799.40	-
10	Inflows from fully performing exposures	36,820.48	22,956.72	35,799.85	21,898.49	30,901.05	20,233.70	30,430.62	19,018.98
11	Other cash inflows	26,488.54	26,488.54	33,485.59	33,289.34	21,315.71	21,315.72	21,412.85	21,412.85
12	Total Cash Inflows	63,982.77	49,445.26	69,958.96	55,187.83	53,540.69	41,549.42	54,642.87	40,431.83
			Total adjusted Value		Total adjusted Value		Total adjusted Value		Total adjusted Value
21	Total HQLA		79,973.26		73,116.53		71,834.98		71,379.76
22	Total Net Cash Outflows		85,428.07		85,512.14		78,656.89		77,627.82
23	Liquidity Coverage Ratio%		93.61%		85.50%		91.33%		91.95%

Note: 1) Average for all the quarters is simple average of daily observations for the quarter.

2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors.

(₹ in crores)

		Quarter ended 31 March, 2017		Quarter ended 31 December, 2016		Quarter end 30 September, 2016		Quarter ended 30 June, 2016	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLAs)		69,068.02		73,485.84		62,071.82		57,911.67
Cash Outflows									
2	Retail Deposits and deposits from small business customers,	223,062.16	19,876.45	227,335.01	20,322.23	214,721.91	19,443.96	206,725.61	18,700.11
	of which:								
(i)	Stable Deposits	48,595.25	2,429.76	48,225.63	2,411.29	40,564.79	2,028.25	39,449.20	1,972.47
(ii)	Less Stable Deposits	174,466.91	17,446.69	179,109.38	17,910.94	174,157.12	17,415.71	167,276.41	16,727.64
3	Unsecured wholesale funding, of which:	114,310.99	57,658.68	105,538.02	51,751.28	107,610.78	51,052.33	104,027.70	52,853.63
(i)	Operational deposits (all counterparties)	31,269.64	7,812.33	33,120.72	8,275.36	35,890.75	8,967.75	32,443.10	8,105.92

		Quarter ended 31 March, 2017		Quarter ended 31 December, 2016		Quarter end 30 September, 2016		Quarter ended 30 June, 2016	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
(ii)	Non-operational deposits (all counterparties)	83,041.35	49,846.35	72,417.30	43,475.92	71,720.03	42,084.58	71,584.60	44,747.71
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		462.22		500.00		1,014.84		1,752.55
5	Additional requirements, of which	33,918.61	26,359.82	30,613.59	22,523.69	22,670.54	15,707.75	24,332.56	13,495.84
(i)	Outflows related to derivative exposures and other collateral requirements	24,578.76	24,578.76	19,194.47	19,194.47	14,927.66	14,927.67	12,354.13	12,354.13
(ii)	Outflows related to loss of funding on debt products	864.71	864.71	2,388.52	2,388.52	-	-	-	-
(iii)	Credit and liquidity facilities	8,475.14	916.35	9,030.60	940.70	7,742.88	780.08	11,978.43	1,141.71
6	Other contractual funding obligations	3,696.81	3,606.81	3,505.93	3,415.93	3,777.42	3,687.42	3,046.03	2,956.03
7	Other contingent funding obligations	199,879.47	7,735.28	196,561.11	7,658.97	181,755.53	7,110.29	180,297.54	6,994.77
8	Total Cash Outflows		115,699.26		106,172.10		98,016.59		96,752.93
Cash Inflows									
9	Secured lending (eg. reverse repo)	7,332.28	-	9,101.00	-	2,570.67	-	-	-
10	Inflows from fully performing exposures	23,518.10	18,575.43	27,200.87	18,767.80	26,214.48	17,804.76	24,594.96	17,307.41
11	Other cash inflows	24,605.83	24,605.83	19,063.95	19,063.95	14,913.06	14,913.06	12,401.32	12,401.32
12	Total Cash Inflows	55,456.21	43,181.26	55,365.82	37,831.75	43,698.21	32,717.82	36,996.28	29,708.73
			Total adjusted Value		Total adjusted Value		Total adjusted Value		Total adjusted Value
21	Total HQLA		69,068.02		73,485.84		62,071.82		57,911.67
22	Total Net Cash Outflows		72,518.00		68,340.35		65,298.77		67,044.20
23	Liquidity Coverage Ratio %		95.24%		107.53%		95.06%		86.38%

Note: 1) Average for quarter ended 31 March, 2017 is simple average of daily observations for the quarter. Average for other quarters represents simple average of monthly observations for the respective quarters.

2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors.

2.2 Other disclosures

2.2.1 During the year, the Bank has appropriated ₹101.65 crores (previous year ₹755.57 crores) to the Capital Reserve, net of taxes and transfer to statutory reserve, being the gain on sale of HTM investments in accordance with RBI guidelines.

2.2.2 During the year, the Bank has appropriated an amount of ₹1.62 crores (previous year ₹1.75 crores) to Reserve Fund account towards statutory reserve in accordance with guidelines issued by Central Bank of Sri Lanka in respect of Colombo branch operations.

2.2.3 Earnings Per Share ('EPS')

The details of EPS computation is set out below:

	31 March, 2018	31 March, 2017
Basic and Diluted earnings for the year (Net profit after tax) (₹ in crores)	275.68	3,679.28
Basic weighted average no. of shares (in crores)	244.51	238.93
Add: Equity shares for no consideration arising on grant of stock options under ESOP (in crores)	0.75	0.94
Diluted weighted average no. of shares (in crores)	245.26	239.87
Basic EPS (₹)	1.13	15.40
Diluted EPS (₹)	1.12	15.34
Nominal value of shares (₹)	2.00	2.00

Dilution of equity is on account of 7,517,504 (previous year 9,429,479) stock options.

2.2.4 Employee Stock Options Scheme ('the Scheme')

In February 2001, pursuant to the approval of the shareholders at the Extraordinary General Meeting, the Bank approved an Employee Stock Option Scheme. Under the Scheme, the Bank is authorised to issue upto 65,000,000 equity shares to eligible employees. Eligible employees are granted an option to purchase shares subject to vesting conditions. Further, over the period June 2004 to July 2013, pursuant to the approval of the shareholders at Annual General Meetings, the Bank approved an ESOP scheme for additional options aggregating 175,087,000. The options vest in a graded manner over 3 years. The options can be exercised within three/five years from the date of the vesting as the case may be. Within the overall ceiling of 240,087,000 stock options approved for grant by the shareholders as stated earlier, the Bank is also authorised to issue options to eligible employees and Whole Time Directors of the subsidiary companies.

246,272,950 options have been granted under the Scheme till the previous year ended 31 March, 2017.

On 15 May, 2017, the Bank granted 6,885,700 stock options (each option representing entitlement to one equity share of the Bank) to its eligible employees/directors of the Bank/subsidiary companies at a price of ₹503.00 per option.

Stock option activity under the Scheme for the year ended 31 March, 2018 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	29,711,124	217.33 to 535.00	383.16	3.98
Granted during the year	6,885,750	503.00	503.00	-
Forfeited during the year	(810,120)	306.54 to 535.00	470.15	-
Expired during the year	(57,910)	217.33 to 289.51	275.32	-
Exercised during the year	(6,173,935)	217.33 to 535.00	270.47	-
Outstanding at the end of the year	29,554,909	217.33 to 535.00	432.45	4.22
Exercisable at the end of the year	16,062,159	217.33 to 535.00	378.40	2.85

The weighted average share price in respect of options exercised during the year was ₹524.51

Stock option activity under the Scheme for the year ended 31 March, 2017 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	35,527,310	217.33 to 535.00	327.56	3.33
Granted during the year	7,153,000	469.90	469.90	-
Forfeited during the year	(690,050)	217.33 to 535.00	455.72	-
Expired during the year	(74,853)	217.33 to 289.51	257.56	-
Exercised during the year	(12,204,283)	217.33 to 535.00	268.81	-
Outstanding at the end of the year	29,711,124	217.33 to 535.00	383.16	3.98
Exercisable at the end of the year	15,934,524	217.33 to 535.00	319.45	2.41

The weighted average share price in respect of options exercised during the year was ₹507.67.

Fair Value Methodology

On applying the fair value based method in Guidance Note on 'Accounting for Employee Share-based Payments' the impact on reported net profit and EPS would be as follows:

	31 March, 2018	31 March, 2017
Net Profit (as reported) (₹ in crores)	275.68	3,679.28
Add: Stock based employee compensation expense included in net income (₹ in crores)	-	-
Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹ in crores)	(102.86)	(101.47)
Net Profit (Proforma) (₹ in crores)	172.82	3,577.81
Earnings per share: Basic (in ₹)		
As reported	1.13	15.40
Proforma	0.71	14.97
Earnings per share: Diluted (in ₹)		
As reported	1.12	15.34
Proforma	0.70	14.92

During the years ended, 31 March, 2018 and 31 March, 2017, no cost has been incurred by the Bank on ESOPs issued to the employees of the Bank and employees of subsidiaries under the intrinsic value method.

The fair value of the options is estimated on the date of the grant using the Black-Scholes options pricing model, with the following assumptions:

	31 March, 2018	31 March, 2017
Dividend yield	1.16%	1.29%
Expected life	2.57-4.57years	2.57-4.57 years
Risk free interest rate	6.55% to 6.82%	7.15% to 7.39%
Volatility	31.80% to 33.56%	32.92% to 35.75%

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.

The weighted average fair value of options granted during the year ended 31 March, 2018 is ₹155.53 (previous year ₹153.66).

2.2.5 Proposed Dividend

After making mandatory appropriations to Statutory Reserve, Investment Reserve, Reserve Fund and Capital Reserve, no profits are available for distribution as dividend for the year ended 31 March, 2018. Accordingly, no dividend has been recommended by the Board of Directors for the year ended 31 March, 2018.

Dividend paid during the year, represents dividend (₹5 per equity share) for the year ended 31 March, 2017 paid pursuant to approval of shareholders at Annual General Meeting held on 26 July, 2017.

2.2.6 Segmental reporting

The business of the Bank is divided into four segments: Treasury, Retail Banking, Corporate/Wholesale Banking and Other Banking Business. These segments have been identified based on the RBI's revised guidelines on Segment Reporting issued on 18 April, 2007 vide Circular No. DBOD.No.BP.BC.81/21.04.018/2006-07. The principal activities of these segments are as under.

Segment	Principal Activities
Treasury	Treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the proprietary account and for customers. The Treasury segment also includes the central funding unit.
Retail Banking	Constitutes lending to individuals/small businesses through the branch network and other delivery channels subject to the orientation, nature of product, granularity of the exposure and the quantum thereof. Retail Banking activities also include liability products, card services, internet banking, mobile banking, ATM services, depository, financial advisory services and NRI services.
Corporate/Wholesale Banking	Includes corporate relationships not included under Retail Banking, corporate advisory services, placements and syndication, project appraisals, capital market related services and cash management services.
Other Banking Business	Includes para banking activities like third party product distribution and other banking transactions not covered under any of the above three segments.
Unallocated assets and liabilities	All items which are reckoned at an enterprise level are classified under this segment such as deferred tax, money received against share warrants, tax paid in advance net of provision etc.

Revenues of the Treasury segment primarily consist of fees and gains or losses from trading operations and interest income on the investment portfolio. The principal expenses of the segment consist of interest expense on funds borrowed from external sources and other internal segments, premises expenses, personnel costs, other direct overheads and allocated expenses.

Revenues of the Corporate/Wholesale Banking segment consist of interest and fees earned on loans given to customers falling under this segment and fees arising from transaction services and merchant banking activities such as syndication and debenture trusteeship. Revenues of the Retail Banking segment are derived from interest earned on loans classified under this segment, fees for banking and advisory services, ATM interchange fees and cards products. Expenses of the Corporate/ Wholesale Banking and Retail Banking segments primarily comprise interest expense on deposits and funds borrowed from other internal segments, infrastructure and premises expenses for operating the branch network and other delivery channels, personnel costs, other direct overheads and allocated expenses.

Segment income includes earnings from external customers and from funds transferred to the other segments. Segment result includes revenue as reduced by interest expense and operating expenses and provisions, if any, for that segment. Segment-wise income and expenses include certain allocations. Inter segment interest income and interest expense represent the transfer price received from and paid to the Central Funding Unit (CFU) respectively. For this purpose, the funds transfer pricing mechanism presently followed by the Bank, which is based on historical matched maturity and internal benchmarks, has been used. Operating expenses other than those directly attributable to segments are allocated to the segments based on an activity-based costing methodology. All activities in the Bank are segregated segment-wise and allocated to the respective segment.

Segmental results are set out below:

(₹ in crores)

31 March, 2018	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	Total
Segment Revenue					
Gross interest income (external customers)	11,825.78	14,607.46	19,347.07	-	45,780.31
Other income	3,088.74	2,812.03	3,988.73	1,077.59	10,967.09
Total income as per Profit and Loss Account	14,914.52	17,419.49	23,335.80	1,077.59	56,747.40
Add/(less) inter segment interest income	49,386.08	5,402.38	17,298.22	-	72,086.68
Total segment revenue	64,300.60	22,821.87	40,634.02	1,077.59	128,834.08
Less: Interest expense (external customers)	13,305.80	810.02	13,046.76	-	27,162.58
Less: Inter segment interest expense	45,761.40	12,352.62	13,972.08	0.58	72,086.68
Less: Operating expenses	383.64	3,731.86	9,753.64	121.20	13,990.34
Operating profit	4,849.76	5,927.37	3,861.54	955.81	15,594.48
Less: Provision for non-performing assets/others*	1,759.93	11,852.41	1,860.57	-	15,472.91
Segment result	3,089.83	(5,925.04)	2,000.97	955.81	121.57
Less: Provision for tax					(154.11)
Extraordinary profit/loss					-
Net Profit					275.68
Segment assets	228,322.23	223,754.56	229,710.81	690.55	682,478.15
Unallocated assets					8,851.43
Total assets					691,329.58
Segment liabilities	230,818.80	132,836.77	263,380.50	25.08	627,061.15
Unallocated liabilities					823.17
Total liabilities					627,884.32
Net assets	(2,496.57)	90,917.79	(33,669.69)	665.47	63,445.26
Capital expenditure for the year	15.15	225.30	501.71	15.14	757.30
Depreciation on fixed assets for the year	11.36	169.01	376.37	11.36	568.10

(₹ in crores)

31 March, 2017	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	Total
Segment Revenue					
Gross interest income (external customers)	11,653.01	15,767.68	17,121.47	-	44,542.16
Other income	4,642.18	2,958.55	3,088.44	1,002.14	11,691.31
Total income as per Profit and Loss Account	16,295.19	18,726.23	20,209.91	1,002.14	56,233.47
Add/(less) inter segment interest income	48,713.22	5,358.37	18,029.89	-	72,101.48
Total segment revenue	65,008.41	24,084.60	38,239.80	1,002.14	128,334.95
Less: Interest expense (external customers)	12,484.43	663.30	13,301.31	-	26,449.04
Less: Inter segment interest expense	47,974.47	11,937.93	12,188.50	0.58	72,101.48
Less: Operating expenses	456.91	3,317.95	8,307.81	117.24	12,199.91
Operating profit	4,092.60	8,165.42	4,442.18	884.32	17,584.52

	31 March, 2017				
	Treasury	Corporate/ Wholesale Banking	Retail Banking	Other Banking Business	Total
Less: Provision for non-performing assets/others*	1,233.89	10,041.75	841.32	-	12,116.96
Segment result	2,858.71	(1,876.33)	3,600.86	884.32	5,467.56
Less: Provision for tax					1,788.28
Extraordinary profit/loss					-
Net Profit					3,679.28
Segment assets	209,865.71	198,331.45	186,937.38	746.92	595,881.46
Unallocated assets					5,586.21
Total assets					601,467.67
Segment liabilities	194,987.16	118,340.37	232,331.99	42.00	545,701.52
Unallocated liabilities					3.61
Total liabilities					545,705.13
Net assets	14,878.55	79,991.08	(45,394.61)	704.92	55,762.54
Capital expenditure for the year	26.75	210.64	417.94	13.37	668.71
Depreciation on fixed assets for the year	20.35	160.27	318.00	10.18	508.80

*represents material non-cash items other than depreciation

Geographic Segments

(₹ in crores)

	Domestic		**International**		**Total**	
	31 March, 2018	31 March, 2017	**31 March, 2018**	31 March, 2017	**31 March, 2018**	31 March, 2017
Revenue	54,366.73	53,597.11	2,380.67	2,636.36	56,747.40	56,233.47
Assets	630,322.00	547,215.05	61,007.58	54,252.62	691,329.58	601,467.67
Capital Expenditure incurred	754.29	667.83	3.01	0.88	757.30	668.71
Depreciation provided	565.53	506.00	2.57	2.80	568.10	508.80

2.2.7 Related party disclosure

The related parties of the Bank are broadly classified as:

a) Promoters

The Bank has identified the following entities as its Promoters.

- Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI)
- Life Insurance Corporation of India (LIC)
- General Insurance Corporation and four Government-owned general insurance companies - New India Assurance Co. Limited, National Insurance Co. Limited, United India Insurance Co. Limited and The Oriental Insurance Co. Limited.

b) Key Management Personnel

- Ms. Shikha Sharma (Managing Director & Chief Executive Officer)
- Mr. V. Srinivasan (Deputy Managing Director)
- Mr. Rajiv Anand [Executive Director (Retail Banking)]
- Mr. Rajesh Dahiya [Executive Director (Corporate Centre)]

c) Relatives of Key Management Personnel

Mr. Sanjaya Sharma, Ms. Usha Bharadwaj, Mr. Tilak Sharma, Ms. Tvisha Sharma, Dr. Sanjiv Bharadwaj, Dr. Prashant Bharadwaj, Dr. Brevis Bharadwaj, Dr. Reena Bharadwaj, Ms. Gayathri Srinivasan, Mr. V. Satish, Ms. Camy Satish, Ms. Ananya Srinivasan, Ms. Anagha Srinivasan, Ms. Geetha N., Ms. Chitra R., Ms. Sumathi N., Mr. S. Ranganathan, Mr. R. Narayan, Ms. Gitanjali Anand, Ms. Tara Anand, Ms. Nandita Anand, Mr. P.L. Narain, Mr. P. Srinivas, Ms. Ratna Rao Shekar, Ms. P. Kamashi, Ms. Hemant Dahiya, Ms. Arooshi Dahiya, Ms. Mallika Dahiya, Ms. Jal Medha, Ms. Pooja Rathi, Mr. Jai Prakash Dahiya.

d) Subsidiary Companies

- Axis Capital Limited
- Axis Private Equity Limited
- Axis Trustee Services Limited
- Axis Asset Management Company Limited
- Axis Mutual Fund Trustee Limited
- Axis Bank UK Limited
- Axis Finance Limited
- Axis Securities Limited
- A.Treds Limited
- Accelyst Solutions Private Limited with effect from 6 October, 2017
- Freecharge Payment Technologies Private Limited with effect from 6 October, 2017

e) Step down subsidiary companies

- Axis Capital USA LLC with effect from 2 August, 2017

Based on RBI guidelines, details of transactions with step down subsidiaries are not disclosed since there is only one entity/party in this category.

The details of transactions of the Bank with its related parties during the year ended 31 March, 2018 are given below:

(₹ in crores)

ITEMS/RELATED PARTY	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Total
Dividend paid	343.52	1.08	-	-	344.60
Dividend received	-	-	-	256.06	256.06
Interest paid	545.58	0.22	0.19	15.48	561.47
Interest received	0.02	0.77	-	29.92	30.71
Investment of the Bank	-	-	-	325.00	325.00
Investment in non-equity instruments of related party	393.00	-	-	100.00	493.00
Investment of related party in the Bank	1,200.00	33.75	-	-	1,233.75
Investment of related party in Hybrid capital/Bonds of the Bank	-	-	-	-	-
Redemption of Hybrid capital/Bonds of the Bank	-	-	-	-	-
Purchase of investments	188.69	-	-	-	188.69
Sale of investments	868.73	1.12	-	-	869.85
Management contracts	-	12.18	-	15.63	27.81
Contribution to employee benefit fund	16.16	-	-	-	16.16
Placement of deposits	0.05	-	-	-	0.05
Non-funded commitments (issued)	0.20	-	-	0.05	0.25

ITEMS/RELATED PARTY	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Total
Call/Term lending to related party	-	-	-	311.94	311.94
Swaps/Forward contracts	-	-	-	131.65	131.65
Advance granted (net)	-	7.99	-	858.24	866.23
Advance repaid	6.50	0.04	-	-	6.54
Purchase of loans	-	-	-	18.17	18.17
Sell down of loans (including undisbursed loan commitments)	-	-	-	64.87	64.87
Receiving of services	105.28	-	-	785.10	890.38
Rendering of services	17.42	0.05	-	264.40	281.87
Sale of foreign exchange currency to related party	-	1.29	-	-	1.29
Refund of Share Capital from related party	-	-	-	-	-
Other reimbursements from related party	-	-	-	8.11	8.11
Other reimbursements to related party	0.75	-	-	3.73	4.48

The balances payable to/receivable from the related parties of the Bank as on 31 March, 2018 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Total
Call/Term lending to related party	-	-	-	312.84	312.84
Deposits with the Bank	6,213.80	4.33	3.46	381.55	6,603.14
Placement of deposits	0.43	-	-	-	0.43
Advances	7.07	18.31	0.04	1,016.33	1,041.75
Investment of the Bank	-	-	-	2,092.71	2,092.71
Investment in non-equity instruments of related party	205.70	-	-	-	205.70
Investment of related party in the Bank	135.29	0.50	-	-	135.79
Non-funded commitments	3.35	-	-	0.05	3.40
Investment of related party in Hybrid capital/Bonds of the Bank	4,300.00	-	-	-	4,300.00
Payable under management contracts	-	3.70	-	-	3.70
Other receivables (net)	-	-	-	35.52*	35.52
Other payables (net)	-	-	-	51.85	51.85

The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31 March, 2018 are given below:

(₹ in crores)

ITEMS/RELATED PARTY	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Total
Deposits with the Bank	10,153.25	17.12	5.78	830.10	11,006.25
Placement of deposits	0.43	-	-	-	0.43
Advances	16.76	18.31	0.09	1,402.57	1,437.73
Investment of the Bank	-	-	-	2,092.71	2,092.71
Investment of related party in the Bank	137.76	0.50	-	-	138.26
Investment in non-equity instruments of the Bank	393.00	-	-	100.00	493.00
Non-funded commitments	3.39	-	-	0.05	3.44
Call lending	-	-	-	312.89	312.89
Swaps/Forward contracts	-	-	-	3.20	3.20
Investment of related party in Hybrid Capital/Bonds of the Bank	4,300.00	-	-	-	4,300.00
Payable under management contracts	-	3.70	-	-	3.70
Other receivables (net)	-	-	-	54.31	54.31
Other payables (net)	-	-	-	80.98	80.98

The details of transactions of the Bank with its related parties during the year ended 31 March, 2017 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Total
Dividend paid	354.69	0.70	-	-	355.39
Dividend received	-	-	-	183.28	183.28
Interest paid	666.31	0.14	0.16	24.90	691.51
Interest received	1.61	0.55	-	14.51	16.67
Investment of the Bank	-	-	-	116.75	116.75
Investment in non-equity instruments of related party	110.00	-	-	347.32	457.32
Investment of related party in the Bank	-	46.45	-	-	46.45
Investment of related party in Hybrid capital/Bonds of the Bank	1,050.00	-	-	-	1,050.00
Redemption of Hybrid capital/Bonds of the Bank	70.00	-	-	-	70.00
Purchase of investments	-	-	-	-	-
Sale of investments	758.78	3.52	0.11	-	762.41
Management contracts	-	11.35	-	16.91	28.26
Contribution to employee benefit fund	15.75	-	-	-	15.75
Purchase of fixed assets	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Total
Placement of deposits	-	-	-	-	-
Repayment of deposits	-	-	-	-	-
Non-funded commitments (issued)	0.05	-	-	31.00	31.05
Call/Term borrowing	-	-	-	-	-
Call/Term lending	-	-	-	10.05	10.05
Swaps/Forward contracts	-	-	-	97.59	97.59
Advance granted (net)	0.67	-	-	-	0.67
Advance repaid	-	0.20	-	97.18	97.38
Advance to related party against rendering of services	-	-	-	-	-
Receiving of services	100.67	-	-	610.55	711.22
Rendering of services	2.43	0.05	-	137.91	140.39
Purchase of equity shares from related party	-	-	-	-	-
Refund of Share Capital from related party	-	-	-	8.36	8.36
Other reimbursements from related party	-	-	-	10.38	10.38
Other reimbursements to related party	0.41	-	-	0.18	0.59

The balances payable to/receivable from the related parties of the Bank as on 31 March, 2017 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Total
Borrowings from the Bank	-	-	-	-	-
Call/Term lending to related party	-	-	-	-	-
Deposits with the Bank	7,951.11	1.90	2.99	830.10	8,786.10
Placement of deposits	0.38	-	-	-	0.38
Advances	13.57	10.35	0.02	162.44	186.38
Investment of the Bank	-	-	-	1,372.26	1,372.26
Investment in non-equity instruments of related party	56.10	-	-	57.18	113.28
Investment of related party in the Bank	137.76	0.41	-	-	138.17
Non-funded commitments	3.14	-	-	-	3.14
Investment of related party in Hybrid capital/Bonds of the Bank	4,300.00	-	-	-	4,300.00
Payable under management contracts	-	0.81	-	-	0.81
Other receivables (net)	-	-	-	50.58*	50.58
Other payables (net)	-	-	-	31.24	31.24
Swap/Forward contracts	-	-	-	-	-

The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31 March, 2017 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Total
Deposits with the Bank	9,003.33	10.82	3.53	1,874.66	10,892.34
Placement of deposits	0.38	-	-	-	0.38
Advances	25.70	10.52	0.08	1,327.66	1,363.96
Investment of the Bank	-	-	-	1,391.28	1,391.28
Investment of related party in the Bank	141.89	0.41	-	-	142.30
Investment in non-equity instruments of the Bank	110.00	-	-	347.32	457.32
Non-funded commitments	3.21	-	-	31.00	34.21
Call borrowing	-	-	-	-	-
Call lending	-	-	-	67.75	67.75
Swaps/Forward contracts	-	-	-	5.09	5.09
Investment of related party in Hybrid Capital/Bonds of the Bank	4,355.00	-	-	-	4,355.00
Payable under management contracts	-	1.37	-	-	1.37
Other receivables (net)	-	-	-	71.04	71.04
Other payables (net)	-	-	-	36.73	36.73

The transactions with Promoters and Key Management Personnel excluding those under management contracts are in nature of the banker-customer relationship.

Details of transactions with Axis Mutual Fund and Axis Infrastructure Fund-I, the funds floated by Axis Asset Management Company Ltd. and Axis Private Equity Ltd., the Bank's subsidiaries have not been disclosed since these entities do not qualify as Related Parties as defined under the Accounting Standard 18, Related Party Disclosure, as notified under Section 2(2) and Section 133 of the Companies Act, 2013 and as per RBI guidelines

* Upto 31 December, 2014, the Bank had entered into an arrangement with Axis Asset Management Company Ltd. (Axis AMC), the Bank's subsidiary, in terms of which payment of brokerage in respect of distribution of certain schemes is scheduled over the period of the schemes. This arrangement, however, has no effect on the accounting policy of the Bank, as such brokerage income is recognised by the Bank as and when the same is due. Other receivables include such brokerage recoverable from Axis AMC as on the reporting date.

The significant transactions between the Bank and related parties during the year ended 31 March, 2018 and 31 March, 2017 are given below. A specific related party transaction is disclosed as a significant related party transaction wherever it exceeds 10% of the aggregate value of all related party transactions in that category:

(₹ in crores)

Particulars	**Year ended 31 March, 2018**	Year ended 31 March, 2017
Dividend paid		
Life Insurance Corporation of India	165.04	174.43
Administrator of the Specified Undertaking of the Unit Trust of India	137.42	137.42
Dividend received		
Axis Finance Limited	121.28	94.94
Axis Capital Limited	102.90	51.45

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Axis Securities Limited	19.51	17.70
Axis Trustee Services Limited	12.38	12.38
Interest paid		
Life Insurance Corporation of India	502.36	543.21
Administrator of the Specified Undertaking of the Unit Trust of India	10.16	73.12
Interest received		
Axis Finance Limited	15.31	4.91
Axis Bank UK Limited	12.47	8.89
Life Insurance Corporation of India	-	1.48
Investment of the Bank		
Axis Finance Limited	125.00	100.00
Accelyst Solutions Private Limited	100.00	N.A.
Freecharge Payment Technologies Private Limited	100.00	N.A.
A.Treds Limited	-	16.75
Investment in non-equity instruments of related party		
United India Insurance Co. Limited	393.00	-
Axis Finance Limited	100.00	347.32
National Insurance Co. Limited	-	110.00
Investment of related party in the Bank		
Life Insurance Corporation of India	1,200.00	-
Ms. Shikha Sharma	17.36	29.66
Mr. V. Srinivasan	8.03	12.03
Investment of related party in Hybrid capital/Bonds of the Bank		
Life Insurance Corporation of India	-	1,000.00
United India Insurance Co. Limited	-	50.00
Redemption of Hybrid capital/Bonds of the Bank		
General Insurance Corporation Co. Limited	-	50.00
United India Insurance Co. Limited	-	20.00
Purchase of investments		
United India Insurance Co. Limited	188.69	-
Sale of investments		
New India Assurance Co. Limited	421.03	200.00
General Insurance Corporation Co. Limited	230.00	390.00
United India Insurance Co. Limited	157.44	55.09
National Insurance Co. Limited	35.00	50.00
Management contracts		
Axis Securities Limited	7.05	6.18
Ms. Shikha Sharma	4.84	5.42
Axis Capital Limited	3.49	3.84
Mr. V. Srinivasan	3.12	3.36
Axis Trustee Services Limited	3.10	3.43

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Axis Finance Limited	-	2.99
Contribution to employee benefit fund		
Life Insurance Corporation of India	16.16	15.75
Placement of deposits		
Life Insurance Corporation of India	0.05	-
Call/Term lending to related party		
Axis Bank UK Limited	311.94	10.05
Swaps/Forward contracts		
Axis Bank UK Limited	131.65	97.59
Advance granted (net)		
Life Insurance Corporation of India	-	0.67
Axis Finance Limited	848.20	-
Advance repaid		
Life Insurance Corporation of India	6.50	-
Axis Finance Limited	-	97.17
Purchase of loans		
Axis Bank UK Limited	18.17	-
Sell down of loans (including undisbursed loan commitments)		
Axis Bank UK Limited	64.87	-
Receiving of services		
Axis Securities Limited	740.45	583.77
The Oriental Insurance Co. Limited	66.42	75.00
Rendering of services		
Axis Asset Management Company Limited	249.67	121.38
Axis Capital Limited	19.85	7.43
Axis Bank UK Limited	1.26	1.19
Sale of foreign exchange currency to related party		
Ms. Shikha Sharma	1.29	-
Refund of Share Capital from related party		
Axis Securities Europe Limited	N.A.	8.36
Other reimbursements from related party		
Axis Capital Limited	4.10	4.73
Axis Asset Management Company Limited	2.55	3.05
Axis Securities Limited	0.23	0.47
Axis Bank UK Limited	-	0.41
Other reimbursements to related party		
Axis Securities Limited	2.95	0.04
Life Insurance Corporation of India	0.75	0.41
Accelyst Solutions Private Limited	0.47	N.A.
Axis Bank UK Limited	0.11	0.12

2.2.8 Leases

Disclosure in respect of assets taken on operating lease

This comprise of office premises/ATMs, cash deposit machines, staff quarters, electronic data capturing machines and IT equipment.

(₹ in crores)

	31 March, 2018	31 March, 2017
Future lease rentals payable as at the end of the year:		
- Not later than one year	718.43	682.25
- Later than one year and not later than five years	2,224.30	2,110.88
- Later than five years	1,844.71	1,446.88
Total of minimum lease payments recognised in the Profit and Loss Account for the year	800.26	756.48
Total of future minimum sub-lease payments expected to be received under non-cancellable subleases	4.25	3.80
Sub-lease payments recognised in the Profit and Loss Account for the year	0.60	0.49

The Bank has sub-leased certain of its properties taken on lease.

There are no provisions relating to contingent rent.

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

2.2.9 Other Fixed Assets (including furniture & fixtures)

The movement in fixed assets capitalised as application software is given below:

(₹ in crores)

Particulars	31 March, 2018	31 March, 2017
At cost at the beginning of the year	1,059.56	852.85
Additions during the year	232.10	206.75
Deductions during the year	(0.02)	(0.04)
Accumulated depreciation as at 31 March	(857.75)	(691.66)
Closing balance as at 31 March	433.89	367.90
Depreciation charge for the year	166.09	130.88

2.2.10 The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

(₹ in crores)

As at	31 March, 2018	31 March, 2017
Deferred tax assets on account of provisions for loan losses	6,626.72	4,732.25
Deferred tax assets on account of amortisation of HTM investments	11.28	12.80
Deferred tax assets on account of provision for employee benefits	92.73	97.45
Deferred tax assets on account of other items	273.64	311.17
Deferred tax assets	7,004.37	5,153.67
Deferred tax liabilities on account of depreciation on fixed assets	103.10	91.48
Deferred tax liabilities on account of other items	24.92	-
Deferred tax liabilities	128.02	91.48
Net Deferred tax assets	6,876.35	5,062.19

2.2.11 Employee Benefits

Provident Fund

The rules of the Bank's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Bank. Based on an actuarial valuation conducted by an independent actuary, there is no deficiency as at the Balance Sheet date.

The following tables summarise the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Provident Fund benefit plan.

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

(₹ in crores)

	31 March, 2018	31 March, 2017
Current Service Cost	88.53	76.80
Interest on Defined Benefit Obligation	127.95	115.68
Expected Return on Plan Assets	(171.00)	(135.93)
Net Actuarial Losses/(Gains) recognised in the year	43.05	20.25
Total included in "Employee Benefit Expense" [Schedule 16(I)]	88.53	76.80
Actual Return on Plan Assets	140.05	136.51

Balance Sheet

Details of provision for provident fund

(₹ in crores)

	31 March, 2018	31 March, 2017
Fair Value of Plan Assets	2,004.57	1,687.15
Present Value of Funded Obligations	(2,004.57)	(1,687.15)
Net Asset	-	-
Amounts in Balance Sheet		
Liabilities	-	-
Assets	-	-
Net Asset (included under Schedule 11 – Other Assets)	-	-

Changes in the present value of the defined benefit obligation are as follows:

(₹ in crores)

	31 March, 2018	31 March, 2017
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	1,687.15	1,437.90
Current Service Cost	88.53	76.80
Interest Cost	127.95	115.68
Actuarial Losses/(Gains)	12.10	20.83

	31 March, 2018	31 March, 2017
Employees Contribution	200.77	181.16
Liability transferred from/to other companies	(14.62)	(22.88)
Benefits Paid	(97.31)	(122.34)
Closing Defined Benefit Obligation	2,004.57	1,687.15

Changes in the fair value of plan assets are as follows:

(₹ in crores)

	31 March, 2018	31 March, 2017
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	1,687.15	1,437.90
Expected Return on Plan Assets	171.00	135.93
Actuarial Gains/(Losses)	(30.95)	0.58
Employer contribution during the period	88.53	76.80
Employee contribution during the period	200.77	181.16
Assets transferred from/to other companies	(14.62)	(22.88)
Benefits Paid	(97.31)	(122.34)
Closing Fair Value of Plan Assets	2,004.57	1,687.15

Experience adjustments*

(₹ in crores)

	31 March, 2018	31 March, 2017	31 March, 2016	31 March, 2015	31 March, 2014
Defined Benefit Obligations	2,004.57	1,687.15	1,437.90	1,240.83	1,013.25
Plan Assets	2,004.57	1,687.15	1,437.90	1,240.83	1,013.25
Surplus/(Deficit)	-	-	-	-	-
Experience Adjustments on Plan Liabilities	12.10	20.83	12.08	(1.78)	53.03
Experience Adjustments on Plan Assets	(30.95)	0.58	(6.16)	(3.99)	41.42

* information provided to the extent available with the Bank

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2018	31 March, 2017
	%	%
Government securities	53.75	53.74
Bonds, debentures and other fixed income instruments	42.16	43.47
Equity shares	3.79	1.66
Others	0.30	1.13

	31 March, 2018	31 March, 2017
Discount rate for the term of the obligation	7.95%	7.40%
Average historic yield on the investment portfolio	8.90%	9.11%
Discount rate for the remaining term to maturity of the investment portfolio	7.68%	6.93%
Expected investment return	9.17%	9.58%
Guaranteed rate of return	8.55%	8.65%

The contribution to the employee's provident fund (including Employee Pension Scheme) amounted to ₹148.98 crores (previous year ₹133.67crores) for the year.

Superannuation

The Bank contributed ₹15.91 crores (previous year ₹15.33 crores) to the employees' superannuation plan for the year.

National Pension Scheme (NPS)

During the year, the Bank has contributed ₹3.82 crores (previous year ₹2.45 crores) to the NPS for employees who had opted for the scheme.

Leave Encashment

The actuarial liability of compensated absences of accumulated privileged leave of the employees of the Bank is given below:

(₹ in crores)

	31 March, 2018	31 March, 2017
Actuarial Liability – Privilege Leave	243.82	247.46
Total Expense included in Schedule 16(I)	47.33	79.87
Assumptions		
Discount rate	7.95% p.a.	7.40% p.a.
Salary escalation rate	7.00% p.a.	7.00% p.a.

Gratuity

The following tables summarise the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Gratuity benefit plan.

Profit and Loss Account

Net employee benefit expenses (recognised in payments to and provisions for employees)

(₹ in crores)

	31 March, 2018	31 March, 2017
Current Service Cost	39.07	32.54
Interest on Defined Benefit Obligation	22.81	20.15
Expected Return on Plan Assets	(21.68)	(18.07)
Net Actuarial Losses/(Gains) recognised in the year	(16.24)	25.32
Past Service Cost	28.33	-
Total included in "Employee Benefit Expense" [Schedule 16(I)]	52.29	59.94
Actual Return on Plan Assets	26.27	16.44

Balance Sheet

Details of provision for gratuity

(₹ in crores)

	31 March, 2018	31 March, 2017
Fair Value of Plan Assets	323.72	279.65
Present Value of Funded Obligations	(342.56)	(284.83)
Net Asset	(18.84)	(5.18)
Amounts in Balance Sheet		
Liabilities	(18.84)	5.18
Assets	-	-
Net Asset (included under Schedule 11 – Other Assets)	(18.84)	(5.18)

Changes in the present value of the defined benefit obligation are as follows:

(₹ in crores)

	31 March, 2018	31 March, 2017
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	284.83	232.55
Current Service Cost	39.07	32.54
Interest Cost	22.81	20.15
Actuarial Losses/(Gains)	(11.65)	23.68
Past service cost	28.33	-
Benefits Paid	(20.83)	(24.09)
Closing Defined Benefit Obligation	342.56	284.83

Changes in the fair value of plan assets are as follows:

(₹ in crores)

	31 March, 2018	31 March, 2017
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	279.65	232.56
Expected Return on Plan Assets	21.68	18.07
Actuarial Gains/(Losses)	4.59	(1.64)
Contributions by Employer	38.63	54.75
Benefits Paid	(20.83)	(24.09)
Closing Fair Value of Plan Assets	323.72	279.65

Experience adjustments

(₹ in crores)

	31 March, 2018	31 March, 2017	31 March, 2016	31 March, 2015	31 March, 2014
Defined Benefit Obligations	342.56	284.83	232.55	206.96	157.72
Plan Assets	323.72	279.65	232.56	209.49	163.35
Surplus/(Deficit)	(18.84)	(5.18)	0.01	2.53	5.63
Experience Adjustments on Plan Liabilities	4.39	6.64	2.78	1.06	7.67
Experience Adjustments on Plan Assets	4.59	(1.64)	(5.36)	1.27	2.33

Major categories of plan assets (managed by Insurers) as a percentage of fair value of total plan assets

	31 March, 2018	31 March, 2017
	%	%
Government securities	49.04	37.30
Bonds, debentures and other fixed income instruments	28.81	47.98
Money market instruments	19.71	8.66
Equity shares	2.22	3.52
Others	0.22	2.54

Principal actuarial assumptions at the Balance Sheet date:

	31 March, 2018	31 March, 2017
Discount Rate	7.95% p.a.	7.40% p.a.
Expected Rate of Return on Plan Assets	7.50% p.a.	7.50% p.a.
Salary Escalation Rate	7.00% p.a.	7.00% p.a.
Employee Turnover - 18 to 30 (age in years)	20.00%	20.00%
- 31 to 44 (age in years)	10.00%	10.00%
- 45 to 59 (age in years)	5.00%	5.00%

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

As the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date is based on various internal/external factors, a best estimate of the contribution is not determinable.

The above information is as certified by the actuary and relied upon by the auditors.

2.2.12 Provisions and contingencies

a) Movement in provision for frauds included under other liabilities is set out below:

(₹ in crores)

	31 March, 2018	31 March, 2017
Opening balance at the beginning of the year	59.40	39.82
Additions during the year	2.00	23.47
Reductions on account of payments during the year	(0.15)	-
Reductions on account of reversals during the year	(0.27)	(3.89)
Closing balance at the end of the year	60.98	59.40

b) Other liabilities include provision for reward points made on actuarial basis, the movement of which is set out below:

(₹ in crores)

	31 March, 2018	31 March, 2017
Opening provision at the beginning of the year	110.45	127.38
Provision made during the year	89.05	32.17
Reductions during the year	(55.56)	(49.10)
Closing provision at the end of the year	143.94	110.45

c) Movement in provision for other contingencies is set out below:

(₹ in crores)

	31 March, 2018	31 March, 2017
Opening provision at the beginning of the year	595.62	539.09
Provision made during the year	342.25	1,036.59
Reductions during the year	(787.21)	(980.06)
Closing provision at the end of the year	150.66	595.62

The above provision includes contingent provision for advances/other exposures, legal cases and other contingencies.

2.2.13 Small and Micro Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on the information available with the Bank which has been relied upon by the auditors.

2.2.14 Corporate Social Responsibility (CSR)

a) Amount required to be spent by the Bank on CSR during the year ₹186.82 crores (previous year ₹196.44 crores).

b) Amount spent towards CSR during the year and recognized as expense in the statement of profit and loss on CSR related activities is ₹133.77 crores (previous year ₹135.39 crores), which comprise of following -

(₹ in crores)

	31 March, 2018			31 March, 2017		
	In cash	Yet to be paid in cash (i.e. provision)	Total	In cash	Yet to be paid in cash (i.e. provision)	Total
Construction/ acquisition of any asset	2.22	-	2.22	2.80	10.40	13.20
On purpose other than above	124.28	7.27	131.55	106.78	15.41	122.19

2.2.15 Description of contingent liabilities

a) 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. These also include demands raised by income tax authorities and disputed by the Bank. Apart from claims assessed as possible, the Bank holds provision of ₹42.70 crores as on 31 March, 2018 (previous year ₹26.23 crores) towards claims assessed as probable.

b) Liability for partly paid investments

This represents amounts remaining unpaid towards liability for partly paid investments.

c) Liability on account of forward exchange and derivative contracts

The Bank enters into foreign exchange contracts, currency options/swaps, interest rate/currency futures and forward rate agreements on its own account and for 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 way of interest/principal in two currencies, based on ruling spot rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Interest rate futures are standardised, exchange-traded contracts that represent a pledge to undertake a certain interest rate transaction at a specified price, on a specified future date. Forward rate agreements are agreements to pay or receive a certain sum based on a differential interest rate on a notional amount for an agreed period. A foreign currency option is an agreement between two parties in which one grants to the other the right to buy or sell a specified amount of currency at a specific price within a specified time period or at a specified future time. An Exchange Traded Currency Option contract is a standardised foreign exchange derivative contract, which gives the owner the right, but not the obligation, to exchange money denominated in one currency into another currency at a pre-agreed exchange rate on a specified date on the date of expiry. Currency Futures contract is a standardised, exchange-traded contract, to buy or sell a certain underlying currency at a certain date in the future, at a specified price.

d) Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.

e) 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.

f) Other items

Other items represent outstanding amount of bills rediscounted by the Bank, estimated amount of contracts remaining to be executed on capital account, notional principal on account of outstanding Tom/Spot foreign exchange contracts, commitments towards underwriting and investment in equity through bids under Initial Public Offering (IPO) of corporates as at the year end, demands raised by statutory authorities (other than income tax) and disputed by the Bank and amount transferred to Depositor Education and Awareness Fund (DEAF).

The Bank, through one of its overseas branches, had arranged Trade Credit (Buyers Credit loans) against Letters of Undertaking (LOUs) issued by Punjab National Bank (PNB), which were subsequently alleged as fraudulent by PNB. Prior to this declaration by PNB, such buyer's credit loans were sold down in the secondary market by the overseas branch to various participating banks under Risk Participation Agreements. As on 31 March, 2018, there is no funded exposure outstanding in the overseas branch pursuant to such sell down. PNB has repaid the aggregate amount of all LOUs due upto 31 March 2018, pursuant to an undertaking issued to PNB, and made remittance to the overseas branch which has been passed on for onward payment to the participating banks. Based on the facts and circumstances of the case, internal findings and legal opinion, the Bank does not expect PNB has any valid right at this point in time, for refund by the Bank of the aggregate amount paid by PNB towards LOUs due upto 31 March, 2018 . However, as a matter of prudence, the aggregate amount of LOUs issued by PNB to the overseas branch against which buyer's credit was extended, aggregating to ₹3,847.26 crores has been disclosed as part of Contingent Liabilities in the Balance Sheet.

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, where applicable.

2.2.16 Previous year figures have been regrouped and reclassified, where necessary to conform to current year's presentation.

For Axis Bank Ltd.

Sanjiv Misra
Chairman

	Samir K. Barua Director	S. Vishvanathan Director	Rakesh Makhija Director	Shikha Sharma Managing Director & CEO
Date : 26 April, 2018 Place: Mumbai	Girish V. Koliyote Company Secretary	Jairam Sridharan Chief Financial Officer	V. Srinivasan Deputy Managing Director	

INDEPENDENT AUDITOR'S REPORT

To the Members of Axis Bank Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Axis Bank Limited (hereinafter referred to as "the Bank"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Bank's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Amendment Rules, 2016, the provisions of Section 29 of the Banking Regulation Act,1949 and the circulars, guidelines and directions issued by the Reserve Bank of India ('RBI') from time to time. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Bank, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Bank's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2018, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

(a) The other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;

(e) On the basis of the written representations received from the directors of the Bank as on March 31, 2018 taken on record by the Board of Directors of the Bank and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Bank and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group - Refer Schedule 12.I, 18.2.1.14 (a) and 18.2.1.14 (f) to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Schedule 18.2.1.14 (f) to the consolidated financial statements in respect of such items as it relates to the Group; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank, its subsidiaries, incorporated in India during the year ended March 31, 2018.

Other Matter

(a) The accompanying consolidated financial statements include total assets of Rs.8,628 crores as at March 31, 2018, and total revenues and net cash inflows of Rs.1,464 crores and Rs.112 crores respectively for the year ended on that date, in respect of subsidiaries, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta
Partner
Membership Number: 048749

Place of Signature: Mumbai
Date: 16 May 2018

INDEPENDENT AUDITOR'S REPORT (CONT.)

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AXIS BANK LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Axis Bank Limited

In conjunction with our audit of the consolidated financial statements of Axis Bank Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Axis Bank Limited (hereinafter referred to as the "Bank") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Bank, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act, in so far as they apply to the Bank and Guideline issued by the Reserve Bank of India

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank, its subsidiaries, which are companies incorporated in India, has maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Bank, insofar as it relates to 3 subsidiaries companies which are incorporated in India, is based on the corresponding report of the auditor of such subsidiary incorporated in India.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Viren H. Mehta
Partner
Membership Number: 048749

Place of Signature: Mumbai
Date: 16 May 2018