RBL BANK
apno ka bank

August 5, 2017

The Secretary,
Listing Department,
BSE Limited,
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001
Scrip Code: 540065

The Manager,
Listing Department,
The National Stock Exchange of India Limited,
'Exchange Plaza', C-1 Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400051
Scrip Symbol: RBLBANK

Dear Sir/Madam,

Sub.: Filing of Annual Report pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

With reference to the captioned subject, please find enclosed Annual Report of the Bank for FY2016-17.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For **RBL Bank Limited**

Vinay Tripathi
Company Secretary

Encl: a/a

RBL Bank Limited
Controlling Office: One Indiabulls Centre, Tower 2B, 6th Floor, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Maharashtra, India | Tel:+91 43020600 | Fax:+9143020520
Registered Office: 1st Lane, Shahupuri, Kolhapur- 416 001, India. | Tel. : +91 231 6650214 | Fax : +91 231 2657386
CIN: U65191PN1943PLC007308 • E-mail: customercare@rblbank.com

RBL BANK

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RBL Bank Limited

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'Mahaveer',
179/E Ward,
Shri Shahu Market Yard,
Kolhapur - 416 005,
Maharashtra, India.
Phone: +91 231 2650981 / 984
Fax: +91 231 2657386

Corporate Office
One Indiabulls Centre,
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841, Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013,
Maharashtra, India.
Phone: +91 22 43020600
Fax: +91 22 43020520

www.rblbank.com

RBL Bank Limited

concept, content and design at aicl [info@aicl.in]

74TH ANNUAL REPORT 2016-17

74TH ANNUAL REPORT
2016 - 17

RBLBANK
apno ka bank



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FORWARD-LOOKING STATEMENT : *In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words, such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Reader should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.*



Corporate Information

RBL Bank Limited

Registered Office
1st Lane, Shahupuri,
Kolhapur - 416 001,
Maharashtra, India.
Phone: +91 231 2653006
Fax: +91 231 2653658
E-mail: customercare@rblbank.com

Corporate Office
One Indiabulls Centre, Tower 2B , 6th Floor,
841, Senapati Bapat Marg,
Lower Parel (W),
Mumbai 400 013, India.
Phone: 022 43020600
Fax: 022 43020520
Corporate Identity Number (CIN)
U65191PN1943PLC007308

Statutory Auditors
B S R & Co. LLP,
Chartered Accountants,
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi,
Mumbai - 400 011

Key Managerial Personnel
Mr. Vishwavir Ahuja, Managing Director & CEO
Mr. Rajeev Ahuja, Executive Director
(w.e.f. 21 Feb, 2017)
Mr. Naresh Karia, Chief Financial Officer
Mr. Vinay Tripathi, Company Secretary

Registrar & Transfer Agent
Link Intime India Pvt. Ltd.,
C-101, 247 Park,
L.B.S. Marg, Vikroli (West),
Mumbai - 400 083
Maharashtra, India.
Phone : 022 49186270
E-mail: rnt.helpdesk@linkintime.co.in

BUILDING A FUTURE WE BELIEVE IN





We believe that to survive and thrive in this era of seismic changes, we need to view the world through two lenses. A telescope to leverage opportunities far into the future; and a microscope to scrutinise the immediate challenges of the moment. At RBL Bank, this is exactly what we are doing as a part of our broad strategy to build a future-ready bank, which is in step with the nation on the move.

For India, demonetisation was a momentous step to usher in a transformative change in India's economic and financial landscape. However, this is part of a larger ecosystem of institutional reforms, implemented by the Government of India. This includes the continued thrust on financial inclusion to mainstream those at the bottom of the pyramid, ushering in the 'one nation, one tax' regime through GST, focusing on micro entrepreneurship and the JAM trinity.

At RBL Bank, we are driving multiple initiatives in line with the Government's vision to build a vibrant economy and an inclusive society. We are catering to the requirements of the changing India through cashless banking. We are partnering with our immediate and expanded ecosystem, fostering forward-looking alliances that will help us do so.



Internally, we are relying on a healthy mix of differentiated talent to enable a cross-pollination of ideas and initiatives. At the same time, we are delivering on the expectations of the communities which we are a part.

We are committed to our 'Vision 2020' which is about developing the capacity for resiliency, agility and using different lenses to discover new operating models to navigate the challenges of a fast-evolving market. A landscape where technology and competition, keep redefining industry boundaries and customer expectations.

The last few years have been spent in reinforcing the foundation of a new-age bank with a customer-centric focus. As we embark on the next lap of our journey, we are turbocharged to widen the scale and scope of our business; while at the same time exceed the expectations of our customers and stakeholders.



In our first report post listing, we showcase how our efforts have created a people-focused, technology-driven, governance-led and future-ready enterprise.

To play a larger and more meaningful role in the banking landscape.

To help shape the future we believe in.

ABOUT RBL BANK

RBL Bank is one of India's fastest growing private sector banks with an expanding presence across the country. The Bank offers specialized services under six business verticals namely: Corporate & Institutional Banking, Commercial Banking, Branch & Business Banking, Agribusiness Banking, Development Banking and Financial Inclusion, Treasury and Financial Markets Operations. It currently services over 2.8 million customers through a network of 239 branches and 375 ATMs spread across 20 Indian states and Union Territories. Over the last few years, RBL Bank has earned recognition in various national and international forums such as :

- *CNBC ASIA's India Talent Management Award (2017)*
- *'India's Best Bank (Growth)' in the 'Small-Sized Bank Segment' by Business Today-KPMG Best Bank Study for six consecutive years (2012-17)*
- *Business World's Best Growing Small Bank consistently for four years (2013, 2014, 2015, 2017)*
- *Recognized by the World Economic Forum as a 'Global Growth Company' (GGC)*

APNO KA BANK

ONE OF INDIA'S FASTEST GROWING PRIVATE SECTOR BANKS

RBL BANK
apno ka bank

OUR VISION

BANK OF CHOICE

To be the preferred choice for the banking needs of our customers

CREATING AND NURTURING ENDURING RELATIONSHIPS

To create and build lasting partnerships with all our customers based on full disclosure and transparency

TRUST AND RESPECT OF OUR STAKE HOLDERS

To engage and ensure that all our stakeholder commitments are fulfilled, while working as a team

OUR MISSION

CUSTOMERS AT THE HEART

To engage and understand customer needs, provide best-in-class products and services, be responsive and quick in resolving queries - resulting in true customer delight and peace of mind

EMPLOYEES AS THE PILLAR

To provide an enabling work culture, where career aspirations can be realised through consistent performance and demonstration of the Bank's core values and beliefs

COMMUNITY AS THE CAUSE

To deliver robust and cost-effective banking services that promote financial inclusion, catalyse growth and reduce social inequalities

SHAREHOLDER VALUE AS THE FOCUS

To demonstrate high corporate governance standards that protects and balances stakeholder interests in the journey to achieving short and long-term business goals

OUR VALUES "PREET"

PROFESSIONALISM ..... P

To conduct our duties with good judgement and in good faith

RESPECT ..... R

To be sensitive and responsible for what we say and do

EXCELLENCE ..... E

To act in a manner that earns the trust and admiration of others

ENTREPRENEURIAL ..... E

To be enterprising and take ownership of our actions

TEAMWORK ..... T

To be successful together





THE JOURNEY SO FAR

2011 - 2012

Branches: 100
ATMs: 57
Employees: 1,328
Customers: 1.9 lac

Upgraded the Core Banking Solution (CBS) to Finacle

2012 - 2013

Branches: 124
ATMs: 184
Employees: 1,859
Customers: 5.4 lac

- *Raised Tier-1 capital of over ₹ 376 crore*
- *Opened Regional Processing Centre (RPC) in Okhla*

2013 - 2014

Branches: 173
ATMs: 350
Employees: 2,798
Customers: 8.3 lac

- *New identity under the name 'RBL Bank'*
- *Successfully raised capital of ₹ 328 crore from marquee investors*
- *Acquired Business Banking, Credit Card and Mortgage business of Royal Bank of Scotland (RBS) in India*

2014 - 2015

Branches: 183
ATMs: 348
Employees: 3,465
Customers: 15.3 lac

Recognized as Global Growth Company by the World Economic Forum

2015 - 2016

Branches: 197
ATMs: 362
Employees: 3,872
Customers: 22 lac

Successfully raised ₹ 488 Crore as Pre-IPO preferential placement

2016 - 2017

Branches: 239
ATMs: 375
Employees: 4,902
Customers: 28 lac

Successfully concluded its initial public offering (IPO) and was oversubscribed ~ 70 times.

BUILDING WITH THE RIGHT TOOLS

- Managing Director & CEO's Message

Dear Shareholders,

I am delighted to present to you our first annual report post listing and would like to extend a warm welcome to all our new shareholders. Our initial public offering (IPO) was a resounding success, with thousands of retail and many reputed institutions reposing their trust and faith in our Bank, its business and its future. This trust places an immense responsibility on us, to remain focused on our vision, strategy and growth.

Our Bank performed well during the year, and has leveraged on its well-thought strategy and efficient execution to deliver robust growth and higher profitability. I am pleased to share that our Board has recommended a dividend of 18%, in our inaugural year as a listed entity.



A seminal year; in more ways than one.

Our Bank went public in what was probably the most seminal year in India's economic history. The Government of India implemented holistic policy reforms, structural shifts and increased impetus to formalise the economy. The Black Swan event of demonetising the high value currency notes being just one of them. The reforms were aimed towards transforming India's financial services ecosystem, clean up the balance sheet of banks, address the malaise of NPAs and stressed assets. The impact of these reforms and policy changes will be huge, given time and right implementation.

For banks, particularly, the opportunity and implications have been multi-dimensional.

Banks have been thrust into the role of bringing about these changes. On the one hand, they are expanding their pool of customers with higher penetration and attractive interest regimes, while on the other, they are creating a better credit ecosystem. Thus, helping accelerate modernisation and digitisation of the economy.

The Government of India implemented holistic policy reforms, structural shifts and increased impetus to formalise the economy.

The expansion of the banking network itself, is in a sense taking banking out of the bank branch. The advent of small finance banks and payment banks, together with mobile wallets and other forms of digital transaction enablers such as Aadhaar payment bridge system (APBS) and Unified Payment Infrastructure (UPI) platform are all contributing to making access to formal financial services easier, affordable, and not dependent on brick-and-mortar investments.

On the broader canvas, multiple initiatives are converging towards kick-starting private investment, fuelling entrepreneurship and formalising the unorganised sector. Tax reform such as GST are expected to provide a long-term boost to the economy and catalyse increased inter-state trade, simplify tax structures and bring the unorganised sector within the ambit of the formal economy.

Other government programmes such as Make in India, Digital India, reforms in the Real Estate Sector, committed investments in infrastructure and the multitude of services that will be linked through the Aadhaar platform, all point towards the creation of an India vastly different than we have known it.

We launched our financial literacy initiative 'Saksham' to make the bottom of the pyramid custo- mer become financially sustainable.

BUSINESS SIZE	5-YEAR CAGR
₹	%
64,037	48.49
CR	GROWTH
IN 2016-17	IN 2016-17

PROFIT AFTER TAX	NET WORTH
₹	₹
446.05	4,242.48
CR	CR
IN 2016-17	IN 2016-17

Our performance

We had a good financial year in FY 17, as our Net Total Income increased to ₹ 1,977 crore from ₹ 1,310 crore in the previous year, registering an increase of 51%. Moreover, Advances and Deposits increased by 39% and 42% Y-O-Y to ₹ 29,449 crore and ₹ 34,588 crore, respectively. The Net Profit for the year grew by 53% to ₹ 446 crore and our CAGR (Business Size) over five years stood at 48.49%. Key metrics such as our Capital Adequacy Ratio and Net Worth also improved, which are representative of a strong balance sheet. Our Cost to Income ratio improved from 58.6% in FY 16 to 53.4% in FY 17. At the same time, our Return on Assets (RoA) improved from 0.98% in FY 16 to 1.08% in FY 17 and Return on Equity (RoE) improved from 11.32% in
FY 16 to 11.67% in FY 17, despite the capital raise through the IPO in FY 17. Our asset quality reflected by a 1.20% Gross NPA and 0.64 Net NPA, continued to remain satisfactory.

Building a future we believe in

At RBL Bank, we believe in a future that powers innovation, harnesses technology, leverages partnerships and helps the underserved.

We believe that India is at the cusp of a historic growth opportunity. We also believe that, as a Bank, and as a facilitator and beneficiary of this future, we must be proactive and do whatever we can to contribute. That's exactly what our mission and course of action is.

To do this, we are leveraging our core values of Professionalism, Respect, Excellence, Entrepreneurial and Teamwork (PREET), and tirelessly working to build a new-age banking enterprise of the future.

We have been forward-focused in our thinking, and the Bank you see today is the result of a transformation journey we undertook more than six years ago. Now, as we enter a new phase, we are prepared for the long journey ahead and are working hard to fulfil our future goals and aspirations.

Unleashing the power of partnerships

It is important to realise that we are working not in isolation but in a framework of multiple institutions and participants. Therefore, we believe, in order to make any meaningful contribution, partnerships are the way forward. In FY 17, we established strong partnerships with entities, which shared our vision and values; and unveiled innovative products and services for the benefit of all. We invested in agility and resilience, so that our governance, risk management and credit appraisal practices evolved to be top of the line, and enablers of growth.

Technology and partnerships have enabled us to extend our service offerings, and answer the needs of customers, without being bound by a physical branch network. Our customers can now reach us through 239 RBL Bank branches as well as 572 business correspondent branches and we have 57,600 customer service points (CSPs), which are acting as an extension of our network. All these differentiated touch points are today ensuring that we are servicing more than 2.8 million customers.

Today our robust partnership model serves a variety of B2B and B2C customers, who need technology-driven banking solutions that provide faster turnaround time for retail and institutional businesses.

Through our partnerships we are empowering:

- **Financial Inclusion Customers:** Avail a range of banking services through our wide network of Business Correspondents (BC) including an exclusive BC tie-up with Swadhaar – our associate company.
- **Retail Customers:** Avail credit instantly over their smartphones through our association with Fintech start-up Money Tap.
- **Credit Card Customers:** Avail a range of co-branded cards with attractive features such as no-cost EMI options, easy borrowing rates and digital payment solutions through our partnership with Bajaj Finance.

We are looking to develop an omni-channel and opti-channel interface that will connect enterprises for a smooth experience. As India progresses into a data-rich economy, we foresee a future with solid partnerships, especially with FinTech companies.

Convenience for New India

Our convenience enhancing initiatives include forging alliances with institutions and technology providers to offer multiple new services. Application Program Interface (API) banking, large volume electronic payments (IMPS/NEFT/RTGS) and receivables; prepaid card-based solutions, escrow services; Universal Payment Interface (UPI); Aadhaar Enabled Payment System (AEPS), Direct Money Transfer (DMT) are just some of them.

We opened a dedicated branch for new entrepreneurs in India's start-up capital – Bengaluru, where we offer services that are tailor-made to the needs of tomorrow's enterprises.

Another significant achievement was opening our branch in Gujarat International Finance Tec-City (GIFT) in Gujarat recently, which will not only enhance our capabilities as a Bank but also gives us an opportunity to serve clients on a global scale.

Towards inclusive growth

Financial Inclusion has been a core guiding principle since our inception, and even so since our transformation journey began. Our Development Banking & Financial Inclusion (DB&FI) business segment consists of various products to serve micro-banking clients and MSMEs. We offer loans, savings accounts and various mobile banking services for the lower income individuals in semi-urban and rural markets. We are completely aligned to the government's development agenda of serving this segment. Our advances in the DB&FI segment increased from ₹ 3,133 Crore in FY 16 to ₹ 4,122 Crore in FY 17 representing a 32% YoY growth - a testament of our continued commitment to this segment.

Servicing more than 2.8 million customers.

The tremendous growth this segment offers, owing to increasing government focus as well as rising awareness, means that not only will we see more competitive action, but a far more streamlined way of working. We are focusing on developing new products that will enhance our service proposition to this segment of the society and help facilitate true development.

Recognition that motivates

The success of our IPO was a validation of the efforts made over time. The almost 70 times over subscription was testimony of the trust and faith that investors had in our business model and strategy.

Our growth story and commitment to services has been recognised by various industry bodies which has stimulated us to move ahead with confidence. We were awarded the fastest growing small bank for the 5th consecutive year by the Business Today - KPMG survey - 2017. Further, we were recognised as Business world's Best growing small bank - 2017 and VC Circle's Financial Services Company of the Year - 2017. Apart from this, we were awarded the CNBC ASIA's India Talent Management Award - 2017 and owing to the dedication and efforts of my team, I picked up the EY 'Entrepreneur Of the year' award for being a visionary entrepreneur and continuously creating value, generating jobs and contributing to building a better working world.

Talent management

We consider talent management as an integral part of our progress. With over 5,000 employees in our talent pool, we are aiming to make this a great place to work. We are consistently working towards creating an employee-friendly organisation and promote the philosophy of 'One Bank' across all levels. We are looking forward to ensuring the holistic development of human capital through targeted learning and development programmes. Building the future leadership pipeline for the Bank is the core objective behind our specialised leadership development initiatives.

At RBL Bank, we believe employee engagement initiatives are not only means to substantially reduce attrition rates but they should be utilised to build a strong connect with the organisation and all it stands for.

Evolving organisation

We are part of a rapidly changing business ecosystem that demands that we evolve constantly to serve our clients better. Leveraging our people power and technology investments, we are transforming ourselves every day to provide more customer-centric services every time.

Our branding on the lines of 'Apno ka Bank' evokes a sense of belonging for all our stakeholders. We are aiming to build a bank that not only provides a delightful banking experience but is a critical value creator for all its patron communities.

Before I conclude, let me thank every member of the RBL team for their consistent commitment to the Bank. Also, I would like to thank our shareholders once again for believing in our vision and entrusting us to deliver on the promise to **build a future we believe in.**



Vishwavir Ahuja
Managing Director & CEO

BOARD OF DIRECTORS



Narayan Ramachandran
Non-Executive Chairman



Vishwavir Ahuja
Managing Director & CEO



Rajeev Ahuja
Executive Director



Jairaj Purandare
Independent Director



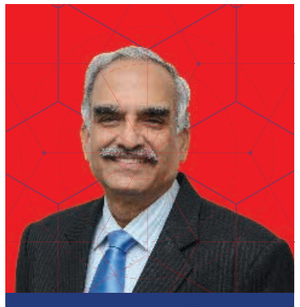
Girish Godbole
Independent Director



P. Sudhir Rao
Independent Director



Rama Bijapurkar
Independent Director



D. Sivanandhan
Independent Director



Prakash Chandra
Independent Director



Vimal Bhandari
Independent Director



Ishan Raina
Independent Director

SENIOR MANAGEMENT TEAM



Vishwavir Ahuja
Managing Director & CEO



Rajeev Ahuja
Executive Director



Surinder Chawla
Head - Geography, Branch and Business Banking



Naresh Karia
Chief Financial Officer



Manoj Rawat
Head - Agri Business



R. Gurumurthy
Head - Risk & Governance



Shanta Vallury Gandhi
Head - HR, CSR and Internal Branding



Andrew Gracias
Head - Financial Markets



Rana Vikram Anand
Head - Segments and Products, Branch and Business Banking



Bhaskar Niyogi
Head - Enterprise Risk & Policy



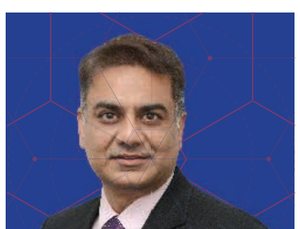
Neeta Mukherji
Chief Credit Officer



Brijesh Mehra
Head - Corporate, Institutional & Transaction Banking



Vincent Valladares
Head - Commercial Banking



Harjeet Toor
Head - Cards, Retail & MSME Loans and Financial Inclusion



Sunny Uberai
Chief of Staff & Head - Change Management & Service Delivery



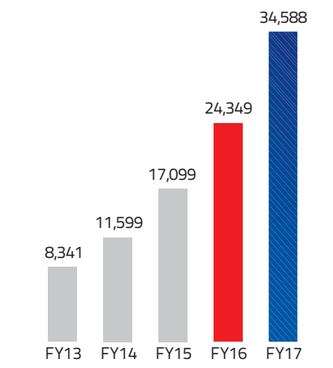
Sanjay Sharma
Head - Technology, Innovation and Customer Fulfilment



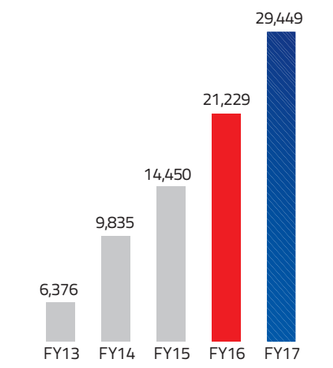
Rajeev Dewal
Head - Legal

FINANCIAL AND OPERATIONAL HIGHLIGHTS

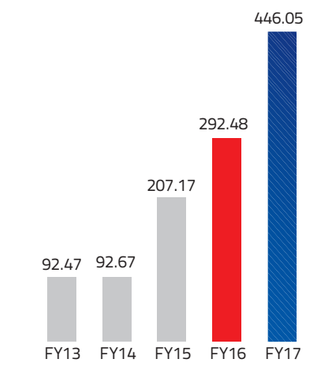
Deposits
₹ in crore



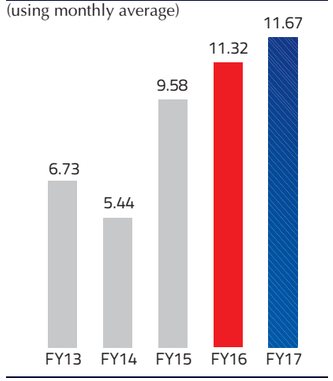
Advances (Net)
₹ in crore



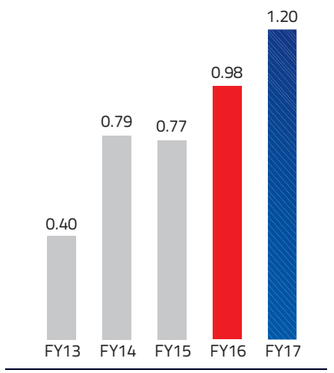
Net Profit
₹ in crore



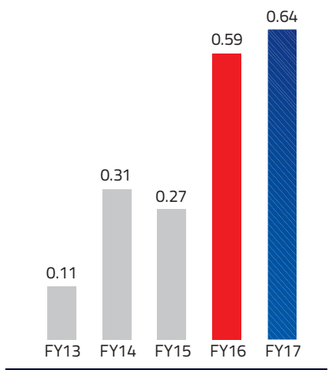
Return on Equity
%
(using monthly average)



Gross NPA to Gross Advance
%



Net NPA to Net Advance
%

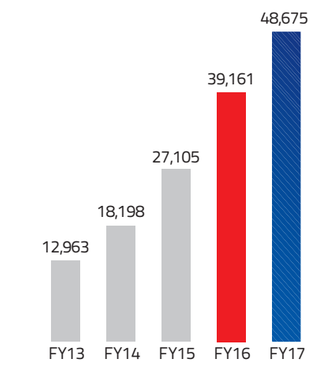


BV PER SHARE FY12 **₹ 52.62**

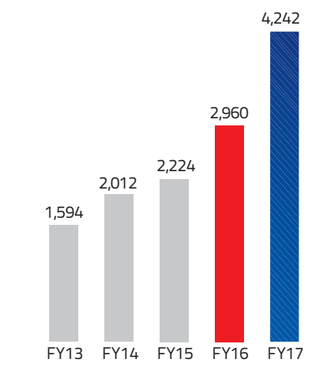
BV PER SHARE FY13 **₹ 63.03**

BV PER SHARE FY14 **₹ 71.30**

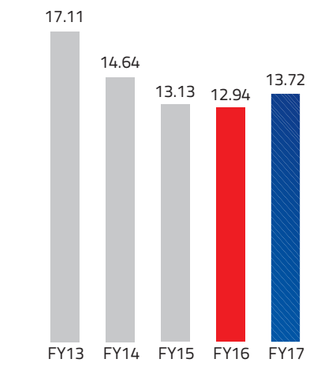
Total Asset
₹ in crore



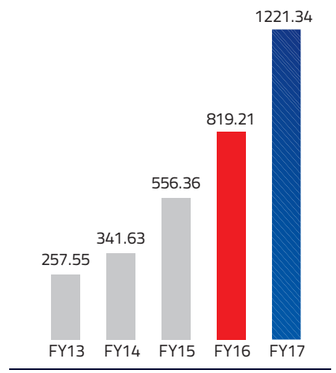
Networth
₹ in crore



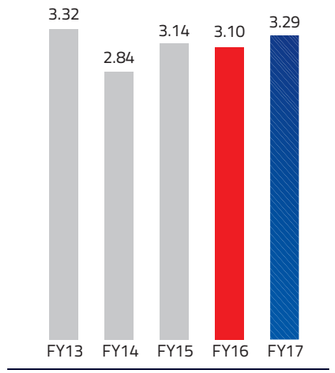
Capital Adequacy Ratio
%



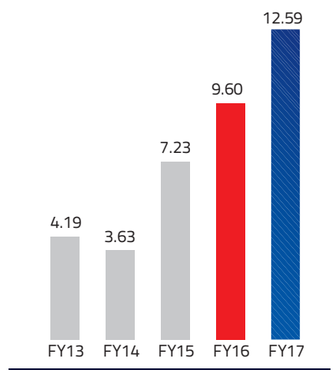
Net Interest Income
₹ in crore



Net Interest Margin
%



EPS
₹



BV PER SHARE FY15 **₹ 75.77**

BV PER SHARE FY16 **₹ 91.17**

BV PER SHARE FY17 **₹ 113.07**

INSPIRED PEOPLE PRACTICES

We were awarded the CNBC ASIA's India Talent Management Award-2017, a testimony to our globally benchmarked people practices.

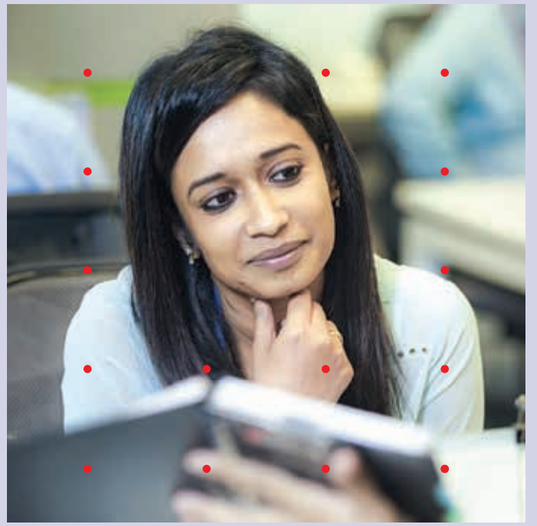
The conventional role of the banker has undergone a sea change. It is no longer about transactions and traditional banking. Today, customers expect banks to be partners, ever ready to share knowledge, offer insights and suggestions with speed and precision.

In other words, 'banking on the go' in line with aspirations of the digital era. Of course, evolved service standards are a key expectation too.



RBL Bank has successfully completed the assessment conducted by the Great Place to Work® (GPTW) Institute India and has been certified as a great workplace.





For us at RBL Bank, delivering on customer aspirations remains the cornerstone of our operating philosophy and strategy. We recognise that the only vehicle to build a customer-focused institution is to build a people-focused bank. Our people are our biggest brand ambassadors.

We are empowering our teams with various skill enhancing development programmes such as Young Leadership Development Program (YLDP), Middle management Leadership Development Program (MLDP) and Senior Leadership Development Program (SLDP) to inspire employees at various levels to achieve more. During the year, we have also commenced hiring in top tier Business schools to get the best talent pool in the organisation. In line with our commitment to banking excellence, we have set up the RBL Manipal Academy of Banking Excellence to help our people inculcate new-age banking expertise and acumen to excel at their work.

Apart from this, under our employee engagement framework we are building a high-performance culture based on latest HR processes through a rigorous assessment of all our HR practices. We are using scientific models that allow clarification of roles, leading to proper evaluation of responsibilities. These help us recognise and reward our team. This is just some of the ways we are creating a powerhouse of talent.

INSPIRED COLLABORATION FOR A WIN-WIN



The future is all about customisation; and businesses today expect solutions that are crafted to their specific needs, as opposed to the one-size-fits-all paradigm that defined banking for years.

RBL Bank in association with Fintech start-up MoneyTap, launched India's first app based credit line that allows retail consumers to avail credit instantly over their smartphones.

As enterprises become more digital, they like working with partners who can help them make the shift; and also provide the necessary competency to operate in a highly competitive landscape.

At RBL Bank, we are leading the way, working hand-in-hand with several partners to deliver unique solutions for customers. We are partnering organisations across the spectrum - both institutional and retail, covering areas such as development banking initiatives at the bottom of the pyramid, right up to wealth management solutions at the top.



We are empowering Financial Inclusion customers avail a range of banking products through our wide Business Correspondent network.

RBL Bank has successfully built a strong partnership model across its businesses. Our nimble footed approach and ability to deliver on commitments has led us to become a 'Partners Ka Bank' for our customers.

INSPIRED TO PARTNER FROM THE BOTTOM UP

The bottom of the pyramid is a enterprise of opportunity; an opening to create real change and empowerment. Understanding the needs, dreams and aspirations of the financially excluded communities and the needs of micro and small enterprises is part of the RBL Bank mission.



Provided micro-loans for livelihood generating activities to over 13 lakh women clients spanning 18,000 villages across 195 districts in 13 states.

Therefore, the recent policy push towards reaching the benefits of formal banking to those underserved, and helping smaller and emerging enterprises, is only providing a tailwind to our mission on financial inclusion.

We are encouraging more people, especially women in rural India to be a part of the formal economy through our financial literacy programme, project 'Saksham.' We are offering classroom training to create awareness about management of money, financial products and importance of structured savings and investment to build a banking future for everyone.

Launched 'Saksham' a unique financial literacy programme covering 78000+ women across three states – Maharashtra, Rajasthan and Gujarat.



Invested in state-of-the-art technology for paperless banking to provide doorstep delivery of credit and thrift through Tab based lending and micro ATM solutions.

INSPIRED TO MEET THE ASPIRATIONS OF DIGITAL INDIA



We are amongst the first few banks to be live on Bharat QR, BHIM, Aadhaar Payment Bridge System and other cashless initiatives launched by NPCI.

Banking is unlikely to go out of business anytime soon. However, the same is not true for banks, as we understand them today. The exposure to data, and the power of connected devices is converting the physical attributes of banking to a digital experience. At the same time, the digital push is bringing more and more people into its fold, rendering the traditional brick-and-mortar model vulnerable.

Therefore, at RBL Bank, we look at digital differently. Not as an added platform, but as a core part of our delivery and service value proposition. We combine 'high tech' with 'high touch'. On the one hand, it is about bringing the best-in-class technology and connected banking solutions, and on the other, it means a differentiated, and relevant service experience, that endears us to customers. Our technology excellence and service standards help us shape the future we all believe in, in line with the expectations of a digital society.

We launched 'Banking As a Service' (BAAS) unit to deliver industry specific solutions such as payment APIs, prepaid cards, merchant acquiring, nodal accounts AEPS, APBS to our partners. Our innovative solutions has enabled us to build a large partner network in a short time.

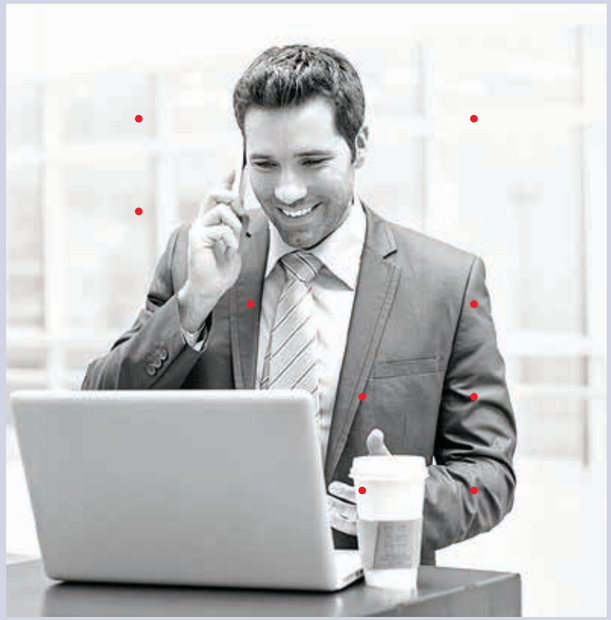
RBL Bank launched RBL iLabs, the first-ever Hackathon to promote the creation of new innovative solutions in Banking and Financial Services.





We launched a unique digital savings account with zero balance and unlimited ATM transactions.

IN STEP WITH INVESTOR ASPIRATIONS



Over the last seven years, investors have reposed faith in our vision and strategy. This trust has helped us grow significantly in size and scale, and has translated in our ability to raise high quality capital successfully from many marquee names.

Our initial public (IPO) drew bids close to 70 times the shares on sale.

RBL Bank was the first Indian private sector bank to launch an IPO in a decade.



Our IPO in 2016 was a defining moment in this journey. Although analysts were confident of a successful issue, we were overwhelmed by the staggering response and oversubscription. This has been extremely encouraging. Today, we are listed on the NSE and BSE; and included in the duo's F&O category.

While the tremendous response to our IPO has humbled us, we realise the onus of confidence it places on us. Thus, we are consistently moving towards creating an institution that demonstrates banking excellence. Our Bank is built on the principles of ethical governance, quality human capital and robust operating platforms, always keeping the customer at the 'heart' of everything of we do.

Our 'Vision 2020', which provides us constant energy and encouragement, is our lighthouse towards achieving higher performance, and honouring investor aspirations.

IMPACTING LIVES



We undertook a CSR Visioning Workshop in partnership with ET Now and NextGen, India's leading CSR Management Company to lay the foundation of our 'CSR Vision 2020' agenda and evolution of our corporate responsibility mandate.

We partnered with Aditya Jyot Foundation to organise a series of blood donation drives, eye and diabetes check-up camps across RBL Bank branches and offices.

At RBL Bank, we believe community care is an essential part of our journey. Thus, we are committed to conducting our business responsibly and sustainably, with engagement and dialogue with all stakeholders. We aim to partner holistic development of communities around us through our well-established social responsibility policies.

We have developed a CSR 'Vision 2020' framework for strategic creation of scalable and replicable models to enhance the Company's social responsibility initiatives. Putting to use our entrepreneurial energy, we are helping transform communities and lives around us. We are focused on four broad areas of community care initiatives that enhance the quality of life of our stakeholders.

Promoting education and employability skills - encouraging education, especially for the girl child, apart from skill training and development.

Preventive healthcare - providing affordable healthcare to economically disadvantaged communities.

Sustainable livelihood - enabling marginal farmers use of scientific farming techniques, such as micro-drip irrigation; besides, augmenting their incomes through additional activities like bee keeping and cultivation of medicinal crops.

Women empowerment - empowering women through initiatives like education and skill development; support various women-based micro-enterprises and self-help groups



Flagship Financial Empowerment Programme

Our flagship skill building programme through

entrepreneurship aims to create sustainable livelihoods for the future. The programme strives to increase agricultural output from subsistence to surplus. We also endeavour to increase entrepreneurship through promoting self-employment skills. Further, we are increasing digital literacy in rural India that can enhance employability and provide self-employability opportunity. In the future we wish to incorporate financial empowerment programmes in our fold too.

Umeed 1000 Cyclathon

In FY 2016-17, we organized the third edition of 'Umeed 1000' Cyclothon which commenced in Mumbai and concluded in Hyderabad. Apart from rallying support for girls education, this initiative raised funds to support Udbav school – an underprivileged school managed by IIMA Alumni Association Hyderabad Chapter Charitable Trust (IIMAA HCCT) which strives to provide quality and holistic education to over 630 disadvantaged children.

AWARDS AND RECOGNITION

2013

India's Best Bank (Growth)

Awarded in the mid-sized banks segment by Business Today - KPMG Best Bank Award

Best Indian Banker (Small sized)

Sunday Standards Best Bankers Award

Fastest Growing Small Bank

Business World-PWC Best Bank Survey

2014

India's Best Bank (Growth)

Awarded in the mid-sized banks segment by Business Today - KPMG Best Bank Awar

Best Bank (Priority Sector)

Dun & Bradstreet Banking Awards

Fastest Growing Small Bank

Business World-PWC Best Bank Survey

Global Growth Company

Recognition by the World Economic Forum

Best Bank (Growth)

Financial Express(FE) Best Bank Awards

2015

Best Enterprise State Bus Deployment

Awarded in Finnoviti Awards

Banking Technology Excellence Award

Received at IDRBT (Institute For Development And Research in Banking Technology) for 'Use of Technology for Financial Inclusion'

India's Best Bank (Growth)

Awarded in the mid-sized banks segment by Business Today - KPMG Best Bank Award

India's Best Bank (Small Category) and Best Bank (Quality of Assets)

Business Today - KPMG Best Bank Award

Fastest Growing Small Bank

Business World-PWC Best Bank Survey

Best Bank (Priority Sector)

Dun & Bradstreet Banking Awards

Best Bank (Growth)

Financial Express(FE) Best Bank Awards

2016

Best Debit Card Innovation

Awarded at the MasterCard Innovation Awards for the India Startup Club (ISC) Debit Card

Best Bank Award for Cyber Defence

Asian Banker Technology Implementation Awards

Best Corporate Payment Project

Awarded at The Asian Banker Technology Innovation Awards for building the Link Banking platform for corporate customers.

India's Best Bank (Small category)

Business Today - KPMG Best Bank Award

FE Best Bank Award

Awarded at the VC Circle Awards in the Growth category for 2014 and 2015, 2016

2017

Ernst & Young (EY) Entrepreneur Of The Year (Financial Services Category)

Vishwavir Ahuja, MD & CEO, RBL Bank received the award for being a visionary entrepreneur and continuously creating value, generating jobs and contributing to building a better working world

India Talent Management Award

Awarded at CNBC TV18 India Business Leader Awards (IBLA)

Fastest Growing Small Bank

Business Today - KPMG Best Bank Award

Best Growing Small Bank

Awarded by Business World Best Bank Survey

Financial Services Company of the Year

Awarded at the VCCircle Awards

Best IT Risk & Cyber Security Initiative + Best Payment initiative

IBA Banking Technology Awards

PRODUCTS AND SERVICES

Branch & Business Banking

SAVINGS ACCOUNT
Abacus Digital Savings Account
Advantage Premium Savings Account
Prime & Prime Edge Savings Account
Segment Specific Accounts
(Women's First Savings/Seniors First/Kids)
TASC Accounts
Special Institutions Account
FCRA Account

CURRENT ACCOUNT
Business & Business Plus Account
Exceed & Value Plus Premium series of products
Traders Current Account
Self Employed Professionals
Indian Start-up Club

NRI BANKING
Prime Account (NRE & NRO)
Prime Edge Account (NRE & NRO)
Ace Premium Account – (NRE & NRO)
Individual Current Accounts- (NRE & NRO)
Deposits (NRE/NRO/FCNR)

FIXED DEPOSITS
Regular Fixed Deposits
Tax Savings Fixed Deposits
Senior Citizen Fixed Deposits
Recurring Fixed Deposits

INVESTMENT SERVICES
Financial Need Analysis
Customer Risk Profiling
Asset Allocation
Product Selection
Portfolio Review
Risk Management
Invest First – Online Investments

INSURANCE
Life Insurance
General Insurance
Health Insurance

TRADING AND DEMAT ACCOUNT

SAFE DEPOSIT LOCKERS

CORPORATE SALARY ACCOUNTS AND EMPLOYEE BANKING SOLUTIONS
Executive Plus Salary Savings Account
Executive Salary Savings Account
Classic Salary Savings Account

RETAIL LOANS
Loan against Property
Overdraft against Property
Home Loan
Business Loan
Personal Loan
Education Loan
Auto Loan
Loan against Deposits
Loan against Gold

ASPIRE BANKING PROGRAM
Personal Banking
Business Banking
Dedicated Customer Portfolio Managing Channel
Privileges on various products & services like Debit Card, Lockers, Loans, Door Step Banking & other account level benefits
Premium Credit Card

COMPREHENSIVE PRODUCTS FOR EMBASSIES, HIGH COMMISSIONS AND DIPLOMATS

TRADE AND FOREIGN EXCHANGE

RELATED PRODUCTS
Trade and Foreign Exchange product and advisory services including Forwards and Options
Transaction banking solutions across liquidity management, payments and collections/receipts
Banking Solutions for Government affiliates and development institutions requiring FCRA solutions

CREDIT CARDS
Insignia Prefered Banking World Credit Card
Icon Credit Card
Blockbuster Credit Card
Platinum Maxima Credit Card
Platinum Delight Credit Card
Movies & More Credit Card
Titanium Delight Credit Card
Crownit Credit Card
Moneytap Credit Card
Bajaj Finserv World Prime Supercard
Bajaj Finserv World Max Supercard
Bajaj Finserv Platinum Edge Supercard
Bajaj Finserv Platinum Prime Supercard
Bajaj Finserv Platinum Max Supercard
Bajaj Finserv Platinum Classic Supercard
Hypercity Rewards Plus Credit Card
Crossword Rewards Credit Card
Hypercity Rewards Credit Card
Crossword Black Credit Card
India Startup Club Platinum Credit Card
India Startup Club World Credit Card

INSIGNIA PREFERRED BANKING
Wealth Management
Personal Accounts
Business Accounts
Insignia - World MasterCard® Debit & Credit Cards

SIGNATURE BANKING
Personal Accounts
Business Accounts
Signature - World MasterCard®

Wholesale Banking

CORPORATE, INSTITUTIONAL & COMMERCIAL BANKING

FUNDED SERVICE
Working Capital Finance
Bill Discounting
Export Credit
Short Term Finance
Structured Finance
Term Lending
Diamond Dollar Accounts
Foreign Currency Export Credits
EEFC Accounts
Overseas Financing under SBLC
Agricultural lending

NON FUNDED SERVICE
Letters of Credit
Buyers credit
Bank Guarantees

TREASURY SERVICES
Syndication Services for Loans & Bonds
Forex Desk
Real Time Gross Settlement / NEFT
NACH / IMPS
Money Market Desk
Derivatives Desk

VALUE ADDED SERVICES
Cash Management Services- Collections, payments,virtual accounts
Trade Documents – Import,Export, Domestic (with customized support for unique industry requirements like Gems and Jewelry)
Channel Financing - Dealer and Vendor Support
Accounts for Employees Trusts/ Societies/ Sec 25 Companies
Corporate Salary Accounts
Cash surplus management for corporates
Reimbursement Account / Expense management
Tax payments
Bankers to Rights/Public Issue/ Dividend payments
Corporate Credit Cards
Prepaid cards
Payment Gateway Services
Corporate Internet Banking
API Banking

EQUITY SOLUTIONS
Private Equity Syndication
Private Investments in Public Enterprises (PIPEs)
Valuation /Fairness Opinions

MERGERS & ACQUISITIONS ADVISORY
Acquisitions
Divestitures
Mergers
Joint Ventures

Transaction Banking

Trade Finance
Supply Chain Financing
Cash Management

PAYMENTS

CONVENTIONAL PAYMENTS

CORPORATE PAYMENT PORTAL (BON)
Electronic Payments (RTGS , NEFT, IMPS)
Paper Based (Cheque, DD Printing, Corresponding Bank DD)

COLLECTIONS
(Cash, Cheque, NACH, Virtual Account)

DIGITAL SOLUTIONS
RBL Bank Prepaid Card
Prepaid Card
E-Wallets
API Integration
POS/EDC
UPI (Unified Payment Interface)
BBPS : Bharat Bill Payment Solution
RBL Bank Prepaid card.
Bharat QR
Aadhaar Pay
AEPS (Aadhaar Enabled Payment Services)

MICRO PAYMENTS – DOMESTIC MONEY TRANSFER (DMT)
Remittance Engine - BC

Agribusiness Banking

RETAIL AGRIBUSINESS
Crop Loan
Kissan Credit Card (KCC)
Harvest & Transport Loan
Horticulture Loan
Polyhouse Finance
Hitech Farm
Fisheries Loan
Poultry Loan
Drip Irrigation
Lift Irrigation
Dairy Loan

COMMODITY & WAREHOUSE FINANCE
Warehouse Receipt Finance
Collateral Management
Management Service Facillitator (MSF)
Cold Chain Finance
Trade/Pledge Finance
eWRF
eMandi

CORPORATE TIEUPS
Food Processing
Sugarcane Farming
Drip Irrigation
Basal Dose Loan
Dairy Loan
Fertilizer & Other Inputs
Contract Farming
Cattle Funding
Seed Companies
Coffee & Tea Plantation
Potato & Horticulture
Food Parks

FSS/FARMER PRODUCER ORGANISATION

BUSINESS CORRESPONDENT
Cattle purchase
Solar Pumps
Solar Home solutions
Agri Allied Loans
Farm Mechanisation

FARM MECHANISATION
Tractor Financing
Farm Equipment
Light Commercial Vehicle
Small Commercial Vehicle
Multi Utility Vehicle
Two-wheeler Financing

AGRI VALUE CHAIN FINANCE
Dairy Loan
Oil Seeds
Rice Mills
Wheat Processing
Agri Dealers
Import/Export
Agri Traders
Agri Logistics

RENEWABLE ENERGY
Micro Irrigation
Solar Pumpsets
Solar Cold Storage
Solar home Lightning

Development Banking & Financial Inclusion

MICROBANKING
Basic Savings Bank Deposit Account / Aadhaar linked savings accounts for Direct Benefit Transfer
Micro-Insurance
Micro Loans / JLG Finance
Micro Loans / SHG Finance

PAYMENTS
Micro Payments
Money Transfer
UPI (Unified Payment Interface)
BBPS : Bharat Bill Payment Solution
RBL Bank Prepaid card
Bharat QR
Aadhaar Pay
AEPS (Aadhaar Enabled Payment Services)

INCLUSIVE FINANCIAL INSTITUTIONS
Cash Credit
Term Loan
Commercial Papers (CP's)
Non Convertible Debentures
Subordinated Debt
Investment in Securitisation
Transactions
SBLC backed CP's

SMALL BUSINESS BANKING
Unsecured and Secured Business Loans
Two-wheeler Loans

Treasury and Markets

Foreign Exchange Risk Management
Foreign Exchange Options
Currency and Interest Rate Derivatives
Debt Capital Markets
Loan Syndication
Bullion (Gold & Silver) Purchase
Gold Metal Loan

BHARAT QR

RBL Bank is proud to partner the government in building a digital India!



RBL Bank goes live with Bharat QR!

Benefits to customers
- Smart phone is the new 'card'
- Just scan and pay
- Wider acceptance
- Faster check-out

Benefits to merchants
- Your unique identity
- Zero investment
- Lower interchange
- Instant credit

A DECADE OF PERFORMANCE

(₹ in crore unless stated otherwise)

PARTICULARS	FY08	FY09	FY10		FY11	FY12	FY13	FY14	FY15	FY16	FY17
NETWORTH	319.74	338.12	349.03		1,074.55	1130.99	1,594.2	2,011.65	2,223.50	2,960.39	4,242.48
CRAR (%)$	49.15	42.30	34.07		56.41	23.20	17.11	14.64	13.13	12.94	13.72
DEPOSITS	1,101.07	1,307.05	1,585.04		2,042.16	4739.33	8,340.52	11,598.60	17,099.25	24,348.65	34,588.09
ADVANCES (NET)	585.79	801.11	1,170.44		1,905.17	4132.27	6,376.21	9,835.05	14,449.83	21,229.08	29,449.04
INVESTMENTS (NET)	361.32	404.48	507.22		892.48	2333.83	5,571.42	6,518.04	9,792.30	14,436.03	13,481.71
NET PROFIT	17.01	30.53	19.11		12.33	65.73	92.47	92.67	207.17	292.48	446.05
GROSS NPA	37.09	17.28	27.64		21.51	33.11	25.90	77.75	111.23	208.05	356.84
NET NPA	5.81	5.45	11.35		6.89	8.39	6.88	30.51	38.59	124.44	189.94
RETURN ON ASSET (USING MONTHLY AVERAGE) (%)	1.31	1.96	1.05		0.53	1.33	1.05	0.66	1.02	0.98	1.08
DIVIDEND (%)	5.00	10.00	6.00		2.00	3.00	6.00	9.00*	12.00*	15.00	18.00*
BUSINESS PER EMPLOYEE	3.10	3.73	3.91		4.35	6.69	7.92	7.66	9.11	11.77	13.06
NO. OF EMPLOYEES	544	565	704		907	1,328	1,859	2,798	3,465	3,872	4,902
NO. OF OUTSTANDING SHARES	10,472,008	10,472,008	10,472,008		214,947,396	214,947,396	252,924,711	272,040,198	293,449,630	324,728,130	375,203,136
EARNING PER SHARE (EPS) (₹)**	1.69	2.91	1.82		0.96	3.06	4.19	3.63	7.23	9.60	12.59
BOOK VALUE PER SHARE (₹)**	30.53	32.29	33.33		49.99	52.62	63.03	71.30	75.77	91.17	113.07

* Proposed
** Share of ₹ 100/- each was split into 10 shares of ₹10/- each w.e.f. August 20, 2008, EPS and Book value per share have been accordingly adjusted for the earlier years.
$ From FY09, CRAR as per Basel II and for FY14 as per Basel III is given.

RBL Bank is a great bank to partner with!

BAJAJ FINSERV — Co-brand Credit Card Partner	HyperCITY — Co-brand Credit Card Partner	bookmyshow — Mobile-Wallet Solution & Co-brand Credit Card Partner	CROSSWORD — Co-brand Credit Card Partner
oxigen — Business Correspondent & Financial Inclusion Partner	PayU — Mobile-Wallet Solution Partner	Chola — Prepaid Card Partner	mswipe — Mobile-POS Solution Partner
DSP BlackRock Mutual Fund — API Banking Partner	PARTNERS KA BANK		CAPITAL FLOAT — API Banking & Lending Solution Partner
zeta — Corporate Solutions & Prepaid Card Partner			itzCash — Corporate Solutions & Prepaid Card Partner
Crownit — Co-brand Credit Card Partner			WEIZMANN IMPEX — Business Correspondent & Remittance Partner
MONEYTAP — Digital Lending Partner	UDIO — Mobile-Wallet Solution & Prepaid Card Partner	novopay — Business Correspondent & Remittance Partner	simpaenergy — Clean Energy Partner
Financial Inclusion Partner	happay — Corporate Solutions & Prepaid Card Partner	TIMESINTERNET — Mobile-Wallet Solution Partner	THE MOBILE WALLET — Mobile-Wallet Solution & Prepaid Card Partner

RBL Bank – Partners ka Bank!

RBL Bank has successfully built a strong partnership model delivering technology led banking solutions to a variety of companies across the retail as well as institutional space. Our faster turnaround times, nimble footed approach and ability to deliver on commitments has led us to become a preferred bank for many institutions!

So, if you are looking for a smart banking partner, RBL Bank might be the right bank for you!



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MANAGEMENT DISCUSSION AND ANALYSIS



1 Economic Overview

1.1 Global Economy

International Monetary Fund (IMF) predicts global economic growth to increase from an estimated 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018. The rise in global economic activity can be attributed to improvements in manufacturing and trade cycles and a gradual recovery in investment, buoyed by strengthening market sentiments.

The developed markets are rife with underlying growth momentum. On one hand, the US economy is projected to gather steam, as a result of new government policies and the end of an inventory cycle. On the other, domestic demand in Euro nations intensified due to cyclical recovery; projecting modest growth in the region for the next few years. Despite Brexit, the macro momentum in the UK remained resilient while Japan registered growth, riding on its increased exports.

International Monetary Fund (IMF) predicts global economic growth to increase from an estimated 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018.

Stronger trade activities and agreed restrictions on oil supply along with an expectation of accelerated global demand has led to invigorated commodity prices. This rebound in commodity prices is expected to improve business conditions for commodity exporters experiencing growth pressures. Growth seems to have bottomed out in Russia and higher oil prices should bolster the recovery. Growth is projected to remain strong in China and many other commodity importers as well, reflecting policy support and reduced drag from adjustment to lower commodity prices.

Gradual stabilisation of macroeconomic conditions supported by some rebound in commodity prices, should lead to a gradual recovery in investment in 2017 and beyond. If confidence and market sentiment remain strong, short-term growth could indeed surprise on the upside.

1.2 Risks to global growth

Despite expectations of short-term growth spurt, downside risks cloud the medium-term global outlook. Binding structural impediments continue to hold back a stronger recovery in medium term, with pervasive uncertainty surrounding policies. The biggest risk factor is the anaemic productivity growth in some major economies operating with high levels of excess capacity. Non-economic factors, including geopolitical tensions, domestic political discord, risks from weak governance and corruption present risk scenario as well.

Medium-term downside risks stem from several potential factors:

1. Subdued potential growth rate across the world compared to past decades; demographic headwinds and weak productivity trends are likely to restrain potential growth across developed markets.

2. In developing markets, finding an appropriate balance between fiscal adjustment and measures to reduce financial vulnerabilities will impose serious restrictions to growth. Moreover, growth-oriented reforms aimed at raising human capital and physical infrastructure will remain challenging for some others.

3. Rise in protectionism is another salient risk potentially leading to trade warfare. In some advanced economies, several factors have generated political support for zero-sum policy approaches that could undermine international trading relationships.

4. Tightening of the U.S. financial conditions, due to faster-than-expected normalisation of monetary policy could reverberate across global financial markets. These could lead to adverse effects on developing economies heavily reliant on external financing.

These risks are interconnected and can be mutually reinforcing. Priorities for macroeconomic demand management are increasingly differentiated, given the diversity in cyclical positions. Policy choices will therefore be crucial in shaping the outlook and reducing risks. Structural and accommodative macroeconomic policies, at least until inflation is on a clear upward trend, are crucial for medium-term growth outlook to strengthen.

1.3 Indian economy

India's economy remains one of the fastest growing emerging market economies. Lower global oil prices have improved the external current account and fiscal position of India, while helping reduce inflation. In addition, continued fiscal consolidation and an anti-inflationary monetary policy stance have helped cement macroeconomic stability for the economy.

The growth momentum set in Q3 FY 2016 could not be decelerated much even after the demonetisation-led cash shortages in India. Robust growth impetus persists due to positive reforms, government stimulus and expected normal monsoon. Moreover, fiscal consolidation complemented by enhanced public spending and expected compressed current account deficits along with high international reserves are to aid development of the economy. Additionally, implementation of Goods and Services Tax (GST) is expected to enhance movement of goods and services across India.

In light of above factors, India's overall outlook remains positive. India's real GDP growth rate is projected to be in the range of 7-7.5% for FY18. Inflation is expected to remain benign at 4% in first half of the fiscal year with an upside risk in the second half as global commodity prices

India's real GDP growth rate is projected to be in the range of 7-7.5% for FY 2017-18.

and growth intensify. Investment recovery is expected to remain modest and uneven across sectors, as deleveraging and increase in capacity utilisation take precedence.

However, the outlook is clouded with downside risk factors. On the external side, the impact from global financial market volatility could be disruptive, including from the U.S. monetary policy normalisation or weaker-than-expected global growth. On the domestic front, persistently-high household inflation expectations and large fiscal deficits, coupled with worsening fiscal deficit of state governments, remain key macroeconomic challenges. These limit policy space for supporting growth through demand measures. Moreover, excess capacity in key industrial sectors and strains in financial and corporate sector balance sheets remain a drag on private investment.

Going forward, maintaining the reform momentum and dealing with risks like health of the banking system and heightened corporate vulnerabilities are the keys to a stonger growth outlook.

2 Banking Sector Overview

2.1 Banking sector is in a transition phase

At present, India's banking industry is in a transition phase. After India's private sector investments amplified in 2009-2012 but turned insolvent in the subsequent growth slowdown, the banking sector needed to restructure. Thus, the sector is on a path of streamlining itself with cost management efforts, cleaning non-performing assets (NPAs), consolidations through mergers and acquisitions to strengthen their capital profiles. Moreover, the industry is transforming itself in terms of specialised channels to meet the scale and sophistication of demand, especially of the small and medium-sized enterprises. Additionally, there is an increased emphasis on banking technology infrastructure, to gain a competitive edge in the face of changing customer preferences and government's push for digitalisation. The Reserve Bank of India (RBI) has enhanced banking reforms in the form of differentiated bank license to small finance banks or payments banks. This is aimed at expanding financial services to 'unbanked, or under-banked' segment to cater to the changing face of India's business landscape.



2.2 A mixed year gone by

Financial year 2016-17 was a rollercoaster year for India's banking sector. Bank credit growth remained moderate, reflecting demand and supply factors, including slow corporate deleveraging, sector-specific strains, and further weakening of bank asset quality. As per RBI data, bank credit growth neared its six-decade low of 5.08% in FY17 vis-à-vis 10.7% of FY16. The modest aggregate credit growth was primarily led by private banks and better performing public sector banks (PSBs). Meanwhile, deposits grew by 11.75% in FY17, assisted by demonetisation of high value currency notes by the Government in November 2016. Following the surge in deposit inflows, lending rate has dropped by a cumulative ~200bps over the year.

Despite increasing focus to manage stressed assets in the system, asset quality and profitability remained weak throughout the sector. This was even though NPA generation was much lower than the rates of Q3 and Q4 FY 2016, immediately following RBI's asset quality review. IMF in its Global Financial Stability Report indicates that India's banking sector comes out as worse-off compared to other emerging economies. Indian banks have set aside little provision for losses on its assets, i.e., on its non-performing loans, made primarily to the industrial sector. While such under-provisioning extends to private banks too, the scale of the problem is three to four times magnified in case of public sector banks.

Deposits grew by 11.75% in FY17, aided by demonetisation of high value currency notes by the Government in November 2016.

2.3 Robust policy support

The government has initiated several policy reforms to ease the stressed assets and capital of India's banks. In July 2016, the government allocated ₹ 22,915 crores (US$ 3.41 billion) for capital infusion in 13 public sector banks. The Union Budget 2017-18 has outlined key financial sector reforms including allocation of ₹ 20,000 crores for recapitalisation of banks in line with the 'Indradhanush' roadmap. Moreover, it is establishing a Computer Emergency Response Team for Financial Sector (CERT-Fin) to safeguard the integrity and stability of the sector. A Bill to curtail the menace of illicit deposit schemes is likely to be introduced to protect the poor from unscrupulous entities and no transaction above ₹ 3 lakhs is to be permitted in cash subject to certain exceptions.

Besides, the enactment of Insolvency and Bankruptcy Code, 2016 should support the resolution efforts of corporates and recovery efforts of lenders. Further, the government's recent ordinance providing RBI with greater legal authority to intervene in non-performing assets resolution, followed by a RBI notification lowering the threshold lenders in Joint Lenders' Forum (JLF) to approve a resolution proposal - to 60% from 75% of lenders by value, and to 50% from 60% of lenders by number points is expected to de-stress banks with NPAs. With this, the government and RBI are encouraging banks to improve internal co-ordination.

Moreover, the Reserve Bank of India has initiated the following policies to strengthen the banking sector:

- Framework for Prompt Corrective Action (PCA) for banks and advisory on risk management.

In July 2016, the government allocated ₹ 22,915 crore (US$ 3.41 billion) for capital infusion in 13 public sector banks.

- Increase in standard assets provisioning requirement beyond the regulatory minimum, based on evaluation of risk and stress in respect of advances to stressed sectors of the economy.
- Guidelines for priority sector lending certificates (PSLCs), according to which banks can issue four different kinds of PSLCs—those for the shortfall in agriculture lending, lending to small and marginal farmers, lending to micro enterprises and for overall lending targets – to meet their priority sector lending targets.
- The Reserve Bank of India (RBI) has allowed additional reserves to be part of Tier I or core capital of banks, such as revaluation reserves linked to property holdings, foreign currency translation reserves and deferred tax assets. This is expected to shore up the capital of state-run banks and privately owned banks by up to ₹ 35,000 crores (US$ 5.14 billion) and ₹ 5,000 crores (US$ 734 million), respectively.

2.4 Outlook

Regardless of stronger policies for robust bank balance sheets and the new bankruptcy code, elevated corporate sector risks and NPAs in PSBs jeopardise India's banking sector in the short-term. However, as legacy issues impairing the asset quality in the sector bottom out, generally supportive operating environment and policies will propel the sector towards gentle recovery phase. Indian banks' weak asset quality continues to pressure profitability and capitalisation profile. Under the circumstances, the key factors that will drive India's banking sector's recovery in the near term are capital buffers and continued governance reforms.

3 Review of Business Segments and Operations

RBL Bank's operations span across various business segments comprising of:

a) Corporate and Institutional Banking (C&IB);

b) Commercial Banking (CB);

c) Branch and Business Banking (BBB);

d) Agri Business Banking (AB);

e) Development Banking and Financial Inclusion (DB&FI)

f) Treasury and Financial Markets Operations.

3.1 Corporate and Institutional Banking (C&IB)

The Bank's C&IB business segment caters to the banking needs of enterprises and corporate entities, particularly, large-sized corporations (i.e., companies with annual turnover of over ₹ 1,500 crores). A sub-segment within C&IB, namely Financial Institutions & Government Undertakings ("FIGU") group, deals with public sector undertakings, government boards & departments and financial institutions.

The aim of this segment is to be a working capital bank for the clients focused on transactional businesses. C&IB products and services include various fund and non-fund based products, including liability products such as current accounts, term deposits and salary accounts; loan products such as term loans, working capital facilities and structured finance; trade financing products such as letter of credit, stand-by letter of credit and guarantees; cash management, and treasury risk management solutions. C&IB also cross-sells various other products and services of the Bank such as corporate salary accounts, credit cards and other retail loan and agri-finance products and also distributes life insurance products, general insurance products and mutual funds to our C&IB customers, their promoters and employees. The FIGU team also engages with counterparties to facilitate interbank dealing, interbank trade support arrangements and interbank liquidity generation both onshore and offshore.

The C&IB segment had a year of high growth both in terms of financial performance and offering. Major highlights for the year were as follows:

1. During the year, the unit anchored the Bank's growth in advances with a 54% growth.

2. Established new verticals and widened its client coverage agenda:

   I. A multinational coverage vertical focused on international companies coming to India.

   II. Setting up of dedicated government banking units in North and East India, in addition to the existing unit in South India.

3. Widened its product suite which includes:

   i. Expanding transaction banking product suite covering a range of new offerings from Trust and Retention Accounts (TRAs) to forfaiting and the launch of front-end cash management offering.

   ii. Institutionalising a niche Corporate Finance unit to serve the growing capital needs of its client base.

Moreover, the Bank received its Gujarat International Finance Tec-City (GIFT) branch licence from RBI in FY17. This move will significantly widen the Bank's Foreign Currency offerings. Besides, this licence has heightened the Bank's prestige as it is the 7th bank to open a GIFT branch.

The Bank received its Gujarat International Finance Tec-City (GIFT) branch licence from RBI in FY17.

3.2 Commercial Banking (CB)

The Bank's CB segment finances the business needs of SMEs (i.e., companies and firms with annual revenue from ₹ 35 crores to ₹ 250 crores) and mid-sized companies (i.e., enterprises and companies with annual revenue from ₹ 250 crores to ₹ 1500 crores). The special focus of this segment is to serve the banking needs of emerging and fast growing enterprises, newer businesses and industry segments of the Indian economy such as logistics, e-commerce, consumer services and organised retail.

The predominant aim of the CB segment is to be a 'bank of choice' for transaction banking needs of the clients viz. cash, trade and foreign exchange. In the SME segment, where exposures are largely backed by significant collateral, the strategy is to build a highly granular portfolio and be the sole or the dominant bank for all transaction banking requirements of clients to achieve superior returns on capital invested. The other goal is to build and maintain the promoter level relationships in this segment to cross-sell products and services to promoters and their families through dedicated relationship managers with deep knowledge of the industry and provide comprehensive banking solutions in a timely manner. These relationships have helped the Bank stay ahead in terms of understanding client needs and supplement the Bank's growth. This unit aims to build competency in sectors which involve intensive transaction banking and offer innovative financial solutions to capture the transaction banking wallet. In addition, the CB segment also aims to use its relationships and understanding of larger established companies to build relationships with suppliers or distributors

Major highlights for the year were as follows:

I. The U.S. Agency for International Development (USAID) and RBL Bank announced a new loan portfolio guarantee. This will facilitate up to $75 million for lending to small, medium and large enterprises operating in off-grid, solar rooftops, and energy efficient sectors. This is a first of its kind guarantee between USAID and an Indian private sector bank. The guarantee will support innovative solutions and business models to improve access to clean energy sources for electricity.

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II. RBL Bank Limited and Dun & Bradstreet came together for a unique awards initiative, titled, 'Dun & Bradstreet - RBL Bank Limited SME Business Excellence Awards 2016'. These awards were designed to recognise the spirit of entrepreneurship and felicitate SMEs that have demonstrated exemplary performance in their respective fields. The theme for this year's initiative was 'It's Time to let the World Know'. This year the awards covered ten sectors namely – i) Chemicals and Pharmaceuticals; ii) Electrical and Electronic goods; iii) Engineering and Machinery; iv) Food processing and Agro Products, v) IT and ITeS, vi) Plastic and Plastic Products, vii) Professional and Business services, viii) Textiles and Garments, ix) Transportation and Logistics and Travel, x) Tourism and Hospitality. Further, the awards initiative featured three theme based categories including Best Global Business, Best Woman Entrepreneur and Emerging Category.

3.3 Transaction Banking Operations

3.3.1 Cash Management, Digital and Channel Operations

Transaction Banking Operations is driven on a dual banking architecture that integrates and delivers superior product solutions and services to customers. It services clients in various areas encompassing corporate salary processing, mobile wallets, customised prepaid cards, bulk DD/cheque printing, electronic payments, corporate tax payments, bespoke cash management solutions. Moreover, it provides dedicated cash pooling and merging facilities and

unmatchable doorstep banking services. These services are offered to multiple business segments ranging from small and medium enterprises to large corporates. The services are delivered through both traditional and digital channels, enabling customers to transact using multiple payment modes.

The Bank's state-of-the-art payments architecture complements its expanding branch network and technologically advanced customer-facing web based applications. Within a short span, the Bank has equipped itself with almost all products currently offered in the industry ranging from bulk payment processing, electronic funds transfer, IMPS, national automated clearing, corporate salary payment, bulk interest and dividend payments, escrow services, counter services, virtual accounts and doorstep banking facility for cash, cheque and documents.

Major highlights for the year were as follows:

1. Post demonetisation, the Transaction Banking Operations witnessed a significant fillip to the transaction volume complemented by a changing client mind-set. This has resulted in a transactional impact across all products serviced by the department.

2. As part of its commitment to consistently offer better products, in FY17, the Bank rolled out its Cash Management Services (CMS) collection product in more than 200+ branches including a few correspondent banks to cover large parts of the country.

3. On the Digital Operations front, there were several roll outs of co-branded prepaid cards and mobile wallets through its partners. These were managed seamlessly through effective payment processing network tie-ups.

4. The bank responsibly promotes a secure and efficient functioning payments and settlements system ensuring stability and an uninterrupted circulation of currency. The qualitative changes in operational systems and processes have been undertaken to enable cheque clearing in all the active Cheque Truncation locations. This continues to break new ground and the bank has started extending similar services to the rural segments as well.

5. With the Bank's growing footprint, a grid wise structure was established to manage the daily processing volumes with stable applications and strong Business Continuity Plan (BCP). This has ensured continuous alignment with the regulatory requirements. For NEFT and RTGS transactions a HOT backup was maintained between Mumbai and Bangalore units, enabling effective resiliency across the organisation.

6. On the ATMs front, the Bank has a network of 375 brown label ATMs and over 504 white label ATMs. More than seven lakh Financial Inclusion customers have been enabled for Aadhaar Enabled Payment System transaction platform. Besides, the Bank has tied up with partners for deployment of Micro ATMs in several regions.

7. Successful Implementation of CMS product suite thereby ensuring optimisation of liquidity through an improved flow of funds and enabling customers to plan, organise and control their funds.

8. The bank continues to offer doorstep banking services, which includes facilities like cash/cheque pickup and delivery; thus, providing logistical convenience and helping clients focus more on their core areas.

9. In FY17, the doorstep banking process and the clearing processes achieved the ISO 9001:2008 certification.

10. In FY17, another Currency Chest was launched in New Delhi. This currency chest will cater exclusively to the branches and clients of North India as well as manage the ATM cash requirements of the Bank in this area.

11. On the growth front, NEFT volumes have increased manifold by 79% YoY. The total clearing volumes have increased by 23% during the year.

12. The Bank has also launched Foreign Currency Card for the Diplomat Segment and Titanium First Debit Card for India Startup Club on the MasterCard platform. Moreover, the Bank collaborated with various settlement franchisees for offering debit cards to meet the ever-growing requirements of its niche customer segments. The Bank continues to gain a deeper understanding of product and service requirements of its customers and continues to provide state of the art customer service to build long lasting customer connect.

13. During demonetisation, various teams under the Transaction Banking operations worked relentlessly to facilitate successful cash movements between various locations. Transaction volumes increased almost 450% as compared to the previous periods.

3.3.2 Retail Operations

Centralised Retail Operations is built on strong foundation of robust processes, scalable technology solutions and an experienced and driven workforce.

Retail Operations comprises of National Operation Centre (NOC) at Mumbai, which acts as a central control engine and is supported by two Regional Processing Centres (RPC) in Delhi & Kolhapur. This is further complemented by a host of hubs created in different states. These hubs specialise in specific product offerings aimed towards improving turnaround time and cost efficiencies.

Retail Operations seamlessly manages Liabilities, Secured and Unsecured Lending, Financial Inclusion, Agriculture Business, Wealth / Depository Services. The unit is built to scale and support increasing business acquisition.

Major highlights for the year were as follows:

i. ISO 9001:2008 Certification for Retail Operations including Liabilities, Asset, FI, Wealth OPS. This is the first big step towards building 'Centres of Excellence' within operations.

ii. Launch of integrated image based state-of-the-art workflow concept for customer acquisition. This further strengthens our ability to improve efficiencies and service delivery.

3.3.3 Financial Inclusion and Agri Operations (FI & Agri OPS)

India's rural market is undergoing a paradigm change with structural shifts in the economy, changing consumption preferences and increasing awareness among the rural consumers. The FI and Agri Operations vertical has continued to achieve high scale of business and cost efficiency through simplified Straight Through Processing (STP) processes and strategic technology innovation.

The Bank's FI & Agri OPS is an ISO Certified unit. Through active partnership and engagement with business and technology, it has developed processes that are customer centric and seamless.

This integrated unit caters to lending and credit needs of customers, cashless disbursement model, qualitative credit screening, with a continued focus on inclusive government schemes such as PMJDY, Atal Pension Yojana (APY); Pradhan Mantri Suraksha Bima Yojana (PMSBY); and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), among others.

3.3.4 Trade Services

In FY17, the Bank continued to fortify its Trade Services to match the rapid volume growth. The efforts were directed towards enhancing customer experience by providing speed, accuracy, consistency and convenience across all products and touch points. Some of the notable steps undertaken during the year were:

i. Leveraging digitisation and strengthening Internal Financial control.

In FY17, the Bank rolled out its CMS collection product in more than 200+ branches.

ii. Allocating specialised resources for advisory and consultancy services.

As the Bank enters the next phase of growth and leadership, it will continue with its digital drive. Electronic implementations are imperative in the trade arena. From a client perspective, it guarantees faster turnaround time and ease of business, while from the Bank's perspective leaner processes bring down the cost of transaction. At the same time the Bank will continue to be committed towards the highest levels of ethical standards, professional integrity, corporate governance and regulatory compliance.

3.4 Branch and Business Banking (BBB)

The Bank offers a broad range of services and products through its BBB segment to meet the needs of individuals and small businesses across urban and rural India. These services include deposits, credit cards, a range of consumer banking loans (including loans and overdrafts against property, loans against gold, loans against deposits, as well as home, personal, car, auto, educational and business loans), payment solutions, foreign exchange services, depository services and wealth management services. The BBB unit also cross-sell and up-sell products offered by third parties, including distribution of life insurance and general insurance products and mutual funds to our customers. The Bank's Mortgage and Credit Card portfolios include customers transferred to the Bank following the acquisition of mortgage and Credit Cards businesses from Royal Bank of Scotland in India in the end of 2013.

The Bank offers these services and products to its retail customers through traditional branch outlets as well as its multi-channel electronic banking system which includes interconnected ATMs, internet banking and phone banking (available 24 hours a day/7 days a week) and account services via mobile phone. The unit has also set up a dedicated call center for customers. It strives to achieve cost efficiencies through optimisation of its retail distribution model, enhanced technology and by leveraging on its existing infrastructure. BBB strives to achieve lower credit costs through product and segment diversification, robust operational risk framework, use of data provided by the credit bureaus, decentralised credit model for MSMEs and technologically backed rule engine based underwriting for products like cards and salaried personal loans.



BBB business enables the Bank to (i) establish and develop customer relationships, (ii) cross-sell and up-sell products and services, (iii) reduce its reliance on volatile wholesale time deposits, (iv) balance its asset portfolio and (v) increase fee income opportunities.

The Bank continued its journey to bring innovative, digital and physical offerings to the market. During the year, the Bank launched E-ASBA facility to simplify the process of investing in IPOs for customers. To meet the growing needs of the Bank's NRI customers, new currencies were added in FCNR deposits. Virtual Relationship Management through remote relationship managers was introduced for corporate salary accounts. NPS, a popular retirement saving option was also introduced and offered to customers.

The Internet banking platform was revamped to offer enhanced services and a superior user experience to customers. The Mobile Banking platform of the Bank saw several new launches and enhancements to the existing platform - RBL MoBank.

Major highlights for the year were as follows:

1. SMS2Bank - A solution which allows customers to transact without an internet connection.

2. Missed call based services to know the account balance or recharge a mobile number.

3. ChatPay - A payment keyboard that allows customers to perform banking transactions while chatting on any messaging platform.

4. Invest First – A service offered to all resident individuals having a RBL Bank Savings Account to invest in mutual funds online. Launched in May 2016, this service will make it easier for the customers who do not have the time or expertise to monitor and track asset classes and corresponding market behaviour. Invest First offers the benefit of quick paperless transaction allowing 24 x 7 access of portfolios through a secure reliable platform. The online declaration of Foreign Account Tax Compliance Act (FATCA) has enabled customers to comply with regulatory requirements in a seamless manner. Invest First is gaining traction among customers and is helping advance the digital revolution in the financial services industry.

RBL Bank was one of the first to be certified for Unified Payments Interface (UPI) from the National Payments Corporation of India (NPCI); and is now live with a dedicated UPI application (RBL Pay). It also offers UPI services on RBL MoBank. Further, the Bank is live on the Bharat Bill Payment System (BBPS), which is integrated with RBL MoBank. RBL Bank was the first bank in the country to go live with Bharat QR code, a QR code-based interoperable mobile payments acceptance solution.

The Bank launched four debit cards, namely; India Startup Club Debit card, Business First Debit card, Platinum First Debit card, and Titanium First Debit card which saw a 185% increase in Y-O-Y POS spending and 173% Y-O-Y increase in active customers.

Diplomatic Segment – During the year, the bank remained a market leader in the Diplomatic Segment

The Bank witnessed 185% increase in Y-O-Y POS spending and 173% Y-O-Y increase in active customers



with 45% market share. The Diplomatic Team followed a segmentation approach that involved defining the target business, responsibilities and approach. An exclusive branch was launched in Vasant Vihar, New Delhi to provide the best products and services to cater to the needs of this segment. The client relationships are spread across India with key relationships established in Mumbai, Chennai and Kolkata.

During the year, RBL Bank curated an exciting cultural program showcasing India through culture and spices. The event was based on the 'Make in India' theme and showcased Indian cuisine and spirits from across the length and breadth of India. The event was hugely successful and was attended by 52 Ambassadors & 120 Senior Diplomats from across 64 countries.

3.5 Branch Operations

The Bank's Branch Operations team manages operational activity in branches such as data processing, servicing of transactions, reconciliation activities, among others. The team operates closely with various control units and ensures that the branch meets customer expectations while following a strict adherence to risk, compliance and regulatory requirements. The Branch Operations team is closely monitored and supported by an experienced team of Area Operation Managers. These managers are responsible for better risk management, adherence to processes and controls and improved customer experience.

Improving the quality of customer service remains at the core to the Bank's mission statement. To live up to this promise, the staff is educated, sensitised and trained to maintain consistency in all its interactions with customers.

The Bank is consistently expanding its branch footprint, which enables it to build a strong customer connect and provide tactical location advantages. With the growing branch network, the Bank has instituted clear and transparent chain of command and segregation of roles and responsibilities.

The control and compliance culture at the branches is further strengthened by an independent Branch Control framework comprising Branch Monitoring and Control Management [BMCM] team. BMCM members are dedicated control managers, who are assigned a cluster of branches. Their role includes driving the controls at branches and support in seamless implementation of bank's policies and procedures.

BMCMs are integral to the Bank's control commitment and drive pre-emptive controls at branches and assist in early detection of trends, among others.

Further, Branch Review and Control Management [BCRM] and Risk Control Management [RCM] provide a centralised monitoring mechanism. They work towards identification and weeding out of suspicious accounts at the time of customer on-boarding, and during the life cycle of the relationship. These teams work as support to BMCM and Anti Money Laundering (AML) team of the Bank by detecting potential errors, discrepancies and trends in the branches.

3.6 Credit Card Operations

The Bank introduced various Credit Cards offerings in this fiscal year to cater to its niche customer segments. It has tied up with various partners like MONEYTAP, Club Concierge, BOOKMYSHOW, CrownIt, etc. to issue co-branded cards with specific offers and benefits. Each of these products have received an overwhelming response from our customers

More recently, the Bank has started issuing co-branded Credit Cards in partnership with Bajaj Finserv (one of the largest and most diversified NBFCs). As this is a high volume driven segment, it will help build a robust portfolio for the Bank. This co-branded card will have many customer-friendly features, including no-cost EMI options, easy borrowing rates, digital payment solutions and more. The cards will also boast attractive offers and multiple value added propositions.

To enhance customer experience and improve efficiencies in Credit Card Operations, the Bank has taken various initiatives to simplify and digitise end-to-end processes. It has undertaken sourcing through e-sign, paperless sourcing etc. This has resulted in real time processing, cost saves, efficiencies and customer satisfaction. Moreover, this model has helped in managing high volumes without much stress on the existing infrastructure. Card Operations unit has taken many steps to optimise cost through vendor re-negotiations and empanelment of new vendors.

As a part of robust risk management for clients, the Bank issues only Chip & PIN cards. It also started issuing cards with advanced NFC (Near Field Communication) technology which is one of the unique features of the RBL Bank Credit Card.

Further, the Bank has invested and embraced a powerful customer relationship management (CRM) system to integrate its various systems and give a 360° view of the customer to its customer service executives. CRM integrates people, processes and technology to provide users with a holistic view of all transactions and customer information, as it stores the data in a single data warehouse.



Apart from this, the Bank has upgraded its Credit Card mobile bank application to a customer friendly and intuitive interface leveraging digital technology and mobile communications. Customers can view their Credit Card statements, outstanding amount, reward points, convert transactions into EMI anytime, anywhere.

In the coming year, the Bank is focused on adding more product offering to its portfolio with improved service standards. The Bank is in the process of launching a new model of Lead Management and Onboarding system. To scale the existing operations framework, the Bank has enhanced its window of operations through shift alignments and smart outsourcing of operational activities, among others.

RBL Bank acquired more than 163,000 Credit Card customers witnessing a growth of over 132% over FY16; on the engagement front overall spends on Credit Cards increased to approximately ₹ 2403 crores in FY17, a significant growth over FY16.

During the year under review, following new co-branded products were launched:

June'16	In Jun 2016, RBL Bank launched **MoneyTap** with Fintech startup MWYNTECH to provide a unique app based credit line facility to its customers
Nov'16	**Crownit Credit Card –** A rewards card launched with Crownit platform (an engagement platform across dining/ offers/ cashback segment launched by Gold VIP technologies Pvt. Ltd), which allows card members to earn reward currency Crowns on all purchases.
Dec'16	**Icon Credit Card –** a premium lifestyle Credit Card with benefits across airport lounges, movies, concierge and a gratifying reward programme.
Jan'17	**Bajaj Finserv co-branded "SUPERCARD"** RBL Bank and Bajaj Finance launched a series of co-branded credit cards known as SuperCard for Indian customers. The first of these credit cards was launched in Q4 of FY17. The co-branded cards are targeted at people in metros and non-metros who have no credit cards. These cards have many customer-friendly features, including no-cost EMI options, easy borrowing rates, digital payment solutions and more. The cards also boast attractive value offers and deals. While this partnership will help RBL Bank strengthen its scale of operations in the rapidly growing credit cards business, it will enable Bajaj Finance, a market leader in consumer finance, to expand its EMI network. RBL Bank will use its expertise in digital and API banking technology to offer a flexible and seamless product to customers. On the other hand, Bajaj Finance will offer the co-branded cards to its sizeable base of 18 million customers, which is growing at 25-30% annually. The co-branded credit cards will be available to both existing and new customers of the NBFC.

Other updates

Touch-free digital sourcing

In continuation with the initiatives to provide enhanced user experience, RBL Bank launched touch-free sourcing of Credit Cards. It allows users to complete their Credit Card applications digitally using new age technologies like e-sign. With this RBL Bank became the 1st Credit Card issuer to have a completely digital sourcing process.

HyperCity and Crossword Co-Branded Cards

RBL Bank has signed up with HyperCity and Crossword for store co-branded cards. Sourcing for these products has started from April 2017 onwards and in FY18, these products will contribute significantly to new volume growth.

Engagement Activities

Launch of MyCard Mobile App

Credit Cards division launched MyCard Mobile app for its card members. Mobile app allows users to view their statements, make payments, set PIN for the card and other unique features like setting control on spends.

i. MyCard App received over 100K registrations within 12 months of its launch.

ii. MyCard App is now the largest cost free channel for EMI booking on Credit Card with more than 50% bookings coming through MyCard Mobile app.

XpressCash

The Bank launched Xpress Cash, a unique feature on the portfolio of Credit Cards. This product saw acceptance across all product segments and is achieving better scale.

R Shield -Insurance on Credit Card

Credit Cards business launched R Shield – Insurance bundling programme on RBL Bank Credit Card. The R Shield programme is in association with multiple insurance partners presenting Cardmembers a bouquet of insurance services packaged as bundles of health, personal accident, card protection and more.

In FY18, the Credit Card unit will be focusing on driving consistent value to its customers through technology, unique easy financing options, the best-in-class mobile app and an enhanced service experience. Simultaneously, the Cards unit will drive scale with its co-branded partnerships with Bajaj Finserv, BookMyShow, HyperCity and Crossword.

During the last financial year, the Credit Cards team was focused on employee engagement programmes along with CSR activities like blood donation camps, girl child education support group and fundraisers for orphanage to name a few.

3.7 Agri Business Banking (AB)

The Bank's AB segment services the customers involved in agriculture and allied activities. The objective of this segment is to capture the banking requirements across the entire agri-value chain and create a loyal customer base by offering a complete bouquet of products and services. Under our holistic approach to serving the needs of AB customers, we offer over 60 customised products that can be divided in four groups by their purpose: (i) pre-harvest (farm finance, land development irrigation loans and farm equipment loans), (ii) post-harvest (commodity finance, warehouse finance and cold chain), (iii) agri-infrastructure (irrigation facilities and post-harvest transport) and (iv) allied loans (fisheries, dairy, poultry and investment loans), or in three groups by customers: (i) retail agribusiness, (ii) corporate agribusiness and agri-value chain and (iii) commodity business. We have deployed certain technology solutions to ensure provision of timely services to farmers and other AB customers. We have also implemented the Aadhaar-enabled "Kisan Credit Card" on the RuPay platform to ensure smooth credit disbursal and 24 hours banking for our AB customers.

Major highlights for the year were as follows:

1. Awarded the Best Bank in the Solar Pumping category from Ministry of New and Renewable Energy (MNRE).
2. Agribusiness portfolio expanded to new geographies in rural areas of Haryana, West Bengal and Western Uttar Pradesh.
3. New products introduced in the Agribusiness portfolio were solar pumping systems, solar fencing of farms, solar home solutions for farmers in the un-electrified or under-electrified areas.
4. Introduced Business Correspondent (BC) Channel for Agribusiness loans to tap the unbanked areas of India to increase the Bank's outreach and customer base.
5. MoUs were signed with various tractor, farm equipment and commercial vehicle manufactures.
6. Introduced new product variant for warehouse financing through digital platform of e-WRF/e-Mandi Schemes in association with NCDEX.



7. Introduced and implemented 'Electronic Loan Origination System' for Agribusiness Loans. This has reduced the turnaround time and enabled the Bank to offer credit in a timely manner.

3.8 Banking as a Service (BAAS)

RBL Bank launched BAAS business about 2 years ago. During the year, business has traversed significant journey and has built a wide range of digital payments and collections solutions. RBL Bank's BAAS business delivers a wide range of innovative solutions such as Payment APIs, prepaid cards, merchant acquiring, nodal accounts, AEPS, APBS etc. The BAAS team is focused on creating industry specific solutions which help solve real issues faced by businesses today. The unit's innovative solutions have helped build several partnerships in a short span of time.

The Bank is not only the preferred partner for Fin-techs, but has also built many tie-ups with large institutions as well. Some of our innovative offerings are as follows:

3.8.1 Launch of Aadhaar Based Banking Services

During FY17, RBL Bank became the first bank in India to launch Aadhaar Payment Bridge System (APBS) for micro finance loan disbursements. The Bank rolled out the APBS for micro finance disbursements for its MFI clients, to accelerate the move towards cashless loan disbursements. RBL Bank conceptualised this idea of utilising APBS platform for this unique case, which has the potential to become a trendsetter. The APBS system can now enable all micro finance institutions (MFIs) to disburse loan amounts directly through RBL Bank just using Aadhaar number.

During the year, the Bank launched Aadhaar Enabled Payment Services (AEPS) that empowers its customers to use Aadhaar number to access banking services. Customers can get services like withdrawal, deposit remittances and enquiry details that are intra-bank or interbank through business correspondent branches or Citizen Service points. The service will open doors for new source of revenue for the Bank and help support financial inclusion through business correspondent points at remote locations across the country.

3.8.2 Launch of Prepaid Cards for Micro Finance Loan Disbursement

The Bank is providing microcredit lines to its clients through its business correspondence network and provides door-step delivery of financial services. Group-based lending is most prevalent among MFIs targeting the poorer sections of the community. The Bank offers loans under joint liability group (JLG) and self-help groups (SHG) model to women for income generation activities, which reduces risk through joint-liability and guarantee arrangements within the groups. The Bank believes that the best way to reach rural customers in remote locations is to make banking a convenient and affordable exercise. The Bank's business correspondent network is set up in a hub-and-spoke framework, with RBL Bank branch being the hub and the business correspondent outlets in rural India being the spokes.

The Bank has invested in robust technology platform and innovations which are critical for scale and last mile delivery. RBL Bank is the only Bank, having dedicated Core Banking Software for its Financial Institution (FI) clients from the very first day of its operations. RBL Bank has evolved as one of the significant players in the FI space by offering diversified liability and asset products to the target segment.

Post demonetisation, the way forward is to go cashless for disbursement and collection of micro loans. For this, the Bank launched pre-paid card based solution in partnership

with a fin-tech company for loan disbursements to its microloan clients. These cards can be used to withdraw cash from ATMs and at point of sale (POS) terminals. This allows clients to manage their loan money efficiently. The introduction of pre-paid cards has solved the operational issues of handling cash and has improved efficacy in terms of quick and hassle free delivery of micro-credit.

3.9 Development Banking & Financial Inclusion (DB&FI)

The Bank's DB&FI segment provides financial services to developing and rural parts of India, which have generally not had access to financial products and services. The products include credit facilities to individuals, groups and small businesses, programmed savings, and life, health and general insurance products. This unit also provides finance to women borrowers with a view to achieve financial inclusion for women and a progressive social change. Women borrowers individually or in groups tend to display superior credit behavior. Typically, most of its DB&FI customers begin experiencing banking services through credit and remittance products before moving up the chain of value added services and more sophisticated products. This unit also lends to financial intermediaries such as MFIs, affordable housing finance companies and NBFCs engaged in lending to MSMEs.

The DB&FI unit is focused on building a local level financial ecosystem at a village or ward level either through one of our branches or through group-based banking, business correspondent branches or branchless channels such as Customer Service Points. Our group-based banking targets low-income households and certain other categories of customers such as women borrowers and small farmers and uses a group approach with such customers through joint liability groups and self-help groups. To service this Mass Banking sector we are looking to provide our customers with:

- Availability of suitable products customised to their needs;
- Ease of access to our services, including simplified documentation and processes as well as convenience through simplified technology;
- Availability of our services outside of normal banking hours and at doorstep; and
- Awareness of their customer rights and choices.

This unit entered into partnerships in rural India to extend its branch reach to its DB&FI customers. For example, the unit entered into exclusive partnership agreements with select business correspondents in relation to its Mass Banking to establish transaction points and provide remittance services. The unit is selecting partners with strong local relationships that can benefit from its product offering, technology and distribution network. Each partnership is tethered to at least one Bank branch and helps the Bank extend its coverage area beyond the traditional branch service area. Through this process, partners use the Bank's branding to offer banking services to their relationships and works together to cross sell new products and expand these relationships. In co-operation with its partners, this unit has established over 40,000 CSPs (Customer Service Points) to enable migrant remittances, receipt of government subsidies and Aadhaar-based banking transactions. It also issues Aadhaar-enabled RuPay debit cards and have established a financial literacy program called "Saksham". In addition, the DB&FI segment is developing micro payment and branchless banking capabilities and soon will be deploying micro-ATMs (new handheld tablets).

Major highlights of the year were as follows:

1. Direct Microfinance/Financial Inclusion (FI) business has crossed ₹ 2000 crores in loan advances and it is growing using technology and new product offerings. Tab-banking and m-ATM has enabled it to achieve door-step banking in rural hinterlands.

2. MSME business has crossed ₹ 300 crores in loan advances and is growing via the direct channel and business correspondent model with partnerships increasing to 6 BCs in FY17.

3. Consumer Durable Loans for Financial Inclusion clients was launched, through the business correspondent channel as a pilot programme. This loan will help FI clients to purchase white goods at their doorstep with ease of payment.

4. Individual business loan 'Ratna Samruddhi' was launched in Financial Inclusion segment using direct channel to help economically active entrepreneurial customers generate income through business. The loan size is dependent on the cash flow and working capital requirement of the activity.

5. Digital initiatives like Tab-banking has brought efficiency and paperless processing using E-KYC based authentication, disbursement and collection.

3.10 Retail Lending

FY17 was a growth phase for the Retail Assets business which saw Retail Assets (excluding cards) cross ₹ 4200 crores in loan advances contributing close to 18% of the Bank's asset book.

The Retail Assets business has expanded its geographical footprint to 13 states and 2 Union Territories reaching out to over 50 locations using hub and spoke model.

Improving productivity of existing teams, opening up digital channels of sourcing, deepening relationship with channel partners were a few key drivers for the business.

During the year, under review several new products and services such as rental income programme, unsecured small business loans, were launched keeping in mind the market appetite for this product. The Retails Assets unit also took digital initiatives in partnership with Fin-techs. This covered lending products for financing purchases by traders from large format wholesalers, online business and personal loans.

3.11 Treasury and Financial Markets Operations

The Bank's treasury operation is its interface with the financial markets and consists primarily of advising corporate, institutional and commercial banking clients on domestic and cross-border transactions and risk management of exposures in relation to the clients' balance sheets. In addition, this segment also manages our cash and statutory reserves, asset-liability gaps, interest rate and exchange rate risks, liquidity positions, investment and trading activities, money market, foreign exchange activities and derivative transactions. Our treasury team provides coverage through our centralized dealing room in Mumbai supported by sales staff in our Delhi, Chennai, Bengaluru and Kolkata branches. Our treasury and financial markets operations segment focuses on day-to-day fund management and asset liability management ("ALM"), interest rate risk and exchange rate risks, augmentation of counter-party lines from banks, mutual funds and insurance companies, effective management of cash and statutory reserves requirements, deployment of our Bank's liquidity in high quality earning securities and managing our interface with professional interbank market.

Our foreign exchange & derivative sales unit within the treasury and financial markets segment advises corporate, institutional and commercial banking customers on risk management covering foreign exchange and the interest rate risk. Our advisory services include domestic and cross-border transaction flow and risk management of related exposure on clients' balance sheets. Services provided by our foreign exchange and derivative sales teams increased the mindshare amongst large and medium companies and institutional customers and led to an increase in customer volumes.

3.11.1 Domestic Markets

The Treasury division continued to perform exceedingly well during the year. The focus of the division is day-to-day management of funds for the Bank; Asset Liability Management; complying with the Cash and Statutory Reserves requirements; deployment of the Bank's liquidity in high quality earning securities, maximising the Bank's revenue by taking proprietary positions (in rates and currency trading) and managing the Bank's interface with the professional interbank market while advising clients on debt capital markets, foreign exchange and derivatives solutions.

3.11.2 Securities Trading

The Bank has a proprietary desk dealing in interest rates trading through Government Bonds, Corporate Bonds and Interest Rate Futures and Swaps. FY17 was an eventful year with Brexit, Demonetisation, formation of Monetary

Policy Committee, change of Presidency in USA and consequent volatile markets.

RBI lowered the benchmark rates by 50 bps and changed the stance from accommodative to neutral during Q4 FY17, thereby pushing the yields higher by 50 to 75 bps from the lows seen during demonetisation period levels. The Bank's proprietary trading desk took maximum advantage of the volatility in fixed income markets, putting proprietary positions at appropriate levels, which led to healthy trading profits for the Bank. The investment portfolio was hedged appropriately (using Interest Rate Futures market) for any adverse interest rate movements. The investment portfolio was also ramped up with focus on quality and liquidity.

3.11.3 Liquidity Management

The Bank continues to maintain sufficient liquidity and contingency buffer in the wake of volatile markets. Through the year, domestic liquidity saw large volatility owing to neutral liquidity stance adopted by RBI at the start of fiscal and spike in liquidity post demonetisation.

Events like temporary increase in CRR also posed challenges which the Bank was able to successfully overcome. Additional regulatory requirements - Liquidity Coverage Ratio (LCR) - and anticipation of the stringent liquidity management framework of Basel III has led the Bank to strengthen and diversify its liquidity profile. Through a mix of foreign currency borrowings and rupee borrowing in the form of refinance from various financial institutions the bank aims to achieve this. Refinance forms are an important part of the Bank's borrowing profile, offering the twin advantage of lower costs and stable long-term financing.

The liquidity and resource mobilisation strategy continued to yield significant cost reduction in the Bank's sources of funds with an optimal mix of term deposits, market borrowings (in domestic and foreign currency) and refinance. The Bank has continued the use of derivatives to hedge the interest rate risk associated with assets and liabilities.



3.11.4 Foreign Exchange, Derivative and Bullion Business

For the foreign exchange derivative and bullion business, the Bank acquired new customers across geographies and achieved significant growth revenue volumes in the foreign exchange merchant business. Besides, trading operations in foreign exchange markets contributed to the revenue. Revenues were well distributed across business segments i.e wholesale banking and non-wholesale banking.

FY17 recorded 60% growth in the revenues from foreign exchange, derivative and bullion business over the previous financial year.

Moreover, the Bank provides structured risk management solutions and advisory services to its wholesale banking clients using various INR, foreign exchange and derivative products, which are used to hedge their market risks.

The Bank had implemented a system for servicing bullion clients. The system supports gold consignment business, delivery of bullion to distributors on unfixed, loan or outright basis, forward trading with distributors, margining of customer position. This is new revenue stream for the bank. The Bank has a well laid-out set of Operational Policy guidelines, Risk Management Policies, including Client Suitability Policy and appropriate systems support to monitor transactions and risk on real-time basis.

3.11.5 Debt Capital Markets

The Debt Capital Markets division continued to make inroads with existing as well as new clients including first time issuers by offering fixed income products ranging from vanilla corporate bonds and commercial paper to structured debt solutions, across tenors and across the rating scale. The desk was well-positioned to take advantage of easy liquidity conditions and benign interest rate environment prevailing for most of the year. The desk worked closely with Asset Managers and other investors to understand their requirement, both reverse origination of transactions as well as for sell-down of underwritten positions. The desk utilised the available incremental capital judiciously for underwriting mandates.

Loans business saw a pickup with falling interest rates and opportunity for fresh capex and refinancing transactions across infrastructure, real estate, renewable energy and other sectors. RBL Bank had the opportunity to step into the gap left by some traditional lenders and syndicators who retreated from this space. The desk increased the engagement with both large cap and mid cap borrowers, for mandates ranging from syndicating working capital management to handling term loans. Among various transactions, RBL Bank led a large marquee syndication mandate working with top lenders for key infrastructure projects in Mumbai. All syndication mandates run by the desk had significant cross-sell in terms of Foreign Exchange flow, Current Account floats, Trade Finance business, and so on.

4. Financial Overview

As one of India's fastest growing scheduled commercial banks in the private sector, the Bank continued to gain momentum and recorded a strong performance in FY17. The Bank focused on enhancing business across its branches and coverage network, while widening its product and service offerings. During the year, the Bank continued to improve and refine its operating and risk management frameworks with a view to build a solid, scalable institutionalised banking franchise. The Bank performed with a long term focus on mass banking, including financial inclusion. It recorded commendable financial numbers during the year under review as tabulated in the Directors' Report.

4.1 Deposits and Borrowings

The Bank has continued to display healthy and robust growth in deposits for the year ended March 31, 2017. The total deposits of the Bank increased by 42.05% to ₹ 34,588.09 crore against ₹ 24,348.65 crores in the previous year. Led by differentiated interest rate strategy, savings account deposits increased by 118.90% to ₹ 3,848.65 crores against ₹ 1,758.21 crores last year, while Current Account deposits increased by 35.06% to ₹ 3,754.08 crores against ₹ 2,779.64 crores last year. The proportion of current and savings deposits to total deposits was at 21.98% as on March 31, 2017, although the interest rate environment was not conducive for growth of current and savings account deposits. The Bank's endeavour to grow its term deposits has enabled it to display a growth of 36.22% to ₹ 26,985.36 crores against ₹ 19,810.80 crores as at March 31, 2016.

4.2 Advances

Net advances surged by 38.72%, from ₹ 21,229.08 crores in FY16 to ₹ 29,449.04 crores in FY17. The rise was driven by an all-round increase in the Bank's advances across business verticals.

4.3 Revenue and Profit Growth

The Bank's Net Total Income (defined as the sum of interest income and other income less interest expense) surged by 50.93% from ₹ 1,309.75 crores in FY16 to ₹ 1,976.80 crores in FY17. The increase was driven by growth in net interest income and other incomes. In FY17, the Bank earned a net profit of ₹ 446.05 crores as against ₹ 292.48 crores in FY16, an increase of 52.50%. Operating expenses increased from ₹ 767.34 crores in FY16 to ₹ 1,056.39 crores in FY17, mainly due to increase in employee costs, outsourcing costs, new branch establishment, depreciation, technology and branding and communication expenses.

4.4 Strategy for Ind AS implementation and update on progress

The Institute of Chartered Accountants of India (ICAI) has issued a revised set of accounting standards Indian Accounting Standards (Ind AS) which largely converges the existing Accounting Standards (AS) as issued by ICAI and further notified by Ministry of Corporate Affairs (MCA) with global accounting standards, named, International



Financial Reporting Standards (IFRS). The Ministry of Corporate Affairs (MCA), Government of India notified the Companies (Indian Accounting Standards (Ind AS)) Rules, 2015 on February 16, 2015 for adoption and outlining the roadmap for implementation of Ind AS for banking companies. For banking companies, the Reserve Bank of India (RBI) has, vide its circular dated February 11, 2016, directed the implementation of Ind AS from April 1, 2018 onwards, with comparatives for the periods beginning April 1, 2017. Ind AS will be applicable for both Standalone and Consolidated financial statements.

The implementation is divided into various stages which include understanding the Ind AS prescriptions, diagnostic analysis of differences between existing accounting policies, framework and processes and Ind AS, evaluating system changes, assessing business and financial impact as well as identifying and fulfilling the skill gaps. The entire implementation is undertaken under a project management framework with governance oversight from a Steering Committee formed for Ind AS implementation. The Steering Committee (SC) comprises Chief Financial Officer (Chairman), Head – Governance, Risks and Controls, Head - Treasury, Head – Retail Assets, Business Banking, Financial Inclusion and Cards and Head – Technology as its members and senior personnel from Finance, Risk, Technology and Treasury Operations as invitees. The Committee closely reviews progress of implementation. The Committee oversees the progress of Ind AS implementation in the Bank. The Committee also takes assistance from professional experts on the subject.

Following the above strategy, the Bank has successfully submitted Proforma Ind AS financial statements to RBI for the half-year ended September 30, 2016, along with the Proforma opening balance sheet as at April 1, 2016, as required. The Bank will follow the directions issued by RBI from time to time in this regard and incorporate the same in the Ind AS implementation project for a timely convergence.

5 Key Ratio Analysis

5.1 Profitability Ratios

Return on assets: The return on assets has increased from 1.01% in FY16 to 1.10% in FY17.

5.2 Asset Quality Ratios

Gross NPA ratio: During the FY17, gross NPA increased to 1.20% from 0.98% in FY16. The ratio of gross NPA and standard restructured assets to gross advances has increased from 1.06% to 1.27%.

Net NPA ratio: The Bank's Net NPA increased to 0.64% in FY17 as compared to 0.59% in FY16. The Bank experienced increase in NPAs mainly due to slowdown in the global trade and manufacturing, reduction in commodity prices, elongated working capital and payment cycles and uneven growth in the domestic economy. The Bank has aggressively written off or provided for NPAs to maintain a healthy net NPA position. In the backdrop of credit quality concerns across the financial sector, the Bank's continues to enjoy a robust credit quality.

5.3 Earnings Per Share Ratios

Earnings Per Share (EPS) (basic): The Bank's earning capacity increased with its EPS touching ₹ 12.59 in FY17 from ₹ 9.60 per share in FY16. This was mainly due to increase in net profit for the year.

Book value per share: Book value per share has increased to ₹ 113.07 in FY17 from ₹ 91.17 in FY16. This ratio reflects increased shareholders value in return for their investment.

6 Risk Report

The Bank is exposed to risks that are inherent to its banking business and the environment in which it operates. The goal of risk management is to ensure that the Bank understands, measures and monitors various risks and adheres strictly to the policies and procedures established to address these risks. The Bank's risk management framework covers key areas, such as capital adequacy ratio risk, credit risk, market risk, operational risk, liquidity risk, compliance risk and other risks.

6.1 Risk Management Framework

The Board of Directors at the apex level define the overall risk appetite for the Bank, which is disseminated through the Bank by way of policies, processes, limits, controls and procedures.

6.2 Risk Management Committees

The Risk Management Committee of the Board (RMCB) monitors the risk management function of the Bank. The RMCB develops risk management policies, investment policies and strategy, processes, systems and monitors the risks pertaining to portfolio, liquidity, interest rate, off-balance sheet and operational risks and regulatory and compliance issues in relation to the same. It is supported by the Product Approval Committee (PAC), the Operational Risk Management Committee (ORMC), the Management Credit Committee (MCC), Asset Liability Management Committee (ALCO), Business Operations & Technology Committee (BOT), Compliance Implementation Committee (CIC) and the Environmental & Social Risk Governance Committee (ESGC):

PAC is a cross-functional committee of senior executives to review and approve new product launches. The objective of this committee is to consider all risks in a holistic manner;

ORMC is a cross-functional committee of senior management that handles operational risk activities and exposures across the Bank;

MCC is responsible for credit approvals, credit risk, concentration risk, and implementation of credit policy and framework. MCC is assisted by the Executive Credit Committee (ECC), which plays an important role in setting portfolio quality standards. The ECC reviews portfolio underwriting standards, approves policy deviations and monitors various other portfolio quality metrics. The ECC has no financial powers. The Board Investment & Credit Committee (BICC), a board level sub-committee, is responsible for credit approvals beyond levels delegated to the MCC;

ALCO is responsible for managing market risk (including rates risk, foreign exchange risk, credit risk and equity risk), liquidity risk, interest rate risk in banking book, currency risk, funding policy and the pricing of deposits and advances.

The BOT oversees all aspects of technology across Business, Operations and Control functions.

The CIC oversees regulatory compliances.

The ESGC oversees the implementation of the Environmental and Social Risk Management System across the Bank.

6.3 Risk Management Policies

The Risk Management Policy of the Bank is based on best practices, provides a summary of its principles regarding risk-taking and risk management. To provide guidance to various departments in respect to risk management, the Bank has approved various policies such as Asset Liability Management (ALM) Policy, Commercial Credit Policy, Retail Assets Credit Policy, Investment Policy, Liquidity and Contingency Plan, FX & Derivatives Policy, Customer Suitability and Appropriateness Policy, Recovery Policy, Stress Testing Policy, KYC and AML Policy, Operational Risk Management Policy, Risk Based Internal Audit Policy, Sustainability policy, Policy on Transfer of Assets through Securitisation and Direct Assignment of Cash Flow and others. These policies prescribe various methods for risks identification, measurement, grading, monitoring, reporting, risk control and mitigation techniques and management of problem loans and credit. The policies are reviewed annually by the Board.

6.4 Risk Management System

The identification, measurement, mitigation and monitoring of potential risks in all its activities and products are done through a detailed analysis. It is then vetted by the operational level risk committees. Portfolio-level risk is assessed with the help of various portfolio analysis reports on credit, market, liquidity and interest rate risk and also risk profiling on the basis of various parameters. The same are reviewed by the Board / RMCB / Risk Committees / Senior Management on an on-going basis.

6.5 Risk and Mitigation

6.5.1 Capital Adequacy Risk

A measure of the Bank's capital, the Capital Adequacy Ratio (CAR) shows a percentage of the Bank's weightage to credit exposure. The Bank maintains a strong capital position with the capital ratios well above the thresholds defined by the regulatory authorities. Through timely capital infusion, the Bank has strengthened its Tier 1 capital structure.

6.5.2 Credit Risk

Credit risk is defined as the inability or unwillingness of the customer or counterparties to meet commitments in relation to lending, trading, hedging, settlement and other financial transactions. Credit risk can also be defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. The Bank has in place various policies viz. its Lending Policy, Recovery Policy, Policy on Credit Mitigation Techniques and Collateral Management, which facilitates management of credit risks in the Bank. It assesses the credit risk at customer, product, enterprise, geography and inter-bank levels. With these separate assessments of each area, sanctions or disbursements are made within the pre-approved parameters for small or large value. Based on the pre-evaluation methods and sanction from respective authorities, credit approvals and follow-ups are reported in time to respective authorities. The stringent credit framework helps the Bank maintain lower NPA ratios. The Bank also engages in NPA purchases. The Bank's Special Assets Group and related policy seek to ensure that they maximise the overall profitability while reducing risks associated with such purchases. The Bank has separate credit origination and appraisal processes for wholesale and retail segments. For its wholesale segment, the Bank adopts underwriting standards for different client segments based on internal risk ratings, availability of security and other risk parameters. The retail segment relies largely on standardised product programmes for credit risk assessment and approvals.

6.5.3 Market Risk

Market risk is the risk of adverse deviations of the market to market value of the trading portfolio due to market movements (interest rates, foreign exchange rates, equity prices and commodity prices). The Bank manages market risk in accordance with the board-approved Investment Policy, Market Risk Management Policy, ALM Policy, Foreign Exchange & Derivatives Policy. These policies establish a well-defined organisation structure for market risk management function and processes whereby the market risks carried by the Bank are identified, measured, monitored and controlled within the confines of its risk appetite. The market risk due to the market volatility variables is managed by active monitoring of the Board-approved limits. The Bank monitors and utilises several internal reports and research papers to identify major external risks and ensure that the risk is identified, assessed, mitigated and reported on a timely basis.

6.5.4 Liquidity Risk

Liquidity risk arises out of maturity mismatch between its assets and liabilities. The Bank has developed a comprehensive ALM policy that incorporates RBI guidelines. The policy, inter alia, provides for adoption of certain key liquidity ratios used by the RBI, while undertaking liquidity appraisal for the purpose of supervisory ratings of banks. The Bank manages liquidity risk through traditional gap analysis based on the residual maturity / behavioural pattern of assets and liabilities as prescribed by the RBI. The Bank also monitors mismatches using a duration gap analysis. It monitors prudential (tolerance) limits set for different residual maturity time buckets, large deposits and loans, various liquidity ratios for efficient ALM. The Bank has also put in place a mechanism of short term dynamic liquidity and contingency plan as a part of liquidity risk management. Contingency Funding Plan (CFP), approved by the Board, sets forth a process of dealing with crisis situations in the event of liquidity crunch or a run on the Bank.

6.5.5 Compliance Risk

The risks of legal or regulatory sanctions, which oversee the operational functionality of the Bank, fall under the compliance risk. Compliance is at the core of the Bank's culture and is a key component of risk management discipline. The various regulatory authorities provide a detailed blueprint that defines the Bank's roles and responsibilities. The independent Compliance function takes care of the regulatory requirement, enabling smooth operations. The Bank has also adopted a code for prevention of insider trading, which is applicable to its Board members and employees, as well as their dependent family members. Under supervision of the Managing Director and CEO, the Company Secretary is tasked with setting forth policies and procedures and monitoring compliance with the rules related to the disclosure of price sensitive information.

6.5.6 Sustainability/Environment & Social Risk Management

RBL Bank has made a strategic commitment towards Sustainable Development, with the Board defining the broad objectives and framework. The framework is implemented and overseen by the Environmental and Social Risk Governance (ESG) Committee. The ESG Committee provides periodic updates to the Board with respect to activities conducted under this framework.

RBL Bank is one of the few banks in India to have successfully integrated this framework into its business practices including risk management practices. The objectives of the framework are as follows:

- Setting strategic E&S objectives, such as offering new products that address E&S Sustainability.
- Incorporating E&S Risk considerations into all financing activities and building client awareness on this subject.
- Excluding financing clients whose business activities do not meet the Bank's principles. The Bank has adopted the IFC Exclusion List.
- Communicating E&S expectations to all staff, clients and other external stakeholders.
- Committing to improving the overall E&S performance of its portfolio through enhanced risk management;
- Committing to continually build capacity of Bank's staff to identify E&S risks.
- Development and delivery of financial products and services that enable more sustainable agricultural practices and results in resource conservation/ enhancement of resource efficiency.
- Running financial inclusion programme for marginalised, economically weaker and business-wise less attractive sections in various states.

Managing Environmental & Social (E&S) Risk forms an integral part of this framework. This involves performing E&S due diligence as part of the credit appraisal and sanction process.

All transactions are screened against the "Exclusion List". An illustrative list of activities which the Bank does not fund include – Production or trade in weapons and munitions; Production or trade in alcoholic beverages excluding beer and wine; Production or trade in tobacco; Activities of gambling, casinos and equivalent enterprises; etc.

The transactions are then screened for E&S Risks. This begins by risk categorisation based on inherent risks associated with the business activities of a client. It may be noted that several factors influence the categorisation - including scale, location, sensitivity and magnitude of impacts.

Additionally, the Bank engages with the client to perform a detailed E&S due-diligence, to identify assess and mitigate

potential risks, including impact to climate change. This is performed by way of discussions with the client and/ or visits to clients' operating sites. In case material unmitigated risks are identified, the Bank requires the client to mitigate the same in a time bound matter through a Corrective Action Plan (CAP), which are discussed and agreed with the client. These are also incorporated into the legal documentation with the client. The CAPs are tracked and monitored by the Bank.

The Bank has a dedicated E&S expert group, within the Risk team, which provides the necessary tools and templates to assist the transaction teams in performing E&S due-diligence. The group also reviews the E&S due-diligence reports prepared by transaction teams for quality standards. The group provides updates on E&S Risks to Senior Management and Board at periodic intervals.

7 New Capital Adequacy Framework (Basel III)

7.1 Regulatory capital assessment

The Bank is subjected to Capital Adequacy guidelines stipulated by Reserve Bank of India (RBI). In line with RBI guidelines under Basel III, the Bank has adopted Standardised Approach for Credit Risk, Standardised Duration Approach for Market Risk and Basic Indicator Approach for Operational Risk while computing its Capital Adequacy Ratio (CAR).

As per capital adequacy guidelines under Basel III, by March 31, 2019 the Bank is required to maintain a minimum CAR of 9% {11.5% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier I (CET I) CAR of 5.5% {8% including CCB}. These guidelines on Basel III are to be implemented in a phased manner. The minimum CAR required to be maintained by the Bank for the year ended March 31, 2017 is 9% {10.25% including CCB} with minimum CET I of 5.5% {6.75% including CCB}.

As on March 31, 2017, total CAR of the Bank stood at 13.72%, well above regulatory minimum requirement of 10.25% (including CCB). Tier I ratio of the Bank stood at 11.39% and CET I ratio at 11.39%.

7.2 Assessment of adequacy of capital to support current and future activities

The Bank has a comprehensive Internal Capital Adequacy Assessment Process (ICAAP), which is approved by the Board of Directors (Board). Under ICAAP, the Bank determines adequacy of capital to meet regulatory norms, current and future business needs, including stress scenarios. ICAAP evaluates and documents all risks and substantiates appropriate capital allocation for risks identified under Pillar 1 (i.e. Credit, Market and Operational Risk) as well as Pillar 2.

ICAAP enables the Bank to ensure the adequacy of capital to take care of the future business growth and various other risks that the Bank is exposed to. Under this, the minimum capital required is maintained on a continuous basis and at the times of changing economic conditions/ economic recession. The Bank takes into account both quantifiable and non-quantifiable risks while assessing capital requirements. The Bank considers the following risks as material and has considered these while assessing and planning its capital requirements:

- Credit Risk
- Market Risk
- Operational Risk
- Interest Rate Risk
- Liquidity Risk
- Credit Concentration Risk
- Business Risk
- Strategic Risk
- Compliance Risk
- Reputation Risk



- Technology Risk
- Model Risk

The Bank has also implemented a Board-approved Stress Testing Framework. This involves the use of various techniques to assess the Bank's vulnerability to plausible but extreme stress events. The stress tests cover assessment of credit risk, market risk, operational risk, liquidity risk as well as interest rate risk under assumed 'stress' scenarios. Tolerance limits have also been defined for these stress tests. The stress tests are used in conjunction with the Bank's business plans for capital planning in ICAAP. They are performed at periodic intervals and results are reported to the Board.

As per the Bank's assessment, it believes that its current robust capital adequacy position, adequate headroom available to raise capital, demonstrated track record for raising capital and adequate flexibility in the balance sheet structure and business model enables the capital position of the Bank to remain robust.

8 Technology

The technology unit of the Bank aims to deliver reliable and innovative solutions and services needed to fulfil the Bank's mission to be at the digital forefront, to deliver quality solutions in an agile manner - on target, on time and in a cost-efficient manner.

To achieve this, the technology team provides best-in-class technology and application platform to the Bank's customers. These platforms are resilient to failures, secure and flexible to adapt innovative approaches and new technologies. Apart from this, the team also aligns with business needs to provide effective and timely solutions to business problems and help launch industry-first products.

Major highlights for the year were as follows:

1. **IBA Award 2016**
   RBL Bank has been bestowed with the honour of being 'Best Payments Initiatives' Bank in the small-sized banks segment by Indian Banking Association for the year 2016.

2. **RBL Bank Hackathon**
   Hackathon is a solution development programme aimed at fostering the creation of new solutions in banking and financial services. The Open Innovation theme of RBL Bank Hackathon will cover information dissemination and customer acquisition with better and personalized services within the banking ecosystem.

   Participants were invited to envision a new solution and use the diverse set of Financial Services APIs available from various forums including RBL Bank, to create innovative viable financial solutions. The solution that surpasses the currently available solutions in the market and gives a superior intuitive experience to the end user will compete for the top prizes in the grand finale.

   The program was opened for registration on 12 April 2017. We have received over 300 registrations from developers, students, Start-ups and even from established IT companies out of which we have shortlisted 75 teams to submit the prototype for selection days. First selection day will be held at Bangalore on 15th July and second on 18th July in Mumbai. Top 10 participants will then get an opportunity to showcase the product /service at the grand demo day held on 22nd July in Mumbai.

   The program has recently completed the 3rd milestone where over 60 teams have submitted the

prototypes. On 6th July we will be announcing the final selection.

9 Change Management And Service Delivery

At RBL Bank, customer is at the 'heart' of everything we do. The willingness to go an extra mile for customers and realise their aspirations transcends into the Bank's philosophy of 'Service Beyond Excellence'. The Customer Service team aligns with cross functional departments to provide best-in-class service delivery for its clients. The unit has created frameworks for knowledge sharing and process documentation to strengthen procedural controls. In the last year, the Bank has placed 'Service Health' to be of paramount importance by conducting regular audits to deliver a delightful experience to its customer.

10 Human Resources (HR) and CSR

10.1 Human Resources

As the Bank embarks on its next milestone of Vision 2020, employees are the critical and enabling pillar to translate this vision into reality. The Bank is focused on building an organisation, which continuously innovates, nurtures and develops its people. It aims to provide them with a great workplace environment, which supports and enables each employee to realise his or her full potential. There are several initiatives taken by the Bank in the human resource space. Some of these are: promoting knowledge and building a rich cadre of talent from the bottom up via launch of 'RBL Manipal' Academy of Banking Excellence. The Bank is also running leadership programmes at different levels of the organisation for identifying and nurturing future leaders of the organisation. The Bank provides learning platforms through in-room as well as electronic delivery. Recognising the Bank's achievement in the human resource space, the Bank was awarded the prestigious CNBC Asia's India Talent Management Award for FY17.

10.2 Corporate Social Responsibility (CSR)

Our philosophy is to undertake socially useful programs for welfare and sustainable development of the community at large. We believe in working for the benefit of different segments of society and, in particular, in taking care of deprived, underprivileged persons and persons with limited abilities. Our initiatives include those aimed at promoting



education, preventive healthcare, women empowerment and sustainable livelihood.

We have a CSR Committee of the Board for spearheading our CSR efforts supported by an executive Steering Committee and the working committees. The key objectives of our CSR policy include operating our business in an economically, socially and environmentally sustainable manner by taking up projects that benefit communities at large and thus generate goodwill for our Bank as a positive and socially responsible corporate entity.

CSR Vision - To be the most admired, compassionate and respected organization delivering value to all stakeholders through equitable and inclusive growth.

CSR Mission - We will deliver and promote inclusive growth in the country through various focused initiatives in promoting education, preventive healthcare, women empowerment and sustainable livelihood to catalyse growth and reduce social inequalities.

As a part of our CSR policy we support the issues related to Preventing Healthcare, Promoting Education, Women Empowerment and Sustainable Livelihood which are our 4 pillars.

Healthcare:

1. **Retinopathy (among diabetics) –** Understanding the need of the hour to spread mass awareness and screening of the susceptible population for Diabetic Retinopathy, we have partnered with Aditya Jyot Foundation – an NGO working in this space to spread awareness and screen the urban susceptible population in various parts of Mumbai and have adopted an eye care centre for the same.

2. **Retinoblastoma (eye cancer among children) -** Eye cancer or Retinoblastoma is a life threatening disease that affects children. Every day, 4 children with this disease are diagnosed in India of which at least one dies. Understanding this need we have partnered with Iksha Foundation - the ONLY of its kind of NGO in India that works towards spreading awareness and ensuring that the children afflicted with this disease belonging to the less privileged section of the society receive proper and timely treatment.

Education:

1. **Girl Child Education –** RBL Bank in association with IIMPACT has pledged to support the primary education program of 1000 out-of-school girls in selected 30 learning centres in Sheopur district, Madhya Pradesh and Mewat district, Haryana thereby, taking a step towards creating empowered communities.

   Udbhav School - caters to about 641 poor children – the average family income of the students (at the point of entry into our school is ₹ 3521 per month. With a nominal fee of ₹100 to 150 per month (fee varies from lower to higher classes), books and uniform are provided to the children at concessional/subsidised rates. There are about 28 teachers at an average of 23 students per teacher. This high teacher-student ratio reflects the school's commitment to provide quality education. The school was renamed as "Udbhav School" by IIMAAA charitable trust. Therefore, the Udbhav management is committed to providing the Udbhav children opportunities and education for their all- round growth and development.

   A predominant 56% of our children are girls.

   Most of our children belong to the backward classes.

   A large fundraiser – Cyclothon from Mumbai to Hyderabad enroute RBL Bank branches was organised to raise awareness for Girl Child education. The event was well participated where more than 500 employees volunteered by cycling and raising funds for the cause in which 11 RBL Bank employees cycled the entire 1000 kilometres.

2. **Skill Development -** Unemployment being one of the greatest hurdles in the economic development of our country, we in association with YUVA are committed towards supporting the skill based education of adolescent youths. Prashanti Bala Mandir Trust and Udbhav School are supporting the primary education of the children in the rural areas of Bangalore and urban slums of Hyderabad. We adopted the UDAAN initiative to create corporate exposure to and train graduates and post-graduates from Jammu and Kashmir.

   The Deshpande Foundation and Deshpande Educational Trust (DF & DET) recognise the need for skilled professionals in Tier-II and Tier-III cities and address this issue by conducting skill-development programs in the evergreen sectors of banking and accounting, office management, education, IT hardware and electrical operations. These rigorous residential programs build the entrepreneurial mindset among rural and semi-urban youth and equip them with essential English language and



computer skills, enabling them to thrive in today's work environment. Every year new programs are added based on local needs. We are training 1000 rural and semi-urban youths in employment oriented skill sets over a period of three years.

Sustainable Livelihood & Women Empowerment:
Under this pillar we have pledged to support farmers working in the rural regions of Maharashtra and Gujarat to increase their yields through bee rearing. In a very unusual initiative where preserving bee's is important for conservation of ecological balance this is being done in association with an NGO called Under the Mango Tree. Partnerships have been signed up with Swadesh Foundation – where we have adopted a village in rural Maharashtra and Dilasa Foundation in Aurangabad strengthening our vision of creating sustainable communities.

A fundraiser exhibition and sale of products in association with an organisation called IDOBRO was organised in our office premises to support women entrepreneurs.The exhibition received an overwhelming response where around 1/3rd of our employees in Mumbai contributed and helped in raising funds towards the cause.

This combination of a trusted legacy and continuous innovation keeps us at the forefront. We have a competitive and commercial yet socially conscious mindset. And, most important of all, our partners keep us one step ahead with new ideas and personal commitment. We will continue to invest in our business, listen to our partners, and do things differently. And that will ensure our doors stay open to a bright, sustainable future.

11 Internal Audit And Controls

The Bank has an Internal Audit Department, which is responsible for independently evaluating adequacy of all internal controls. It is aimed at providing assurance to the Audit Committee on effectiveness of the internal control environment through examination and evaluation of adherence to processes, procedures and regulatory requirements. The Bank's Internal Audit Department recommends quality enhancement measures in operational processes to address process and control gaps based on the audit findings. It also undertakes audits of branches and business units in accordance with the risk-based audit approach, best practices and the audit plan approved by the Audit Committee. The Internal Audit Group has dedicated teams for conducting various audits including operations audit, credit audit and information systems audit. Audit resources are allocated based on an assessment of the various types of skills required for each audit.

Additionally, in line with the RBI's guidelines, the Bank follows a risk-based internal audit approach, by which each branch is risk assessed, on the basis of which the frequency of audit is determined and the branch is audited. The methodology, the risk assessment matrices and the annual audit plan is reviewed and approved by the Audit Committee. Certain activities also get covered under the Continuous Monitoring System and concurrent audit. Further, as part of the internal audit, the Bank also conducts short/surprise inspections. The results of these inspections/audits are also reviewed by the Audit Committee.

Apart from selected branches and credit inspections, concurrent audits are performed at certain branches and support functions such as centralised retail operations and general lending operations supporting wholesale banking, financial markets, trade finance, retail agri assets, credit administration units etc. The scope of concurrent audits includes verification and reporting of any non-adherence to internal controls.

11.1 Money Laundering Prevention Measure

The Bank has adopted a policy to manage compliance with regulatory requirements in relation to 'Know Your Customer' and Anti-Money Laundering (AML) measures. The Bank's Compliance Officer is responsible for ensuring acquiescence with the Prevention of Money Laundering Act, 2002 (the 'PML Act'). To further strengthen the AML controls, the Bank has implemented 'Clear' and 'Star' software replacing the earlier AML software. This new software will analyse and monitor transactions and report any suspicious patterns or customer behaviour to aid compliance with the PML Act and related RBI guidelines.

11.2 Internal Vigilance

Under the RBI's guidelines on 'Internal Vigilance set up in Private Sector and Foreign Banks', released in May 2011, the Bank has appointed a Chief Vigilance Officer to head its Internal Vigilance Department, responsible for collecting intelligence with respect to corrupt practices, investigation, referring matters to the Managing Director and Chief Executive Officer and taking other preventive steps and measures. The Bank's Vigilance Department is actively involved in both detective and preventive measures, which are essential for avoiding recurrence of frauds.

The Bank also has a strong whistle-blower policy in place, where employees are free to raise concerns about any poor or unacceptable practice or misconduct within the Bank.

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the 74th Annual Report of RBL Bank Limited ("the Bank") along with the audited standalone statement of accounts for the financial year ended March 31, 2017.

A. Financial Performance

The comparative standalone financial performance for the financial year ended March 31, 2017 (FY17) with that of March 31, 2016 (FY16) is summarized in the following table:

(₹ in crore)

Particulars	FY 17	FY 16	Change
Advances (Net)	**29,449.04**	21,229.08	38.72%
Deposits	**34,588.09**	24,348.65	42.05%
Net interest income	**1,221.33**	819.21	49.09%
Other income	**755.46**	490.54	54.01%
Net total income	**1,976.80**	1,309.75	50.93%
Operating expenses	**1,056.39**	767.34	37.67%
Provisions and contingencies	**474.36**	249.93	89.80%
Net profit	**446.05**	292.48	52.50%
Gross NPA ratio	**1.20%**	0.98%	–
Net NPA ratio	**0.64%**	0.59%	–
Capital Adequacy Ratio	**13.72%**	12.94%	–
Business per employee	**13.06**	11.77	10.98%
Business per branch	**267.94**	231.36	15.81%
Appropriations			
Transfer to Statutory Reserve	**111.60**	73.20	–
Transfer to Capital Reserve	**0.31**	1.00	–
Transfer to Revenue and Other Reserves	**250.00**	160.00	–
Dividend for the year, including tax thereon	**–***	58.68	–

* In accordance with the revised Accounting Standard - 4 'Contingencies and Events occurring after the Balance Sheet Date', the Bank has not accounted for proposed dividend of ₹ 67.54 crore and tax on dividend of ₹ 13.75 crore to be paid by the Bank, as an appropriation to profit and loss account and a corresponding liability, as at March 31, 2017. The same has been mentioned in the Notes to Accounts to the financials.

The Bank posted a net total income of ₹ 1,976.80 crore and net profit of ₹ 446.05 crore for FY17 as against a net total income of ₹ 1,309.75 crore and net profit of ₹ 292.48 crore for FY16 which is an increase of 50.93% and 52.50%, respectively over FY16.

Appropriations from net profit have been done as detailed herein above.

B. Business Update and State of Bank's Affairs

The details on state of affairs of the Bank and the business update are separately provided in Management Discussion and Analysis Report which forms an integral part of this Report.

C. Financial Disclosures

Dividend

Considering the overall performance during FY17 and the need to maintain a healthy capital adequacy ratio as well as to support the Bank's future growth, the Board of Directors have recommended, subject to approval of the members at the Annual General Meeting ("AGM"), a dividend of 18% per equity share for FY17, as against ₹ 1.50 (15%) per equity share for FY16. This dividend shall be subject to tax on dividend to be paid by the Bank.

Capital Raising

The paid up Equity Share Capital of the Bank as on financial year ended March 31, 2017 stood at ₹ 3,752,031,360/- divided into 375,203,136 equity shares of ₹ 10/- each. During FY17, the Bank had raised capital as described hereinbelow:

- The financial year 2016-17 turned out to be one of the important milestones in the corporate history of the Bank. The Bank successfully completed its Initial Public Offering (IPO) of ₹ 1,212.96 crore which received overwhelming response from the investors.

  The Public Issue of 53,909,628 Equity Shares of ₹ 10/- each of the Bank for cash at a price of ₹ 225/- per equity shares including a Share Premium of ₹ 215/- per equity share aggregating to ₹ 1,212.96 crore comprised of a Fresh Issue of 37,000,000 equity shares of the Bank aggregating to ₹ 832.50 crore and an Offer for Sale of 16,909,628 equity shares by the existing members of the Bank.

  The equity shares of Bank were listed and admitted for dealings on BSE Limited ("BSE") and National Stock Exchange Limited ("NSE") with effect from August 31, 2016.

- The Bank also raised ₹ 330 crore by issuing non-convertible, redeemable, unsecured, listed, rated, fully paid, Basel III compliant Tier II Debentures ("NCDs"). The Bank also got the existing NCDs of ₹ 400 crore listed on debt segment of BSE along with the aforesaid newly issued NCDs, post-IPO.

- The Bank also added ₹ 114.67 crore to the capital on exercise of stock options by employees.

Capital Adequacy Ratio

The Bank is well capitalised with a Capital Adequacy Ratio ("CAR") of 13.72% as on March 31, 2017. The Bank complies with the Capital Adequacy guidelines of Reserve Bank of India ("RBI") which came into effect from April 1, 2013, known as 'Basel III Guidelines'.

Net Worth

The Bank's net worth, as on March 31, 2017 is ₹ 4,242.48 crore. It comprises of paid-up equity capital of ₹ 375.20 crore and reserves of ₹ 3,867.27 crore (excluding Revaluation Reserve, Investment Reserve and Intangible assets).

D. Corporate Governance

A detailed report on Corporate Governance as envisaged under Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("Listing Regulations") is attached as Annexure I to this Report.

E. Business Responsibility Report

Pursuant to Regulation 34(2)(f) of the Listing Regulations, a Business Responsibility Report ("BRR") has to be furnished by top five hundred listed companies based on market capitalization in the format prescribed by the SEBI. Accordingly, the report describing the initiatives taken by the Bank from an environmental, social and governance perspective is presented in a separate section forming part of this Annual Report.

F. Statutory Disclosures

Extract of Annual return

As required by the provisions of Sections 92(3) and 134(3)(a) of the Companies Act, 2013 ("CA 2013") read with the rules framed thereunder, the extract of the annual return of the Bank in Form MGT-9 is attached as Annexure II to this Report.

Conservation of energy and technology absorption

The particulars to be disclosed under Section 134(3)(m) of CA 2013, relating to conservation of energy and technology absorption are not applicable to the Bank. The Bank is constantly pursuing its goal of upgrading technology to deliver quality services to its customers in a cost-effective manner.

Foreign exchange earnings and outgo

During the year ended March 31, 2017, the Bank earned ₹ 86.77 crore and spent ₹ 81.61 crore in foreign currency. This does not include foreign currency cash flows in derivatives and foreign currency exchange transactions.

Key Managerial Personnel

Mr. Vishwavir Ahuja, Managing Director & CEO; Mr. Naresh Karia, Chief Financial Officer and Mr. Vinay Tripathi, Company Secretary of the Bank are the Key Managerial Personnel (KMP) as per the provisions of CA 2013. Mr. Rajeev Ahuja who was appointed as an Executive Director of the Bank w.e.f. February 21, 2017 has also become a KMP w.e.f. the said date.

No KMP has resigned during the year under review.

Particulars of Employees

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of CA 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given below:

1. **The ratio of the remuneration of each director to the median remuneration of the employees of the bank for the financial year.**

Sr. No.	Name of the Directors	Designation	Ratio
1	Mr. Narayan Ramachandran	Non-Executive Part-time Chairman	2.78x
2	Mr. Vishwavir Ahuja	Managing Director & CEO	26.71x
3	Mr. Rajeev Ahuja	Executive Director	28.18x

2. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary of the bank for the financial year.**

Sr. No.	Name of the Directors / KMPs	Designation	% Increase
1	Mr. Narayan Ramachandran	Non-Executive Part-time Chairman	NIL
2	Mr. Vishwavir Ahuja	Managing Director & CEO	19.0%
3	Mr. Rajeev Ahuja	Executive Director	15.2%
4	Mr. Naresh Karia	Chief Financial Officer	18.0%
5	Mr. Vinay Tripathi	Company Secretary	14.5%

3. **The percentage increase in the median remuneration of employees in the financial year.**
The percentage increase in the median remuneration of employees in the financial year was 2.2%.

4. **The number of permanent employees on the rolls of bank**
The number of permanent employees on the rolls of bank, as on March 31, 2017 was 4,902.

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**
Average increase in remuneration is 11.5% for employees other than managerial personnel and 17.4% for managerial personnel (Executive Directors including Managing Director & CEO, Chief Financial Officer and Company Secretary).

It is hereby affirmed that the remuneration paid to Directors and KMPs is as per the remuneration policy of the Bank.

Notes:

i. 'x' denotes the median remuneration of the employees.

ii. The remuneration of Executive Directors is as approved by the Reserve Bank of India.

iii. Mr. Rajeev Ahuja was appointed as Executive Director (ED) effective February 21, 2017. His Salary as an ED has been annualised for the purpose of this disclosure.

iv. The remuneration of Directors is exclusive of sitting fee, wherever applicable.

The statement containing particulars of employees as required under Section 197(12) of CA 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. In terms of Section 136 of CA 2013, the same is open for inspection at the Registered Office of the Bank. A copy of this statement may be obtained by the members by writing to the Company Secretary of the Bank.

Remuneration Policy

Remuneration policy for employees

The Bank's compensation policy keeps in mind the strategy, ethos and financial performance of the Bank and market compensation trends at any given time. The Bank recognizes that talent is critical to the long-term growth and success of the Bank and it is a pre-requisite to have a compensation structure comparable with the industry.

The Bank has set out its Compensation Policy based on the concept of CTC (Cost to Company) and TEC (Total Employee Compensation), to make compensation packages for officers across all Grades, competitive enough to attract, nurture and retain high calibre professionals in the Bank and have an organization structure that reflects specialization, focus & scale.

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

The Bank strongly believes that an equity component in the compensation goes a long way in aligning the objectives of an individual with those of the Bank. The underlying philosophy of stock options is to enable the employees, present and future, to get a share in the value that they help to create for the Bank over a certain period of time.

Remuneration Policy for Directors

In terms of the provisions of CA 2013 and Listing Regulations, the Board has, on recommendation of the Human Resource & Remuneration Committee ("HRRC"), framed a compensation policy which inter alia deals with remuneration structure and criteria for selection and appointment of directors.

Remuneration of Executive Directors

The Board considers the recommendations of HRRC and approves the remuneration of Executive Directors, with or without modifications, subject to members' and regulatory approvals.

The remuneration payable to Executive Directors is subject to prior approval of the RBI. Therefore, the remuneration or any revision in remuneration to Executive Directors is payable only after receipt of the approval from RBI.

Remuneration of Chairman

The HRRC recommends the remuneration of the Chairman to the Board which is considered and approved by the Board in the same manner subject to Members' and regulatory approvals.

The remuneration payable to the Chairman is subject to prior approval of the RBI. Therefore, the remuneration or any revision in remuneration of the Chairperson is payable only after receipt of the approval from RBI.

Remuneration of Non-Executive Directors (NEDs)

The NEDs are paid sitting fees for attending each meeting of the Board of Directors or any committee thereof as approved by the Board, within the permissible limit prescribed under CA 2013, Listing Regulations and other regulatory/statutory guidelines, as amended from time to time. Any change in sitting fees shall be approved by the Board of Directors of the Bank.

The NEDs are also entitled to reimbursement of expenses for participation in the meeting of the Board and Committee thereof.

The RBI vide Circular No. DBR. No.BC.97/29.67.001/2014-15 dated June 1, 2015 issued Guidelines on Compensation of Non-executive Directors of Private Sector Banks emphasizing that in order to enable banks to attract and retain professional directors, it is essential that such directors are appropriately compensated. Also, section 197 of CA 2013 permits payment of profit based commission to the Directors who are neither Managing Directors nor Whole-time Directors not exceeding One per cent (1%) of the net profits of the company, if there is a Managing or Whole-time Director or Manager or three per cent (3%) of the net profits in any other case.

The Bank has not paid any commission on profit to NEDs in past. The Bank is now proposing to pay remuneration to NEDs (excluding the Chairman of the Bank) in the form of commission based on profit earned by the Bank, subject to approval of the members, in the ensuing Annual General Meeting. If approved by the members, the Directors will be paid commission on profit for each year commencing from April 1, 2017 upto a maximum of Rupees Ten Lakh per Director which is the maximum permitted by RBI and within the overall cap of One percent (1%) of the Net Profits of the Bank, as computed in the manner laid down in Section 198 of CA 2013.

The Bank does not grant any Stock Options to NEDs.

Whistle Blower Policy (Vigil Mechanism)

Details required to be disclosed in this regard has been provided under Corporate Governance Report attached as **Annexure I** to this Report.

Dividend Distribution Policy

The Bank has formulated a Board approved Dividend Distribution Policy. This Policy is hosted on the website of the Bank at: http://rblbank.com/pdfs/bp/Dividend-Distribution-Policy.pdf

Auditors

The members at the 73rd Annual General Meeting (AGM) of the Bank had, subject to the approval of RBI, appointed M/s. BSR & Co. LLP, Chartered Accountants (Firm Registration

No. 101248W/W-100022) as Statutory Auditors for a period of one (1) year to hold office till the conclusion of 74th AGM in connection with the audit of the accounts of the Bank for the year ending March 31, 2017. Accordingly, M/s. BSR & Co. LLP, Chartered Accountants will retire at the conclusion of the forthcoming AGM. This was their first year of appointment as Statutory Auditors of the Bank. Being eligible for re-appointment, the Board has upon recommendation of Audit Committee, proposed the appointment of BSR & Co. LLP as Statutory Auditors from the conclusion of the forthcoming AGM till the conclusion of next AGM, subject to approval of RBI.

The Statutory Auditors have confirmed their eligibility under Section 141 of CA 2013 for reappointment as Statutory Auditors of the Bank. Further as required under the relevant provision of the Listing Regulations, the Statutory Auditors had also confirmed that they had subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and they hold a valid certificate issued by the Peer Review Board of ICAI.

Pursuant to Section 204 of CA 2013, the Bank had appointed M/s. Alwyn Jay & Company, Practicing Company Secretaries, Mumbai as its Secretarial Auditors for FY2016-17. The Bank provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for the FY2016-17 is annexed to this report as Annexure III.

Employees Stock Option Plan (ESOP)
The underlying philosophy of the Bank Employee Stock Option Plan (ESOP) is to enable the present and future employees to share the value that they help to create for the Bank over a period of time. ESOP is also expected to strengthen the sense of ownership and belonging among the recipients. The ESOP has been designed and implemented in such a manner that the compensation structure goes a long way in aligning the objectives of an individual with those of the Bank. In addition, during the year the Bank continued with its plan of rewarding long-serving employees with ESOPs thus making them true partners in the Bank's growth.

More details of ESOP are given in the notes to accounts in the attached financial statements and Annexure IV to this report.

Disclosure under Section 22 of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013
The Bank has Zero tolerance towards any action on the part of any executive which may fall under the ambit of 'Sexual Harassment' at workplace and is fully committed to uphold and maintain the dignity of every woman executive working in the Bank. The Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. As a part of Anti Sexual Harassment initiatives, the Bank created a mandatory e-learning module for all the employees called "i-COMPLY Anti Sexual Harassment".

During the year ended March 31, 2017, three complaints were received by the Bank and all of them were investigated and closed.

Public Deposits
Being a banking company, the disclosures required as per Rule 8(5)(v)&(vi) of the Companies (Accounts) Rules, 2014, read with Section 73 and 74 of CA 2013 are not applicable to the Bank.

Nature of Business
The Bank has not changed its nature of business during the financial year under review.

Particulars of loans, guarantees and investments
Pursuant to Section 186(11) of CA 2013 loans made, guarantees given or securities provided or acquisition of securities by a Banking company in the ordinary course of its business are exempted from disclosure in the Annual Report.

Related Party Transactions
Details required to be disclosed in this regard has been provided under Corporate Governance Report attached as Annexure I to this Report.

Significant and material order passed by regulators or courts or tribunals impacting the going concern status and operations of the Bank
To the best of our knowledge, there are no significant/ material orders passed by the Regulators / Courts / Tribunals etc. during FY17 which would impact the going concern status of the Bank and its future operations.

Subsidiary / Associate companies
During the period under review, the Bank has increased its shareholding in Swadhaar FinServe Private Limited to 30%, thereby making it an associate company of the Bank. Other than aforesaid, no Company has become/ceased to be Subsidiary, Joint Venture or Associate of the Bank during FY17.

Risk Management Policy
The details of Risk Management Policy & its framework are separately provided in Management Discussion and Analysis Report which forms an integral part of this Report.

Qualifications in Statutory and Secretarial Audit Reports
There were no adverse observations or qualifications made by the Statutory Auditors in the Auditor's Report.

Further, there were no audit qualifications made by the Secretarial Auditor in its Report.

Adequacy of Internal Financial Controls
Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively. Further, the statutory auditors have, in compliance with the requirements of CA 2013, issued an opinion with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls details of which may be referred to in the independent auditor's report attached to the financial statements of FY17.

Material changes and commitments affecting the financial position of the Bank
There are no material changes and commitments, affecting the financial position of the Bank that have occurred between the end of the financial year of the Bank i.e. March 31, 2017 and the date of the Directors' Report i.e. May 2, 2017.

G. Other Disclosures

Code of Conduct
For a financial institution, trust is the most important asset. To this end, the Bank strives to ensure that its actions are in accordance with the highest standards of personal and professional integrity and highest level of ethical conduct. The Bank has adopted a Code of Conduct which all employees have to adhere to. The employees have to conduct duties according to the aforesaid Code and avoid even the appearance of improper behaviour. Some of the areas which are covered by the Code of Conduct are fairness of employment practices, protection of intellectual property, integrity, customer confidentiality, conflict of interest.

Bribery and Corruption
We have a responsibility both to the members and to the communities in which we do business to be transparent in all our dealings. Our Code of Conduct requires that we do not engage in bribery or corruption in any form and explicitly mentions that the Bank will not pay or procure the payment of a bribe or unlawful fee to encourage the performance of a task or one which is intended or likely to compromise the integrity of another. The Bank will not accept any payment, gift or inducement from a third party which is intended to compromise our own integrity. The Code of Conduct also includes procedures dealing with Gifts & Entertainment, Conflicts of Interest and other important matters.

Corporate Social Responsibility (CSR)
The Bank strives to proactively encourage inclusive growth and development, thereby participating towards building a sustainable future.

The Bank has a duly constituted CSR Committee of the Board consisting of majority of Independent Directors. The Bank also has the Board approved CSR Policy in place. In alignment with the CSR Mission Statement, the Bank has focused on various initiatives for FY17 as covered in the Annual Report on CSR activities detailing therein brief outline of CSR Policy, Projects undertaken, amount spent and other relevant details as furnished in Annexure V to this report.

Management Discussion and Analysis
Management Discussion and Analysis Report for the financial year under review is presented in a separate section forming part of this Annual Report.

Awards and Recognitions
The Bank was recognized as the 'Fastest Growing Small Bank' for the fifth consecutive year at the Business Today Financial Awards – KPMG. The Business Today Financial Awards considered the entire value chain to identify financial service providers - banks, insurance and mutual funds, which have performed the best in their categories.

The Bank also won the prestigious CNBC ASIA's India Talent Management Award at the CNBC-TV18 'India Business Leader Awards' during FY17 which is considered a benchmark when it comes to recognizing the top leaders in India's business ecosystem.

The Bank was selected for the Financial Services Company of the Year award at the annual VCCircle Awards which are treated as India's most coveted and the pre-eminent honours for disruptive and fast-growth business in the startup, private equity and venture capital ecosystem. The Bank also bagged two awards at the IBA Banking Technology 2017 Awards for Best IT Risk & Cyber Security Initiative and Best Payment initiative during the year under review.

The Entrepreneur of the Year (EOY) 2016 India program culminated in a grand celebratory awards banquet on 24 February 2017, wherein, our Managing Director and CEO, Mr. Vishwavir Ahuja won the prestigious Ernst & Young (EY) Entrepreneur of the Year 2016 Indian Awards in the 'Financial Services Category'.

Ratings

The Bank's Basel III Tier II Bonds have been rated "A+ hyb" by ICRA Limited (ICRA). During FY17, the outlook for the rating has been revised from stable to positive by ICRA. Instruments rated with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The Bank's Certificate of Deposits carries a rating of "A1+" by ICRA Limited which indicates the lowest short term credit risk. Further, the Bank's Fixed (Term) Deposits has been rated MAA- by ICRA Limited with a positive outlook (upgraded from stable) which stands for very low credit risk.

Know Your Customer (KYC)/Anti-Money Laundering (AML) Measures

The Bank complies with the RBI's KYC/AML guidelines. The Bank's KYC/ AML Policy is prepared in accordance with the Prevention of Money Laundering Act, 2002 and RBI/IBA (Indian Banks' Association) guidelines. Various regulatory reporting requirements, as set out by the Financial Intelligence Unit (FIU) of the Government of India, are complied with by the Bank. The Bank uses automated transaction monitoring system under supervision of centralised AML team. Further, the Bank's employees are being imparted training on KYC/AML aspects on a regular basis. Executives of the Bank also attend periodic workshops/seminars organised by FIU, RBI, IBA, Centre for Advanced Financial Research & Learning (CAFRAL) and College of Agricultural Banking (CAB), Pune to enhance their awareness in evolving KYC AML issues.

Consolidated Financial Statements

Pursuant to Section 129 of CA 2013, the Bank has prepared consolidated financial statements of the Bank and its Associate Company, Swadhaar FinServe Private Limited, in the same form and manner as that of the Bank which shall be laid before the ensuing AGM of the Bank along with the laying of the Bank's Standalone Financial Statement under sub-section (2) of Section 129.

H. Directors' Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) of CA 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

i. The applicable accounting standards have been followed in the preparation of the annual accounts for FY17 and there have been no material departures;

ii. Accounting policies have been selected and applied consistently and reasonably, and prudent judgments and estimates have been made to give a true and fair view of the Bank's state of affairs and of its profit for FY17;

iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of CA 2013 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;

iv. the annual financial statements have been prepared on a going concern basis;

v. proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

vi. systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

Acknowledgment

The Board is grateful to the Government of India, RBI, SEBI, IBA, other regulatory authorities, rating agency, financial institutions, banks and correspondents in India and abroad for their valuable and unflinching support as well as co-operation and guidance to the Bank from time to time.

The members have been the key partners in the Bank's progress. The Board of Directors appreciates their support and is grateful for the confidence that they have placed in the Board of Directors and the Bank's management.

The Bank's customers have always supported the Bank in all its endeavours. The Bank would like to take this opportunity to express sincere thanks to its valued clients and customers for their continued patronage in a year when the Bank has seen a substantial transformation.

The Bank has undertaken a number of initiatives on the technology and business front in the recent years. Successful translation of these initiatives into business and earnings growth has been primarily due to the employees of the Bank, who have embraced the philosophy of change to help the Bank emerge as a modern and customer-centric institution. We are grateful to the employees for their continued commitment and dedication towards the Bank. The Board appreciates the healthy relationship with the Officer's Association and Employee Union, which has facilitated the growth and development of the Bank and has created a positive work environment.

For and on behalf of the Board of Directors

Vishwavir Ahuja
Managing Director & CEO

D. Sivanandhan
Director

Place : Mumbai
Date : May 2, 2017

ANNEXURE I

Corporate Governance Report

The Bank's Corporate Governance Philosophy

The Bank's philosophy on corporate governance is aimed at supporting the top management to efficiently conduct its business operations and meet its obligations towards its stakeholders. The Bank is committed to transparent and merit-based organisation and ensure fairness, transparency and responsiveness in all transactions.

Constitution of the Board of Directors

The Board of Directors is constituted in accordance with the provisions of the Companies Act, 2013 (CA 2013), the Banking Regulation Act, 1949 (the BR Act, 1949), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Articles of Association of the Bank. The Board consists of eminent persons with considerable professional expertise in banking, finance and other related fields. Their experience and professional credentials have helped the Bank to gain insights for strategy formulation and direction setting for the Bank, thus adding value to its growth objectives.

The Board comprises of eleven (11) Directors of which two are Executive Directors (one of whom is Managing Director & CEO), one is Non-executive Non-Independent Director & Part-time Chairman and eight are Independent Directors.

All the Independent Directors have given the declarations that they meet the criteria of independence laid down under Section 149(6) of the CA 2013. Based on the declaration of independence provided by them and based on the applicable Reserve Bank of India's (RBI) guidelines and circulars, all aforesaid Independent Directors would qualify to be classified as Independent Directors under Section 149 of the CA 2013.

None of the Directors of the Bank were a member of more than 10 Committees or chairman of more than 5 Committees across all listed companies in which they were Directors. None of them held directorship in more than 10 Public Companies. None of the Independent Directors of the Bank served as an Independent Director in more than 7 listed companies. None of the Directors were related to any Director.

In the last year's Annual Report, the Bank had informed you that as a part of leadership development the Board of Directors of your Bank at its meeting held on March 10, 2016 had appointed Mr. Rajeev Ahuja (DIN 00003545), Head - Strategy of the Bank, as an Executive Director for a period of three years subject to the approval of members and RBI. We are pleased to inform you that the Reserve Bank of India (RBI) vide its letter dated February 17, 2017 had approved appointment of Mr. Rajeev Ahuja as an Executive Director (ED) of the Bank for a period of three years from the date of his taking charge. Accordingly, Mr. Ahuja took charge as ED w.e.f. February 21, 2017.

In terms of RBI Order dated DBR.PSBD.No.12887/16.05.004/2014-15 dated March 2, 2015, Mr. Rajesh Kumar, RBI Additional Director has ceased to be a Director of the Bank upon completion of his term on March 1, 2017.

Details of attendance of the Directors at Board Meetings, Committee Meetings and Annual General Meeting held during FY2016-17 along with the number of other Directorships and Committee membership(s)/ chairmanship(s) held by them across other listed companies, is given below:

Sr. No.	Name of Director	DIN	Category	BOD	ACRB	SRC	BICC@	AFC	CSBMC	NC	RMRC	HRRC	CRC	CSR	ISTC	WDRC	AGM	No. of other Directorships *		No. of Committee Membership/ Chairmanship across other listed companies~	
	Number of meetings held during FY 16-17			7	6	4	5	1	4	2	4	7	4	3	4	2	–	Pub. Co.	Pvt. Co.	Chairman	Member
1	Mr. Narayan Ramachandran	01873080	Non-Executive Part time Chairman	7	–	–	4	–	–	2	4	7	1	–	4	–	Y	3	6	–	1
2	Mr. Vishwavir Ahuja	00074994	Managing Director & CEO	7	–	4	5	1	4	–	4	–	4	3	4	2	Y	–	–	–	–
3	Mr. Rajeev Ahuja#	00003545	Executive Director	1	–	–	–	–	–	–	–	–	–	–	–	–	N	–	1	–	–
4	Mr. D. Sivanandhan	03607203	Independent Director	4	5	–	–	1	3	2	–	–	–	3	3	–	N	7	4	1	3
5	Mr. Girish Godbole	02960113	Independent Director	7	–	4	–	1	4	–	–	–	–	3	–	–	N	1	–	–	–
6	Mr. Ishan Raina	00151951	Independent Director	5	–	–	–	–	3	–	–	5	–	2	–	–	N	–	3	–	–
7	Mr. Jairaj Purandare	00159886	Independent Director	7	6	–	4	–	–	–	–	7	–	3	4	2	N	2	1	1	–
8	Mr. P. Sudhir Rao	00018213	Independent Director	7	–	–	3	–	–	2	3	6	0	–	3	–	N	5	7	2	1
9	Mr. Prakash Chandra	02839303	Independent Director	7	5	3	–	1	3	–	–	–	–	–	–	–	Y	–	–	–	–
10	Ms. Rama Bijapurkar	00001835	Independent Director	4	–	1	–	–	–	1	–	–	–	–	–	–	N	5	2	1	1
11	Mr. Vimal Bhandari	00001318	Independent Director	6	5	1	2	–	–	–	3	5	3	–	–	2	N	7	2	–	2
12	Mr. Rajesh Kumar^	07150687	RBI Additional Director	2	2	–	–	–	–	–	–	–	–	–	–	–	N	–	–	–	–

Appointed w.e.f. February 21, 2017 vide RBI approval dated February 17, 2017.

^ Ceased to be a Director w.e.f. March 2, 2017 in terms of RBI Order dated March 2, 2015.

* Excludes directorship held in Foreign Companies

~ Includes Membership/ Chairmanship of Audit Committee and Stakeholders Relationship Committee across all other Listed Companies

@ Board Credit Committee and Board Investment Committee was merged to form a new committee viz., Board Investment and Credit Committee, w.e.f. April 30, 2016.

Board Meetings

The Board of Directors of the Bank met seven times during FY2016-17. The maximum gap between any two Board meetings was less than one hundred and twenty days.

Details of the Meetings conducted are as under:

Members	Category	Date of Meeting	No. of Meetings
Mr. Narayan Ramachandran	Non-Executive Part-time Chairman	April 29-30, 2016 June 21, 2016	07
Mr. Vishwavir Ahuja	Managing Director & CEO	August 23, 2016	
Mr. D. Sivanandhan	Independent Director	October 19, 2016	
Mr. Girish Godbole	Independent Director	December 16-18, 2016	
Mr. Ishan Raina	Independent Director	January 20, 2017	
Mr. Jairaj Purandare	Independent Director	March 16, 2017	
Mr. Prakash Chandra	Independent Director		
Mr. P. Sudhir Rao	Independent Director		
Ms. Rama Bijapurkar	Independent Director		
Mr. Vimal Bhandari	Independent Director		
Mr. Rajeev Ahuja#	Executive Director / Whole-time Director		
Mr. Rajesh Kumar^	RBI Additional Director		

Appointed w.e.f. February 21, 2017 vide RBI approval dated February 17, 2017.

^ Ceased to be a Director w.e.f. March 2, 2017 in terms of RBI Order dated March 2, 2015.

ANNEXURE I

Committee of the Board Of Directors

The Board functions either as a full Board or through various Committees which oversee specific operational or strategic matters. The Board has constituted various such Committees of Directors to monitor the activities falling within their terms of reference.

Terms of reference, composition, date of meetings and name of members of these Committees are given below:

Sr. No.	Committee	Members	Date of Meeting	No. of Meetings
1.	Audit Committee of Board (ACB)	Mr. Jairaj Purandare - Chairman	April 29, 2016	06
		Mr. Vimal Bhandari - Alternate Chairman	August 23, 2016	
		Mr. D. Sivanandhan - Member	October 19, 2016	
		Mr. Rajesh Kumar^ - Member	November 24, 2016	
		Mr. Prakash Chandra# - Member	January 19-20, 2017	
			March 16, 2017	
	^ Ceased to be a Committee Member w.e.f. March 2, 2017 in terms of RBI Order dated March 2, 2015. # Appointed as a Committee Member w.e.f. April 30, 2016.			
2.	Stakeholders' Relations Committee (SRC)	Mr. Girish Godbole - Chairman	April 29, 2016	04
		Mr. Vishwavir Ahuja - Member	August 23, 2016	
		Mr. Vimal Bhandari* - Member	October 19, 2016	
		Mr. Prakash Chandra# - Member	January 20, 2017	
		Ms, Rama Bijapurkar# - Member		
	*Ceased to be a Committee Member w.e.f. April 30, 2016. # Appointed as a Committee Member w.e.f. April 30, 2016.			
3.	Board Investment Committee (BIC)*	Mr. Narayan Ramachandran - Chairman	April 29, 2016	01
		Mr. Vishwavir Ahuja - Member		
		Mr. P. Sudhir Rao - Member		
	* Board Investment Committee and Board Credit Committee was merged to form a new committee viz., Board Investment and Credit Committee, w.e.f. April 30, 2016.			
4.	Board Credit Committee (BCC)*	Mr. Vimal Bhandari – Chairman	April 29, 2016	01
		Mr. Vishwavir Ahuja – Member		
		Mr. Jairaj Purandare – Member		
	* Board Credit Committee and Board Investment Committee was merged to form a new committee viz., Board Investment and Credit Committee, w.e.f. April 30, 2016.			
5.	Board Investment & Credit Committee (BICC)	Mr. Narayan Ramachandran - Chairman	August 23, 2016	03
		Mr. Vishwavir Ahuja - Member	October 19, 2016	
		Mr. P. Sudhir Rao - Member	January 19, 2017	
		Mr. Vimal Bhandari - Member		
		Mr. Jairaj Purandare - Member		
	* Board Investment Committee and Board Credit Committee was merged to form a new committee viz., Board Investment and Credit Committee, w.e.f. April 30, 2016.			
6.	Anti-fraud Committee (AFC)	Mr. D. Sivanandhan - Chairman	January 19, 2017	01
		Mr. Girish Godbole - Member		
		Mr. Vishwavir Ahuja - Member		
		Mr. Prakash Chandra# - Member		
	# Appointed as a Committee Member w.e.f. April 30, 2016.			
7.	Customer Service, Branding and Marketing Committee (CSBMC)	Mr. Girish Godbole - Chairman	April 29, 2016	04
	(Earlier Name : Customer service Committee)	Mr. Vishwavir Ahuja - Member	August 23, 2016	
		Mr. D. Sivanandhan - Member	October 19, 2016	
		Mr. Prakash Chandra# - Member	January 19, 2017	
		Mr. Ishan Raina# - Member		
	# Appointed as a Committee Member w.e.f. April 30, 2016.			
8.	Nomination Committee (NC)	Mr. P. Sudhir Rao - Chairman	April 30, 2016	02
		Mr. D. Sivanandhan - Member	March 16, 2017	
		Mr. Narayan Ramachandran - Member		
		Ms. Rama Bijapurkar - Member		
9.	Risk Management Committee (RMC)	Mr. Vishwavir Ahuja - Chairman	April 30, 2016	04
		Mr. P. Sudhir Rao - Member	August 23, 2016	
		Mr. Vimal Bhandari - Member	October 19, 2016	
		Mr. Narayan Ramachandran - Member	January 19, 2017	
10.	Human Resource and Remuneration Committee (HRRC)	Mr. P. Sudhir Rao - Chairman	April 30, 2016	
		Mr. Narayan Ramachandran - Member	June 21, 2016	07
		Mr. Vimal Bhandari - Member	August 23, 2016	
		Mr. Jairaj Purandare - Member	October 19, 2016	
		Mr. Ishan Raina# - Member	December 16, 2016	
			January 19, 2017	
			March 16, 2017	
	# Appointed as a Committee Member w.e.f. April 30, 2016.			
11.	Capital Raising Committee (CRC)	Mr. Narayan Ramachandran - Chairman	August 4, 2016	04
		Mr. Vishwavir Ahuja - Member	August 9, 2016	
		Mr. Vimal Bhandari - Member	August 18, 2016	
		Mr. P. Sudhir Rao - Member	August 24, 2016	
12.	CSR Committee (CSR)	Mr. D. Sivanandhan - Chairman	April 29, 2016	03
		Mr. Jairaj Purandare - Member	August 23, 2016	
		Mr. Girish Godbole - Member	January 19, 2017	
		Mr. Vishwavir Ahuja - Member		
		Mr. Ishan Raina# - Member		
	# Appointed as a Committee Member w.e.f. April 30, 2016.			
13.	IT Strategy Committee (ITSC)	Mr. P. Sudhir Rao - Chairman	April 30, 2016	04
		Mr. D. Sivanandhan - Member	August 23, 2016	
		Mr. Narayan Ramachandran - Member	October 19, 2016	
		Mr. Jairaj Purandare - Member	January 19, 2017	
		Mr. Vishwavir Ahuja - Member		
14.	Wilful Defaulter Review Committee (WDRC)*	Mr. Vishwavir Ahuja - Chairman	November 24, 2016	02
		Mr. Jairaj Purandare - Member	January 19 2017	
		Mr. Vimal Bhandari - Member		
	* Constituted w.e.f. August 23, 2016			

ANNEXURE I

Sr. No.	Committee	Terms of Reference (as on March 31, 2017)
01	Audit Committee of Board (ACB)	i) providing direction as also overseeing the operation of the entire audit function of our Bank, including the organization, operationalization and quality control of internal audit and inspection within our Bank, financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, and follow-up on the statutory / external audit of our Bank and inspections of RBI; to also review of adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; discussion with the internal auditors of any significant findings and follow-up thereon; ii) reviewing the internal audit plan for the year and tracking its progress; iii) reviewing the inspection reports of specialized and extra-large branches and of all branches with unsatisfactory ratings; iv) reviewing the position of various inspection and audit reports and compliances namely, concurrent audit, internal inspection, information system audit of the data centre, treasury and derivatives, management audit, service branches, currency chest, FEMA audit of branches etc., as may be applicable from time to time as well as the latest position of compliance with RBI Inspection; v) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to: (a) matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3) of the Companies Act, 2013, as applicable; (b) changes, if any, in accounting policies and practices and reasons for the same; (c) major account entries involving estimates based on the exercise of judgment by management; (d) significant adjustments made in the financial statements arising out of audit findings; (e) compliance with listing and other legal requirements relating to financial statements, as applicable; (f) disclosure of any related party transactions; and (g) modified opinion(s) in the draft audit report; vi) reviewing, with the management, the quarterly financial statements before submission to the board for approval; vii) following up on: inter-branch adjustment accounts, non reconciled long outstanding entries in inter-bank accounts and nostro accounts, open items in balancing of books at various branches, periodical review of frauds, revenue leakages, status of implementation of Ghosh & Jilani committee recommendations, all other major areas of housekeeping, KYC/AML measures, violations by various functionaries, long form audit report ("LFAR") and compliance thereof, exposure to sensitive sectors – capital market and real estate, financial and risk management policies of our Bank, review of information security audit policy, loss assets classified for more than six months and where the outstanding balances are above ₹ 0.5 million and no legal action has been initiated; viii) evaluation of internal financial controls and risk management systems; ix) valuation of undertakings or assets of the company, where necessary; x) scrutiny of inter-corporate loans and investments, as applicable; xi) obtaining and reviewing half-yearly reports from the compliance officers; reviewing, with the management, the quarterly and half yearly financial statements before submission to the board for approval. xii) review and monitor the auditor's independence and performance, and effectiveness of audit process;

Sr. No.	Committee	Terms of Reference (as on March 31, 2017)
		xiii) reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), if applicable, the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, if applicable and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, if applicable, and making appropriate recommendations to the Board to take up steps in this matter; xiv) in relation to statutory audits, following up on all issues raised in the LFAR as well as interacting with the external auditors before the finalization of the annual / semi-annual financial accounts and reports and presentation to the Board; xv) reviewing any change in accounting policy and practices which may have significant bearing on financial statements and confirming that the accounting policies followed and systems used by our Bank are in compliance with accounting standards, RBI guidelines and would ensure true and fair position of accounts; xvi) reviewing capital adequacy; xvii) reviewing transactions with related parties; approval or any subsequent modification of transactions with related parties; xviii) recommending for appointment, remuneration and terms appointment of statutory auditors and other auditors of the Bank and reviewing their performance. xix) reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems; xx) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board; xxi) approval of payment to statutory auditors for any other services rendered by the statutory auditors; xxii) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; xxiii) to look into the reasons for substantial defaults in the payment to the depositors, if any, debenture holders, members (in case of non-payment of declared dividends) and creditors; xxiv) to review the functioning of the whistle blower mechanism; xxv) approval of appointment of the chief financial officer (i.e., the whole time finance director or any other person heading the finance function of discharging that function) after assessing the qualifications, experience and background etc. of the candidate; xxvi) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee. The following is to be reviewed by the Audit Committee: i) management discussion and analysis of financial conditions and results of operations; ii) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

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Sr. No.	Committee	Terms of Reference (as on March 31, 2017)
		iii) management letters/letters of internal control weakness issued by the statutory auditors;
		iv) internal audit reports relating to internal control weaknesses;
		v) the appointment, removal and terms of remuneration of the chief internal auditor, shall be subject to review by the Audit Committee;
		vi) statement of deviations:
		(a) quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR");
		(b) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI LODR.
02.	Stakeholders' Relations Committee (SRC)	i) to approve shares transfer / transmission;
		ii) to authorise / issue of original / duplicate share certificates and other relevant matters pertaining to transfer of shares of our Bank;
		iii) to allot the shares under the vested employee stock options; and
		iv) to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.
03.	Board Investment and Credit Committee (BICC)	i) To take decisions of sale / purchase of SLR and Non-SLR investment which are beyond the powers of MD & C.E.O. &/or ALCO;
		ii) To review Investment performance and market situation;
		iii) To review various Investment policies and make recommendations to the Board;
		iv) To review and approve credit proposals as defined in the Bank's Credit Policy.
04.	Anti-fraud Committee (AFC)	Major functions of the Committee would be to monitor and review all the frauds of ₹ 1 Crore and above so as to:
		i) Identify the systemic lacunae if any that facilitated perpetration of the fraud and put in place measures to plug the same;
		ii) Identify the reasons for delay in detection, if any, reporting to top management of the Bank and RBI;
		iii) Monitor progress of CBI / Police Investigation and recovery position;
		iv) Ensure that staff accountability is examined at all levels in all the cases of frauds and staff side action, if required, is completed quickly without loss of time;
		v) Review the efficacy of the remedial action taken to prevent recurrence of frauds, such as strengthening of internal controls;
		vi) Put in place other measures as may be considered relevant to strengthen preventive measures against frauds.
05.	Customer Service, Branding and Marketing Committee (CSBMC)	i) Formulation of customer service related Policies.
		ii) Disclosure / maintenance of service related Information by banks in the public domain.
		iii) Reporting submission of various items to the Board:
		a. Analysis of Customer complaints including BO complaints and complaints received by Senior Management;
		b. Annual Statement of Compliance to BCSBI;
		c. Annual survey of depositor satisfaction;
		d. Triennial audit of such services;
		e. Examining any other issues having a bearing on the quality of customer service rendered;
		f. Review & deliberate on Customer Service Standing Committee, service quality, skill gaps & aspects relating to Branch Level Service Committee.
		iv) Details of Incentives and Penalties levied by regulators for various customer service related aspects.
		v) Highlights for Charter of Customer Rights
		vi) Periodic Review of Developments around;-
		a. Marketing & branding activities of the Bank;
		b. Overall brand philosophy and media approach;
		c. Communications / public relations framework of the Bank;
		d. Reputation management framework for the bank;
		e. Framework around external awards and recognition
		f. Functioning of banks Social Media Cell
		vii) Performing any other act, duty as stipulated by the Companies Act, Reserve Bank of India, Securities & Exchange Board of India, Stock Exchanges and any other regulatory authority, as prescribed from time to time.
06.	Nomination Committee (NC)	i) pursuant to RBI circular dated June 25, 2004, accepting and scrutinizing the declarations received from the Directors regarding 'Fit & Proper' criteria for the directors of banking companies, and making references where considered necessary to the appropriate authority/persons to ensure their compliance with the requirements, including identifying persons who are qualified to become Directors and accordingly recommend to the board their appointment or removal;
		ii) formulation of criteria in accordance with applicable regulatory requirements for determining qualifications, positive attributes and independence of a Director, as applicable, and recommend to the Board a policy, relating to the remuneration of the Directors;
		iii) identifying persons who are qualified to become Directors in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

ANNEXURE I

Sr. No.	Committee	Terms of Reference (as on March 31, 2017)
		iv) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
		v) devising a policy on diversity of Board of Directors;
		vi) to decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
07.	Risk Management Committee (RMC)	i) Credit Risk Policy and strategy matters governing: a. Issuing and modifying the guidelines for Credit Risk Management System and prudential exposure/ concentration limits (borrower/ group borrower, industries, sectors etc.) in the Bank with the Board's approval; b. Updating the Board at periodic intervals with the Bank's credit risk exposure profiles – concentration risk (borrower groups/ industries/ location/ sectors), risk rating of the obligors, along with the corrective measures taken/ recommended; c. Recommending changes/ modifications in the credit policies and procedures of the Bank and ensuring that they remain in tune with the changing business conditions, regulatory requirements/ guidelines and the Bank's structure needs and risk appetite; d. Ensuring that the Credit Risk activities are managed in compliance with the Credit Policy of the Bank; e. Delegating the broad risk monitoring responsibility to the Credit Department, review the risk analysis reports from Credit Department; f. Monitoring adherence of various risk parameters by operating Departments and holding the line management more accountable for the risks under their control and the performance of the bank in that area; g. Verifying the models that are used for pricing complex products, reviewing the risk models as development takes place in the markets and also identifying new risks; h. Designing stress scenarios to measure the impact of unusual market conditions and monitor variance between the actual volatility of portfolio value and that predicted by the risk measures; i. Providing a summary of its discussions to the Board; ii) Market Risk Policy and strategy matters governing: a. Setting policies and guidelines for market risk measurement, management and reporting; b. Ensuring that market risk management processes (including people, systems, operations, limits and controls) satisfy bank's policy; c. Reviewing and approving market risk limits, including triggers or stop-losses for traded and accrual portfolios; d. Ensuring robustness of financial models, and the effectiveness of all systems used to calculate market risk; e. Appointment of qualified and competent staff; Ensuring posting of qualified and competent staff and of independent market risk manager/s, etc.;
		iii) Review Internal Capital Adequacy Assessment Process governing: a. Operational Risk position; b. Market Risk; c. Compliance, Legal, Franchise and other strategic risks; iv) Review and Recommend Risk Management Process/ systems/models/internal control system; v) Review of exception/critical items highlighted by Credit Risk Management Committee (CRMC), the Asset Liability Committee (ALCO) and other risk committees of the bank, if any.
08.	Human Resource and Remuneration Committee (HRRC)	i) to assist and advice the MD& CEO in planning for senior management build-up of our Bank so as to ensure appropriate leadership is in place for our Bank's transformation strategy, including identifying persons who may be appointed as senior management in accordance with the laid down criteria, and recommend to the Board their appointment or removal, as applicable; ii) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the key managerial personnel and other employees; iii) to evaluate and approve HR policies of our Bank; iv) to evaluate and approve various employee stock ownerships schemes that may be required from time to time to ensure that our Bank gets the rights talent and it able to retain high-performing employees etc; v) to award employee stock options to employees, whether at the time of joining or in terms of performance, including deciding the level/grade of employees for review and award; vi) to oversee the framing, review and implementation of compensation policy of our Bank on behalf of our Board; vii) to work in close co-ordination with the Risk Management Committee of our Bank, in order to achieve effective alignment between remuneration and risks; viii) to ensure that the cost/income ratio of our Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio; ix) to appoint/discontinue trustees on the board of trustees of 'The Ratnakar Bank Limited Employees Provident Fund, 'The Ratnakar Bank Limited Employees Gratuity Fund' and 'The Ratnakar Bank Limited Employees Pension Fund' and to approve operational changes in the related trust deeds and/or decide on related matters; x) to decide on grating of mandate to the Indian Bank Association for negotiating industry level wage settlements for workmen employee.
09.	Capital Raising Committee (CRC)	To assist and advise the Board from time to time on the state of the capital markets, avenues of raising additional capital for the Bank and steps that need to be taken to do the same.
10.	CSR Committee (CSR)	i) Reviewing, agreeing and establishing our Bank's CSR strategy and its implementation and ensuring that our Bank's social, environmental and economic activities are aligned together; ii) developing and recommending for acceptance by the Board, policies on all aspects of CSR including CSR issues relating to employment , health and safety, human rights, workforce diversity and inclusion, the environment, community and social investment, compliance with ethical trading and business practices and other -related matters as may be determined by the committee from time to time;

ANNEXURE I

Sr. No.	Committee	Terms of Reference (as on March 31, 2017)	
		iii)	Receiving reports and reviewing activities from executive and specialist groups managing CSR matters across our Bank's operations;
		iv)	monitoring compliance with the CSR policies and reviewing performance against agreed targets;
		v)	recommending the amount to be incurred in relation to CSR activities in accordance with the policy/strategy;
		vi)	reviewing the integration of CSR processes with our Bank's broader business risk management programme and reputation management priorities;
		vii)	considering other topics as referred to it by the Board.
11.	IT Strategy Committee (ITSC)	i)	Approve IT strategy and policy documents;
		ii)	Ensure that the management has put an effective strategic planning process in place;
		iii)	Ensure that IT strategy is indeed aligned with business strategy;
		iv)	Ensure that the IT organizational structure complements the business model and its direction;
		v)	Ascertain that management has implemented processes and practices that ensure that the IT delivers value to the business;
		vi)	Ensure IT investments represent a balance of risks and benefits and that budgets are acceptable;
		vii)	Monitor the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
		viii)	Ensure proper balance of IT investments for sustaining bank's growth;
		ix)	Become aware about exposure towards IT risks and controls and evaluating effectiveness of management's monitoring of IT risks;
		x)	Assess Senior Management's performance in implementing IT strategies;
		xi)	Issue high-level policy guidance (e.g. related to risk, funding, or sourcing tasks);
		xii)	Confirm whether IT or business architecture is to be designed, so as to derive the maximum business value from IT;
		xiii)	Oversee the aggregate funding of IT at a bank-level, and ascertaining if the management has resources to ensure the proper management of IT risks;
		xiv)	Review IT performance measurement and contribution of IT to businesses (i.e., delivering the promised value).
12.	Wilful Defaulter Identification Review Committee (WDRC)	i)	To review and confirm the decision of the Wilful Defaulter Identification Committee for classifying a borrower / promoters / directors / guarantors as Wilful Defaulters or otherwise in line with the extant RBI guidelines; and
		ii)	To review and confirm the decision of the Wilful Defaulter Identification Committee for removal of the names from the list Wilful Defaulters or otherwise as reported to RBI / Credit Information Companies.

Board Level Performance Evaluation

The Board members have carried out an annual performance evaluation of the performance of the entire Board, performance of the chairman, the directors individually as well as the evaluation of the working of its Committees as required under Section 134(3)(p) of the CA 2013 read with the rules framed thereunder.

Remuneration of Directors for FY 2016-17:

The Board has, on recommendation of the Human Resource & Remuneration Committee, framed a compensation policy which inter alia deals with remuneration structure and criteria for selection and appointment of directors.

The 'criteria for making payment to non-executive directors' of the Bank is available on the website of the Bank at www.rblbank.com under the section – "Investor Relations".

Further, the Bank did not have any pecuniary relationship or transactions with its Non-executive and/or Independent Directors during the year under review except payment of remuneration including sitting fees as disclosed in the Directors' Report.

The details of remuneration paid to the directors are as under:

a) Executive Directors including the Managing Director & CEO are being paid remuneration as recommended by the Human Resource and Remuneration Committee ("HRRC") and approved by the Board of Directors, RBI and members of the Bank. The details of remuneration of Mr. Vishwavir Ahuja, Managing Director & CEO and Mr. Rajeev Ahuja, Executive Director for FY2016-17 have been disclosed under extract of Annual Return attached as Annexure II to the Directors Report.

b) Mr. Narayan Ramachandran is the Part-time Chairman of the Bank. He is being paid remuneration as recommended by HRRC and approved by the Board of Directors, RBI and Members. The details of the remuneration including sitting fees paid to Mr. Ramachandran during FY2016-17 have been disclosed under extract of Annual Return attached as Annexure II to the Directors Report.

c) The details of sitting fees paid to the Non-executive Directors during FY2016-17 have been disclosed under extract of Annual Return attached as Annexure II to the Directors Report.

Shareholding of Non-Executive Directors

The details of holding of equity shares of the Bank by Non-Executive Directors as on March 31, 2017 are as follows:

Sr. No.	Name	No. of Shares held
1	Mr. Narayan Ramachandran	4,438,380
2	Mr. D. Sivanandhan	500
3	Mr. Girish Godbole	17,000
4	Mr. Ishan Raina	–
5	Mr. Jairaj Purandare	50,830
6	Mr. P. Sudhir Rao	500
7	Mr. Prakash Chandra	65
8	Ms. Rama Bijapurkar	–
9	Mr. Vimal Bhandari	50,000

ANNEXURE I

Code of Conduct

The Board of Directors of the Bank had laid down a Code of Conduct for all its Members and Senior Management personnel of the Bank. This Code of Conduct is uploaded on Bank's website.

The Directors and Senior Management have affirmed their compliance with the Code of Conduct for the Financial Year 2016-17. A declaration from the Managing Director and Chief Executive Officer confirming the above is annexed to this report.

Familiarisation Programme for Independent Directors

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Bank. The Bank conducts an introductory familiarisation program / presentation, when a new Independent Director comes on the Board of the Bank.

The Director is provided with the orientation documents including in particular the MOA & AOA of the Bank, Annual Reports for last three financial years, Code of Conduct for Directors, RBL Trading Code, Organization Chart, List of Directors with details, Board Committees Chart, etc. The Managing Director & CEO along with members of senior management team also has a personal discussion/presentation with the newly appointed Director.

The details of the Familiarization programme have been uploaded on the Bank's website at: http://www.rblbank.com/pdfs/fi/Familiarisation-programme-for-Independent-Directors.pdf.

Details of Investors' Complaints

Mr. Vinay Tripathi, Company Secretary of the Bank is the Compliance Officer in terms of the Listing Regulation.

The details of Investors' Complaints received during the FY2016-17 are as follows:

Particulars	No. of Complaints
Investor complaints pending as at April 1, 2016	N.A.*
Investor complaints received during the year ended on March 31, 2017	57*
Investor complaints resolved during the year ended March 31, 2017	57*
Investor complaints pending as on March 31, 2017	0

* The Bank got listed on August 31, 2016 on Stock Exchanges. The details given in the aforesaid period is for nine months i.e. starting July 1, 2016 till March 31, 2017.

Details of last three Annual General Meetings and special resolutions passed at such Annual General Meetings:

Location	Day, Date and time	Special Resolution
Residency Club, C.T.S. No. E2124, E Ward, Near Bawda Post Office, Opp. PWD Office, New Palace, Tarabai Park, Kolhapur - 416 003	Tuesday September 6, 2016 11.30 a.m.	• Issuance of Long Term Bonds / Non-Convertible Debentures on Private Placement basis • Increase in Borrowing Powers
	Thursday July 9, 2015 12.00 Noon	• Issue and Allotment of Equity Shares to the Public (Initial Public Offer) • Issuance of Long Term Bonds / Non-Convertible Debentures on Private Placement basis
	Tuesday August 26, 2014 12.00 Noon	• Increase in Borrowing Powers • Change of name of the Bank from "The Ratnakar Bank Limited" to " RBL Bank Limited"

Postal Ballot

Pursuant to Section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (the Rules), the Bank had passed the resolution approving **'Issue and Allotment of Equity Shares to the Public (Initial Public Offer)'** through postal ballot.

In compliance with the provisions of Section 108, Section 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Rules, the Bank had offered e-voting facility to all its Members as an alternate mode to exercise their right to vote. The Bank had appointed Central Depository Services (India) Limited to conduct voting through electronic mode.

The Bank had appointed Mr. Alwyn D'Souza, Practicing Company Secretary and failing him, Mr. Jay D'Souza Practicing Company Secretary of M/s Alwyn Jay & Co., Company Secretaries, as Scrutinizer (the Scrutinizer) for conducting the postal ballot/ e-voting process in a fair and transparent manner.

The result of the postal ballot was declared on June 8, 2016. The details of voting are as under:

(i) Voted **in favour** of the resolution:

Particulars of Postal Ballot Voting	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Physical	380	30,956,225	25.336
E-voting	197	91,190,883	74.636
TOTAL	**577**	**122,147,108**	**99.972**

(ii) Voted **against** the resolution:

Particulars of Postal Ballot Voting	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Physical	4	9,920	0.008
E-voting	1	24,000	0.020
TOTAL	**5**	**33,920**	**0.028**

(iii) **Invalid** votes:

Particulars of Postal Ballot Voting	Total number of members whose votes were declared invalid	Total number of votes cast by them
Physical	43	6,440,861
E-voting	Nil	Nil
TOTAL	**43**	**6,440,861**

The aforementioned Special Resolution was passed with requisite majority by the Members.

Disclosures

A. Related Party Transactions:

All related party transactions that were entered into during FY2016-17 were on an arm's length basis and were in the ordinary course of business and accordingly, form AOC-2 is not applicable to the Bank. There are no materially significant related party transactions made by the Bank which may have a potential conflict with the interest of the Bank at large.

ANNEXURE I

The Board of Directors has formulated a policy on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and Listing Regulations. The same is displayed on the Bank's website at http://rblbank.com/pdfs/bp/Policy-on-dealing-with-Related-Party-Transactions.pdf.

B. Statutory Compliance, Penalties and Strictures:

During the last three years, there were no penalties or strictures imposed on the Bank by the Stock Exchange(s) and/or SEBI and/or any other statutory authorities on matters relating to capital market. However, the Bank has paid settlement charges of ₹ 47.60 lacs to SEBI and compounding fees of ₹ 5 lacs to the Ministry of Corporate Affairs during the period under review, in connection with certain past violations w.r.t. the issue of shares as disclosed in the Prospectus dated August 24, 2016 filed with SEBI and Registrar of Companies.

C. Whistle Blower Policy (Vigil Mechanism)

Feedback by employees/associates is increasingly becoming important to ensure better governance standards and transparency in the running of organisations. RBI has also framed a separate Protected Disclosure Scheme, wherein employees, customers, and stakeholders of any bank can lodge a complaint with RBI on the functioning of a bank.

The Bank has established a "Whistle Blower Policy" for better governance to comply with the provisions of Section 177 of the CA 2013 read with rules frame thereunder and Listing Regulations. This policy covers malpractices and events which have taken place/ suspected to have taken place involving, but not limited to:

- Abuse of authority or misappropriation or misuse of the Bank funds/assets;
- Breach of contract/ employee Code of Conduct or Rules,
- Violation of law /regulation;
- Manipulation of the Bank data/records and pilferation of confidential/ proprietary information;
- Financial or compliance irregularities, including fraud, or suspected fraud;
- Criminal offence having repercussions on the Bank or its reputation;
- Other unethical, imprudent deed/ behaviour.

Further, this policy also affords protection to whistle blower raising a genuine concern to prevent harassment or victimization and also provides for direct access to the Chairman of the Audit Committee in appropriate cases.

The aforesaid policy is available on website of the Bank www.rblbank.com.

D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Bank has complied with all mandatory requirements laid down by Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, to the extent applicable to the Bank.

As regards the discretionary requirements, the Bank has separate posts of Chairperson and Managing Director & CEO. Further, there are no audit qualifications in the Bank's financial statements or qualification or adverse remark by the Company Secretary in Practice in the Secretarial Audit Report for FY 2017.The Bank wishes to continue in the regime of unqualified financial statements as well as Secretarial Audit Report.

E. Subsidiary Companies:

The Bank does not have any subsidiary; hence, the requirement of formulating a policy for determining 'material' subsidiaries is not applicable to the Bank.

F. Disclosure of commodity price risks and commodity hedging activities:

The Bank has not undertaken any commodity price risk during FY2016-17. The Bank has undertaken all commodity transactions on back to back basis.

Means of Communication

The Bank has provided adequate and timely information to its members, inter-alia through the following means:

- The quarterly, half-yearly and annual financial results are communicated through Press Release and newspapers advertisement in prominent national and regional newspapers such as Business Standard, Lokmat etc.
- The Bank also organizes a meeting/ call with the institutional investors and financial analyst's to address their queries on the financials etc. The transcripts / presentations of the same are also uploaded on the Bank's website.
- The financial results, official news releases and presentations are also displayed on the website of the Bank www.rblbank.com.
- The Bank also publishes its Balance Sheet and Profit and Loss Account together with the Auditors' Report in newspaper(s) as required in terms of Section 31 of the Banking Regulation Act, 1949 and Rule 15 of the Banking Regulation (Companies) Rules, 1949.
- Post-listing, the Bank has promoted and administered the 'Green Initiative' proposed by the Ministry of Corporate Affairs and the Bank has been effecting the electronic delivery of Notice of Annual General Meeting and Annual Report to the members whose email ids are registered with the Bank. The Act and Rules thereunder and Listing Regulations provide for circulation of Financial Statements electronically to these members.

General Member Information

Day, Date, Time and Venue of the Annual General Meeting	Friday, August 4, 2017 at 11.30 A.M. Residency Club, C.T.S. No. E2124, E Ward, Near Bawda Post Office, Opp. PWD Office, New Palace, Tarabai Park, Kolhapur 416 003
Financial Year	April 1, 2016 to March 31, 2017
Date of Book Closure	Saturday, July 29, 2017 to Friday, August 4, 2017 (both days inclusive)
Dividend Payment Date	On or after August 10, 2017
Listing on Stock Exchanges	1. National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 2. BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 The Listing Fees for FY2017-18 have been paid to the aforesaid Stock Exchanges.

ANNEXURE I

Stock Code	BSE: 540065 NSE: RBLBANK
ISIN Number	INE976G01028
Registrar and Transfer Agents	**Link Intime India Pvt. Ltd.** C – 101, 247 Park, 1st Floor, LBS Marg, Vikhroli West, Mumbai – 400 083 Tel No. 022 – 49186270 Fax No. 022- 49186060 Email ID : rnt.helpdesk@linkintime.co.in
Share Transfer System	The Board has delegated the authority for approving transfer, transmission, etc. of the Bank's securities to MD & CEO, Head- Strategy, Chief Financial Officer and Company Secretary, any two jointly. The Bank's shares are traded under compulsory dematerialized mode. A half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges.
Dematerialization of shares and liquidity	As on March 31, 2017, the 95.79% of Share Capital of the Bank was held in the dematerialized form viz. 73.83% with NSDL and 21.96% with CDSL and 4.21% shares were being held in physical form.
Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	The Bank does not have any Outstanding GDRs / ADRs / Warrants or any other Convertible instrument as on date.
Commodity price risk or foreign exchange risk and hedging activities	The information on the Commodity price risk or foreign exchange risk and hedging activities is explained elsewhere in this report.
Plant Locations	As the Bank is engaged in the business of banking/financial services, there is no plant location.
Debenture Trustee	**IDBI Trusteeship Services Limited** Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai 400001 Contact Person: Ms. Anjalee Athalye Tel No.: 022 4080 7000 Fax No.: 022 6631 1776 **Milestone Trusteeship Services Pvt. Ltd.** 602, Hallmark Business Plaza Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital Bandra (E), Mumbai-400 051 Contact Person: Ms. Vaishali Urkude Tel No.: +91 22 67167080 Fax No.: +91 22 67167077
Address for correspondence/ Address of Compliance Officer	Mr. Vinay Tripathi, Company Secretary RBL Bank Limited One Indiabulls Centre, 6th Floor, Tower 2B, 841, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013. Phone No. : 022 – 43020600 Fax No. : 022 – 43020520 Email : investorgrievances@rblbank.com

Distribution of the shareholding as on March 31, 2017:

No. of equity Shares held	No. of Share holders	% of Share holders	No. of Shares held	% of Share-holding
1-500	148,333	89.46	12,378,098	3.30
501-1000	5,954	3.59	4,943,556	1.32
1001-2000	4,111	2.48	6,319,279	1.68
2001-3000	1,949	1.18	5,046,975	1.35
3001-4000	870	0.52	3,150,745	0.84
4001-5000	806	0.48	3,828,110	1.02
5001-10000	1,634	0.99	11,923,182	3.18
10001 & above	2,145	1.29	327,613,191	87.32
Total	**165,802**	**100.00**	**375,203,136**	**100.00**

Shareholding Pattern as on March 31, 2017:

Category	No. of shares	%
PROMOTER & PROMOTER GROUP	-	-
PUBLIC		
Mutual Funds	28,179,944	7.51
Venture Capital Funds	7,851,501	2.09
Foreign Portfolio Investors	30,134,630	8.04
Financial Institutions/ Banks	14,735,555	3.92
Bodies Corporate	31,041,185	8.27
Foreign Companies	109,141,253	29.09
Individual members holding nominal share capital up to ₹ 2 lakhs.	55,961,611	14.92
Individual members holding nominal share capital in excess of ₹ 2 lakhs.	68,555,284	18.27
Clearing Members	1,243,686	0.33
NRI	5,178,270	1.38
Others	23,180,217	6.18
Total	**375,203,136**	**100.00**

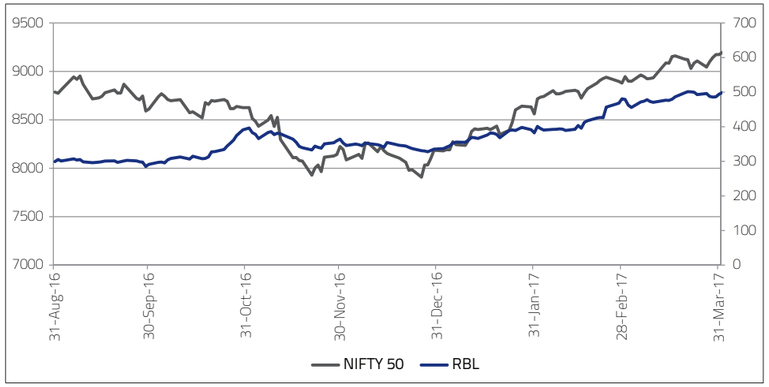
ANNEXURE I

Market Price Data: High, Low during each month in last financial year:

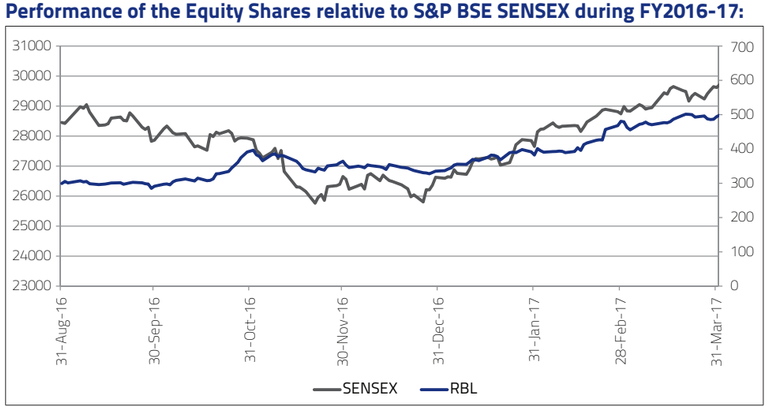
Month*	NSE			BSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
Aug 2016	305.50	274.20	79,264,509	305.00	273.70	20,477,923
Sep 2016	316.50	281.55	46,515,185	316.80	283.40	10,392,129
Oct 2016	399.50	295.00	53,100,058	399.90	295.00	11,041,164
Nov 2016	404.40	330.00	53,488,679	421.00	330.00	11,168,658
Dec 2016	367.00	325.10	21,007,265	367.50	325.65	4,135,442
Jan 2017	411.60	333.20	26,856,524	411.00	333.50	5,947,878
Feb 2017	488.00	382.20	38,162,137	487.70	382.30	7,490,073
Mar 2017	509.95	452.00	30,845,037	509.70	452.35	4,989,096

* The Equity Shares of the Bank were listed and admitted to dealing on the Exchange with effect from August 31, 2016

Performance of the Equity Shares relative to NSE Nifty Indices during FY2016-17:



Performance of the Equity Shares relative to S&P BSE SENSEX during FY2016-17:



Share Suspense Account

Details of Unclaimed shares (physical share certificates) as on March 31, 2017 are as under:

Particulars	Members	Shares
Aggregate number of members and the outstanding shares in the suspense account lying as on 1st April, 2016	152	124,430
Number of members who approached the Bank for transfer of shares from suspense account during the period 2016-17	11	5,480
Number of members to whom the shares were transferred from the suspense account during the period 2016-17	11	5,480
Aggregate number of members and the outstanding shares in the suspense account lying as on 31st March, 2017	141	118,950

The voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Compliance with the Code of Conduct and Ethics

I confirm that all Directors and members of the Senior Management have affirmed compliance with RBL Bank Code of Conduct and Ethics.

Mr. Vishwavir Ahuja
Managing Director & CEO

Place : Mumbai
Date : May 2, 2017

ANNEXURE I

CEO/CFO Certification

We, Vishwavir Ahuja, Managing Director and CEO and Mr. Naresh Karia, Chief Financial Officer of RBL Bank Limited (hereinafter "the Bank") hereby certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the Financial Year ended March 31, 2017 and that to the best of our knowledge and belief:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) these statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violative of the Bank's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Bank pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee:

  (i) significant changes in internal control over financial reporting during the year;

  (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over financial reporting.

Vishwavir Ahuja
Managing Director and CEO

Naresh Karia
Chief Financial Officer

Place : Mumbai
Date : May 2, 2017

ANNEXURE II

Extract of Annual Return

As on the financial year ended 31.03.2017

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Form No. MGT - 9

I. Registration and other details

CIN	U65191PN1943PLC007308
Registration Date	14/06/1943
Name of the Company	RBL BANK LIMITED
Category / Sub-Category of the Company	Public Company – Limited by Shares Indian Non-Government Company
Address of the Registered Office and contact details	1st Lane, Shahupuri, Kolhapur 416 001 Telephone: 0231 6650214 Fax: 0231 2657386 Email: investorgrievances@rblbank.com
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent , if any	Link Intime India Pvt. Ltd. C – 101, 247 Park, 1st Floor, LBS Marg, Vikhroli West, Mumbai – 400 083 Tel No. 022 – 49186270 Fax No. 022- 49186060 Email ID : rnt.helpdesk@linkintime.co.in

II. All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Banking	64191	100%

III. Particulars of Holding, Subsidiary and Associate Companies:

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Swadhaar Finserve Private Limited	U65990MH2007PTC175181	Associate	30%	2(6)

IV. Share Holding Pattern ("SHP") (Equity share capital breakup as % of total Equity)

(i) Category - wise Shareholding

Sr. No	Category of Members	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
[1]	**Indian**									
(a)	Individuals / Hindu Undivided Family	–	–	–	–	–	–	–	–	–

ANNEXURE II

Sr. No	Category of Members	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	Central Government / State Government(s)	–	–	–	–	–	–	–	–	–
(c)	Financial Institutions / Banks	–	–	–	–	–	–	–	–	–
(d)	Any Other (Specify)									
	Sub Total (A)(1)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[2]	**Foreign**									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	–	–	–	–	–	–	–	–	–
(b)	Government	–	–	–	–	–	–	–	–	–
(c)	Institutions	–	–	–	–	–	–	–	–	–
(d)	Foreign Portfolio Investor	–	–	–	–	–	–	–	–	–
(e)	Any Other (Specify)									
	Sub Total (A)(2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds / UTI	–	–	–	–	28,179,944	–	28,179,944	7.51	7.51
(b)	Venture Capital Funds	–	–	–	–	7,851,501	–	7,851,501	2.09	2.09
(c)	Alternate Investment Funds	–	–	–	–	–	–	–	–	–
(d)	Foreign Venture Capital Investors	–	–	–	–	–	–	–	–	–
(e)	Foreign Portfolio Investor	970,000	–	970,000	0.30	30,077,366	–	30,077,366	8.02	7.72
(f)	Financial Institutions / Banks	5,220,000	–	5,220,000	1.61	385,555	–	385,555	0.10	(1.50)
(g)	Insurance Companies	–	–	–	–	–	–	–	–	–
(h)	Provident Funds/ Pension Funds	–	–	–	–	–	–	–	–	–
(i)	Any Other (Specify)									
	Foreign Bank	14,350,000	–	14,350,000	4.42	14,350,000	–	14,350,000	3.82	(0.59)
	Sub Total (B)(1)	**20,540,000**	**–**	**20,540,000**	**6.33**	**80,844,366**	**–**	**80,844,366**	**21.55**	**15.22**
[2]	**Central Government/ State Government(s)/ President of India**									
	Central Government / State Government(s)	–	–	–	–	35,750	–	35,750	0.01	0.01
	Sub Total (B)(2)	**–**	**–**	**–**	**–**	**35,750**	**–**	**35,750**	**0.01**	**0.01**
[3]	**Non-Institutions**									
(a)	Individuals									
(i)	Individual members holding nominal share capital upto ₹ 1 lakh.	10,013,993	9,714,896	19,728,889	6.08	34,413,492	8,865,004	43,278,496	11.53	5.46
(ii)	Individual members holding nominal share capital in excess of ₹ 1 lakh	39,520,375	8,240,208	47,760,583	14.71	74,664,620	6,566,484	81,231,104	21.65	6.94
(b)	NBFCs registered with RBI	–	–	–	–	–	–	–	–	–
(c)	Employee Trusts	–	–	–	–	–	–	–	–	–
(d)	Overseas Depositories(holding DRs) (balancing figure)	–	–	–	–	–	–	–	–	–
(e)	Any Other (Specify)									
	Trusts	4,282,195	–	4,282,195	1.32	578,636	–	578,636	0.15	(1.16)
	Relatives Of Director	625,000	–	625,000	0.19	678,000	–	678,000	0.18	(0.01)
	Hindu Undivided Family	839,319	–	839,319	0.26	3,071,216	–	3,071,216	0.82	0.56
	Foreign Companies	116,977,131	–	116,977,131	36.02	109,141,253	–	109,141,253	29.09	(6.93)
	Non Resident Indians (Non Repat)	301,000	120,000	421,000	0.13	1,693,113	120,000	1,813,113	0.48	0.35
	Directors	13,578,380	500	13,578,880	4.18	18,816,115	500	18,816,615	5.02	0.83
	Non Resident Indians (Repat)	5,202,150	–	5,202,150	1.60	3,365,157	–	3,365,157	0.90	(0.71)
	Office Bearers	22,033,302	6,370	22,039,672	6.79	7,295	–	7,295	0.00	(6.79)
	Foreign Portfolio Investor (Individual)	–	–	–	–	57,264	–	57,264	0.02	0.02
	Clearing Member	–	–	–	–	1,243,686	–	1,243,686	0.33	0.33
	Bodies Corporate	72,556,001	177,310	72,733,311	22.40	30,963,875	77,310	31,041,185	8.27	(14.13)
	Sub Total (B)(3)	**285,928,846**	**18,259,284**	**304,188,130**	**93.67**	**278,693,722**	**15,629,298**	**294,323,020**	**78.44**	**(10.86)**
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	**306,468,846**	**18,259,284**	**324,728,130**	**100.00**	**359,573,838**	**15,629,298**	**375,203,136**	**100.00**	**4.37**
	Total (A)+(B)	**306,468,846**	**18,259,284**	**324,728,130**	**100.00**	**359,573,838**	**15,629,298**	**375,203,136**	**100.00**	**–**
(C)	**Non Promoter - Non Public**									
[1]	Custodian/DR Holder	–	–	–	–	–	–	–	–	–
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	–	–	–	–	–	–	–	–	–
	Total (A)+(B)+(C)	**306,468,846**	**18,259,284**	**324,728,130**	**100.00**	**359,573,838**	**15,629,298**	**375,203,136**	**100.00**	**–**

ANNEXURE II

(ii) Shareholding of Promoters - Not Applicable

(iii) Change in Promoters' Shareholding - Not Applicable

(iv) Shareholding pattern of top 10 members (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares held	% of total shares of the Company	Date of Transaction / Benpos	No. of Shares	No. of Shares held	% of total shares of the Company
1	CDC GROUP PLC	15,823,857	4.87				
	AT THE END OF THE YEAR					15,823,857	4.22
2	ASIAN DEVELOPMENT BANK	14,350,000	4.42				
	AT THE END OF THE YEAR					14,350,000	3.82
3	INTERNATIONAL FINANCE CORPORATION	12,717,250	3.92				
	AT THE END OF THE YEAR					12,717,250	3.39
4	NORWEST VENTURE PARTNERS X FII - MAURITIUS	12,515,162	3.85				
	AT THE END OF THE YEAR					12,515,162	3.34
5	CARTICA CAPITAL 2 LIMITED	11,310,000	3.48				
	AT THE END OF THE YEAR					11,310,000	3.01
6	ASIA CAPITAL FINANCIAL OPPORTUNITIES PTE LTD	10,109,475	3.11				
	AT THE END OF THE YEAR					10,109,475	2.69
7	HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	8,804,680	2.71				
	AT THE END OF THE YEAR					8,804,680	2.35
8	MOTILAL OSWAL MOST FOCUSED MULTICAP 35 FUND	–	–				
	Buy			02/09/2016	4,755,336	4,755,336	1.29
	Buy			09/09/2016	1,509,488	6,264,824	1.69
	Sell			16/09/2016	(95,000)	6,169,824	1.67
	Sell			23/09/2016	(100,000)	6,069,824	1.64
	Buy			30/09/2016	189,673	6,259,497	1.69
	Buy			07/10/2016	11,498	6,270,995	1.70
	Buy			21/10/2016	425,972	6,696,967	1.81
	Buy			28/10/2016	3,621,405	10,318,372	2.77
	Buy			04/11/2016	100,000	10,418,372	2.80
	Sell			11/11/2016	(133,652)	10,284,720	2.76
	Sell			18/11/2016	(41,001)	10,243,719	2.75
	Buy			25/11/2016	3,688	10,247,407	2.75
	Buy			02/12/2016	406,216	10,653,623	2.86
	Buy			09/12/2016	56,422	10,710,045	2.87
	Sell			23/12/2016	(47,315)	10,662,730	2.86
	Sell			30/12/2016	(150,602)	10,512,128	2.82
	Buy			06/01/2017	82,744	10,594,872	2.84
	Buy			13/01/2017	136,926	10,731,798	2.88
	Buy			20/01/2017	94,000	10,825,798	2.90
	Sell			03/02/2017	(54,272)	10,771,526	2.88
	Buy			10/02/2017	75,453	10,846,979	2.90
	Buy			17/02/2017	125,628	10,972,607	2.93
	Buy			24/02/2017	82,329	11,054,936	2.95
	Buy			03/03/2017	16,977	11,071,913	2.96
	Buy			10/03/2017	54,000	11,125,913	2.97
	Buy			24/03/2017	97,697	11,223,610	2.99
	AT THE END OF THE YEAR					11,223,610	2.99
9	GPE (INDIA) LTD	10,418,032	3.21				
	Sell			05/08/2016	(3,525,000)	6,893,032	2.07
	AT THE END OF THE YEAR					6,893,032	1.84
10	GALILEO INVESTMENTS LIMITED	11,940,000	3.68				
	Sell			05/08/2016	(1,000,000)	10,940,000	3.29
	Sell			19/08/2016	(5,000,000)	5,940,000	1.61
	AT THE END OF THE YEAR					5,940,000	1.58

Notes:

1. Top ten members of the Bank as on March 31, 2017 have been considered for the above disclosure.
2. The details of shareholding have been clubbed based on registered PAN.
3. The variation in % is due to increase in paid up share capital of the Bank on account of allotment of shares pursuant to exercise of options under ESOP & Initial Public Offerring during the year, without change in the number of shares, wherever applicable, as on March 31, 2017.

ANNEXURE II

(v) Shareholding of Directors & KMP

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total shares of the Company
DIRECTORS							
1	VISHWAVIR AHUJA	9,021,670	2.78				
	Buy (ESOP exercise)			26/10/2016	1,010,000	10,031,670	2.70
	Sell			27/10/2016	(100,000)	9,931,670	2.67
	Sell			01/02/2017 to 03/02/2017	(100,000)	9,831,670	2.63
	Sell			17/02/2017	(100,000)	9,731,670	2.60
	AT THE END OF THE YEAR					9,731,670	2.59
2	NARAYAN RAMACHANDRAN	4,438,380	1.37				
	AT THE END OF THE YEAR					4,438,380	1.18
3	RAJEEV AHUJA	4,527,050	1.39			4,527,050	1.39
	Buy (ESOP exercise)			08/06/2016	620	4,527,670	1.38
	AT THE END OF THE YEAR					4,527,670	1.21
4	JAIRAJ PURANDARE	50,830	0.02				
	AT THE END OF THE YEAR					50,830	0.01
5	VIMAL BHANDARI	50,000	0.02				
	AT THE END OF THE YEAR					50,000	0.01
6	GIRISH VASANT GODBOLE	17,000	0.01				
	AT THE END OF THE YEAR					17,000	0.00
7	D. SHIVANANDAN	500	0.00				
	AT THE END OF THE YEAR					500	0.00
8	PRAKASH CHANDRA	–	–			–	–
	Buy (Allotment under IPO)			29/08/2016	65		
	AT THE END OF THE YEAR					65	0.00
9	P. SUDHIR RAO	500	0.00				
	AT THE END OF THE YEAR					500	0.00
KMPs							
12	NARESH KARIA	390,490	0.12				
	Buy (ESOP exercise)			22/07/2016	163,240	553,730	0.17
	Sell			01/11/2016	(93,730)	460,000	0.12
	Buy (ESOP exercise)			17/11/2016	22,440	482,440	0.13
	Sell			30/01/2017	(82,440)	400,000	0.11
	AT THE END OF THE YEAR					400,000	0.11
13	VINAY TRIPATHI	4,200	0.00				
	Buy (ESOP exercise)			08/06/2016	7,000	11,200	0.00
	Buy (ESOP exercise)			09/07/2016	9,060	20,260	0.01
	Sell			31/08/2016	(3,200)	17,060	0.01
	Sell			25/10/2016	(2,850)	14,210	0.00
	Sell			25/11/2016	(2,500)	11,710	0.00
	Buy (ESOP exercise)			14/12/2016	3,000	14,710	0.00
	Buy (ESOP exercise)			20/01/2017	150	14,860	0.00
	Sell			27/01/2017	(710)	14,150	0.00
	Buy (ESOP exercise)			23/02/2017	240	14,390	0.00
	Sell			09/03/2017	(500)	13,890	0.00
	Sell			21/03/2017	(390)	13,500	0.00
	AT THE END OF THE YEAR					13,500	0.00

Notes:

1. Directors/ KMPs of the Bank as on March 31, 2017 have been considered for the above disclosure.
2. The details of shareholding have been clubbed based on registered PAN.
3. The variation in % is due to increase in paid up share capital of the Bank on account of allotment of shares pursuant to exercise of options under ESOP & Initial Public Offerring during the year, without change in the number of number of shares, wherever applicable, as on March 31, 2017.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ crores)

		Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
1.	Principal Amount	4,616.46	5,919.76	24,348.65	34,884.87
2.	Interest due but not paid	9.02	50.52	160.73	220.27
3.	Interest accrued but not due	–	–	–	–
Total (1+2+3)		**4,625.48**	**5,970.28**	**24,509.38**	**35,105.14**
Change in Indebtedness during the financial year					
Addition		–	2,086.67	10,277.38	12,364.05
Reduction		3,454.20	–	–	3,454.20
Net Change		–	–	–	–

ANNEXURE II

(₹ crores)

		Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year					
1.	Principal Amount	1,157.90	7,979.76	34,588.09	43,725.75
2.	Interest due but not paid	13.38	77.19	198.67	289.24
3.	Interest accrued but not due	–	–	–	–
Total (1+2+3)		**1,171.28**	**8,056.95**	**34,786.76**	**44,014.99**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager Mr. Vishwavir Ahuja (MD & CEO)	Name of MD/WTD/Manager Mr. Rajeev Ahuja* (Executive Director)	Total Amount
1	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 14,920,618 (Includes Medical Allowance - ₹ 862,917)	₹ 1,876,197 (Includes Medical Allowance - ₹ 3,985)	16,796,815
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Car – 39,600 Accommodation – 2,098,521 LTA – 112,500	Car – 4,231 Other Perk – 74,268 LTA – 53,056	2,382,176
	c. Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–
2	Stock Option (granted during the year)	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	- as % of profit	–	–	–
	- Others, specify	–	–	–
5	Others, please specify	–	–	–
	Total-(A)	**17,171,239**	**2,007,752**	**19,178,991**
	Ceiling as per the Act			Refer Note 1 below

* The remuneration of Mr. Rajeev Ahuja is with effect from his date of appointment as an "Executive Director" i.e. February 21, 2017

Note:

1. The remuneration payable to more than one Managing Director or Whole-time Director / Executive Director or Manager in terms of the provisions of the Act shall not exceed 10% of the net profit of the Bank. The remuneration paid to such Directors including MD & CEO is well within the limit.
2. Remuneration as above includes salary, taxable allowances, LTA, value of perquisites incurred by the Bank as per the Income Tax Rules, 1962, Company's Contribution to Provident Fund, Superannuation Fund, Annual Performance Linked Variable Compensation and excludes perquisite value of ESOPs.

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
1	Independent Directors	Mr. D Sivanandhan	Mr. Girish Godbole	Mr. Ishan Raina	Mr. Jairaj Purandare	Mr. Prakash Chandra	Mr. P. Sudhir Rao	Ms. Rama Bijapurkar	Mr. Vimal Bhandari	
	a. Fee for attending board / committee meetings	610,000/-	645,000/-	550,000/-	995,000/-	690,000/-	800,000/-	225,000/-	820,000/-	5,335,000/-
	b. Commission	–	–	–	–	–	–	–	–	–
	c. Others, please specify	–	–	–	–	–	–	–	–	–
	Total (1)	610,000/-	645,000/-	550,000/-	995,000/-	690,000/-	800,000/-	225,000/-	820,000/-	5,335,000/-
2	Other Non-Executive Directors	Mr. Narayan Ramachandran								
	a. Fee for attending board / committee meetings	925,000/-	–	–	–	–	–	–	–	925,000/-
	b. Commission	–	–	–	–	–	–	–	–	–
	c. Others, please specify	1,500,000/-	–	–	–	–	–	–	–	1,500,000/-
	Total-(2)	2,425,000/-	–	–	–	–	–	–		2,425,000/-
	Total-B (1+2)	3,035,000/-	645,000/-	550,000/-	995,000/-	690,000/-	800,000/-	225,000/-	820,000/-	7,760,000/-
	Total Managerial Remuneration									
	Overall Ceiling as per the Act									Refer Note below

Note: In terms of the provisions of the Companies Act, 2013, the remuneration payable to directors other than executive directors shall not exceed 1% of the net profit of the Bank. The Remuneration paid to the directors is well within the limits.

ANNEXURE II

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Naresh Karia (CFO)	Mr. Vinay Tripathi (CS)	
1	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,638,431 (Includes Medical Allowance - ₹ 37,500)	2,352,995 (Includes Medical Allowance - ₹ 15,000)	14,991,426
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	Car – 39,600 LTA – 112,500 NPS – 463,566	Car – 32,400 LTA – 50,000 Cons. Loan Int : 31,158	729,224
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option (granted during the year)	250,000 options	9,000 options	–
3	Sweat Equity	–	–	–
4	Commission			
	- as % of profit	–	–	–
	- Others, specify...	–	–	–
5	Others, please specify	–	–	–
	Total	**13,254,097**	**2,466,553**	**15,720,650**

Note: Remuneration as above includes salary, taxable allowances, LTA, value of perquisites incurred by the Bank as per the Income Tax Rules, 1962, Company's Contribution to Provident Fund, Superannuation Fund, Annual Performance Linked Variable Compensation and excludes perquisite value of ESOPs.

VII. Penalties / Punishment/ Compounding Of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY – None					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	56, 60, 60B, 64, 67(3), 68B, 72, 73 of the Companies Act, 1956	Allotment of shares on Private Placement basis to more than 49 persons	₹ 500,000	NCLT, Mumbai	–
B. DIRECTORS – None					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
C. OTHER OFFICERS IN DEFAULT – None					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

ANNEXURE III

Form No. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
RBL Bank Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RBL Bank Limited (hereinafter called "the Bank").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct and statutory compliance to express our opinion thereon.

Based on the verification of the Banks's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Bank and the information provided by the Bank, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Bank has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Bank has followed proper Board-processes and have required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Bank for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for compliance in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as applicable;

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as applicable:-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable as the Bank is not registered as Registrar to issue and Share Transfer Agent during the financial year under review;

ANNEXURE III

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Bank has not delisted / proposed to delist its equity shares from any stock exchange during the financial year under review;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Bank has not bought back / proposed to buy-back any of its securities during the financial year under review and

i) The Securities and Exchange Board of India (Bankers to an Issue) Regulations,1994.

(vi) Other specific business/industry related laws applicable to the Bank - The Bank has complied with the provisions of The Banking Regulation Act, 1949 and notifications, press releases and other directions pertaining to commercial banking issued by the Reserve Bank of India. Further, the Bank has complied with other applicable general business laws, rules, regulations and guidelines.

We have also examined compliance of:

(a) the Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India; and

(b) Listing Agreements entered into by the Bank with BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 w.e.f. Listing date i.e. 31st August, 2016.

During the period under review, the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above.

We further report that:

(a) the Board of Directors of the Bank is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors;

(b) the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

(c) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and shorter notice with consent of all the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting; and

(d) The minutes of the Board meetings have not identified any dissent by members of the Board, hence we have no reason to believe that the decisions by the Board were not approved by all the directors present.

We further report that there are adequate systems and processes in the Bank commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Bank has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period there were following specific events /actions having major bearing on Bank's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards etc.:

1. Approval of Members has been obtained for Issuance of Long Term Bonds/ Non-convertible debentures on Private Placement basis aggregating to an amount not exceeding ₹ 1500 Crores.

2. The Bank's borrowing powers under Section 180(1)(C) of the Companies Act, 2013 were increased to ₹ 10,000 Crores by the Members of the Bank.

3. Approval of Members has been obtained for ratification of Employee Stock Option Plan 2013.

4. The Board of Directors of the Bank has issued and allotted 3,70,00,000 Fresh Equity Shares of ₹ 10/- each, at a premium of ₹ 215/- per share under Initial Public Offering (IPO).

5. The Board of Directors of the Bank at its board meeting passed the resolution for increase of Authorized Share Capital from ₹ 400 Crores to ₹ 700 Crores.

6. Listing of Equity Shares of face value ₹ 10 each at premium of ₹ 215/- per share.

7. The Bank has received two Show Notices from Reserve Bank of India for non-maintenance of CRR and for non-compliance of certain RBI guidelines on Import of goods & services and provisions of the Master Circular on KYC/ AML.

8. The Securities and Exchange Board of India (SEBI) has issued a show-cause notice to the Bank in respect of past share allotments made by the Bank to more than 49 investors in violation of section 67(3) of the Companies Act, 1956.

9. The Bank had filed application before National Company Law Tribunal (NCLT) for compounding the offence committed under Section 56, 60 60B, 64, 67(3), 68B, 72, 73 of the Companies Act, 1956 and the same have been compounded.

ALWYN JAY & Co.
Company Secretaries

Sd/-

[**Alwyn D'Souza** FCS.5559]
(Partner)
[Certificate of Practice No.5137]

Place : Mumbai
Date : May 2,2017

Office Address :
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai 400101.

ANNEXURE IV

Disclosure under Regulation 14 - SEBI (Share Based Employees Benefits) Regulations, 2015 (Financial Year 2016-17)

Sr. No.	Particulars	ESOP 2010*	ESOP 2013	RESOP 2014*
1	**Description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -**			
(i)	Date of Members' approval	June 30, 2010 & February 21, 2014	June 30, 2010; February 21, 2014 & January 17, 2017	June 30, 2010 & February 21, 2014
(ii)	Total number of options approved under ESOS	Not more than 12% of the paid-up equity capital of the Company, at any point in time under one or more Employee Stock Option Schemes.	Not more than 12% of the paid-up equity capital of the Company, at any point in time under one or more Employee Stock Option Schemes. Further, members of the Bank at the Extra-ordinary General Meeting held on January 17, 2017 had approved and authorized the Bank to grant further 11,399,400 options in addition to the outstanding unexercised options.	Not more than 12% of the paid-up equity capital of the Company, at any point in time under one or more Employee Stock Option Schemes.
(iii)	Vesting requirements	Till June 20, 2016, the Vesting schedule was defined as follows: 40% of options granted vest on completion of 1 year from the grant date, 30% of options granted vest on completion of 2 year from the grant date and balance 30% of options granted vest on completion of 3 year from the grant date. From June 21, 2016 to March 15, 2017, the Vesting schedule was defined as follows: 30% of options granted shall vest on completion of 1 year from the grant date, 30% of options granted shall vest on completion of 2 year from the grant date and balance 40% of options granted shall vest on completion of 3 year from the grant date. From March 16, 2017 onwards the Vesting schedule has been defined as follows: 10% of options granted shall vest on completion of 1 year from the grant date, 20% of options granted shall vest on completion of 2 year from the grant date, 30% of options granted shall vest on completion of 3 year from the grant date and balance 40% of options granted shall vest on completion of 4 year from the grant date.		
(iv)	Exercise price or pricing formula	Exercise Price shall be determined by Board or a Committee thereof from time to time based on the Market Price per Share as on date of grant of options. However, it will not be less than the face value of the share.		
(v)	Maximum term of options granted	Currently, the vesting period for the options granted is four years from the date of grant of options. The vesting can extend up to five years from the date of grant of options.		
(vi)	Source of shares (primary, secondary or combination)	Primary	Primary	Primary
(vii)	Variation in terms of options	Refer Point No. 1(iii) above		

Sr. No.	Particulars	ESOP 2010*	ESOP 2013	RESOP 2014*
2	**Method used to account for ESOS - Intrinsic or fair value**	Intrinsic value		
3	**Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.**	If the Bank had adopted the Black-Scholes model based fair valuation, compensation cost for the year ended March 31, 2017, would have increased by ₹ 24.73 crore and the profit before tax would have been lower correspondingly. Accordingly, on a pro-forma basis, basic and diluted earnings per share for the year ended March 31, 2017 would have been ₹ 11.89 and ₹ 11.15, respectively.		
4	**Option movement during the year (For each ESOS):**			
(i)	Number of options outstanding at the beginning of the period	2,114,922	29,471,499	2,228,335
(ii)	Number of options granted during the year	0	13,185,450	0
(iii)	Number of options forfeited / lapsed during the year	66,819	2,352,462	123,200
(iv)	Number of options vested during the year	1,217,578	11,300,103	-
(v)	Number of options exercised during the year	1,745,943	11,666,728	62,335
(vi)	Number of shares arising as a result of exercise of options	1,745,943	11,666,728	62,335
(vii)	Money realized by exercise of options (INR), if scheme is implemented directly by the company	87,511,908	1,055,550,274	3,621,100
(viii)	Loan repaid by the Trust during the year from exercise price received	NA	NA	NA
(ix)	Number of options outstanding at the end of the year	303,298	28,636,621	2,042,800
(x)	Number of options exercisable at the end of the year	303,298	3,264,579	–

ANNEXURE IV

Disclosure under Regulation 14 - SEBI (Share Based Employees Benefits) Regulations, 2015 (Financial Year 2016-17)

Sr. No.	Particulars	ESOP 2010*	ESOP 2013	RESOP 2014*
5	**Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.**		**FY 2016-17**	

Stock option activity under the scheme	**No of Options**	**Range of exercise prices (₹)**	**Weighted average exercise price (₹)**	**Weighted average remaining contractual life years**
Outstanding at the beginning of the year	33,814,756	46.50 - 120.00	92.95	3.86
Granted during the year	13,185,450	120.00 – 494.55	193.61	–
Forfeited during the year	2,542,481	46.50 – 377.90	103.31	–
Exercised during the year	13,475,006	46.50 – 120.00	85.1	–
Expired during the year	–	–	–	–
Outstanding at the end of the year	30,982,719	40.00 – 494.55	138.36	3.92
Options exercisable at the end of the year	3,567,877	46.50 – 120.00	89.5	2.58

6 **Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -**

(i) Senior Managerial Personnel

Sr. No.	Name	Designation	Options granted	Exercise Price
1	Andrew Gracias	Head - Financial Markets	400,000	120.00
2	Bhavtaran Singh (Sunny) Uberai	Chief of Staff and Head - Change Management and Service Delivery	125,000	120.00
3	Brijesh Mehra	Head – Corporate, Institutional & Transaction Banking	1,000,000	120.00
4	Gurumurthy R	Head- Corporate & Institutional Banking	375,000	120.00
5	Harjeet Toor	Business Head – Microbanking, Credit Cards, Retail & MSME Lending	325,000	120.00
6	Manoj Rawat	Head - Agri	200,000	120.00
7	Naresh Karia	Chief Financial Officer	250,000	120.00
8	Neeta Mukerji	Chief Credit Officer	200,000	120.00
9	Rana Vikram Anand	Head –Segments and Products, Branch & Business Banking	115,000	120.00
10	Sanjay Sharma	Head - Technology, Innovation & Customer Fulfillment	100,000	120.00
11	Shanta Vallury Gandhi	Head - HR, CSR & Internal Branding	300,000	120.00
12	Surinder Chawla	Head – Geography Branch & Business Banking	250,000	120.00
13	Vincent Valladares	Head - Commercial Banking	750,000	377.90

(ii)	any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	NA	FY17 Brijesh Mehra: 1,000,000 Vincent Valladares: 750,000	NA	

Sr. No.	Particulars	ESOP 2010*	ESOP 2013	RESOP 2014*
(iii)	identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	NA	NA	NA
7	**A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**	The fair value has been calculated using the Black Scholes Option pricing model.		
(i)	the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model	The fair value of options granted during the year has been estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:		

Particulars	**2016-17**
Expected dividend yield	0.30% -1.25%
Expected volatility	32.74%~45.44%
Risk free interest rates	6.18%-7.37%
Expected life of options in years (across each tranche)	1.0- 4.0
Weighted average value of share price	162.94

(ii)	the method used and the assumptions made to incorporate the effects of expected early exercise	N.A.
(iii)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Expected volatility has been computed by considering the historical data on daily volatility in the closing equity share price on the National Stock Exhange of India Limited (i.e. the exchange with higher trading volume for shares of the Bank), of similar listed banks over the expected tenor of each tranche
(iv)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	N.A.

** Discontinued except for the vesting and exercise of options already granted.*

ANNEXURE V

Annual Report on CSR Activities

1. A brief outline of the company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

Web link : https://www.rblbank.com/api/v1/doc/document/Social%20Responsibility%20Policy/csr-policy-rbl-bank.pdf

Corporate Social Responsibility (CSR)

Our philosophy is to undertake socially useful programs for welfare and sustainable development of the community at large. We believe in working for the benefit of different segments of society and, in particular, in taking care of deprived, underprivileged persons and persons with limited abilities. Our initiatives include those aimed at promoting education, preventive healthcare, women empowerment and sustainable livelihood.

We have a CSR Committee of the Board for spearheading our CSR efforts supported by an executive Steering Committee and the working committees. The key objectives of our CSR policy include operating our business in an economically, socially and environmentally sustainable manner by taking up projects that benefit communities at large and thus generate goodwill for our Bank as a positive and socially responsible corporate entity.

CSR Vision - To be the most admired, compassionate and respected organization delivering value to all stakeholders through equitable and inclusive growth.

CSR Mission - We will deliver and promote inclusive growth in the country through various focused initiatives in promoting education, preventive healthcare, women empowerment and sustainable livelihood to catalyze growth and reduce social inequalities.

As a part of our CSR policy we support the issues related to Preventing Healthcare, Promoting Education, Women Empowerment and Sustainable Livelihood which are our 4 pillars. Under the pillar of

Healthcare:

1. **Retinopathy (among diabetics) –** Understanding the need of the hour to spread mass awareness and screening of the susceptible population for Diabetic Retinopathy, we have partnered with Aditya Jyot Foundation – an NGO working in this space to spread awareness and screen the urban susceptible population in various parts of Mumbai and have adopted an eye care centre for the same.

2. **Retinoblastoma (eye cancer among children) -** Eye cancer or Retinoblastoma is a life threatening disease that affects children. Every day, 4 children with this disease are diagnosed in India of which at least one dies. Understanding this need we have partnered with Iksha Foundation - the ONLY of its kind of NGO in India that works towards spreading awareness and ensuring that the children afflicted with this disease belonging to the less privileged section of the society receive proper and timely treatment.

Education:

1. **Girl Child Education –** RBL Bank in association with IIMPACT has pledged to support the primary education program of 1000 out of school girls in selected 30 learning centres in Sheopur district, Madhya Pradesh and Mewat district, Haryana. Thereby, taking a step towards creating empowered communities.

Udbhav School - caters to about 641 poor children – the average family income of the students (at the point of entry into our school is ₹ 3521 pm. With a nominal fee of ₹ 100 to 150 per month (fee varies from lower to higher classes) Books and uniform are provided to the children at concessional/ subsidized rates. There are about 28 teachers at an average of 23 students per teacher. This high student ratio reflects the school's commitment to provide quality education. The school was renamed as "Udbhav School" by IIMAAA charitable trust. Therefore, the Udbhav management is committed to providing the Udbhav children opportunities and education for their all-round growth and development.

A predominant 56% of our children are girls.

Most of our children belong to the backward classes.

A large fundraiser – Cyclathon from Mumbai to Hyderabad en route RBL Branches was organized to raise awareness for Girl Child education. The event was well participated where more than 500 employees volunteered by cycling and raising funds for the cause in which 11 RBL employees cycled the entire 1000 kilometres.

2. **Skill Development -** Unemployment being one of the greatest hurdle in the economic development of our country, we in association with YUVA are committed towards supporting the skill based education of adolescent youths. Prashanti Bala Mandir Trust and Udbhav School supporting the primary education of the children in the rural areas of Bangalore and urban slums of Hyderabad. We adopted the UDAAN initiative to create corporate exposure to and train graduates and post-graduates from Jammu and Kashmir.

The Deshpande Foundation and Deshpande Educational Trust (DF & DET) recognize the need for skilled professionals in Tier-II and Tier-III cities and address this issue by conducting skill-development programs in the evergreen sectors of banking and accounting, office management, education, IT hardware and electrical operations. These rigorous residential programs build the entrepreneurial mindset among rural and semi-urban youth and equip them with essential English language and computer skills, enabling them to thrive in today's work environment. Every year new programs are added based on local needs. We are training 1000 rural and semi-urban youths in employment oriented skill sets over a period of three years.

Sustainable Livelihood & Women Empowerment:

Under this pillar we have pledged to support farmers working in the rural regions of Maharashtra and Gujarat to increase their yields through bee rearing. In a very unusual initiative where preserving bee is important for conservation of ecological balance this is being done in association with an NGO called Under the Mango Tree. Partnerships have been signed up with Swadesh Foundation – where we have adopted a village in rural Maharashtra and Dilasa Foundation in Aurangabad strengthening our vision of creating sustainable communities.

A exhibition and sale of products in association with an organization called IDOBRO as a fundraiser was organized to support women entrepreneurs to make them sustainable was organized in our office premises. The exhibition received an overwhelming response where around 1/3rd of our employees in Mumbai contributed and helped in raising funds towards the cause.

This combination of a trusted legacy and continuous innovation keeps us at the forefront. We have a competitive and commercial yet socially conscious mindset. And, most important of all, our Partners keep us one step ahead with new ideas and personal commitment. We will continue to invest in our business, listen to our Partners, and do things differently. And that will ensure our doors stay open to a bright, sustainable future.

2. Composition of CSR Committee

- Mr. D. Sivanandhan – Chairman
- Mr. Jairaj Purandare- Member
- Mr. Girish Godbole – Member
- Mr. Vishwavir Ahuja – Member
- Mr. Ishan Raina - Member
- Ms. Shanta Vallury Gandhi - Permanent Attendee

3. Average Net Profit of the company for last 3 financial years: ₹ 284.13 Crore

4. Prescribed CSR expenditure (2% of this amount as in item 3 above) : ₹ 5.68 Crore

5. Details of CSR spend for the financial year:

a. Total amount spent for the financial year : ₹ 3.68 Crore

b. Amount unspent, if any : ₹ 2.00 Crore

ANNEXURE V

Annual Report on CSR Activities

c) Manner in which the amount spent during the financial year is detailed below

(₹ in lakhs)

CSR project/ activity identified	Sector in which the Project is covered	Projects/Programs 1) Local area or other 2) specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project / program wise	Amount spent on the project / programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative spend upto the reporting period	Amount spent (Direct / implementing agency)
Aditya Jyot Foundation	Health	Dharavi, Mumbai	11.50	11.50	11.50	Implementing Agency
Iimpact	Education	Sheopur District, Madhya Pradesh & Mewat District, Haryana	28.50	28.50	28.50	Implementing Agency
Prashanthi Bala Mandira Trust	Education	Bagalkot District, Karnataka.	20.00	20.00	20.00	Implementing Agency
Iksha Foundation	Health	Bangalore	20.00	19.06	19.06	Implementing Agency
Under the Mango Tree	Sustainable Livelihood	Gujarat	31.00	31.00	31.00	Implementing Agency
Udbhav School	Education	Hyderabad	55.00	53.30	53.30	Implementing Agency
Care India	Sustainable Livelihood	Delhi, Mumbai & South	10.00	09.67	09.67	Implementing Agency
Share Society to Heal Aid Restore Educate	Sustainable Livelihood	Raigad District, Maharashtra	26.44	26.44	26.44	Implementing Agency
Sujaya Foundation	Sustainable Livelihood	Mumbai	5.00	5.00	5.00	Implementing Agency
Deshpande Foundation	Sustainable Livelihood	Hubli	30.00	30.00	30.00	Implementing Agency
Dilasa Foundation	Sustainable Livelihood	Konkan & Aurangabad	100.00	100.00	100.00	Implementing Agency
Heal a Child Foundation	Health	Mumbai	2.50	2.50	2.50	Implementing Agency
Jana Kalyan Seva Samiti	Education	Etah	0.10	0.10	0.10	Implementing Agency
Times Network	CSR Conference	Mumbai	18.90	17.5	17.5	Implementing Agency
Nextgen	Monitoring and Evaluation	Bangalore	5.0	5.0	5.0	Implementing Agency
Other CSR activities			8.00	8.05	8.05	Implementing Agency
Total			**371.94**	**367.62**	**367.62**	

The spending on CSR activities is done under a properly planned CSR vision and mission with a very detailed execution strategy. Accordingly, the Bank has developed a comprehensive CSR policy wherein the Bank has identified activities that are aligned with the Bank's CSR vision and mission. The Bank needs to do thorough evaluation of the agencies involved in the execution of the CSR strategy which requires investment of significant amount of time and cost.

The Bank had entered into an agreement for a period of 3 years with most of the CSR partners. This being the third year a thorough evaluation and re-looking of the projects was done. The Bank has recently engaged with an organization to do the due diligence and monitoring and basis the evaluation few partnerships were not renewed beyond the stipulated time period. However, overall there was scaling up of the existing projects, which has led to a better absorption of the CSR Spend. Hence, our Bank wants to proceed with caution ensuring that each spend is measured. Due to these reasons, the Bank's spending worked out to an amount lower than the amount prescribed under section 135 of the Companies Act, 2013. As the Bank adds on new Projects and scales up on the existing ones, there will be better absorption of the CSR Spend. The Bank is committed to continually explore new opportunities which align to its CSR philosophy and create maximum impact and incrementally invest in CSR activities.

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Bank.

For and on behalf of the Board of Directors

Vishwavir Ahuja
Managing Director & CEO

D. Sivanandhan
Chairman of CSR Committee

Place : Mumbai
Date : May 2, 2017

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** U65191PN1943PLC007308
2. **Name of the Company:** RBL Bank Limited ("the Bank")
3. **Registered address:** 1st Lane, Shahupuri, Kolhapur 416 001
4. **Website:** www.rblbank.com
5. **E-mail id:** secretarial@rblbank.com
6. **Financial Year reported:** FY 2016-17
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** 64191- Commercial Banking activities
8. **List three key products/services that the Company manufactures/provides:** The Bank offers various Banking and financial services under following business verticals namely: Corporate and Institutional Banking, Commercial Banking, Branch and Business Banking, Agribusiness Banking, Development Banking and Financial Inclusion, Treasury and Financial Markets Operations.
9. **Total number of locations where business activity is undertaken by the Company**
   (a) Number of International Locations (Provide details of major 5): The Bank does not operate in any international location, however, it has recently opened an International Financial Service Centre Banking Unit ("IBU") in Gujarat International Finance Tech City (GIFT), Gandhi Nagar, Gujarat.
   (a) Number of National Locations – As on March 31st, 2017, the Bank had a network of 239 branches and a presence in 16 States in India.
10. **Markets served by the Company – Local/State/National/ International:** The Bank serves customers in national locations.

Section B: Financial Details of the Company

1. **Paid up Capital (INR):** INR 375.20 Crore as on March 31st , 2017.
2. **Total Turnover (INR):** INR 1,977[1] Crore (for FY 2016-17)
3. **Total profit after taxes (INR):** 446.05 Crore (for Fy 2016-17)
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**
   Approx. ₹ 3.68 Crore/ 446.05 Crore = 0.83%
5. **List of activities in which expenditure in 4 above has been incurred:**
   In FY 2016-17, Bank's CSR activities have focused on the following sectors:
   a. Preventive Healthcare – conducting retinopathy and retinoblastoma clinics in underprivileged classes in Dharavi, Mumbai;
   b. Girl child education – running a cylathon campaign from Mumbai to Hyderabad for creating awareness and running Udbhav School with 641 street children in Hyderabad;
   c. Skill Development - Bank has commenced a three year training programme for 1000 rural and semi-urban youth to ensure better employability;
   d. Sustainable Livelihood and Women Empowerment - Bank has adopted a village in rural Maharashtra and is working with a NGO partner in Aurangabad to create sustainable community.

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?** - No
2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company?** - Not Applicable
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] –** None

Section D: BR Information

1. **Details of Director/Directors responsible for BR:**
   (a) Details of the Director/Directors responsible for implementation of the BR policy/policies
   - DIN: 00074994
   - Name: Mr. Vishwavir Ahuja
   - Designation: MD and CEO

   (b) Details of the BR head:

No.	Particulars	Details
1.	DIN Number	00003545
2.	Name	Mr. Rajeev Ahuja
3.	Designation	Executive Director
4.	Telephone number	+91 22 4302 0600
5.	e-mail id	Rajeev.Ahuja@rblbank.com

2. **Principle-wise (as per National Voluntary Guidelines) Business Responsibility Policy(s):**
   (a) Details of compliance (Reply in Y/N)
   The National Voluntary Guidelines on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles (detailed below) as P1-P9 to be followed:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

The principle wise responses:

No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
		See Note 1	See Note 2	See Note 3	See Note 4	See Note 5	See Note 6	See Note 7	See Note 8	See Note 9
1.	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	-	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y

1 Turnover is defined as Total Income = Net interest income + Other Income; as on 31st March, 2017.

No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
		See Note 1	See Note 2	See Note 3	See Note 4	See Note 5	See Note 6	See Note 7	See Note 8	See Note 9
4.	Has the policy being approved by the Board? If YES, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6.	Indicate the link for the policy to be viewed online?	Policies like Bank's CSR policy, Code of Bank's Commitment to Customer, Code of Bank's Commitment to Micro and Small Enterprises etc. are available online on Bank's web-portal (www.rblbank.com).								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Policies apart from those mentioned above are available on Bank's intranet for reference of the Bank's employees. A detailed list of policies has been communicated to Reserve Bank of India.								
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Head of Departments are responsible for effective implementation of the policies. The Audit & Compliance Departments monitor the adherence to implementation of policies mandated by RBI.								

Notes:

Note 1 - the Bank has the following policies, viz. Compliance Policy, Whistleblower Policy, Anti Money Laundering Policy, Vigilance and Fraud Policy, Policy of Ethical Conduct, Code of Bank's Commitment to Customers, Employee's Code of Conduct, Policy on dealing with Related Party Transactions, Fair Practice Codes for Banking and Lending, Insider Trading Code, Staff Accountability Policy, Grievance Redressal Policy for stakeholder. These polices guide the Bank to attain ethical, transparent and accountable means of doing business and have been approved by Bank's Board. All policies are uploaded on Bank's Intranet, while policies relating to external stakeholders are displayed on the Bank's website http://rblbank.com/BankPolicies.aspx.

Note 2 – The Bank complies with regulations governing its products and services and has taken initiatives to promote inclusive growth and environmental sustainability.

The Bank agricultural business division has a dedicated line of credit for financing energy efficient agricultural practices like drip/micro irrigation practices, replacement of older pump-sets with new energy efficient pump-sets and installation of solar pump-sets, to promote water and energy efficiency. Details of this programme could be found in http://rblbank.com/sustainability-framework.aspx. This is guided by Bank's Sustainability Policy.

In addition to this, Bank's Credit Policy for Financial Inclusion (FI) Business guides Bank's service bouquet offered towards financially weaker sections as part of Financial Inclusion. This is aimed at rural, unbanked, under-banked and economically vulnerable population.

Note 3 – The Bank policies towards employees revolve around the following HR policies - Employees Code of Conduct, Compensation Policy, Employees Leave Policy, Employee Loan Policy, Grievance Redressal Policy, Employee Suggestion Scheme, Staff Accountability Policy, Maternity Leave Policy, Anti-Sexual Harassment Policy and Mandatory Leave Policy. Some policies are based on Indian regulations (like maternity Leave Policy, Anti-Sexual Harassment Policy etc.), some are based on International best practices (Like Grievance Redressal Policy) while some policies (viz. mandatory leave policy) follow RBI's guidelines (like mandatory leave policy). All policies have been approved by Bank's Board. All policies are uploaded in Bank's intranet and available for review by Bank's employees.

Note 4 – Bank's Credit Policy for Financial Inclusion (FI) Business guides Bank's efforts towards marginalized and vulnerable population. This credit policy follows RBI master-circular on PSL sector lending and MSME Act. It has been approved by the Bank's Board and is available on Bank's intranet. RBL Bank's development banking and financial inclusion activities are listed on Bank's webpage, http://rblbank.com/Developmental-Banking-and-Financial-Inclusion.aspx.

The Bank undertakes activities focused at providing education, preventive healthcare, women empowerment and sustainable livelihood related activities in poor, marginalized and vulnerable sections of the society. These are guided by Bank's Corporate Social Responsibility (CSR) Policy. The policy is available in http://rblbank.com/pdfs/fi/csr-policy-rbl-bank.pdf. The CSR policy has been approved by the Bank's Board and its activities are governed by CSR Committee of the Board in compliance with Sec. 135 of Companies Act, 2013. CSR Department of the Bank looks after implementation of the CSR policy.

Note 5 – The Code of Conduct adopted by the Bank addresses the requirements of this principle. The Code emphasizes fair employment practices & diversity, fair competition, prohibition of harassment & intimidation and safety at the workplace. The Bank follows the Code of Commitment based on the standards issued by The Banking Codes and Standards Board of India which covers aspects like good and fair banking practices, transparency in services and products, high operating standards and cordial relationship with customers. The Bank is an equal opportunity employer and believes in providing a safe workplace and an enabling work environment to its employees.

Note 6 – Bank's Sustainability Policy governs the Bank's environment related activities, including reviewing environmental and social risk associated with wholesale borrower's operations and practices. It has been approved by the Bank's Board. The Environmental, Social and Governance (ESG) Committee of the Bank, headed by the Bank's Executive Director, oversees the implementation and roll out of the policy across the Bank. The Bank has an Environmental and Social (E&S) Risk Department which manages the day-to-day implantation of the Sustainability Policy. The Policy is available on the Bank intranet. Please refer to the following page for more details on Bank's Sustainability Framework http://rblbank.com/sustainability-framework.aspx.

Note 7 – The Bank provides feedback with respect to draft policies put up on regulatory domain by regulators such as RBI, Govt. of India and other trade bodies relating to banking, finance and economic reforms. The Bank will develop a policy to guide such activities shortly.

Note 8 – The Bank has a Corporate Social Responsibility (CSR) Policy. The CSR policy has been approved by the Bank's Board and its activities are governed by CSR Committee of the Board in compliance with Sec. 135 of Companies Act, 2013. The policy is available on Bank's website http://rblbank.com/pdfs/fi/csr-policy-rbl-bank.pdf.

Bank has a CSR department which looks after the implementation of CSR related activities across the Bank. The Bank has special emphasis on education of underprivileged children, promoting preventive healthcare, women empowerment and promoting sustainable livelihood in rural, underprivileged areas.

Note 9 – the Bank has the following policies oriented towards it customers – Code of Bank's Commitment to Customer, Policy on Outsourcing of Financial Services, Commercial Credit Policy(s), Information Security Policy, Citizen Charter(s), Comprehensive Deposit Policy, and Policy on Collection of Dues and Repossession of Securities and Privacy Policy. These polices have been approved by the Bank's Board and different sub-committees of the Board look after the implementation of the policies. Some of these policies are available on Bank's website http://rblbank.com/BankPolicies.aspx.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	–	–	–	–	–	–	–	–	–
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	–	–	–	–	–	–	–	–	–
3.	The company does not have financial or manpower resources available for the task	–	–	–	–	–	–	–	–	–
4.	It is planned to be done within next 6 months	–	–	–	–	–	–	–	–	–
5.	It is planned to be done within the next 1 year	–	–	–	–	–	–	Y	–	–
6.	Any other reason (please specify)	–	–	–	–	–	–	–	–	–

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year etc.

Bank's BR related performance is reviewed by the Bank's Management Committee, headed by Bank's MD & CEO on periodical basis, at least on annual basis. Certain aspects like Environmental and Social (E&S) performance of the Bank are reviewed by Bank's Board on quarterly basis.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, this is Bank's first BR report. It is proposed to be published on annual basis.

Section E: Principle-wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Bank's Code of Conduct covers all Bank employees. The code defines bribery and corruption as a 'potential misconduct', and has defined procedure for reporting, documenting, and disciplinary actions to be taken in case of violation of code.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

	Carried forward from FY 2015-16 (i.e. pending as on 31st March 2016)	Nos. registered in between 1st April, 2016 and 31st March, 2017	Nos. successfully resolved between 1st April, 2016 and 31st March, 2017	Nos. pending resolution as on 31st March, 2017
Customer complaints	453	20,739	20,479	713
Investor complaints	Not applicable	57*	57*	0
Customer cases	32	29	10	51

Note: * The details are given for the period starting July 1, 2016 till March 31, 2017 i.e. quarters following the listing of shares of the Bank on Stock Exchanges.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability through their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Bank has the following services aimed at Environmental and Social concerns:

a. Environmental and Social (E&S) risk assessment for all large wholesale lending operations aimed at pre-emptive identification and mitigation of E&S risks associated with Borrower's operations.

b. Sustainable agri-business practices promotes installation of micro-irrigation, solar pump-sets and installation of energy efficient pump-sets thereby, reducing water and energy wastage and promotes sustainable agricultural practices.

c. Various financial inclusion products (like microfinance, micro-banking & no-frills accounts, micro-enterprise financing, micro-saving and remittance, crop, life and accident insurance products etc.) have been rolled out by the Bank, for underprivileged, under-banked and unbanked sections of the society.

d. Financial literacy programmes aimed for poor women folk and rural population in general.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Not applicable

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Yes. Bank's sustainable agricultural initiatives are aimed at reduction in water consumption, and energy usage in irrigation.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Not applicable, bank being a service oriented industry; it is minimally resource intensive.

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Not applicable.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Not applicable

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Not applicable

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Being a service industry, Bank's waste stream is nominal and non-hazardous in nature.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees: 4,902 nos.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 23 nos.

3. Please indicate the Number of permanent women employees: 887 nos.

4. **Please indicate the Number of permanent employees with disabilities:** We do not track this figure. However, in FY 2016-17, 4 nos. employees have claimed for self-disability tax rebate u/s 80U.

5. **Do you have an employee association that is recognized by management:** Yes.

6. **What percentage of your permanent employees is members of this recognized employee association?** 9.45%

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	Nos. of complaints filed during the financial year	Nos. of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	Nil	Nil
2.	Sexual harassment	3	Nil
3.	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**
   (a) Permanent Employees: 100%

   (b) Permanent Women Employees: 100%

   (c) Casual/Temporary/Contractual Employees: 100%

   (d) Employees with Disabilities: 100%

Bank's Security Team provides safety training (security, safety, evacuation planning, fire training and self-defense training) to all employees and contract workers present on the premises. Nos. of safety related trainings conducted and attendees in FY 2016-17, are presented below.

No.	Theme/Type of Safety Trainings Conducted in FY 2016-17	Nos. of Trainings conducted	No. of attendees
1.	Security, Safety, Fire Safety & Evacuation Training Conducted for Branch Staff	108	1,547
2.	Security, Safety, Fire Safety & Evacuation Training during induction training of Staff	53	981
3.	Security, Safety, Fire Safety & Evacuation Training Brach Operation Managers	03	60
4.	Security, Safety, Fire Safety & Evacuation Training for Branch Managers	01	23
5.	Self Defense Training for employees	01	40
	Total	**166**	**2,651**

Bank has a Learning and Organization Development team, which looks after the skill development aspect of employees. Bank undertakes (a) classroom trainings (including external training of employees) and (b) E-learning training.

Classroom sessions in FY 2016-17 involved: Induction Training ('NEO'), Service excellence training, Indian Institute of Banking and Finance (IIBF) Certification, InDUS certification, Trade Finance certification etc. E-learning session conducted in FY 2016-17 involved: Bank's Know Your Customers (KYC) requirements, Form 15 G/H applicability, Anti-money Laundering, CMS tax Payment, Insider Trading awareness module, Goal Setting, Anti-Sexual harassment awareness training etc. Some of these e-learning modules are mandatory for all staff members, irrespective of gender, role or location.

Please refer to table provided below for details on nos. of persons attending different forms of trainings and nos. of person days employed in training.

	Classroom & external trainings	E-leaning trainings
Nos. of employees undergone different forms of training programme	4,994*	40,002*
Nos. of person-days employed in different forms of training	9,705	6,798

Note: * An employee may have completed more than one training programme.

Principle 4: Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. **Has the company mapped its internal and external stakeholders?** Yes

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**
   Yes, the bank has identified disadvantaged, vulnerable & marginalized stakeholders like people below poverty lines, women folk, vulnerable agrarian community etc. and addresses them with financial inclusion, microfinance, and priority sector lending product as per RBI guidelines. In addition, Bank also supports such vulnerable communities through its Corporate Social Responsibility programmes.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**
   The Bank addresses the disadvantaged, vulnerable and marginalized stakeholders, like small retailer, agrarian community, people below poverty line, underprivileged women folk, children with health issues/disability etc. through a four pronged programme.

The Bank has initiated, (a) Development Banking, microfinance (initiated through joint liability groups/ self-help groups of women folk) and small retail loans, (b) Financial Inclusion and Financial Literacy programmes (mostly aimed at empowering women customers in semi-urban or rural areas), (c) Priority Sector Lending in agri and MSME sectors, and (d) Corporate Social Responsibility programmes aimed at preventive healthcare of children, women empowerment, girl child education and sustainable livelihood programme.

In FY 2016-17, the Bank has launched new products like individual loans aimed at income generation, consumer durable loans, top-up loans for existing JLG customers. The Bank has deployed micro ATMs where clients can transact in their saving banks account at Business Correspondent (BC) outlets with the help of Aadhar based biometric authentication.

In FY 2016-17, Bank has started a financial literacy program "Saksham" in Maharashtra, Gujarat and Rajasthan. Details as captured in table below.

States	Nos. of FL training sessions in FY 2016-17	Nos. of clients* trained in FY 2016-17
Maharashtra	592	4,504
Gujarat	1,186	15,431
Rajasthan	267	3,346
Total	**2,045**	**23,281**

Note: * 'Client' generally refers to women folk from under-privileged background.

Principle 5: Business should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**
   Human rights, especially rights of employees are covered under the Bank's Employees Code of Conduct.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   Please refer to answer provided against Sec. E, Principal No. 1, Question No. 2.

Principle 6: Businesses should respect, protect and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others:**
   Yes, Bank's Sustainability Policy not only covers the Bank and its operation but also includes Bank's borrowers. All large and long term exposures to corporate Clients are evaluated for material and potential Environmental and Social (E&S) risks. The Bank engages with the Client to develop mitigation plans to correct gaps identified during due diligence process.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming etc.? Y/N. If yes, please give hyperlink for webpage etc.**
   The Bank has an Environmental and Social (E&S) risk assessment process which is applied to all large exposures of the Bank. Under the E&S risk assessment process; the Bank evaluate how likely Borrower's physical infrastructure, performance, and operational & maintenance activities will be impacted by climate change and related changes in the hydro-climatic regime.

3. **Does the company identify and assess potential environmental risks?**
   Yes, E&S risks assessment is part of credit risk assessment process of the Bank. All large exposures of Bank are evaluated for E&S risks. All material and potential E&S risks are identified and documented, and where needed corrective action plans are developed and agreed between the Bank and Borrowers.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
   Not applicable.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? If yes, please give hyperlink for web page etc.**
   Bank has installed a 28 KW_p Solar Power Plant at its Head office in Kolhapur. This power plant meets the 40% electricity demand of Head Office and could reduce 340 MT CO_2 emissions over its effective operational life. This is equivalent to saving 584 MT of coal or 100 million liter of water.

   Beside this the bank has provided solar charged UPS's to 15 rural branches i.e. 33% of its rural banking portfolio, which could potentially offset 400 MT of CO2 over its effective lifetime.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
   Given the nature of business, the Bank waste-streams are limited to paper, packaging material and sewage. Hence this requirement is not applicable. Paper and packaging wastes are generally recycled, and sewage is disposed off in municipal sewers.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
   Nil.

Principle 7: Businesses, when engaged in influencing public and regulatory policies, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
   The Bank is a member of the following associations/chambers/ trade bodies:

   - Indian Merchant Chamber (IMC)
   - Confederation of Indian Industries (CII)
   - Federation of Indian Chamber of Commerce and Industries (FICCI)
   - International Market Assessment India Private Limited (IMA)
   - Maharashtra Economic Development Council
   - Association of Mutual Funds in India
   - BSE Broker's Forum
   - Fixed Income Money market and Derivative Association (FIMMDA)
   - Foreign Exchange Dealers Association of India
   - Indian Bank's Association (IBA)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**
   The Bank provides feedback with respect to draft policies put up on regulatory domain by regulators such as RBI, Govt. of India and other trade bodies relating to banking, finance and economic reforms.

Principle 8: Business should support inclusive growth and equitable development

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**
   The Bank has a policy towards Corporate Social Responsibility (CSR) which guides the roll-out of Bank's CSR related programmes.

   Bank's CSR activities are focused on the following sectors:

   a. Preventive Healthcare – conducting retinopathy and retinoblastoma clinics in underprivileged classed in Dharavi, Mumbai;

   b. Girl child education – running a cylathon campaign from Mumbai to Hyderabad for creating awareness and running Udbhav School with 641 street children in Hyderabad;

   c. Skill Development - Bank has commenced a three year training programme for 1000 rural and semi-urban youths to ensure better employability;

d. Sustainable Livelihood and Women Empowerment - Bank has adopted a village in rural Maharashtra and is working with a NGO partner in Aurangabad to create sustainable community.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

CSR programmes are rolled out using NGO partners selected based on their meritorious work in each thematic area. Supervisory control is exercised by Bank's own CSR team.

Bank employees across roles, gender and locations are encouraged to participate and they regularly participate in CSR activities like cyclathon, blood donation camps, teaching underprivileged children, providing nutrition supplement to cancer patients etc. along with selected NGO partners.

3. Have you done any impact assessment of your initiative?

For all CSR related programmes (being carried out by NGO partners) quarterly development effectiveness monitoring is carried out by independent third party auditors against pre-set development indicators. This is supported by surprise visits jointly conducted by Bank's CSR team and auditors.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

In FY 2016-17, Bank has invested INR 3.68 Crore towards education, preventive healthcare, sustainable livelihood and women and girl child empowerment. Details provided in table below.

Sectors	Locations	Amount spent (Crore INR)
Education	Bagalkot, Karnataka; Etah, U.P.; Hyderabad, Telengana; Sheopur, M.P. and Mewat, Haryana	1.02
Preventive Healthcare	Bangalore and Dharavi, Mumbai	0.33
Sustainable Livelihood	Delhi, Mumbai, Karnataka, Gujarat and Aurangabad, Konkan, Aurangabad & Raigad districts of Maharashtra	2.02
Other CSR activities	Various	0.31
Grand Total		**3.68**

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Bank's CSR programmes are developed by experienced professionals, in consultation with the target communities and NGO partners. Bank's CSR team conducts quarterly review of the performance of CSR programme, and during these reviews community engagements sessions are conducted to obtain a 360 degree overview of the CSR programmes. In addition, periodic audit of CSR programme is conducted by an independent audit agency. The feedback received is from such audits are used for alter/realign/course-correct CSR programmes.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Percentage wise customer complaints and customer cases resolved as on 31st March, 2017 (incl. carried forward complaints & cases from FY 2015-16):

- Customer complaints- 96.63% were resolved
- Customer cases - 16.39% were resolved

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)

The Bank provides transparent information on its products through its website which has detailed information on product features, service charges and fees applicable. The customers are also provided with detailed product information through "Most Important Document" along with account opening/card application form. Tenor and Interest rates for various deposit schemes are published on the Bank's website. Bank provides relevant information pertaining to banking operations of the Client through periodic email and/or SMS alerts.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Nil

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, the bank conducts two types of customer Satisfaction surveys – (a) Service Resolution Index (SRI) & (b) Complaint Resolution Index (CRI). The Bank is committed to provide the best possible customer experience to its Clients.

The objective of SRI survey is to measure the Customers' experience with regards to the service requests placed by him/ her at our branches. Customers who report lower satisfaction level are contacted by our customer service agents and either resolution is achieved or issue is escalated along designated escalation matrix.

In case of CRI outbound calls are made by contact center agents to the customers whose complaints are resolved recently and customers are asked to rate their overall experience on the complaint management process. Customers who show lower satisfaction level are contacted by our customer service agents and grievances, if any are resolved.

INDEPENDENT AUDITOR'S REPORT

To the Members of RBL Bank Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of RBL Bank Limited ('the Bank'), which comprise the Balance Sheet as at 31 March 2017, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Bank's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the 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, 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our 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 ('the Standards') 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Bank's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 as well as the relevant requirements of the Companies Act, 2013, in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2017, its profit and its cash flows for the year then ended.

Other Matters

The standalone financial statements of the Bank for the year ended 31 March 2016 were audited by another auditor who expressed an unmodified opinion on those statements on 29 April 2016.

Report on Other Legal and Regulatory Requirements

The Balance Sheet and Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read with the Rule 7 of the Companies (Accounts) Rules, 2014.

As required by sub section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

(c) since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. During the course of our audit, we have visited 20 branches.

Further, as required by Section 143 (3) of the Companies Act, 2013, we further report that:

(a) we 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;

(b) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;

(c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting policies prescribed by the RBI;

(e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

(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 Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 33 to the financial statements;

(ii) The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 43 to the financial statements; and

(iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank; and

(iv) as referred in Note 40 of the financial statements, the disclosure required on holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2017 as envisaged in notification GSR 308(E) dated 30 March 2016 issued by the Ministry of Corporate Affairs, is not applicable to the Bank.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W–100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
2 May 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE A to the Independent Auditor's Report of even date on the Standalone Financial Statements of RBL Bank Limited

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

We have audited the internal financial controls over financial reporting of RBL Bank Limited ('the Bank') as at 31 March 2017 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Bank's Board of Directors is 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). 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 Bank'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 Companies Act, 2013 ('the Act').

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 and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A bank'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 bank'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 bank; (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 bank are being made only in accordance with authorizations of management and directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank'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 has, 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 31 March 2017, 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 ICAI.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W–100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
2 May 2017

BALANCE SHEET

as at March 31 , 2017

(₹ in '000s)

Particulars	Schedule No.	31-Mar-17	31-Mar-16
Capital & Liabilities			
Capital	1	**3,752,031**	3,247,281
Reserves and Surplus	2	**39,603,724**	26,645,043
Deposits	3	**345,880,914**	243,486,512
Borrowings	4	**79,797,572**	105,362,239
Other Liabilities and Provisions	5	**17,713,470**	12,869,784
Total		**486,747,711**	**391,610,859**
Assets			
Cash and Balances with Reserve Bank of India	6	**29,479,286**	13,397,461
Balances with banks and money at call and short notice	7	**12,457,203**	11,101,751
Investments	8	**134,817,086**	144,360,338
Advances	9	**294,490,381**	212,290,830
Fixed Assets	10	**2,587,088**	1,772,965
Other Assets	11	**12,916,667**	8,687,514
		486,747,711	**391,610,859**
Contingent Liabilities	12	**419,044,621**	297,182,189
Bills for Collection		**8,227,083**	7,723,229
Significant Accounting Policies	17		
Notes To Accounts	18		

The Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached

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

Manoj Kumar Vijai
Partner
Membership No. 046882

Place : Mumbai
Date : May 2, 2017

For and on behalf of RBL Bank Limited

Vishwavir Ahuja
Managing Director & CEO

Jairaj Purandare
Director

Naresh Karia
Chief Financial Officer

D. Sivanandhan
Director

Vimal Bhandari
Director

Vinay Tripathi
Company Secretary

PROFIT & LOSS

for the year ended March 31, 2017

(₹ in '000s)

Particulars		Schedule No.	31-Mar-17	31-Mar-16
I.	**Income**			
	Interest Earned	13	**37,131,585**	27,443,073
	Other Income	14	**7,554,627**	4,905,427
	Total		**44,686,212**	**32,348,500**
II.	**Expenditure**			
	Interest Expended	15	**24,918,241**	19,251,004
	Operating Expenses	16	**10,563,872**	7,673,367
	Provisions and Contingencies		**4,743,644**	2,499,283
	Total		**40,225,757**	**29,423,654**
III.	**Profit/Loss**			
	Net Profit /(Loss) for the year		**4,460,455**	2,924,846
	Profit brought forward		**39,174**	43,165
	Total		**4,499,629**	**2,968,011**
IV.	**Appropriations**			
	Transfer to Statutory Reserve		**1,116,000**	732,000
	Transfer to Capital Reserve		**3,100**	10,000
	Transfer to Revenue & Other Reserves		**2,500,000**	1,600,000
	Interim Dividend Paid		**–**	487,579
	Tax on Dividend		**–**	99,258
	Balance carried over to Balance Sheet		**880,529**	39,174
	Total		**4,499,629**	**2,968,011**
	EPS Basic (₹)		**12.59**	9.60
	EPS Diluted (₹)		**11.80**	9.43
	Face Value of shares (₹)		**10.00**	10.00

The Schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date attached

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

Manoj Kumar Vijai
Partner
Membership No. 046882

Place : Mumbai
Date : May 2, 2017

For and on behalf of RBL Bank Limited

Vishwavir Ahuja
Managing Director & CEO

Jairaj Purandare
Director

Naresh Karia
Chief Financial Officer

D. Sivanandhan
Director

Vimal Bhandari
Director

Vinay Tripathi
Company Secretary

CASH FLOW STATEMENT

for the year ended March 31, 2017

(₹ in '000s)

Particulars		31-Mar-17		31-Mar-16	
I	**Cash Flow from Operating Activities**				
	Net Profit for the Year (before taxes)		6,814,873		4,280,061
	Adjustments for:-				
	Add : Loss / (Profit) on Sale of Fixed Assets (Net)		(7,674)		(8,154)
	Add : Non-Cash Expenditure				
	Depreciation		615,048		483,569
	Provision / write-off of non performing advances		1,524,347		800,359
	Provision for standard advances		450,184		238,379
	Provision for investments		352,208		131,553
	Other provisions		62,487		(26,223)
	Cash Flow before Changes in Working Capital		9,811,473		5,899,544
	Adjustments for working capital changes:-				
	Deposits	102,394,402		72,494,004	
	Other Liabilities	4,331,015		4,534,659	
	Deposits placed having original maturity greater than 3 months	(1,083,995)		(6,843,420)	
	Investments	9,191,044		(46,568,931)	
	Advances	(83,723,898)		(68,592,934)	
	Other Assets	(4,373,569)		(3,254,939)	
	Direct Taxes paid	(2,210,000)	24,524,999	(1,510,000)	(49,741,561)
	Cash generated from Operating Activities		34,336,472		(43,842,017)
II	**Cash Flow from Investing Activities**				
	Addition to Other Fixed Assets	(1,290,153)		(538,954)	
	Addition to Capital Work in Progress	(154,940)		(89,656)	
	Sale of Fixed Assets	23,314		24,319	
	Cash generated from Investing Activities		(1,421,779)		(604,291)
III	**Cash Flow from Financing Activities**				
	Proceeds of share issue	9,003,256		5,250,345	
	Net Proceeds / (repayments) from borrowings	(25,564,667)		35,735,264	
	Dividend and Dividend distribution tax	–		(586,837)	
	Cash generated from financing Activities		(16,561,411)		40,398,772
IV	**Increase/Decrease during the Year**		16,353,282		(4,047,536)
V	**Opening Cash and Cash Equivalents**		15,311,124		19,358,660
VI	**Closing Cash and Cash Equivalents**		31,664,406		15,311,124
	Notes to the Cash Flow Statement:				
	Cash and cash equivalents includes the following:				
(i)	Cash and Balances with Reserve Bank of India (Refer Schedule 6)		29,479,286		13,397,461
(ii)	Balances with Banks in Current Accounts (Refer Schedule 7)		2,185,120		1,913,663
(iii)	Money at Call and Short Notice (Refer Schedule 7)		–		–
	Cash and cash equivalents at the end of the year		31,664,406		15,311,124

As per our report of even date attached

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

Manoj Kumar Vijai
Partner
Membership No. 046882

Place : Mumbai
Date : May 2, 2017

For and on behalf of RBL Bank Limited

Vishwavir Ahuja
Managing Director & CEO

D. Sivanandhan
Director

Jairaj Purandare
Director

Vimal Bhandari
Director

Naresh Karia
Chief Financial Officer

Vinay Tripathi
Company Secretary

SCHEDULES

forming part of the standalone financial statements for the year ended March 31, 2017

Schedule 1 - Capital

(₹ in '000s)

Particulars	31-Mar-17	31-Mar-16
Authorised Capital		
400,000,000 Ordinary Shares of ₹ 10/- each	4,000,000	4,000,000
(previous year 400,000,000 Ordinary Shares of ₹ 10/- each)		
Issued		
375,203,136 Ordinary Shares of ₹ 10/- each	3,752,031	3,247,281
(previous year 324,728,130 Ordinary Shares of ₹ 10/- each)		
Subscribed & Paid-up		
375,203,136 Ordinary Shares of ₹ 10/- each	3,752,031	3,247,281
(previous year 324,728,130 Ordinary Shares of ₹ 10/- each)		
Total	3,752,031	3,247,281

Schedule 2 - Reserves & Surplus

(₹ in '000s)

Particulars		31-Mar-17	31-Mar-16
1.	**Statutory Reserve**		
	(i) Opening Balance	2,286,500	1,554,500
	(ii) Addition during the year	1,116,000	732,000
	(iii) Deduction during the year	–	–
	Total	3,402,500	2,286,500
2.	**Capital Reserve**		
	(i) Opening Balance	155,570	145,570
	(ii) Addition during the year	3,100	10,000
	(iii) Deduction during the year	–	–
	Total	158,670	155,570
3.	**Revaluation Reserve**		
	(i) Opening Balance	9,947	10,243
	(ii) Addition during the year	–	–
	(iii) Deduction during the year (Depreciation on revalued portion credited to Profit and Loss Account)	281	296
	Total	9,666	9,947
4.	**Share Premium**		
	(i) Opening Balance	19,885,293	14,947,733
	(ii) Addition during the year	8,966,933	4,937,560
	(iii) Deduction during the year	468,427	–
	Total	28,383,799	19,885,293
5.	**Revenue & Other Reserves**		
	(i) Opening Balance	4,246,552	2,646,552
	(ii) Addition during the year	2,500,000	1,600,000
	(iii) Deduction during the year	–	–
	Total	6,746,552	4,246,552
6.	**Investment Reserve**		
	(i) Opening Balance	22,008	22,008
	(ii) Addition during the year	–	–
	(iii) Deduction during the year	–	–
	Total	22,008	22,008
7.	**Balance in Profit & Loss Account**	880,529	39,173
	Total (1 to 7)	39,603,724	26,645,043

SCHEDULES

forming part of the standalone financial statements for the year ended March 31, 2017

Schedule 3 - Deposits

(₹ in '000s)

Particulars			31-Mar-17	31-Mar-16
A.	**1.**	**Demand Deposits**		
		i) From Banks	1,409,124	1,052,713
		ii) From Others	36,131,706	26,743,640
	Total		37,540,830	27,796,353
	2.	**Savings Bank Deposits**	38,486,454	17,582,115
	3.	**Term Deposits**		
		i) From Banks	43,099,648	30,892,741
		ii) From Others	226,753,982	167,215,303
	Total		269,853,630	198,108,044
	Total (1 to 3)		345,880,914	243,486,512
B.	i.	Deposits of Branches in India	345,880,914	243,486,512
	ii.	Deposits of Branches outside India	–	–
	Total		345,880,914	243,486,512

Schedule 4 - Borrowings

(₹ in '000s)

Particulars			31-Mar-17	31-Mar-16
1.	**Borrowings in India**			
	(i)	Reserve Bank of India	–	34,170,000
	(ii)	Other Banks	12,442,958	16,550,244
	(iii)	Other Institutions and Agencies	45,470,762	43,409,754
	(iv)	Subordinated debt	7,300,000	4,000,000
	Total		65,213,720	98,129,998
2.	**Borrowings outside India**		14,583,852	7,232,241
	Total (1 + 2)		79,797,572	105,362,239

Secured Borrowings included in 1 & 2 above are ₹ 11,578,953 thousands (for financial year ending March 31, 2016 ₹ 46,164,616 thousands)

Schedule 5 – Other Liabilities And Provisions

(₹ in '000s)

Particulars		31-Mar-17	31-Mar-16
1.	Bills Payable	2,534,240	716,513
2.	Inter Office Adjustments (Net)	–	–
3.	Interest Accrued	2,892,380	2,202,625
4.	Others (Including Provisions) *	12,286,850	9,950,646
	Total (1 to 4)	17,713,470	12,869,784
* Includes : Provision against Standard Assets		1,343,579	893,395

SCHEDULES

forming part of the standalone financial statements for the year ended March 31, 2017

Schedule 6 – Cash and Balances with Reserve Bank of India

(₹ in '000s)

Particulars			31-Mar-17	31-Mar-16
1.	Cash in hand		1,648,328	1,360,911
2.	Balances with Reserve Bank of India			
	(i)	In Current Account	14,330,958	12,036,550
	(ii)	In Other Accounts	13,500,000	–
	Total (1+2)		29,479,286	13,397,461

Schedule 7 – Balance with Banks and Money at Call and Short Notice

(₹ in '000s)

Particulars			31-Mar-17	31-Mar-16
1.	**In India**			
	(i)	Balances with Banks		
		a) In Current Accounts	1,212,210	940,550
		b) In other Deposit Accounts	10,272,083	9,188,088
	(ii)	Money at Call and Short Notice		
		a) With Banks	–	–
		b) With Other Institutions	–	–
	Total (i+ii)		11,484,293	10,128,638
2.	**Outside India**			
	(i)	In Current Accounts	972,910	973,113
	(ii)	In Other Deposits Accounts	–	–
	(iii)	Money at Call and Short Notice	–	–
	Total (i+ii+iii)		972,910	973,113
	Total (1 + 2)		12,457,203	11,101,751

Schedule 8 – Investments

(₹ in '000s)

Particulars			31-Mar-17	31-Mar-16
1.	**Investments in India (Gross)**		135,323,481	144,514,380
	Less – Provision for depreciation		508,059	155,852
	Total		134,815,422	144,358,528
	Break Up			
	(i)	Government Securities	98,012,178	102,819,956
	(ii)	Other Approved Securities	–	–
	(iii)	Shares	1,087,049	171,248
	(iv)	Debentures & Bonds	20,026,972	16,914,539
	(v)	Subsidiaries and / or Joint Venture	–	–
	(vi)	Others *	15,689,223	24,452,785
	Total		134,815,422	144,358,528

SCHEDULES

forming part of the standalone financial statements for the year ended March 31, 2017

Schedule 8 – Investments (contd.)

(₹ in '000s)

Particulars			31-Mar-17	31-Mar-16
	* Details of Others (vi)			
	(i)	Commercial paper & Certificates of deposit	4,444,963	9,833,729
	(ii)	Mutual Funds	4,412,597	4,200,000
	(iii)	Venture Capital Fund	817,778	685,607
	(iv)	Pass Through Certificates	5,922,457	9,590,949
	(v)	Security Receipts	91,428	142,500
	Total		15,689,223	24,452,785
2.	Investments Outside India			
	(i)	Government Securities (Including Local Authorities)	–	–
	(ii)	Subsidiaries and / or Joint Venture abroad	–	–
	(iii)	Other Investments	1,664	1,810
	Total		1,664	1,810
	Total (1+2)		134,817,086	144,360,338

Schedule 9 – Advances

(₹ in '000s)

Particulars			31-Mar-17	31-Mar-16
A.				
(i)	Bills Purchased and Discounted		5,366,986	6,465,805
(ii)	Cash Credits, Overdrafts and Loans Repayable on Demand		72,361,010	54,601,141
(iii)	Term Loans		216,762,385	151,223,884
	Total		294,490,381	212,290,830
B.				
(i)	Secured by Tangible Assets (Includes advances against Fixed Deposits and Book Debts)		201,076,218	175,237,619
(ii)	Coverd by Bank/Government Guarantees		280,951	264,462
(iii)	Unsecured		93,133,212	36,788,749
	Total		294,490,381	212,290,830
C.1	Advances in India			
(i)	Priority Sector		93,455,904	68,622,211
(ii)	Public Sector		1,917,644	–
(iii)	Banks		6,590,294	–
(iv)	Others		192,526,539	143,668,619
	Total		294,490,381	212,290,830
C.2	Advances Outside India			
(i)	Due from Banks		–	–
(ii)	Due from Others			–
	a)	Bills Purchases and Discounted	–	–
	b)	Syndicated Loans	–	–
	c)	Others	–	–
	Total		–	–
	Total (C.1 + C.2)		294,490,381	212,290,830

SCHEDULES

forming part of the standalone financial statements for the year ended March 31, 2017

Schedule 10 – Fixed Assets

(₹ in '000s)

Particulars			31-Mar-17	31-Mar-16
1.	Premises			
	(i)	At cost at 31st March of the preceding year	79,002	78,164
	(ii)	Additions During the year	–	5,086
	(iii)	Deductions During the year	3,761	4,247
	(iv)	Accumulated Depreciation to date	10,280	11,094
	Total		64,961	67,909
2.	Other Fixed Assets			
	(i)	At cost at 31st March of the preceding year	2,941,461	2,445,702
	(ii)	Additions During the year	1,290,153	533,868
	(iii)	Deductions During the year	49,390	38,109
	(iv)	Accumulated Depreciation to date	2,005,566	1,426,934
	Total		2,176,658	1,514,527
3.	Leased Assets			
	(i)	Lease equalisation - Opening balance	13,509	13,509
	(ii)	Additions During the year	–	–
	(iii)	Less: Provision held	13,509	13,509
	(iv)	Accumulated Depreciation to date	–	–
	Total		–	–
4.	Capital Work in Progress		345,469	190,529
	Total (1 to 4)		2,587,088	1,772,965

Schedule 11 – Other Assets

(₹ in '000s)

Particulars		31-Mar-17	31-Mar-16
1.	Inter-Office Adjustment (Net)	–	–
2.	Interest Accrued	3,897,000	3,238,619
3.	Tax Paid in Advance/Tax Deducted at Source (Net of Provision)	–	254,640
4.	Stationery and Stamps	5,782	4,517
5.	Deferred Tax Assets (Net)	885,842	243,840
6.	Others	8,128,043	4,945,898
	Total (1 to 6)	12,916,667	8,687,514

SCHEDULES

forming part of the standalone financial statements for the year ended March 31, 2017

Schedule 12 – Contingent Liabilities

(₹ in '000s)

Particulars			31-Mar-17	31-Mar-16
1.	Claims against the bank not acknowledged as debts		**77,575**	97,879
2.	Liability for Partly Paid Investment		**151,800**	313,050
3.	Liability on Account of Outstanding Forward Exchange contracts		**172,802,904**	91,651,856
4.	Liability on Account of Outstanding derivative contracts			
	(i)	Interest Rate Swaps	**51,169,535**	71,504,849
	(ii)	Cross Currency Swaps	**55,562,826**	17,980,150
	(iii)	Currency Options	**44,043,976**	48,065,526
	(iv)	Currency Futures	**–**	1,325,100
	(v)	Interest Rate Futures	**–**	–
5.	Guarantees given on behalf of constituents			
	(i)	In India	**48,169,568**	32,469,275
	(ii)	Outside India	**27,312,261**	17,186,459
6.	Acceptances, Endorsements and other Obligations		**17,503,286**	12,948,145
7.	Other items for which the bank is contingently liable			
	a)	Income tax & other matters (under appeal)	**80,144**	79,554
	b)	Others	**2,170,746**	3,560,346
	Total (1 to 7)		**419,044,621**	**297,182,189**

Schedule 13 – Interest Earned

(₹ in '000s)

Particulars		31-Mar-17	31-Mar-16
1.	Interest / Discount on Advances / bills	**26,394,024**	19,528,033
2.	Income on Investments	**9,814,681**	7,453,785
3.	Interest on balance with RBI and Other Inter bank funds	**854,902**	398,372
4.	Others	**67,978**	62,883
	Total (1 to 4)	**37,131,585**	**27,443,073**

Schedule 14 – Other Income

(₹ in '000s)

Particulars		31-Mar-17	31-Mar-16
1.	Commission, Exchange and Brokerage	**4,912,488**	3,440,258
2.	Profit on sale of Investments (Net)	**1,189,112**	598,600
3.	Profit / (Loss) on sale of land, building and other assets (Net)	**7,674**	8,154
4.	Profit on exchange transactions (Net)	**1,129,546**	797,666
5.	Miscellaneous Income	**315,807**	60,749
	Total (1 to 5)	**7,554,627**	**4,905,427**

SCHEDULES

forming part of the standalone financial statements for the year ended March 31, 2017

Schedule 15 – Interest Expended

(₹ in '000s)

Particulars		31-Mar-17	31-Mar-16
1.	Interest on Deposits	**19,607,995**	15,070,890
2.	Interest on Reserve Bank of India / Inter-Bank Borrowings	**1,333,207**	1,228,412
3.	Others	**3,977,039**	2,951,702
	Total (1 to 3)	**24,918,241**	**19,251,004**

Schedule 16 – Operating Expenses

(₹ in '000s)

Particulars		31-Mar-17	31-Mar-16
1.	Payments to and provisions for employees	**4,461,394**	3,699,210
2.	Rent, taxes and lighting	**957,553**	828,773
3.	Printing and stationery	**75,533**	58,549
4.	Advertisement and publicity	**179,998**	69,793
5.	Depreciation on banks property	**615,048**	483,569
6.	Director's fees Allowances and expenses	**8,224**	5,572
7.	Auditors' fees and expenses (Including branch auditor's fees and expenses)	**5,516**	7,671
8.	Law Charges	**62,902**	48,991
9.	Postage, Telegrams, Telephones, etc.	**130,028**	95,388
10.	Repairs and maintenance	**37,389**	65,042
11.	Insurance	**319,144**	209,121
12.	Other Expenditure	**3,711,143**	2,101,688
	Total (1 to 12)	**10,563,872**	**7,673,367**

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Schedule 17 – Significant accounting policies forming part of the financial statements for the year ended March 31, 2017

Background:

RBL Bank Limited, incorporated in Kolhapur, India is a banking company governed by the Banking Regulation Act, 1949 with Reserve Bank of India ('RBI') as its principal regulator. The Bank is engaged in providing a wide range of banking and financial services including commercial banking, retail banking, agriculture finance and financial inclusion, treasury operations and other banking related activities. The Bank's shares were listed on August 31, 2016 on National Stock Exchange of India Limited (NSE) & BSE Limited (BSE).

Basis of preparation:

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

Use of estimates:

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

Significant Accounting Policies:

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

1. Advances

Advances are stated net of provisions made in respect of non-performing advances ('NPA'). Premium paid on acquisition of portfolio is included in advances and is amortised over the economic life of the portfolio; being 5 years for on-demand working capital loans and credit card portfolios purchased. Advances are classified as Performing and NPA based on the relevant RBI guidelines. Provisions in respect of non-performing and restructured advances are made based on management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels prescribed under RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning prescribed from time to time. In case of restructured accounts, provision is made for erosion/diminution in fair value of restructured loans, in accordance with RBI guidelines. The Bank also maintains provision on standard assets to cover potential credit losses which are inherent in any loan portfolio in accordance with RBI guidelines in this regard. Provision made against standard assets is included in 'Other Liabilities and Provisions'. Amounts recovered against debts written off in earlier years and provisions no longer considered necessary based on the current status of the borrower are recognised in the profit and loss account as credit to 'Miscellaneous Income' under the head 'Other Income' or provision for NPAs, respectively.

2. Investments

Classification and valuation of Bank's Investments is carried out in accordance with RBI and Fixed Income Money Market and Derivatives Association ('FIMMDA') guidelines issued in this regard from time to time.

a) Classification

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

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

b) Valuation

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

Investments classified as AFS and HFT are marked-to-market on a periodic basis as per relevant RBI guidelines. The securities are valued scrip-wise and depreciation / appreciation are aggregated for each category. Net appreciation in each category, if any, is ignored, while net depreciation is provided for. The book value of individual securities is not changed consequent to the periodic valuation of investments.

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

Quoted investments are valued at traded/ quoted price available on the recognised stock exchanges, subsidiary general ledger account transactions, price list of RBI or prices declared by Primary Dealers Association of India ("PDAI") jointly with Fixed Income Money Market and Derivatives Association (FIMMDA) applicable as at the balance sheet date. For deriving market value of unquoted fixed income securities (other than Central and State Government securities), yields / mark-up rates (reflecting associate credit risk) declared by the FIMMDA in consultation with PDAI are used.

Unquoted equity shares are valued at the break-up value, if the latest Balance Sheet is available (which should not be more than one year prior to the date of valuation) or at ₹ 1 as per the RBI guidelines. Depreciation on equity shares acquired and held by the Bank under SDR scheme is provided in accordance with the RBI guidelines.

Quoted Mutual Fund units are valued as per Stock Exchange quotations and un-quoted Mutual Fund units are valued at last available re-purchase price or Net Asset Value where re-purchase price is not available.

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

Security receipts issued by the asset reconstruction companies are valued in accordance with the guidelines prescribed by RBI. Accordingly, Security receipts are valued as per the Net Asset Value provided by the issuing Asset Reconstruction Company.

c) Disposal of investments:

Profit / Loss on sale of investments under the aforesaid three categories are recognised in the Statement of Profit and Loss. Cost of investments is based on the weighted average cost method. The profit from sale of investment under HTM category, net of taxes and transferred to statutory reserve

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is appropriated from Statement of Profit and Loss to "Capital Reserve" in accordance with the RBI Guidelines.

d) Transfer between categories

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

a) Transfer from AFS/HFT to HTM is made at the lower of book value or market value at the time of transfer.

b) Transfer from HTM to AFS/HFT is made at acquisition price/book value if originally placed in HTM at par or at a discount and at amortised cost if originally placed in HTM at a premium.

c) Transfer from AFS to HFT category or vice-versa is made at book value and the provision for the accumulated depreciation, if any, held is transferred to the provisions for depreciation against the HFT securities or vice-versa.

e) Repurchase transactions

Repurchase ('Repo') and reverse repurchase ('Reverse Repo') transactions including liquidity adjustment facility (with RBI) are accounted for as borrowing and lending transactions. Accordingly, securities given as collateral under an agreement to repurchase them continue to be held under the investment account of the Bank and the Bank would continue to accrue the coupon/discount on the security during the repo period. Also, the Bank continues to value the securities sold under repo as per the investment classification of the security. Borrowing cost on repo transactions is accounted for as interest expense and revenue on reverse repo transactions are accounted for as interest income.

f) Broken period interest, brokerage etc.

Broken period interest and costs such as brokerage paid at the time of acquisition of the security are charged to the Profit and Loss account.

3. Foreign Currency and Rupee Derivative transactions

Transactions denominated in foreign currency are recorded at exchange rates prevailing on the date of the transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Profit and Loss account. Income and Expenditure items are translated at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the Balance Sheet date at rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant exchange differences are recognized in the Profit and Loss account.

In accordance with RBI Circular No. DBOD No. BP.BC.76/21.04.018/2005-06 dated April 5, 2006 and Accounting Standard 11 - The effect of Changes in Foreign Exchange Rates, foreign exchange trading positions including spot and forward contracts are revalued at each month end at market rates published by FEDAI and then discounted using appropriate curves. Long term foreign exchange contracts (original maturities of over 12 months) where exchange rates are not notified by FEDAI are revalued based on the forward exchange rates implied by the swap curves in respective currencies. The resulting gains and losses are recorded in the profit and loss account except in case of swaps entered into for hedging an on-balance sheet foreign currency exposure which is accounted for on an accrual basis. The unrealised gain and losses on swaps outstanding at year-end are included in 'Other assets' and 'Other liabilities', respectively. The notional values of these contracts are recorded as contingent liability at the closing exchange rates.

Swap cost arising on account of foreign currency swap contracts to convert rupee assets/liabilities into foreign currency assets/liabilities or vice versa is charged to profit and loss account as interest cost by amortising over the tenor of the swap.

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

The interest rate and currency swaps are marked to market using appropriate interest rates/exchange rates as applicable. The profit or loss on revaluation is recorded in the Profit and Loss account and is included in 'Other assets' or 'Other liabilities'. The notional value of these swaps is recorded as Contingent Liability.

Foreign currency futures are marked to market using closing price of the relevant futures contract as published by the exchange/clearing corporation. The profit or loss on revaluation is recorded in the profit and loss account and corresponding asset or liability is shown under 'Other assets' or 'Other liabilities', as the case may be. Margin money deposited with the exchange is included in 'Other assets'. The notional value of outstanding futures contract is recorded as Contingent liability.

Foreign currency options are marked to market using market values after considering the premium received or paid. The profit or loss on revaluation is recorded in the profit and loss account and corresponding asset or liability is shown under 'Other assets' or 'Other liabilities', as the case may be. Premium received and premium paid is recognized in the Profit and Loss account upon expiry or exercise of the options. The notional value of these options is recorded as a Contingent liability.

Provisioning of overdue customer receivable on interest rate and foreign exchange derivative transactions, if any, is made as per RBI guidelines.

With respect to credit exposures to counterparties arising on account of the interest rate and foreign exchange derivative transactions, which are computed as per the current mark to market value of the contract, a provision is made as is applicable to the loan assets in the 'standard' category.

4. Bullion

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

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

5. Fixed Assets and Depreciation

Fixed Assets are accounted for at cost less accumulated depreciation, amortization and accumulated impairment losses. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Premises acquired up to March 31, 1998 have been revalued by the management and are stated at such revalued figure. The appreciation on revaluation is credited to 'Premises Revaluation Reserve' Account. On disposal of revalued premises, the amount standing to the credit of the Premises Revaluation Reserve is transferred to Capital Reserve. Depreciation attributable to the enhanced value is transferred from Premises Revaluation Reserve to the credit of depreciation in the Profit and Loss account.

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

The useful lives of the fixed assets are given below:

Category	Estimated useful life
Premises	50 years
Desktop computers and printers, Laptops	3 years
VSATs, Telecom equipment, cabling, other computer hardware and related equipment, LAN/Mainframe servers and printers, scanners	5 years

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Category	Estimated useful life
Purchased and developed Software	5 years
Vehicles	5 years
Office equipment, Locker cabinets, Strong room	6.67 years
ATMs	7 years
Furniture, fittings and work of art	10 years

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

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

6. Retirement and other employee benefits

The Bank's contribution towards Provident fund, being a defined contribution scheme, is accounted for on an accrual basis and recognized in the Profit and Loss account. Liability for Gratuity and Pension, being defined benefit retirement schemes, are determined based on an actuarial valuation as at the Balance Sheet date as per the Projected Unit Credit Method as computed by an independent actuary.

The Bank provides for leave encashment liability of its employees who are eligible for encashment of accumulated leave and sick leave, which is a long-term benefit scheme, based on actuarial valuation of the leave encashment liability at the balance sheet date, carried out by an independent actuary.

Actuarial gains/losses arising during the year are recognized in Profit and Loss Account.

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

7. Revenue Recognition

a) Interest income is recognised in the Profit and Loss account on accrual basis, except in the case of interest on NPA and on loan accounts where restructuring has been approved by the Bank under Strategic Debt Restructuring (SDR) scheme of RBI, which is recognised as income on realisation, as per the Income Recognition and Asset Classification norms of RBI.

b) Recoveries in respect of past due loan accounts classified as sub-standard are appropriated towards overdue principal and thereafter towards interest and charges

c) Income on discounted instruments is recognised over the tenure of the instrument on a constant yield basis.

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

e) Loan processing fee is accounted for upfront when it becomes due.

f) All other fees are accounted for as and when they become due.

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8. Lease transactions

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

The Bank has not undertaken any finance leases.

9. Taxation

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

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

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

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

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

10. Provisions and contingencies

The Bank creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

11. Provision for reward points on credit cards

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

12. Earnings per share (EPS)

Basic and diluted earnings per share are computed in accordance with Accounting Standard-20 – Earnings per share.

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

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

13. Share issue expenses

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

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14. 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.

Schedule 18 - Notes to Accounts forming part of Financial Statements for the year ended March 31, 2017

1 Capital

During the year ended March 31, 2017, the Bank issued 37,000,000 equity shares of ₹ 10/- through Initial Public Offer (IPO), each shares allotted at a price of ₹ 225/- aggregating to ₹ 832.50 crore. Further the bank allotted 13,475,006 equity shares aggregating to ₹ 114.67 crore on various dates to the employees who exercised their stock options.

During the previous year, the Bank issued 25,000,000 equity shares of ₹ 10/- aggregating ₹ 487.50 crore through pre-IPO placement. Further, the Bank allotted 6,278,500 equity shares aggregating to ₹ 37.53 crore on various dates to the employees who exercised their stock options.

2 Proposed Dividend

The Board of Directors at their meeting on May 2, 2017, proposed a dividend of ₹ 1.8 per share (18%) [previous year - Nil], subject to the approval of the members at the ensuing Annual General Meeting.

In accordance with the revised Accounting Standard (AS) - 4 'Contingencies and Events occurring after the Balance Sheet Date', the Bank has not accounted for proposed dividend ₹ 67.54 crore (previous year – Nil) and corporate dividend tax ₹ 13.75 crore (previous year-Nil), as a liability, as at March 31, 2017.

3 Investments

3.1 During the year ended March 31, 2017 and the previous year ending March 31, 2016 there has been no sale/ transfer from HTM categories in excess of 5% of the book value of investments held in the HTM category. The 5% threshold referred to above does not include onetime transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks as per extant RBI guidelines, sale of securities under pre-announced Open Market Operation (OMO) auction to the RBI and sale of securities or transfer to AFS / HFT consequent to the reduction of ceiling on SLR securities under HTM.

3.2 During the previous year ending March 31, 2016, in an effort to realise its dues, the Bank with the permission of RBI, acquired the shares of a company (investee Company) by exercise of a pledge of investee company's shares in its favor by one of the defaulting borrowers of the Bank. The Bank's shareholding in the said investee company remained unchanged at 24.56% during whole of the current financial year. Investments in the shares of the investee company have been acquired and held exclusively with a view to its subsequent disposal in the near future and accordingly has not been accounted for as an associate under the purview of AS-23 – 'Accounting for Investments in Associates in Consolidated Financial Statements'. These equity shares have been classified under AFS category and have been valued as per the extant guidelines of the Reserve Bank of India for valuation of investments. Accordingly, these exposures have not been considered as intra-group exposures.

3.3 During the year ended March 31, 2017, the Bank has increased its holding in Swadhaar Finserve Private Limited (SFPL) from 13.74% to 30.00%, following which the company has become an "Associate" of the Bank. The investment is classified in Held to Maturity (HTM) category, in accordance with RBI guidelines.

4 Employee Stock Option Plan ("ESOP")

The members of the Bank have approved granting of stock options to employees under one or more Employee Stock Option Plan (ESOP) enabling the Board and / or the Human Resource Committee to grant such number of Options of the Bank not exceeding 12% of the aggregate number of issued and paid up equity shares of the Bank. The ESOP is equity settled where the employees will receive one equity share per option. The stock options granted to employees vest over a period of two years, three years or four years in the proportion of either 20:80, equal proportion, 40:30:30, 30:30:40 or 10:20:30:40, as the case may be. Vested options can be exercised within a period of three years from the date of vesting or within a period of one year from the date on which the shares of the Bank gets listed on a recognised stock exchange (listed since August 31, 2016), whichever is later.

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Under Intrinsic Value method there is no charge to the profit and loss account for the current year (previous year – Nil) on account of grant of the ESOPs, since exercise price of the stock options granted is more than the underlying value of the shares (prior to listing) or at the market price (listed since August 31, 2016), as the case may be. If the Bank had adopted the Black-Scholes model based fair valuation, compensation cost for the year ended March 31, 2017, would have increased by ₹ 24.73 crore (previous year ₹ 22.62 crore) and the profit before tax would have been lower correspondingly. Accordingly, on a pro-forma basis, basic and diluted earnings per share for the year ended March 31, 2017 would have been ₹ 11.89 and ₹ 11.15, respectively (Previous year ₹ 9.11 and ₹ 8.95, respectively).

	FY 2016-17			
Stock option activity under the scheme	No of Options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life years
Outstanding at the beginning of the year	3,38,14,756	46.50 - 120.00	92.95	3.86
Granted during the year	1,31,85,450	120.00 – 494.55	193.61	
Forfeited during the year	25,42,481	46.50 – 377.90	103.31	
Exercised during the year	1,34,75,006	46.50 – 120.00	85.10	
Expired during the year	–			
Outstanding at the end of the year	3,09,82,719	40.00 – 494.55	138.36	3.92
Options exercisable at the end of the year	35,67,877	46.50 – 120.00	89.50	2.58

Options granted during the year carry an exercise price of ₹ 120.00, ₹ 377.90, ₹ 382.15, ₹ 476.70, ₹ 476.85 and ₹ 494.55. During the year corresponding value of the shares for these grants at the time of respective grant was ₹ 77.88, ₹ 377.90, ₹ 382.15, ₹ 476.70, ₹ 476.85 and ₹ 494.55 respectively.

	FY 2015-16			
Stock option activity under the scheme	No of Shares	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life years
Outstanding at the beginning of the year	26,115,467	46.50 - 100.00	66.75	4.15
Granted during the year	16,432,050	100.00 - 120.00	119.25	
Forfeited during the year	2,454,261	46.50 - 120.00	74.98	
Exercised during the year	6,278,500	46.50 - 100.00	59.78	
Expired during the year	-			
Outstanding at the end of the year	33,814,756	46.50 - 120.00	92.95	3.86
Options exercisable at the end of the year	4,965,295	46.50 - 100.00	68.90	2.56

Options granted during the previous year carry an exercise price of ₹ 100.00 and ₹ 120.00. During the previous year corresponding value of the shares for these grants at the time of respective grant was ₹ 85.34, ₹ 96.30, ₹ 94.92 and ₹ 90.38 respectively.

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

Particulars	2016-17	2015-16
Expected dividend yield	0.30% -1.25%	0.75% -0.90%
Expected volatility	32.74%~45.44%	44.66%~47.27%
Risk free interest rates	6.18%-7.37%	7.29%-8.07%
Expected life of options in years (across each tranche)	1.0- 4.0	1.0- 3.0

Expected volatility is a measure of the amount by which the equity share price is expected to fluctuate during the period. The measure of volatility used in Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the share over a period of time. Expected volatility has been computed by considering the historical data on daily volatility in the closing equity share price on NSE of similar listed banks over the expected tenor of each tranche.

5 Appropriation to Reserves

For the year ended March 31, 2017, the Bank has appropriated ₹ 111.60 crore (previous year: ₹ 73.20 crore) towards Statutory Reserves, ₹ 0.31 crore (previous year: ₹ 1.00 crore) towards Capital Reserves and ₹ 250.00 crore (previous year: ₹ 160.00 crore) towards Revenue & other Reserves.

6 Disclosures as per Accounting Standards

6.1 Disclosures under AS - 15 on employee benefits

Defined Contribution Plans:

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

(₹ in crore)

Particulars	2016-17	2015-16
Provident Fund	12.95	10.08
Pension Scheme (employees joining after 01.04.2010)	0.02	0.02

Defined Benefit Plans:

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

Change in the present value of the defined benefit obligation

(₹ in crore)

Particulars	2016-17		2015-16	
	Pension	Gratuity	Pension	Gratuity
Opening defined benefit obligation at 1st April	107.88	23.34	90.65	18.82
Current Service cost	5.77	3.65	5.14	2.89
Interest cost	8.59	1.80	7.18	1.51
Actuarial losses/ (gains)	(2.08)	4.10	17.71	1.85
Benefits paid	(12.01)	(3.04)	(12.80)	(1.73)
Closing defined benefit obligation at 31st March	108.15	29.85	107.88	23.34

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Change in the plan assets

(₹ in crore)

Particulars	2016-17		2015-16	
	Pension	Gratuity	Pension	Gratuity
Opening fair value of plan assets at 1st April	87.58	18.46	69.12	14.03
Expected return on plan assets	6.97	1.43	5.47	1.13
Employers Contributions	21.89	4.88	24.78	4.79
Benefit paid	(12.01)	(3.04)	(12.80)	(1.73)
Actuarial gains / (losses) on plan assets	0.83	0.04	1.01	0.24
Closing fair value of plan assets at 31st March	105.26	21.77	87.58	18.46

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

(₹ in crore)

Particulars	2016-17		2015-16	
	Pension	Gratuity	Pension	Gratuity
Present value of funded obligation at 31st March	108.15	29.85	107.88	23.34
Fair value of plan assets at 31st March	105.26	21.77	87.58	18.46
Deficit / (Surplus)	2.89	8.08	20.30	4.88
Net Liability / (Asset)	2.89	8.08	20.30	4.88

Net cost recognized in the profit and loss account

(₹ in crore)

Particulars	2016-17		2015-16	
	Pension	Gratuity	Pension	Gratuity
Current Service cost	5.77	3.65	5.14	2.89
Interest cost	8.59	1.80	7.18	1.51
Expected return on plan assets	(6.97)	(1.43)	(5.47)	(1.13)
Net actuarial losses / (gains) recognised during the year	(2.91)	4.06	16.70	1.61
Total cost of defined benefit plans included in Schedule 16 Payments to and provisions for employees	4.48	8.08	23.55	4.88

Reconciliation of Expected return and actual returns on planned assets

(₹ in crore)

Particulars	2016-17		2015-16	
	Pension	Gratuity	Pension	Gratuity
Expected return on plan assets	6.97	1.43	5.47	1.13
Actuarial gain / (loss) on plan assets	0.83	0.04	1.01	0.24
Actual return on plan assets	7.80	1.47	6.48	1.37

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

(₹ in crore)

Particulars	2016-17		2015-16	
	Pension	Gratuity	Pension	Gratuity
Opening net liability as at 1st April	20.30	4.88	21.53	4.79
Expenses as recognised in profit & Loss account	4.48	8.08	23.55	4.88
Employers contribution	(21.89)	(4.88)	(24.78)	(4.79)
Net liability / (asset) recognised in balance sheet	2.89	8.08	20.30	4.88

Experience Adjustment

(₹ in crore)

Particulars	2016-17		2015-16		2015-16		2015-16		2015-16	
	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity
Present value of funded obligation at 31st March	108.15	29.85	107.88	23.34	90.65	18.82	71.15	14.09	57.31	12.88
Fair value of plan assets at 31st March	105.26	21.77	87.58	18.46	69.12	14.03	49.32	11.97	54.42	11.45
Deficit / (Surplus)	2.89	8.08	20.30	4.88	21.53	4.79	21.83	2.12	2.89	1.43
On Plan Liabilities (gains) / losses	(6.09)	2.20	18.46	1.35	10.00	1.07	23.21	0.97	8.13	1.15
On Plan Assets (losses) / gains	0.83	0.04	1.01	0.24	0.64	0.12	0.08	(0.01)	(1.10)	(0.02)

Other details

(₹ in crore)

Particulars	2016-17		2015-16	
	Pension	Gratuity	Pension	Gratuity
Expected Contribution on Plan assets	6.31	13.57	6.35	8.53

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

Category of Assets	2016-17		2015-16	
	Pension (%)	Gratuity (%)	Pension (%)	Gratuity (%)
Central Government securities	19.40	12.51	23.32	14.75
State Government securities	32.70	37.63	25.17	35.21
Corporate Bonds	17.28	22.53	8.16	18.37
Special Deposit Schemes	–	–	–	–
Funds with LIC	–	10.57	–	12.46
Fixed deposits and bank balances	30.62	16.76	43.35	19.21
Total	100.00	100.00	100.00	100.00

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Key Actuarial Assumptions

Particulars	2016-17		2015-16	
	Pension	Gratuity	Pension	Gratuity
Discount rate	7.39%	6.77%	7.96%	7.72%
Expected rate of return on Plan Asset	7.39%	6.77%	7.96%	7.72%
Salary Escalation	6.00%	6.00% (IBA)	6.00%	6.00% (IBA)
		8.00% (Others)		8.00% (Others)
Attrition rate	2.00%	2.00% (IBA)	2.00%	2.00% (IBA)
		20.00% (Others)		20.00% (Others)

6.2 Segment Reporting: Information about business segments

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

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

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

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The following table sets forth the business segment results:

(₹ in crore)

Particulars	2016-17					2015-16				
	Corporate/ Wholesale Banking	Retail Banking	Treasury	Other Banking Operations	Total	Corporate/ Wholesale Banking	Retail Banking	Treasury	Other Banking Operations	Total
Gross Revenue	2,570.20	2,320.07	3,181.18	221.02	8,292.47	2,100.28	1,569.76	2,408.77	101.12	6,179.93
Unallocated Revenue					0.77					0.82
Less: Inter Segment Revenue					3,824.61					2,945.90
Total Revenue					4,468.63					3,234.85
Segment Results	269.17	182.39	179.31	50.03	681.67	156.19	97.77	138.92	34.99	428.69
Unallocated expenses					0.18					0.69
Operating Profit					681.49					428.00
Income Tax expense (including deferred tax)					235.44					135.52
Net Profit					446.05					292.48
Segment Assets	20,341.99	8,597.18	18,183.16	813.44	47,935.77	15,055.32	5,963.46	17,119.92	445.48	38,584.18
Unallocated Assets					739.00					576.90
Total Assets					48,674.77					39,161.08
Segment Liabilities	11,005.47	18,965.72	14,301.08	21.02	44,293.29	7,946.44	11,668.82	16,529.13	15.31	36,159.70
Unallocated Liabilities					4,381.48					3,001.38
Total Liabilities					48,674.77					39,161.08

Notes:

- The business of the Bank does not extend outside India and it does not have any assets outside India or earnings emanating from outside India. Accordingly, the Bank has reported operations in the domestic segment only.
- Income, expenses, assets and liabilities have been either specifically identified to individual segment or allocated to segments on a reasonable basis or are classified as unallocated.
- Unallocated items include Fixed Assets, realized gains/losses on their sale, income tax expense, deferred income tax assets/liabilities, advance tax, cash in hand, share capital and reserves.

6.3 Related Party Transactions

As per AS 18 "Related Party Disclosures", the Bank's related parties for the year ended March 31, 2017 are disclosed below:

1. Key Management Personnel ('KMP')

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

   Mr. Rajeev Ahuja (Executive Director) (identified as related party w.e.f. February 21, 2017)

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2. Relatives of Key Management Personnel

   Mrs. Reva Ahuja, Mr. Dharam Bir Ahuja, Ms. Vasudhaa Ahuja, Ms. Vrinda Ahuja, Mrs. Dipeeka Dhand, Ms. Kanika Ahuja, D. B. Ahuja & Sons (HUF)

   Ms. Aishwarya Ahuja, Mrs. Priti Ahuja, Mr. Raman Ahuja (identified as related party w.e.f. February 21, 2017)

3. Associates

   Swadhaar Finserve Private Limited (SFPL) (identified as related party w.e.f. April 5, 2016)

   Swadhaar Information and Management Services Private Limited (SIMSPL), a wholly owned subsidiary of SFPL, has been merged with SFPL w.e.f. April 1, 2016 vide NCLT order March 8, 2017. All the transactions done by the Bank with SIMSPL during the current year have been included with SFPL, for the purpose of related party transactions.

   The following represents the significant transactions between the Bank and such related parties including relatives of above mentioned KMP during the year ended March 31, 2017.

(₹ in crore)

Items / Related Party	Associates/ Joint ventures	Maximum Balance during the year	KMP	Maximum Balance during the year	Relatives of KMP	Maximum Balance during the year
Remuneration			1.92	–	–	–
Deposit	–	–	10.04	11.06	2.73	3.19
Advances	–	–	0.77	0.85	–	–
Interest paid	–	–	0.13	0.13	0.08	0.08
Interest received	–	–	0.01	0.01	–	–
Interest payable	–	–	–	0.07	0.01	0.02
Interest Receivable	–	–	–	–	–	–

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

During the previous year, there was only one related party in each of the relevant category.

6.4 Operational Leases

The Bank has taken certain premises on operating lease. The agreements entered into provide for renewal and rent escalation. Particular of future minimum lease payments in respect of the same are as mentioned below:

(₹ in crore)

Period	2016-17	2015-16
Not later than one year	66.39	54.59
Later than one year and not later than five years	200.35	160.96
Later than five years	56.81	48.24
Total	323.55	263.79
Lease payment recognized in profit and loss account for the year	75.36	66.41

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6.5 Earnings Per Share (EPS)

(₹ in crore)

Particulars	2016-17	2015-16
Basic		
Weighted Average Number of equity shares	354,220,599	304,710,179
Net Profit after tax available for equity share holders (₹)	446.05	292.48
Basic Earnings Per Share (F V ₹ 10/-)	12.59	9.60
Diluted		
Weighted Average Number of equity shares (including dilutive potential equity shares)	377,947,742	310,217,652
Net Profit after tax available for equity share holders (₹)	446.01	292.48
Diluted Earnings Per Share (F V ₹ 10/-)	11.80	9.43
Nominal Value per share	₹ 10	₹ 10

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

6.6 Deferred Tax (AS -22)

Major components of Deferred Tax Assets and Deferred Tax Liabilities as on March 31, 2017 are as under:-

(₹ in crore)

Particulars	Deferred Tax Assets/(Liabilities)	
	2016-17	2015-16
Deferred tax assets:		
Provision for Assets	88.93	51.30
Employee benefits	3.93	10.67
Others	9.68	5.65
Deferred tax liabilities:		
Charge related to acquisition	–	(17.81)
Depreciation on Fixed Assets	(13.95)	(12.01)
MTM Gain on Derivatives	–	(13.42)
Total	88.59	24.38

6.7 Fixed Assets:

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

(₹ in crore)

Particulars	2016-17	2015-16
At cost at the beginning of the year	104.46	81.28
Additions during the year	55.79	20.42
Deductions during the year	0.44	0.02
Accumulated depreciation at March 31	73.23	44.69
Closing balance at March 31	86.58	56.99
Depreciation charge for the year	26.29	18.77

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7 Small and Micro Industries

Based on information available with the Bank, during the year, there were no amounts outstanding the due date, to the parties covered under the Micro, Small and Medium Enterprises Development Act, 2006.

8 Disclosure of complaints / unimplemented awards of Banking Ombudsman for the year ended March 31, 2017

A)	Customer Complaints	2016-17	2015-16
a)	No. of complaints pending at the beginning of the year	453	86
b)	No. of complaints received during the year*	20,739	5,358
c)	No. of complaints redressed during the year	20,479	4,991
d)	No. of complaints pending at the end of the year	713	453

*Includes 895 (previous Year: 612) ATM Complaints of Bank's customers using other bank ATMs

B)	Awards passed by the Banking Ombudsman	2016-17	2015-16
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	–	–

9 Capital Adequacy

9.1 Capital Adequacy Ratio as per RBI guidelines as per Basel III Capital Regulations dated July 1, 2015 and amended thereafter, as at March 31, 2017 is given below:

(₹ in crore)

Particulars		2016-17	2015-16
i)	Common Equity Tier 1 (CET) capital ratio (%)	11.39%	11.10%
ii)	Tier I capital ratio (%)	11.39%	11.10%
iii)	Tier II capital ratio (%)	2.33%	1.84%
iv)	Total capital ratio (CRAR) (%)	13.72%	12.94%
v)	Percentage of the shareholding of the Government of India in Public Sector banks	NA	NA
vi)	Amount of Equity capital raised	947.17	525.03
vii)	Amount of Additional Tier 1 capital raised	NIL	NIL
viii)	Amount of Tier 2 capital raised	330.00	400.00

For computation of CRAR as of March 31, 2017, the Bank has reduced the proposed dividend for the FY 2016-2017 (subject to approval of members in the ensuing Annual general meeting) and corporate dividend tax thereon, totaling ₹ 81.29 crore, for determining the CET Capital funds.

9.2 Tier II Capital

During the financial year, the Bank has raised ₹ 330.00 crore as Tier II capital through issuance of Basel III compliant debt capital instruments, details of which are as follows:

(₹ in crore)

Particulars	Nature of Security	Date of Issue	Coupon Rate %	Tenure	Amount
Redeemable, Unsecured, Non Convertible	Debentures	September 27, 2016	10.20%	Six years and 7 Months	330.00

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During the previous year, the Bank raised ₹ 400.00 crore as Tier II capital through issuance of Basel III compliant debt capital instruments, details of which as follows:

(₹ in crore)

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

10 Investments:

10.1 Movement of Investments:

(₹ in crore)

Particulars	2016-17	2015-16
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	13,532.35	14,451.44
(b) Outside India	0.17	0.18
(ii) Provisions for Depreciation(including provision for NPI)		
(a) In India	50.81	15.59
(b) Outside India	–	–
(iii) Net Value of Investments		
(a) In India	13,481.54	14,435.85
(b) Outside India	0.17	0.18
(2) Movement of provisions held towards depreciation of investments (including provision for NPIs)		
(i) Opening balance	15.59	2.43
(ii) Add: Provisions made during the year	37.80	27.10
(iii) Less: Write-off / write back of excess / provisions (including provision for NPIs) during the year	2.58	13.94
(iv) Closing balance	50.81	15.59

10.2 Repo / Reverse Repo Transactions:

During the year, the Bank has not undertaken Repo / Reverse Repo transactions other than Repo / Reverse Repo transactions under the Liquidity Adjustment Facility (LAF) / Marginal Standing Facility (MSF) with RBI. Outstanding lending under Reverse Repo deals with RBI under LAF / MSF as at March 31, 2017 were ₹ 1,350.00 crore (previous year: Nil). Outstanding borrowing under Repo deals with RBI under LAF / MSF as at March 31, 2017, Nil (previous year: ₹ 3,417.00 crore).

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

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

(₹ in crore)

No	Particulars	Amount	Private Placement	Below Investment Grade	Unrated Securities	Unlisted Securities
1	PSU	NIL	NIL	NIL	NIL	NIL
2	FIs	NIL	NIL	NIL	NIL	NIL
3	Banks	30.50	30.00	NIL	NIL	NIL
4	Private Corporates	1,582.72	1,496.83	NIL	6.00	155.27
5	Subsidiaries/ Joint ventures	NIL	NIL	NIL	NIL	NIL
6	Others	2,118.08*	1,254.10	NIL	2.97	118.97
7	Provisions held towards depreciation	(50.81)				
	Total	3,680.49	2,780.93	NIL	8.97	274.24

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

Issuer composition as at March 31, 2016 of non-SLR investments

(₹ in crore)

No	Particulars	Amount	Private Placement	Below Investment Grade	Unrated Securities	Unlisted Securities
1	PSU	41.15	41.15	NIL	NIL	NIL
2	FIs	196.94	196.94	Nil	Nil	NIL
3	Banks	198.32	0.50	Nil	Nil	NIL
4	Private Corporates	1,051.95	941.62	Nil	Nil	NIL
5	Subsidiaries/ Joint ventures	Nil	Nil	Nil	Nil	NIL
6	Others	2,681.26*	2,108.08	Nil	Nil	80.24
7	Provisions held towards depreciation	(15.59)				
	Total	4,154.03	3,288.29	Nil	Nil	80.24

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

10.4 Non Performing Non-SLR investment

(₹ in crore)

No.	Particulars	2016-17	2015-16
1	Opening Balance	15.50	15.50
2	Additions during the year	12.86	–
3	Reductions during the year	–	–
4	Closing Balance	28.36	15.50
5	Total provisions held for NPI	13.61	3.87

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10.5 Security Receipts (SR)

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

(₹ in crore)

Particulars	Backed by NPAs sold by the Bank as underlying		Backed by NPAs sold by other banks/ FIs/ NBFCs as underlying		Total	
	2016-17	2015-16	**2016-17**	2015-16	**2016-17**	2015-16
Book value of investments in security receipts #	**20.94**	23.75	**–**	–	**20.94**	23.75

The Bank has made credit provision of ₹ 11.80 crore (previous year ₹ 9.50 crore) in respect of these SR investments.

11 Forward Rate Agreement / Interest Rate Swaps / Exchange Traded Interest Rate Derivatives:

11.1 Notional and concentration of FRAs and IRS

(₹ in crore)

Particulars		**2016-17**	2015-16
i)	The notional principal of swap agreements	**5,116.95**	7,150.48
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	**43.03**	44.21
iii)	Collateral required by the Bank upon entering into swaps	**NIL**	NIL
iv)	Concentration of credit risk arising from the swaps	**40.14**	48.13
v)	The fair value of the swap book	**5.87**	1.73#

fair value of the swap book is inclusive of interest accrual.

11.2 The nature and terms of Interest Rate Swaps (IRS) – FCY as on March 31, 2017 are set out below –

Nature	Nos.	Notional Principal (₹ in crore)	Benchmark	Terms
FCY IRS	21	295.96	USD and GBP LIBOR	Receive Fixed and Pay Floating
FCY IRS	21	295.96	USD and GBP LIBOR	Pay Fixed and Receive Floating

The nature and terms of Interest Rate Swaps (IRS) – FCY as on March 31, 2016 are set out below –

Nature	Nos.	Notional Principal (₹ in crore)	Benchmark	Terms
FCY IRS	6	100.24	LIBOR	Receive Fixed and Pay Floating
FCY IRS	6	100.24	LIBOR	Pay Fixed and Receive Floating

11.3 The nature and terms of Interest Rate Swaps (IRS) – INR as on March 31, 2017 are set out below –

Nature	Nos.	Notional Principal (₹ crore)	Benchmark	Terms
IRS	71	2,625.00	MIBOR	Receive Fixed and Pay Floating
IRS	65	1,900.00	MIBOR	Pay Fixed and Receive Floating

The nature and terms of Interest Rate Swaps (IRS) – INR as on March 31, 2016 are set out below –

Nature	Nos.	Notional Principal (₹ crore)	Benchmark	Terms
IRS	75	3,550.00	MIBOR	Receive Fixed and Pay Floating
IRS	70	3,400.00	MIBOR	Pay Fixed and Receive Floating

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11.4 Exchange Traded Interest Rate Derivatives

Exchange Traded Interest Rate Derivatives is set out below.

(₹ in crore)

S.No.	Particulars	**2016-17**
1	Notional Principal amount of exchange traded interest rate derivatives undertaken during the year :	
	697GS2026-FUTIRC-27-Oct-16	**20.62**
	697GS2026-FUTIRC-24-Nov-16	**13.55**
	759GS2026-FUTIRC-23-Feb-17	**415.84**
	759GS2026-FUTIRC-24-Nov-16	**367.44**
	759GS2026-FUTIRC-25-Aug-16	**133.59**
	759GS2026-FUTIRC-25-Jan-17	**209.97**
	759GS2026-FUTIRC-26-May-16	**90.81**
	759GS2026-FUTIRC-27-Oct-16	**374.07**
	759GS2026-FUTIRC-28-Jul-16	**240.66**
	759GS2026-FUTIRC-29-Dec-16	**348.37**
	759GS2026-FUTIRC-29-Sep-16	**449.69**
	759GS2026-FUTIRC-30-Jun-16	**145.70**
	772GS2025-FUTIRC-26-May-16	**18.09**
2	Notional Principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2017.	**Nil**
3	Notional Principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" as on March 31, 2017	**N.A.**
4	Mark-to-Market value of exchange traded interest rate derivatives outstanding and not "highly effective" as on March 31, 2017.	**N.A.**

(₹ in crore)

S. No.	Particulars	2015-16
1	Notional Principal amount of exchange traded interest rate derivatives undertaken during the year :	
	759GS2026-FUTIRC 28-Jan-16	0.40
	772GS2025-FUTIRC 26-Nov-15	0.04
	772GS2025-FUTIRC 31-Dec-15	56.08
	772GS2025-FUTIRC 28-Jan-16	5.23
	772GS2025-FUTIRC 25-Feb-16	12.85
	772GS2025-FUTIRC 31-Mar-16	305.08
	788GS2030-FUTIRC 26-Nov-15	0.04
	788GS2030-FUTIRC 31-Dec-15	1.99
2	Notional Principal amount of exchange traded interest rate derivatives outstanding as on March 31, 2017.	Nil
3	Notional Principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" as on March 31, 2017	N.A.
4	Mark-to-Market value of exchange traded interest rate derivatives outstanding and not "highly effective" as on March 31, 2017.	N.A.

11.5 Risk Exposure in Derivatives:

Qualitative disclosures:

Derivatives are financial instruments whose characteristics are derived from an underlying asset, or from interest and exchange rates or indices. The Bank is currently dealing in Interest Rate and Foreign Exchange (FX) Derivatives for balance sheet management and proprietary trading/ market making. The Bank also offers derivative products to its customers for hedging their interest rate and FX risk.

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Proprietary trading also includes Interest Rate Futures, Currency Futures and Rupee Interest Rate Swaps (MIBOR). The Bank undertakes transactions in Cross Currency Swaps, Principal Only Swaps, Coupon Only Swaps, or both, FCY IRS, and Long Term Forex Contracts (LTFX) to offers them to its customers. The Bank also undertakes derivative transactions in OIS swap and Currency Swap for hedging its Balance Sheet.

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

a) The structure and organization for management of risk in derivatives trading.
The Bank has separate Treasury Front Office, Treasury Middle Office, Market Risk and Treasury Back Office functions. 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. Treasury Middle Office and Market Risk Group are responsible for identifying, measurement, monitoring, and analysis of derivative related risks. Treasury Back Office undertakes activities such as confirmations, settlements, documentation and accounting. The Treasury activities are subject to a concurrent audit.

b) The scope and nature of risk measurement, risk reporting and risk monitoring systems.
Derivative transactions are governed by the Bank's Derivative Policy, Commercial Credit Policy, Market Risk Policy, Liquidity Risk Management and ALM Policy and Client Suitability and Appropriateness Policy as well as by the extant RBI guidelines. Various risk limits are set up taking into account market volatility, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, Value at Risk, stop loss, and stress scenario limits. All exposures are monitored against these limits on a daily basis and breaches, if any, are reported for corrective action.

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

All counterparty exposures are monitored against these limits on a daily basis and breaches, if any, are reported for corrective action.

c) Policies for hedging and/ or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants,
The Bank has a Board approved Hedge and Hedge effectiveness Policy, which govern the use of derivative for hedging purpose. Hedging transactions are undertaken by the Bank to protect the variability in the cash flow of the underlying Balance Sheet item. These deals are accounted on an accrual basis.

d) Accounting policy for recording hedge and non-hedge transactions, recognition of income, premiums and discounts, valuation of outstanding contracts.
The Bank undertakes derivative transactions for market making/trading and hedging purposes. Transactions for trading and hedging are recorded separately. The Bank revalues its trading positions on a daily basis and the resulting gain/loss is recorded in the Profit and Loss Account. The receivable and payable on marking the contracts to market are shown under "Other Assets" and "Other Liabilities" in the Balance Sheet.

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Derivatives other than FX forward transactions are covered under International Swaps and Derivatives Association (ISDA) master agreements with respective counterparties.

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

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

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

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

11.6 Quantitative disclosure on risk exposure in derivatives as at March 31, 2017

(₹ in crore)

S. No.	Particular		2016-17				2015-16			
			Currency derivatives			Interest rate derivatives	Currency derivatives			Interest rate derivative
			Forward Contract	Currency Option	Currency Swap		Forward Contract	Currency Option	Currency Swap	
(i)	Derivatives (Notional Principal Amount)									
	a) For hedging		3,266.75#	NIL	665.74	625.00	644.86#	NIL	NIL	175.00
	b) For trading		10,415.15	4,404.40	4,890.54	4,491.95	6,191.87	4,806.55	1,798.01	6,975.48
(ii)	Marked to Market Positions									
	a) Asset (+)		294.96	35.53	139.03	39.68	106.28	38.93	38.17	44.21
	b) Liability (-)		(195.77)	(35.39)	(103.79)	(37.16)	(73.15)	(40.25)	(28.38)	(42.48)
(iii)	Credit Exposure		722.61	102.42	782.74	95.57	265.17	111.84	193.00	98.71
(iv)	Likely impact of one percentage change in interest rate (100*PV01)									
	a) on hedging derivatives		1.06#	NIL	0.18	7.89	3.73#	NIL	NIL	4.64
	b) on trading derivatives		2.12	NIL	NIL	0.08	2.41	NIL	NIL	0.04
(v)	Maximum and Minimum of 100*PV01 observed during the year									
	a) on hedging	Max	16.11#	NIL	0.84	12.38	5.01#	NIL	NIL	4.64
		Min	1.06#	NIL	0.00	7.89	3.16#	NIL	NIL	0.00
	b) on trading	Max	2.21	NIL	NIL	2.67	2.41	NIL	NIL	0.80
		Min	0.09	NIL	NIL	0.08	0.09	NIL	NIL	0.02

represents funding swaps undertaken by the Bank.

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(1) Mark to Market for Currency Swap & Interest Rate Derivative includes Interest accrued on the swap.

(2) Maximum and minimum PV01 for the year is computed based on balances at the end of every month. The Notional principal of Forward Contracts does not include Tom and Spot Foreign Exchange trades.

(3) The notional principal of derivative contracts reflect the volume of transactions outstanding as at the balance sheet date and do not represent the amount of risk taken by the Bank.

12 Restructured / Rescheduled / Renegotiated Investments

During the year Nil (Previous year: Nil)

13 Asset Quality

13.1 Movement of NPA and NPA Provision

(₹ in crore)

Particulars			2016-17	2015-16
(i)	**Net NPAs to Net Advances (%)**		**0.64%**	0.59%
(ii)	**Provisioning Coverage Ratio (PCR) (%)**		**59.58%**	55.87%
(iii)	**Movement of Gross NPAs**			
	(a)	Opening balance	**208.05**	111.23
	(b)	Additions during the year #	**533.41**	199.69
	(c)	Reductions during the year	**384.62**	102.87
		(i) Up - gradations	**13.17**	11.40
		(ii) Recoveries (excluding recoveries made from up-graded accounts) #	**302.78**	18.63
		(iii) Write - offs	**68.67**	72.84
	(d)	Closing balance	**356.84**	208.05
(iv)	**Movement of Net NPAs**			
	(a)	Opening balance	**124.44**	38.59
	(b)	Additions during the year #	**365.62**	145.67
	(c)	Reductions during the year #	**300.12**	59.82
	(d)	Closing balance	**189.94**	124.44
(v)	**Movement of provisions for NPAs (excluding provisions on standard assets)**			
	(a)	Opening balance	**83.61**	72.64
	(b)	Provisions made during the year #	**241.26**	81.38
	(c)	Write-off / write back of excess provisions during the year #	**157.97**	70.41
	(d)	Closing balance	**166.90**	83.61

This includes five borrower accounts where divergence on the asset classification as at March 31, 2016, was observed by RBI. All these borrower accounts except one have been repaid / realised during the year.

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13.2 Divergence in Asset Classification and Provisioning for NPAs

(₹ in crore)

Sr.	Particulars	Amount
1	Gross NPAs as on March 31, 2016 as reported by the Bank	208.05
2	Gross NPAs as on March 31, 2016 as assessed by RBI	547.35
3	**Divergence in Gross NPAs (2-1) #**	339.30
4	Net NPAs as on March 31, 2016 as reported by the Bank	124.44
5	Net NPAs as on March 31, 2016 as assessed by RBI	326.34
6	**Divergence in Net NPAs (5-4) #**	201.90
7	Provisions for NPAs as on March 31, 2016 as reported by the Bank	83.61
8	Provisions for NPAs as on March 31, 2016 as assessed by RBI	221.01
9	**Divergence in provisioning (8-7) #**	137.40
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2016	292.48
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2016 after taking into account the divergence in provisioning	202.63

Note: March 31, 2016 is the close of the reference period in respect of which divergences were assessed

This includes five borrower accounts where divergence on the asset classification as at March 31, 2016, was observed by RBI. All these borrower accounts except one have been repaid / realised during the year.

13.3 Technical Write-off:

(₹ in crore)

Particulars	2016-17	2015-16
Opening balance of Technical / Prudential written-off accounts as at April 1	**73.90**	10.44
Add : Technical / Prudential write-offs during the year	**40.63**	64.19
Sub-total (A)	**114.53**	74.63
Less : Recoveries made from previously technical / prudential written-off accounts during the year (B)	**1.41**	0.73
Closing balance as at March 31 (A-B)	**113.12**	73.90

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13.4 Particulars of Restructured Accounts:

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

Restructured Advances as at March 31, 2017

(₹ in crore)

Type of restructuring		Under CDR					Under SME					Others					Total
Asset Classification		S	SS	D	L	Total	S	SS	D	L	Total	S	SS	D	L	Total	
Details																	
Restructured accounts as on 1 April of the FY	A	–	1	–	–	1	1	–	–	–	1	–	3	1	–	4	6
	B	–	40.60	–	–	40.60	19.90	–	–	–	19.90	–	14.73	17.14	–	31.88	92.38
	C	–	20.14	–	–	20.14	4.40	–	–	–	4.40	–	6.29	10.92	–	17.21	41.75
Fresh Restructuring during the year	A	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	B	–	–	–	–	–	–	–	–	–	–	–	4.37	–	–	4.37	4.37
	C	–	–	–	–	–	–	–	–	–	–	–	4.37	–	–	4.37	4.37
Increase / (Decrease) in outstanding of Restructured cases	A	–	–	1	–	1	–	–	–	–	–	–	–	(1)	–	(1)	–
	B	–	–	3.86	–	3.86	(0.66)	–	–	–	(0.66)	–	0.62	(17.14)	–	(16.52)	(13.32)
	C	–	–	3.29	–	3.29	(0.07)	–	–	–	(0.07)	–	0.19	(10.92)	–	(10.73)	(7.51)
Upgradation to restructured standard during the FY	A	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	B	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	C	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Restructured standard advances which cease to attract higher provision at the year end and need not be shown as restructured advances at the beginning of the next FY	A	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	B	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	C	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Down gradations of restructured accounts during the FY	A	–			–	–	–	–	–	–	–	–	(3)	3	–	–	–
	B	–			–	–	–	–	–	–	–	–	(19.72)	19.72	–	–	–
	C	–			–	–	–	–	–	–	–	–	(10.85)	10.85	–	–	–
Write-offs of restructured accounts	A	–	(1)	–	–	(1)	–	–	–	–	–	–	–	–	–	–	(1)
	B	–	(40.60)	–	–	(40.60)	–	–	–	–	–	–	–	–	–	–	(40.60)
	C	–	(20.14)	–	–	(20.14)	–	–	–	–	–	–	–	–	–	–	(20.14)
Restructured accounts as on 31 March (Closing)	A	–	–	1	–	1	1	–	–	–	1	–	–	3	–	3	5
	B	–	–	3.86	–	3.86	19.24	–	–	–	19.24	–	–	19.72	–	19.72	42.82
	C	–	–	3.29	–	3.29	4.33	–	–	–	4.33	–	–	10.85	–	10.85	18.47

* Amount in this column indicates the movement i.e. recovery / (increase) in the balance during the year

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

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Restructured Advances as at March 31, 2016

(₹ in crore)

Type of restructuring		Under CDR					Under SME					Others					Total
Asset Classification		S	SS	D	L	Total	S	SS	D	L	Total	S	SS	D	L	Total	
Details																	
Restructured accounts as on 1 April of the FY	A	1	–	–	–	1	2	–	–	–	2	3	1	–	–	4	7
	B	52.20	–	–	–	52.20	19.74	–	–	–	19.74	6.97	17.14	–	–	24.11	96.05
	C	7.77	–	–	–	7.77	2.89	–	–	–	2.89	0.92	3.66	–	–	4.59	15.25
Fresh Restructuring during the year	A	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	B	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	C	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase / (Decrease) in outstanding of Restructured cases	A	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	B	(11.60)	–	–	–	(11.60)	0.83	–	–	–	0.83	7.77	(0.00)	–	–	7.77	(3.00)
	C	12.37	–	–	–	12.37	1.51	–	–	–	1.51	5.36	7.26	–	–	12.62	26.50
Upgradation to restructured standard during the FY	A	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	B	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	C	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Restructured standard advances which cease to attract higher provision at the year end and need not be shown as restructured advances at the beginning of the next FY	A	–	–	–	–	–	(1.00)	–	–	–	(1.00)	–	–	–	–	–	(1.00)
	B	–	–	–	–	–	(0.67)	–	–	–	(0.67)	–	–	–	–	–	(0.67)
	C	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Down gradations of restructured accounts during the FY	A	(1)	1	–	–	–	–	–	–	–	–	(3)	2	1	–	–	–
	B	(40.60)	40.60	–	–	–	–	–	–	–	–	(14.73)	(2.41)	17.14	–	–	–
	C	(20.14)	20.14	–	–	–	–	–	–	–	–	(6.29)	(4.63)	10.92	–	–	–
Write-offs of restructured accounts	A	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	B	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	C	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Restructured accounts as on 31 March (Closing)	A	–	1	–	–	1	1	–	–	–	1	–	3	1	–	4	6
	B	–	40.60	–	–	40.60	19.90	–	–	–	19.90	–	14.73	17.14	–	31.88	92.38
	C	–	20.14	–	–	20.14	4.40	–	–	–	4.40	0.00	6.29	10.92	–	17.21	41.75

* Amount in this column indicates the movement i.e. recovery / (increase) in the balance during the year

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

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13.5 Strategic Debt Restructuring

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

(₹ in crore)

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
1	56.64	Nil	Nil	Nil	56.64	Nil

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

(₹ in crore)

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

13.5.3 The Bank has acquired equity shares under Strategic Debt Restructuring scheme during the year amounting to ₹ 4.75 crore.

13.6 Details of financial assets sold to Securitisation / Reconstruction Company for Asset Reconstruction:

(₹ in crore)

Particulars			2016-17	2015-16
(i)		No. of accounts	–	–
(ii)		Aggregate value (net of provisions) of accounts sold to SC / RC	–	–
(iii)		Aggregate consideration	–	–
(iv)		Additional consideration realized in respect of accounts transferred in earlier years	–	–
(v)		Aggregate loss over net book value	–	–

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

13.7.1 Non-performing financial assets purchased:

(₹ in crore)

Particulars			2016-17	2015-16
1	(a)	No. of accounts purchased during the year	2	–
	(b)	Aggregate Outstanding	8.50#	–
2	(a)	Of these, number of accounts restructured during the year	–	–
	(b)	Aggregate Outstanding	–	–

One account ₹ 3.00 crore closed on receipt of consideration.

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13.7.2 Non- performing financial assets sold:

(₹ in crore)

Particulars	2016-17	2015-16
No. of accounts sold during the year	–	1
Aggregate Outstanding	–	4.15
Consideration Received	–	8.00

14 The Bank has not done any securitisations during the year ended March 31, 2017 and March 31, 2016.

15 Business Ratios:

Particulars		2016-17	2015-16
(i)	Interest income as % to Working funds	8.99%	9.31%
(ii)	Non-Interest income as % to Working funds	1.83%	1.66%
(iii)	Operating profit as % to Working funds	2.23%	1.84%
(iv)	Return on Assets (Working funds)	1.08%	0.99%
(v)	Business (Deposit plus Advance) per employee (₹ in crore)	12.16	10.95
(vi)	Profit per employee (₹ in crore)	0.09	0.08

Working funds represents the average of total assets as reported in Monthly Form X to RBI under Section 27 of the Banking Regulation Act, 1949.

16 Maturity Pattern

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

(₹ in crore)

Particulars	As at March 31, 2017					
	Loans & Advances (INR) #	Investments (INR) #	Deposits (INR) #	Borrowings (INR) #	Foreign currency Assets	Foreign currency Liabilities
1 day	340.20	3,145.80	540.66	6.79	152.50	14.94
2 to 7 days	515.56	470.36	2,241.50	1,029.51	43.22	28.59
8 to 14 days	313.78	186.64	1,051.71	3.86	37.55	179.45
15 to 30 Days *	817.64	580.18	2,488.80	160.19	166.04	20.42
31 Days to 2 months *	1,160.94	799.75	2,700.05	357.15	78.94	97.55
Over 2 months to 3 months *	1,284.45	654.03	2,901.24	3.86	155.85	467.53
Over 3 months to 6 months	2,739.57	1,273.86	4,604.79	847.41	328.73	358.43
Over 6 months to 1 year	6,305.64	1,679.56	5,910.35	790.00	878.17	455.11
Over 1 year to 3 years	8,514.46	3,354.71	11,043.15	845.35	1,507.23	457.04
Over 3 years to 5 years	1,939.90	581.73	322.94	100.61	236.75	1,261.79
Over 5 years	1,938.29	754.93	394.67	775.77	117.80	131.04
Total	25,870.43	13,481.55	34,199.86	4,920.50	3,702.78	3,471.89

Foreign currency balances not included.

* The bucketing structure has been revised based on the RBI guidelines dated March 23, 2016.

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(₹ in crore)

Particulars	As at March 31, 2016					
	Loans & Advances (INR) #	Investments (INR) #	Deposits (INR) #	Borrowings (INR) #	Foreign currency Assets	Foreign currency Liabilities
1 day	212.28	4,443.33	142.00	6.79	210.58	6.55
2 to 7 days	305.82	325.88	1,097.04	3,136.53	50.54	17.35
8 to 14 days	560.81	348.93	886.19	1,800.00	34.48	8.17
15 to 28 days	476.81	544.86	1,299.18	0.00	52.57	19.07
29 days to 3 months	2,318.65	2,876.82	7,258.36	545.00	209.86	100.15
Over 3 months to 6 months	1,624.32	965.58	2,703.30	743.26	110.18	617.87
Over 6 months to 1 year	5,259.63	1,530.23	3,593.95	555.45	579.24	462.02
Over 1 year to 3 years	5,443.21	2,142.37	6,414.55	1,214.71	542.75	263.82
Over 3 years to 5 years	1,559.03	663.18	366.05	183.48	116.65	677.30
Over 5 years	1,588.76	594.67	170.37	472.80	90.21	133.75
Total	**19,349.32**	**14,435.85**	**23,930.99**	**8,658.02**	**1,997.06**	**2,306.05**

Foreign currency balances not included.

Classification of assets and liabilities under the different maturity buckets for both current and previous financial years is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI. Maturity profile of assets and liabilities excludes off balance sheet items.

17 Lending to Sensitive Sector

17.1 Exposure to Real Estate Sector:

(₹ in crore)

Particulars			**2016-17**	2015-16
1)	Direct exposure			
	(a)	Residential Mortgages -	**234.18**	265.64
		Out of which Individual housing loans eligible for inclusion in priority sector advances	**80.49**	98.29
	(b)	Commercial Real Estate	**2,403.13**	1,465.22
	(c)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures	**–**	–
		i. Residential Mortgages	**–**	–
		ii. Commercial Real Estate	**–**	–
2)	Indirect Exposure		**–**	
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		**397.73**	517.16
	Total Exposure to Real Estate Sector		3,035.04	2,248.02

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17.2 Exposure to Capital Market:

(₹ in crore)

Particulars		**2016-17**	2015-16
(i)	Direct investments made in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	**138.65**	19.52
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	**–**	–
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	**169.23**	280.49
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances	**–**	–
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	**80.00**	80.00
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	**–**	–
(vii)	Bridge loans to companies against expected equity flows/issues	**–**	–
(viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	**–**	–
(ix)	Financing to stockbrokers for margin trading	**–**	–
(x)	All exposures to Venture Capital Funds (both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with the capital market exposure ceilings (both direct and indirect)	**81.78**	68.56
	Total Exposure to Capital Market	469.66	448.57

17.3 Risk Category wise Country Exposure:

(₹ in crore)

Risk Category	**Exposure (net) as at March 31, 2017**	**Provision held as at March 31, 2017**	Exposure (net) as at March 31, 2016	Provision held as at March 31, 2016
Insignificant	**161.77**	**–**	152.37	–
Low	**511.30**	**1.20**	7.62	–
Moderate	**1.12**	**–**	0.72	–
High	**–**	**–**	–	–
Very High	**–**	**–**	–	–
Restricted	**–**	**–**	0.12	–
Off-credit	**–**	**–**	–	–
Total	**674.19**	**1.20**	**160.83**	**–**

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18 Details of Single / Group Borrower limit exceeded by the Bank

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

During the current, year the Bank's credit exposures to single borrowers and group borrowers were within the prudential limits prescribed by RBI. During the previous year, the Bank with the prior approval of the Board of Directors, sanctioned enhancement to single borrower limit for Gujarat State Petronet Limited (infrastructure company within the definition of RBI exposure norms) from 20% of Capital Funds to 25% of Capital Funds.

19 Amount of Provisions made for Income-tax during the year:

(₹ in crore)

Particulars		2016-17	2015-16
i)	Provision for Income tax	238.16	157.54
ii)	Provision for Deferred tax	(2.72)	(22.02)

20 Unsecured Advances against Intangible Collaterals:

(₹ in crore)

Particulars	2016-17	2015-16
Total Advances against intangible securities such as charge over the rights, licenses, authority etc.	NIL	NIL
Estimated Value of intangible collateral such as charge over the rights, licenses, authority etc.	NIL	NIL

21 Penalties imposed by RBI

During the current year, RBI levied following penalties:

a) ₹ 1.00 crore for lapses in adhering to the RBI guidelines with respect to import of goods and services, lapses in adhering to provisions of the Master Circular on KYC/AML with respect to on-going monitoring of certain customer transactions, diligence of the beneficiaries of foreign exchange remittances and filing of suspicious transaction reports with the Financial Intelligence Unit – India

b) ₹ 0.01 crore for shortfall in maintenance Cash Reserve Ratio (CRR) requirement for one day in the financial year.

For the previous year ended March 31, 2016, no penalty was imposed by RBI on the Bank.

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

(₹ in crore)

Particulars		2016-17	2015-16
i)	Fee / Remuneration from Life Insurance Business	10.84	8.67
ii)	Fee / Remuneration from General Insurance Business	2.10	2.11

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

(₹ in crore)

Particulars		2016-17	2015-16
i)	Provision made towards NPAs / Write off/ Sacrifice for Restructured Advance / Debt Relief as per RBI guidelines		
	a) For Advances	152.44	80.04
	b) For Investments	9.74	1.55
	c) For Lease Assets	–	–
ii)	Provisions towards Standard Advances	45.02	23.82
iii)	Provision for depreciation on investments	25.48	11.61
iv)	Provision / (Write-back) for credit card reward points	4.56	(3.46)
v)	Provision for others	1.69	0.84
vi)	Provisions towards Income tax	238.16	157.54
vii)	Provision towards deferred tax (net)	(2.72)	(22.02)
	Total	474.37	249.92

24 Drawdown from Reserves

The Bank has not undertaken any drawdown from reserves during the year ended March 31, 2017 and March 31, 2016 except towards share issue expenses of ₹ 46.84 crore, incurred for raising equity share capital through Initial Public Offering (IPO) during the year ended March 31, 2017, which have been adjusted against the share premium account, in terms of Section 52 of the Companies Act, 2013.

25 Floating Provisions

The Bank has not made any floating provisions.

26 Market risk in trading book

Quantitative Disclosure:

(₹ in crore)

Particulars	2016-17	2015-16
	Basel III	Basel III
Capital requirements for:		
a) Interest rate risk	280.78	290.96
b) Equity position risk	36.34	19.91
c) Foreign exchange risk	11.70	11.70

27 Concentration of Deposits, Advances, Exposures and NPAs

27.1 Concentration of Deposits

(₹ in crore)

Particulars	2016-17	2015-16
Total Deposits of twenty largest depositors	7,403.59	5,572.13
Percentage of Deposits of twenty largest depositors to Total Deposits	21.41%	22.88%

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27.2 Concentration of Advances

(₹ in crore)

Particulars	2016-17	2015-16
Total Advances to twenty largest borrowers*	6,973.84	4,635.29
Percentage of Advances to twenty largest borrowers to Total Advances	14.73%	14.00%

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

27.3 Concentration of Exposures

(₹ in crore)

Particulars	2016-17	2015-16
Total Exposure to twenty largest borrowers / customers *	7,316.97	5,003.69
Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the Bank on borrowers / customers	14.32%	13.42%

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

27.4 Concentration of NPA's

(₹ in crore)

Particulars	2016-17	2015-16
Total Exposure to top four NPA Accounts (Gross)	120.66	85.12

28 Sector Wise Advances:

(₹ in crore)

S. No.	Sector	Current year (2016-17)			Previous year (2015-16)		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	**Priority Sector**						
1	Agriculture and allied activities	3,371.37	18.82	0.56	2,539.54	7.94	0.31
2	Advances to industries sector eligible as priority sector lending	1,284.50	13.34	1.04	873.81	3.38	0.39
3	Services	3,657.66	44.74	1.22	1,849.72	13.48	0.73
4	Personal loans	1,043.19	7.09	0.68	1,605.75	2.54	0.16
	Sub-total (A)	9,356.72	83.99	0.90	6,868.82	27.34	0.40
B	**Non Priority Sector**						
1	Agriculture and allied activities	11.36	0.32	2.82	19.21	0.00	0.00
2	Industry	7,270.97	122.49	1.68	6,073.15	68.74	1.13
3	Services	6,678.11	104.15	1.56	5,023.79	77.27	1.54
4	Personal loans	6,302.24	45.89	0.73	3,331.21	34.70	1.04
	Sub-total (B)	20,262.68	272.85	1.76	14,447.36	180.71	1.25
	Total (A+B)	29,619.40	356.84	1.20	21,316.18	208.05	0.98

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29 Details of Priority Sector Lending Certificates (PSLC)

29.1 Priority Sector Lending Certificates bought during the year

(₹ in crore)

Category	For the year ended March 31, 2017	For the year ended March 31, 2016
PSLC Agriculture	–	–
PSLC SF/MF	550.00	–
PSLC Micro Enterprise	–	–
PSLC General	–	–
Total	550.00	–

29.2 Priority Sector Lending Certificates sold during the year

(₹ in crore)

Category	For the year ended March 31, 2017	For the year ended March 31, 2016
PSLC Agriculture	–	–
PSLC SF/MF	–	–
PSLC Micro Enterprise	123.25	–
PSLC General	1,061.25	–
Total	1,184.50	–

30 Overseas Assets, NPAs and Revenue

(₹ in crore)

Particulars	2016-17	2015-16
Total Assets	NIL	NIL
Total NPAs	NIL	NIL
Total Revenue	NIL	NIL

31 Off- Balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

32 Disclosure on Remuneration

Qualitative Disclosure

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

The Bank's Human Resources and Remuneration Committee (HR&RC) comprises of the following directors:

1. Mr. P. Sudhir Rao - Chairman of Committee
2. Mr. Narayan Ramachandran
3. Mr. Vimal Bhandari
4. Mr. Jairaj Purandare
5. Mr. Ishan Raina

All members of the HR&RC are independent directors. Mr. Sudhir Rao, Mr. Narayan Ramachandran and Mr. Vimal Bhandari are also members of the Risk Management Committee of the Board. Mr. Vishwavir Ahuja is a permanent attendee.

Following are the terms of Reference of Human Resources and Remuneration Committee:

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

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

The remuneration is divided into following components:

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

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

Employee Stock Options:
In order to align the interest of the Bank, the senior management, its members and the employees, there is an effort to create long term ownership and commitment for the senior officers of the Bank. This is also done with a view to recognize and compensate senior officers for intellectual capital, the domain expertise in terms of product and market knowledge and the business relationships that they bring along. Accordingly, the Bank has formulated Employee Stock Option Program.

Further, to reward the performance and recognise the contribution of employees, the Bank has also introduced a Performance Employee Stock Option Program. The Bank had also introduced an Employee Retention Stock option program with the objective of retaining a very select group of highly valued middle and senior management as well as employees in key leadership roles.

The underlying philosophy of Employee Stock Option Plan is to enable the present and future employees to share the value that they help to create for the Bank over a period of time. Joining Employee Stock Options (ESOPs) are granted based on the primacy of the role to the Bank as well as experience, domain knowledge, current ability, future potential and expertise of the candidate. Performance ESOPs

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are given after periodic evaluation of the employee against individual and overall performance of the Bank during the review period. The Plan has been designed and implemented in such a way that an equity component in the compensation goes a long way in aligning the objectives of an individual with those of the Bank. From FY12, the ESOP has been broad based to include long serving employees of the Bank to make them partners in the growth of the Bank.

These stock option programmes are administered by the HR&RC.

Annual Performance Linked Variable Compensation (APLVC):
APLVC is paid as a percentage of CTC as defined in the Compensation Policy of the Bank.

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

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

Key determinant of the total variable pool is the overall performance of the Bank in any given year.

Further, the following principles apply:

i. In order for incentive-based remuneration to work, the variable part of remuneration should be truly and effectively variable and can even be reduced to zero.

ii. Methodologies for adjusting remuneration to risk and performance will be based on the general risk management and corporate governance framework adopted by the Bank.

iii. Risks taken need to be estimated (ex ante), risk outcomes observed (ex post) and both ex ante estimates and ex post outcomes would have a bearing on the payoffs.

iv. Risk adjustments would take into account the nature of the risks involved and the time horizons over which they could emerge. The impact of remuneration adjustments would be linked to actions taken by employees and / or business units, and their impact on the level of risk taken on by the Bank.

v. Both ESOP as well as APLVC provides long term remuneration benefits to employees. The ESOP/PESOP / RESOP are equity settled where the employees will receive one equity share per option. The ESOPs and PESOPs granted to employees vest over a period of three / four years, in the following proportion, 40:30:30, 30:30:40, 10:20:30:40 each year whereas RESOPs vest over a period of two years in a proportion of 20:80 each year. Second vesting of RESOP is linked with IPO i.e. two years from the date of grant or one year from the date of IPO / Listing whichever is later. Similarly, as per the guidelines issued by RBI, APLVC could be paid in a staggered manner based on the quantum of APLVC as a percentage of the CTC. Further, the ESOP/PESOP and APLVC are subject to suitable claw-back and malus clauses to protect the Bank against misconduct, sub-optimal performance or decisions or actions leading to adverse financial consequence to the Bank.

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

The Bank has a performance management system in place. The Performance management system has goals on four perspectives namely Financial, Customer, Process and People. Employees are appraised against the goals set at the beginning of the year. Employee performance and competence

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assessment are both considered for the performance rating. Performance Rating has a direct correlation with the increments and APLVC as well as PESOPs.

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

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

Schedule for APLVC vesting and payout is as per pay schedule defined in the Compensation Policy of the Bank.

Deferred APLVC vests only in the year of payment. Voluntary Cessation of employment by the employee or termination with cause as defined in employment contract will result in forfeiture of the remaining APLVC. APLVC is subject to claw-back and malus clauses.

F. Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.

Various forms of variable remuneration used by the Bank are:

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

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

Quantitative Disclosure-

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

(₹ in crore)

Sr. No.	Particulars	2016-17	2015-16
1(i)	Number of meetings held by the Remuneration Committee during the financial period.	7	5
1(ii)	Remuneration paid to its members during the financial period	0.56	0.37
2(i)	Number of employees having received a variable remuneration award during the financial period.	134	93
2(ii)	Number and total amount of sign-on awards made during the financial period	–	–
2(iii)	Details of guaranteed bonus, if any, paid as joining / sign on bonus	–	–
2(iv)	Details of severance pay, in addition to accrued benefits, if any.	–	–
3(i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	–	–
3(ii)	Total amount of deferred remuneration paid out in the period.	–	–
4	Breakdown of amount of remuneration awards for the financial year:		
	Fixed	75.26	56.96

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(₹ in crore)

Sr. No.	Particulars	2016-17	2015-16
	Variable	9.43	6.24
	Deferred	0.275	–
	Non-deferred	9.43	6.24
5(i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	–	–
5(ii)	Total amount of reductions during the period due to ex- post explicit adjustments.	–	–
5(iii)	Total amount of reductions during the period due to ex- post implicit adjustments	–	–

33 Contingent Liabilities

Description of nature of contingent liabilities is set out below:

i) Claims against the Bank not acknowledged as debts:
These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress.

ii) Liability for partly paid investments:
These represent contingent liability on account of possible claims for uncalled amount by the issuer of the securities held by the Bank.

iii) Liability on account of forward exchange and interest rate contracts:
The Bank enters into foreign exchange contracts currency options, forward rate agreements, currency swaps with inter-bank participants on its own account and for the customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by the way of interest/principal in one currency against another, based on pre-determined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows.The amount recorded as contingent liability with respect to these contracts represents the underlying notional amounts of these contracts.

iv) Guarantees given on behalf of Constituents, Acceptances, Endorsement and other obligations:
As a part of its corporate banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customer of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make the payment in the event of the customer failing to fulfill its financial or performance obligations.

v) Acceptances, endorsements and other obligations:
These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank.

vi) Other contingent items:

a. Commitments for settlement date accounting for securities transactions;

b. Amount of bills rediscounted by the Bank;

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c. Demands raised by income tax and other statutory authorities and disputed by the Bank.

Refer Schedule 12 for amounts relating to contingent liabilities.

34 Bank has not issued any letters of comfort during the year.

35 Liquidity Coverage Ratio (LCR)

Qualitative disclosure around LCR

Liquidity Coverage Ratio (LCR) is a global minimum standard for Bank's liquidity. The ratio aims to ensure that a bank has an adequate stock of unencumbered High - Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs for a 30 calendar days of severe liquidity stress scenario.

Bank monitors and measures Liquidity Coverage Ratio in accordance with the guidelines issued by Reserve Bank of India (RBI) i.e. *Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards* Based and amendments thereto issued from time to time.

LCR became effective on January 1, 2015 with minimum requirement set at 60%, increasing in equal annual increments of 10% to reach 100 per cent on January 1, 2019. The minimum LCR requirement was 70% for calendar year 2016 and increased to 80% for calendar year 2017. LCR has to be computed based on simple average of monthly observations during the quarter. W.e.f. from January 1, 2017, LCR has to be computed based on simple average of daily observations during the quarter.

The LCR is a ratio of High Quality Liquid unencumbered Assets (HQLA) to total estimated net outflows over a stressed period of 30 calendar days.

The Bank has been maintaining HQLA (Level 1) primarily in the form of Excess CRR, excess SLR investments over and above mandatory requirement; and regulatory dispensation allowed up to 8% of Net Demand and Time Liabilities (NDTL) and additional 3% effective from February 2016, in the form of borrowing limit available through Marginal Standing Facility (MSF) and Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR). While, a small portion of HQLA (Level 2) is accounted with corporate bonds, debentures, Commercial Papers issued by Non-Financial Institutions which are rated AA- and above and rated BBB- to A+ as level 2A and 2B respectively.

The Bank has not been maintaining HQLA in FCY given the lack of regulatory options available as well as limited availability of non-callable FCY liabilities. The Bank believes that all inflows and outflows which might have a material impact under the liquidity stress scenario have been considered for the purpose of LCR.

SLR investments as well as Corporate Bond portfolio of the Bank considered for HQLA is well diversified across various instruments and liquid asset type mix and should provide the Bank with adequate and timely liquidity.

The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits, unsecured and secured wholesale borrowings), as well as to undrawn commitments and derivative-related exposures, partially offset by inflows from assets maturing within 30 days.

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

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The Board has constituted a Risk Management Committee (RMC), and consisting of Chief Executive Officer (CEO) /Chairman and certain other Board members. The committee is responsible for evaluating the overall risks faced by the Bank including liquidity risk. The potential interaction of liquidity risk with other risks is included in the risks addressed by the Risk Management Committee.

At the executive level, Asset Liability Management Committee (ALCO) ensures adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the Bank. ALM team within Treasury function of the Bank is responsible for the day-to-day / intra-day liquidity management.

ALCO of the Bank channelises various business segments of the Bank to target good quality asset and liability profile to meet the Bank's profitability as well as Liquidity requirements with the help of robust MIS and Risk Limit architecture of the Bank.

Quantitative Disclosures

FY 2016-17

(₹ in crore)

		Q1 - June 2016		Q2 - Sep 2016		Q3 - Dec 2016		**Q4 - March 2017 ***	
		Total Unwtd Value (Avg)	Total Wtd Value (Avg)	Total Unwtd Value (Avg)	Total Wtd Value (Avg)	Total Unwtd Value (Avg)	Total Wtd Value (Avg)	**Total Unwtd Value (Avg)**	**Total Wtd Value (Avg)**
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		4,518.93		4,737.13		5,771.43		**5,851.71**
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	6,239.06	617.97	7,311.06	724.67	8,479.89	840.41	**9,430.33**	**935.03**
(i)	Stable deposits	118.66	5.93	128.79	6.44	151.57	7.58	**160.01**	**8.00**
(ii)	Less stable deposits	6,120.40	612.04	7,182.27	718.23	8,328.32	832.83	**9,270.32**	**927.03**
3	Unsecured wholesale funding, of which:	9,232.42	5,466.91	10,940.24	6,246.00	11,601.14	6,273.14	**11,599.88**	**5,650.74**
(i)	Operational deposits (all counterparties)	–	–	–	–	–	–	**–**	**–**
(ii)	Non-operational deposits (all counterparties)	9,232.42	5,466.91	10,940.24	6,246.00	11,601.14	6,273.14	**11,599.88**	**5,650.74**
(iii)	Unsecured debt	–	–	–	–	–	–	**–**	**–**
4	Secured wholesale funding		–		–		–	**0.00**	**–**
5	Additional requirements, of which	94.23	94.23	101.87	101.87	147.92	147.92	**147.40**	**147.40**
(i)	Outflows related to derivative exposures and other collateral requirements	–	–	25.93	25.93	65.43	65.43	**57.13**	**57.13**
(ii)	Outflows related to loss of funding on debt products	–	–	–	–	–	–	**–**	**–**
(iii)	Credit and liquidity facilities	–	–	–	–	–	–	**–**	**–**
6	Other contractual funding obligations	–	–	–	–	478.59	74.90	**448.99**	**58.52**

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(₹ in crore)

		Q1 - June 2016		Q2 - Sep 2016		Q3 - Dec 2016		Q4 - March 2017 *	
		Total Unwtd Value (Avg)	Total Wtd Value (Avg)	Total Unwtd Value (Avg)	Total Wtd Value (Avg)	Total Unwtd Value (Avg)	Total Wtd Value (Avg)	**Total Unwtd Value (Avg)**	**Total Wtd Value (Avg)**
7	Other contingent funding obligations	6,706.21	201.19	7,612.28	228.37	14,834.04	573.70	**16,657.82**	**644.54**
8	**Total Cash Outflows**		**6,380.30**		**7,300.91**		**7,910.07**	**0.00**	**7,436.23**
Cash Inflows									
9	Secured lending (e.g. reverse repos)	22.91	22.91	127.18	127.18	1.72	1.72	**94.19**	**94.19**
10	Inflows from fully performing exposures	1,657.73	828.86	1,510.29	755.14	1,605.39	802.70	**1,827.24**	**913.61**
11	Other cash inflows	735.95	702.81	760.91	733.96	733.01	698.53	**723.22**	**689.20**
12	**Total Cash Inflows**	**2,416.59**	**1,554.58**	**2,398.38**	**1,616.28**	**2,340.12**	**1,502.95**	**2,644.65**	**1,697.00**
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		**Total Adjusted Value**
21	TOTAL HQLA		4,518.93		4,737.13		5,771.43		**5,851.71**
22	Total Net Cash Outflows		4,825.72		5,684.63		6,407.12		**5,739.23**
23	Liquidity Coverage Ratio (%)		93.64		83.33		90.08		**101.96**

FY 2015-16

(₹ in crore)

		Q1 2015-16		Q2 2015-16		Q3 2015-16		Q4 2015-16	
		Total Unwtd Value (Avg)	Total Wtd Value (Avg)	Total Unwtd Value (Avg)	Total Wtd Value (Avg)	Total Unwtd Value (Avg)	Total Wtd Value (Avg)	Total Unwtd Value (Avg)	Total Wtd Value (Avg)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		2,560.23		2,758.83		2,944.77		3,342.54
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	4,300.20	425.20	4,612.91	456.02	5,065.42	500.79	5,561.68	550.50
(i)	Stable deposits	96.29	4.81	105.39	5.27	115.17	5.76	113.24	5.66
(ii)	Less stable deposits	4,203.91	420.39	4,507.52	450.75	4,950.25	495.03	5,448.44	544.84
3	Unsecured wholesale funding, of which:	7,042.00	3,866.30	7,956.09	4,393.00	7,731.32	4,232.25	8,371.89	4,723.73
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	7,042.00	3,866.30	7,956.09	4,393.00	7,731.32	4,232.25	8,371.89	4,723.73
(iii)	Unsecured debt	-		-		-		-	

SCHEDULES

forming part of the standalone financial statements for the year ended March 31, 2017

(₹ in crore)

		Q1 2015-16		Q2 2015-16		Q3 2015-16		Q4 2015-16	
		Total Unwtd Value (Avg)	Total Wtd Value (Avg)	Total Unwtd Value (Avg)	Total Wtd Value (Avg)	Total Unwtd Value (Avg)	Total Wtd Value (Avg)	Total Unwtd Value (Avg)	Total Wtd Value (Avg)
4	Secured wholesale funding		-		-		-		-
5	Additional requirements, of which	95.69	95.69	128.54	128.54	116.41	116.41	110.95	110.95
(i)	Outflows related to derivative exposures and other collateral requirements	5.38	5.38	22.00	22.00	0.20	0.20	6.98	6.98
(ii)	Outflows related to loss of funding on debt products								
(iii)	Credit and liquidity facilities								
6	Other contractual funding obligations	-	-	-	-	-	-	-	-
7	Other contingent funding obligations	5,477.76	273.89	5,742.43	287.12	5,623.11	281.16	6,088.32	223.03
8	**Total Cash Outflows**		**4,661.08**		**5,264.68**		**5,130.61**		**5,608.21**
Cash Inflows									
9	Secured lending (e.g. reverse repos)	-	-	143.33	143.33	120.69	120.69	78.15	78.15
10	Inflows from fully performing exposures	837.16	418.58	1,167.25	583.63	1,432.45	716.22	1,440.38	720.19
11	Other cash inflows	536.75	514.94	411.16	391.92	555.21	531.16	643.98	618.03
12	**Total Cash Inflows**	**1,373.91**	**933.52**	**1,722.24**	**1,118.88**	**2,108.35**	**1,368.07**	**2,162.51**	**1,416.37**
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
21	TOTAL HQLA		2,560.23		2,758.83		2,944.77		3,342.54
22	Total Net Cash Outflows		3,727.57		4,145.80		3,762.52		4,191.85
23	Liquidity Coverage Ratio (%)		68.68		66.55		78.27		79.74

36 Intra-Group Exposures

(₹ in crore)

Particulars	**31-Mar-17**	31-Mar-16
Total amount of intra-group exposures	**20.50**	–
Total amount of top-20 intra-group exposures	**20.50**	–
Percentage of intra-group exposures to total exposure of the bank on borrowers/customers	**0.04%**	–

37 Corporate Social Responsibility (CSR)

Operating expenses include ₹ 3.68 crore (previous year ₹ 1.60 crore) for the year ended March 31, 2017 towards Corporate Social Responsibility (CSR), in accordance with Companies Act, 2013.

As a responsible organisation, the Bank has approached the mandatory requirements of CSR spends positively by laying a foundation on which it would build and scale future projects and partnerships. The Bank continues to evaluate strategic

SCHEDULES

forming part of the standalone financial statements for the year ended March 31, 2017

avenues for CSR expenditure in order to deliver maximum impact. In the years to come, the Bank will further strengthen its processes as per requirement.

Gross Amount required to be spent by the Bank on CSR activities during current year - ₹ 5.68 crore (previous year ₹ 3.71 crore).

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

(₹ in crore)

Particulars	31-Mar-17			31-Mar-16		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
Amount spent during the year on						
i) Construction / Acquisition of any assets	–	–	–	–	–	–
ii) For purposes other than (i) above	2.13	1.55	3.68	1.44	0.16	1.60

38 Details of provisioning pertaining to fraud accounts

The following table sets forth for the year ended March 31, 2017, the details of provisioning pertaining to fraud accounts.

(₹ in crore)

Particulars	As at 31 March 2017	As at 31 March 2016
Number of frauds reported	26	15
Amount involved in frauds	3.20	3.87
Provision made *	3.20	3.87
Unamortised provision debited from 'other reserves'	–	–

* Of this provision amount, ₹ 2.49 crore (previous year ₹ 2.47 crore) has been taken as credit provision / write- off or expensed off.

39 Transfers to Depositor Education and Awareness Fund (DEAF)

Below mentioned are the details of funds transferred to Depositor Education and Awareness Fund during financial year ended March 31, 2017.

(₹ in crore)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening balance of amounts transferred to DEAF	9.76	8.00
Add: Amounts transferred to DEAF during the year	2.05	1.76
Less: Amounts reimbursed by DEAF towards claims	0.54	–
Closing balance of amounts transferred to DEAF	11.27	9.76

SCHEDULES

forming part of the standalone financial statements for the year ended March 31, 2017

40 The disclosure required on holdings as well as dealings in Specified Bank Notes (SBN) during the period from November 8, 2016 to December 30, 2016 as envisaged in notification GSR 308(E) dated March 30, 2017 issued by the Ministry of Corporate Affairs (MCA), is not applicable to the Bank.

41 Credit Default Swap

The Bank has not entered into Credit Default Swap during the financial year 2016-17 and 2015-16.

42 Unhedged Foreign Currency Exposure (UFCE) of Bank's Customer

The Bank has maintained an additional provision of ₹ 7.46 crore (previous year ₹ 4.67 crore) on account of UFCE of the customer. Further, the Bank had maintained an additional capital of ₹ 27.73 crore (previous year ₹ 8.45) towards UFCE of the customer.

43 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.

As per our report of even date attached

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

Manoj Kumar Vijai
Partner
Membership No. 046882

Place : Mumbai
Date : May 2, 2017

For and on behalf of RBL Bank Limited

Vishwavir Ahuja
Managing Director & CEO

Jairaj Purandare
Director

Naresh Karia
Chief Financial Officer

D. Sivanandhan
Director

Vimal Bhandari
Director

Vinay Tripathi
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of RBL Bank Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of RBL Bank Limited ('the Bank' or the 'Holding Company') and its associates (collectively referred to as 'the Group'), comprising the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Profit and Loss Account, the 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

2. The Bank's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as '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 the 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 and provisions of Section 29 of the Banking Regulation Act, 1949 and 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 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

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting our 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 Rules made thereunder. We conducted our audit in accordance with Standards on Auditing 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 consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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.

5. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

6. 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 accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2017, and their consolidated Profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

   (i) we have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (ii) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

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

   (iv) 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, to the extent they are not inconsistent with the accounting policies prescribed by the RBI;

   (v) on the basis of written representations received from the directors of the Bank as on 31 March 2017 taken on record by the Board of Directors of the Bank, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

   (vi) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer our separate Report in "Annexure A"; and

   (vii) 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:

   (a) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 4.10 to the consolidated financial statements;

   (b) 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 (a) Note 5 to the consolidated financial statements in respect of such items as it relates to the Group and (b) the Group's share of net profit in respect of its associates;

   (c) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group incorporated in India during the year ended 31 March 2017; and

   (d) as referred in Note 4.11 of the financial statements, the disclosure required on holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 as envisaged in notification GSR 308(E) dated 30 March 2017 issued by the Ministry of Corporate Affairs, is not applicable to the Group.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W–100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
2 May 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Annexure to the Independent Auditor's Report of even date on the consolidated financial statements of RBL Bank Limited

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

1. In conjunction with our audit of the consolidated financial statements of RBL Bank Limited (hereinafter referred to as 'the Bank' or 'the Holding Company') as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of the RBL Bank Limited and its associate company (together 'the Group'), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Bank and its associate company, 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI')". 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 Companies Act, 2013 ('the Act').

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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.

4. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

7. 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

8. In our opinion, the Bank and its associate company, which are companies incorporated in India, have, 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 31 March 2017, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI..

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W–100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
2 May 2017

CONSOLIDATED BALANCE SHEET

as at March 31 , 2017

(₹ in '000s)

Particulars	Schedule No.	31-Mar-17
Capital & Liabilities		
Capital	1	3,752,031
Reserves and Surplus	2	39,611,339
Deposits	3	345,880,914
Borrowings	4	79,797,572
Other Liabilities and Provisions	5	17,713,470
Total		486,755,326
Assets		
Cash and Balances with Reserve Bank of India	6	29,479,286
Balances with banks and money at call and short notice	7	12,457,203
Investments	8	134,824,701
Advances	9	294,490,381
Fixed Assets	10	2,587,088
Other Assets	11	12,916,667
Total		486,755,326
Contingent Liabilities	12	419,044,621
Bills for Collection		8,227,083
Significant Accounting Policies	17	
Notes To Accounts	18	

The Schedules referred to above form an integral part of the Consolidated Balance Sheet

As per our report of even date attached

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

Manoj Kumar Vijai
Partner
Membership No. 046882

Place : Mumbai
Date : May 2, 2017

For and on behalf of RBL Bank Limited

Vishwavir Ahuja
Managing Director & CEO

Jairaj Purandare
Director

Naresh Karia
Chief Financial Officer

D. Sivanandhan
Director

Vimal Bhandari
Director

Vinay Tripathi
Company Secretary

CONSOLIDATED PROFIT & LOSS

for the year ended March 31, 2017

(₹ in '000s)

Particulars		Schedule No.	31-Mar-17
I.	**Income**		
	Interest Earned	13	37,131,585
	Other Income	14	7,554,627
	Total		44,686,212
II.	**Expenditure**		
	Interest Expended	15	24,918,241
	Operating Expenses	16	10,563,872
	Provisions and Contingencies		4,743,644
	Total		40,225,757
III.	**Profit/Loss**		
	Net Profit /(Loss) for the year		4,460,455
	Add : Share in Profit/(Loss) of Associate		7,615
	Profit brought forward		39,174
	Total		4,507,244
IV.	**Appropriations**		
	Transfer to Statutory Reserve		1,116,000
	Transfer to Capital Reserve		3,100
	Transfer to Revenue & Other Reserves		2,500,000
	Balance carried over to Balance Sheet		888,144
	Total		4,507,244
	EPS Basic (₹)		12.61
	EPS Diluted (₹)		11.82
	Face Value of shares (₹)		10.00

The Schedules referred to above form an integral part of the Consolidated Profit and Loss Account

As per our report of even date attached

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

Manoj Kumar Vijai
Partner
Membership No. 046882

Place : Mumbai
Date : May 2, 2017

For and on behalf of RBL Bank Limited

Vishwavir Ahuja
Managing Director & CEO

Jairaj Purandare
Director

Naresh Karia
Chief Financial Officer

D. Sivanandhan
Director

Vimal Bhandari
Director

Vinay Tripathi
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2017

(₹ in '000s)

	Particulars	31-Mar-17	
I	**Cash Flow from Operating Activities**		
	Net Profit for the Year (before taxes)		6,814,873
	Adjustments for:-		
	Add : Loss / (Profit) on Sale of Fixed Assets (Net)		(7,674)
	Add : Non-Cash Expenditure		-
	Depreciation		615,048
	Provision / write-off of non performing advances		1,524,347
	Provision for standard advances		450,184
	Provision for investments		352,208
	Other provisions		62,487
	Share in Current year profit of Associate		7,615,416
	Cash Flow before Changes in Working Capital		17,426,889
	Adjustments for working capital changes:-		
	Deposits	102,394,402	
	Other Liabilities	4,331,015	
	Deposlts placed having original maturity greater than 3 months	(1,083,995)	
	Investments	1,575,628	
	Advances	(83,723,898)	
	Other Assets	(4,373,569)	
	Direct Taxes paid	(2,210,000)	16,909,584
	Cash generated from Operating Activities		34,336,472
II	**Cash Flow from Investing Activities**		
	Addition to Other Fixed Assets	(1,290,153)	
	Addition to Capital Work in Progress	(154,940)	
	Sale of Fixed Assets	23,314	
	Cash generated from Investing Activities		(1,421,779)
III	**Cash Flow from Financing Activities**		
	Proceeds of share issue	9,003,256	
	Net Proceeds / (repayments) from borrowings	(25,564,667)	
	Dividend and Dividend distribution tax	–	
	Cash generated from financing Activities		(16,561,411)
IV	**Increase/Decrease during the Year**		16,353,282
V	**Opening Cash and Cash Equivalents**		15,311,124
VI	**Closing Cash and Cash Equivalents**		31,664,406
	Notes to the Cash Flow Statement:		
	Cash and cash equivalents includes the following:		
(i)	Cash and Balances with Reserve Bank of India (Refer Schedule 6)		29,479,286
(ii)	Balances with Banks in Current Accounts (Refer Schedule 7)		2,185,120
(iii)	Money at Call and Short Notice (Refer Schedule 7)		–
	Cash and cash equivalents at the end of the year		31,664,406

As per our report of even date attached

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

Manoj Kumar Vijai
Partner
Membership No. 046882

Place : Mumbai
Date : May 2, 2017

For and on behalf of RBL Bank Limited

Vishwavir Ahuja
Managing Director & CEO

D. Sivanandhan
Director

Jairaj Purandare
Director

Vimal Bhandari
Director

Naresh Karia
Chief Financial Officer

Vinay Tripathi
Company Secretary

SCHEDULES

forming part of the consolidated financial statements for the year ended March 31, 2017

Schedule 1 - Capital

(₹ in '000s)

Particulars	31-Mar-17
Authorised Capital	
400,000,000 Ordinary Shares of ₹ 10/- each	4,000,000
(previous year 400,000,000 Ordinary Shares of ₹ 10/- each)	
Issued	
375,203,136 Ordinary Shares of ₹ 10/- each	3,752,031
(previous year 324,728,130 Ordinary Shares of ₹ 10/- each)	
Subscribed & Paid-up	
375,203,136 Ordinary Shares of ₹ 10/- each	3,752,031
(previous year 324,728,130 Ordinary Shares of ₹ 10/- each)	
Total	3,752,031

Schedule 2 - Reserves & Surplus

(₹ in '000s)

	Particulars	31-Mar-17
1.	**Statutory Reserve**	
	(i) Opening Balance	2,286,500
	(ii) Addition during the year	1,116,000
	(iii) Deduction during the year	–
	Total	3,402,500
2.	**Capital Reserve**	
	(i) Opening Balance	155,570
	(ii) Addition during the year	3,100
	(iii) Deduction during the year	–
	Total	158,670
3.	**Revaluation Reserve**	
	(i) Opening Balance	9,947
	(ii) Addition during the year	–
	(iii) Deduction during the year (Depreciation on revalued portion credited to Profit and Loss Account)	281
	Total	9,666
4.	**Share Premium**	
	(i) Opening Balance	19,885,293
	(ii) Addition during the year	8,966,933
	(iii) Deduction during the year	468,427
	Total	28,383,799
5.	**Revenue & Other Reserves**	
	(i) Opening Balance	4,246,552
	(ii) Addition during the year	2,500,000
	(iii) Deduction during the year	–
	Total	6,746,552
6.	**Investment Reserve**	
	(i) Opening Balance	22,008
	(ii) Addition during the year	–
	(iii) Deduction during the year	–
	Total	22,008
7.	**Balance in Profit & Loss Account**	888,144
	Total (1 to 7)	39,611,339

SCHEDULES

forming part of the consolidated financial statements for the year ended March 31, 2017

Schedule 3 - Deposits

(₹ in '000s)

Particulars			31-Mar-17
A.	**1.**	**Demand Deposits**	
	i)	From Banks	1,409,124
	ii)	From Others	36,131,706
	Total		37,540,830
	2.	**Savings Bank Deposits**	38,486,454
	3.	**Term Deposits**	
	i)	From Banks	43,099,648
	ii)	From Others	226,753,982
	Total		269,853,630
	Total (1 to 3)		345,880,914
B.	i.	Deposits of Branches in India	345,880,914
	ii.	Deposits of Branches outside India	–
	Total		345,880,914

Schedule 4 - Borrowings

(₹ in '000s)

Particulars			31-Mar-17
1.	**Borrowings in India**		
	(i)	Reserve Bank of India	–
	(ii)	Other Banks	12,442,958
	(iii)	Other Institutions and Agencies	45,470,762
	(iv)	Subordinated debt	7,300,000
	Total		65,213,720
2.	**Borrowings outside India**		14,583,852
	Total (1 + 2)		79,797,572

Secured Borrowings included in 1 & 2 above are ₹ 11,578,953 thousands (for financial year ending March 31, 2016 ₹ 46,164,616 thousands)

Schedule 5 – Other Liabilities And Provisions

(₹ in '000s)

Particulars		31-Mar-17
1.	Bills Payable	2,534,240
2.	Inter Office Adjustments (Net)	–
3.	Interest Accrued	2,892,380
4.	Others (Including Provisions) *	12,286,850
	Total (1 to 4)	17,713,470
* Includes : Provision against Standard Assets		1,343,579

SCHEDULES

forming part of the consolidated financial statements for the year ended March 31, 2017

Schedule 6 – Cash and Balances with Reserve Bank of India

(₹ in '000s)

Particulars			31-Mar-17
1.	Cash in hand		1,648,328
2.	Balances with Reserve Bank of India		
	(i)	In Current Account	14,330,958
	(ii)	In Other Accounts	13,500,000
	Total (1 + 2)		29,479,286

Schedule 7 – Balance with Banks and Money at Call and Short Notice

(₹ in '000s)

Particulars				31-Mar-17
1.	**In India**			
	(i)	Balances with Banks		
		a)	In Current Accounts	1,212,210
		b)	In other Deposit Accounts	10,272,083
	(ii)	Money at Call and Short Notice		
		a)	With Banks	–
		b)	With Other Institutions	–
	Total (i+ii)			11,484,293
2.	**Outside India**			
	(i)	In Current Accounts		972,910
	(ii)	In Other Deposits Accounts		–
	(iii)	Money at Call and Short Notice		–
	Total (i+ii+iii)			972,910
	Total (1 + 2)			12,457,203

Schedule 8 – Investments

(₹ in '000s)

Particulars		31-Mar-17
1.	**Investments in India (Gross)**	135,331,097
	Less – Provision for depreciation	508,059
	Total	134,823,038
	Break Up	
	(i) Government Securities	98,012,178
	(ii) Other Approved Securities	–
	(iii) Shares	881,999
	(iv) Debentures & Bonds	20,026,972
	(v) Subsidiaries and / or Joint Venture	–
	(vi) Others *	15,689,223
	(vii) Associate[1]	212,665
	Total	134,823,037

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Schedule 8 – Investments (contd.)

(₹ in '000s)

Particulars		31-Mar-17
	* Details of Others (vi)	
	(i) NABARD / SIDBI / NHB Deposit	–
	(ii) Commercial paper & Certificates of deposit	4,444,963
	(iii) Mutual Funds	4,412,597
	(iv) Venture Capital Fund	817,778
	(v) Pass Through Certificates	5,922,457
	(vi) Security Receipts	91,428
	Total	15,689,223
2.	**Investments Outside India**	
	(i) Government Securities (Including Local Authorities)	–
	(ii) Subsidiaries and / or Joint Venture abroad	–
	(iii) Other Investments	1,664
	Total	1,664
	Total (1 + 2)	134,824,701
	[1] Investment in Associate	
	Equity Investment in Associate	164,643
	Add: Goodwill on the date of consolidation	40,407
	Investment in Associate at cost	205,050
	Add: Post Acquition profit/loss of Associate (Equity Method)	7,615
	Investment in Associate	212,665

Schedule 9 – Advances

(₹ in '000s)

Particulars		31-Mar-17
A.		
(i)	Bills Purchased and Discounted	5,366,986
(ii)	Cash Credits, Overdrafts and Loans Repayable on Demand	72,361,010
(iii)	Term Loans	216,762,385
	Total	294,490,381
B.		
(i)	Secured by Tangible Assets (Includes advances against Fixed Deposits and Book Debts)	201,076,218
(ii)	Coverd by Bank/Government Guarantees	280,951
(iii)	Unsecured	93,133,212
	Total	294,490,381
C.1	**Advances in India**	
(i)	Priority Sector	93,455,904
(ii)	Public Sector	1,917,644
(iii)	Banks	6,590,294
(iv)	Others	192,526,539
	Total	294,490,381

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Schedule 9 – Advances (contd.)

(₹ in '000s)

Particulars		31-Mar-17
C.2	**Advances Outside India**	
(i)	Due from Banks	–
(ii)	Due from Others	
	a) Bills Purchases and Discounted	–
	b) Syndicated Loans	–
	c) Others	–
	Total	–
	Total (C.1 + C.2)	294,490,381

Schedule 10 – Fixed Assets

(₹ in '000s)

Particulars		31-Mar-17
1.	**Premises**	
(i)	At cost at 31st March of the preceding year	79,002
(ii)	Additions During the year	–
(iii)	Deductions During the year	3,761
(iv)	Accumulated Depreciation to date	10,280
	Total	64,961
2.	**Other Fixed Assets**	
(i)	At cost at 31st March of the preceding year	2,941,461
(ii)	Additions During the year	1,290,153
(iii)	Deductions During the year	49,390
(iv)	Accumulated Depreciation to date	2,005,566
	Total	2,176,658
3.	**Leased Assets**	
(i)	Lease equalisation - Opening balance	13,509
(ii)	Additions During the year	–
(iii)	Less: Provision held	13,509
(iv)	Accumulated Depreciation to date	–
	Total	–
4.	**Capital Work in Progress**	345,469
	Total (1 to 4)	2,587,088

Schedule 11 – Other Assets

(₹ in '000s)

Particulars		31-Mar-17
1.	Inter-Office Adjustment (Net)	–
2.	Interest Accrued	3,897,000
3.	Tax Paid in Advance/Tax Deducted at Source (Net of Provision)	–
4.	Stationery and Stamps	5,782
5.	Deferred Tax Assets (Net)	885,842
6.	Others	8,128,043
	Total (1 to 6)	12,916,667

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Schedule 12 – Contingent Liabilities

(₹ in '000s)

Particulars			31-Mar-17
1.	Claims against the bank not acknowledged as debts		77,575
2.	Liability for Partly Paid Investment		151,800
3.	Liability on Account of Outstanding Forward Exchange contracts		172,802,904
4.	Liability on Account of Outstanding derivative contracts		–
	(i)	Interest Rate Swaps	51,169,535
	(ii)	Cross Currency Swaps	55,562,826
	(iii)	Currency Options	44,043,976
	(iv)	Currency Futures	–
	(v)	Interest Rate Futures	–
5.	Guarantees given on behalf of constituents		–
	(i)	In India	48,169,568
	(ii)	Outside India	27,312,261
6.	Acceptances, Endorsements and other Obligations		17,503,286
7.	Other items for which the bank is contingently liable		–
	a)	Income tax & other matters (under appeal)	80,144
	b)	Others	2,170,746
	Total (1 to 7)		419,044,621

Schedule 13 – Interest Earned

(₹ in '000s)

Particulars		31-Mar-17
1.	Interest / Discount on Advances / bills	26,394,024
2.	Income on Investments	9,814,681
3.	Interest on balance with RBI and Other Inter bank funds	854,902
4.	Others	67,978
	Total (1 to 4)	37,131,585

Schedule 14 – Other Income

(₹ in '000s)

Particulars		31-Mar-17
1.	Commission, Exchange and Brokerage	4,912,488
2.	Profit on sale of Investments (Net)	1,189,112
3.	Profit / (Loss) on sale of land, building and other assets (Net)	7,674
4.	Profit on exchange transactions (Net)	1,129,546
5.	Miscellaneous Income	315,807
	Total (1 to 5)	7,554,627

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Schedule 15 – Interest Expended

(₹ in '000s)

Particulars		31-Mar-17
1.	Interest on Deposits	19,607,995
2.	Interest on Reserve Bank of India / Inter-Bank Borrowings	1,333,207
3.	Others	3,977,039
	Total (1 to 3)	24,918,241

Schedule 16 – Operating Expenses

(₹ in '000s)

Particulars		31-Mar-17
1.	Payments to and provisions for employees	4,461,394
2.	Rent, taxes and lighting	957,553
3.	Printing and stationery	75,533
4.	Advertisement and publicity	179,998
5.	Depreciation on banks property	615,048
6.	Director's fees Allowances and expenses	8,224
7.	Auditors' fees and expenses (Including branch auditor's fees and expenses)	5,516
8.	Law Charges	62,902
9.	Postage, Telegrams, Telephones, etc.	130,028
10.	Repairs and maintenance	37,389
11.	Insurance	319,144
12.	Other Expenditure	3,711,143
	Total (1 to 12)	10,563,872

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Schedule 17 – Significant accounting policies forming part of the consolidated financial statements for the year ended March 31, 2017

Background:

RBL Bank Limited ('the Bank'), incorporated in Kolhapur, India is a banking company governed by the Banking Regulation Act, 1949 with Reserve Bank of India ('RBI') as its principal regulator. The Bank is engaged in providing a wide range of banking and financial services including commercial banking, retail banking, agriculture finance and financial inclusion, treasury operations and other banking related activities. The Bank's shares were listed on August 31, 2016 on National Stock Exchange of India Limited (NSE) & BSE Limited (BSE). During the year ended March 31, 2017, the Bank has increased the stake in Swadhaar Finserve Private Limited (SFPL) from 13.74% to 30%, following which the company has become an "Associate" of the Bank. Accordingly, the Bank is required to present Consolidated Financial Statements including that of SFPL to the extent of Bank's ownership in SFPL.

Principles of Consolidation:

The consolidated financial statements comprise the financial statements of RBL Bank Limited ("the Bank") and its Associate SFPL, which together constitute "the Group".

The Bank has consolidated investments in associates in accordance with Accounting Standard 23 ('AS-23'), "Accounting for Investments in Associates in "consolidated financial statement" notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, using the equity method of accounting. The difference between the cost of investment in the associate and the Bank's share of net asset, at the time of acquisition of share in the associate, is recorded in the consolidated financial statement as goodwill or capital reserve, as the case may be.

Basis of preparation:

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

The consolidated financial statements present the accounts of RBL Bank Limited with its Associate Swadhaar Finserve Private Limited.

In accordance with Paragraph 30 on Transitional provision of Accounting Standard 21 "Consolidated Financial Statements", on preparation of consolidated financial statements on the first occasion, comparative figures for the previous year are not required to be presented. Consequently, the Bank has prepared the consolidated financial statements of the Bank and its Associate for the year ended March 31, 2017 on the first occasion, and no comparative figures for the previous year are presented in the current year financial statements as the consolidated financials are presented to the Board for the first time.

In accordance with para 26 of AS - 23, on the first occasion when investment in an associate is accounted for in consolidated financial statements, the carrying amount of investment in the associate should be brought to the amount that would have resulted had the equity method of accounting been followed since the acquisition of the associate and the corresponding adjustment should be made in the retained earnings in the consolidated financial statements. Consequently, the Bank has brought the carrying amount of investment in an associate considering the equity method of accounting been followed since the acquisition of the associate and the corresponding adjustment is made in the retained earnings in the consolidated financial statements.

As per AS-23, the Consolidated Financial Statements incorporates audited results of the following associate:

Name of the Associate	Country of Origin	% of shareholding of Group (March 31, 2017)
Swadhaar Finserve Private Limited (SFPL)	India	30%

SFPL has become an "Associate" since April 5, 2016 onwards.

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Use of estimates:

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles in India ('GAAP') requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

Significant Accounting Policies:

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

1. Advances

Advances are stated net of provisions made in respect of non-performing advances ('NPA'). Premium paid on acquisition of portfolio is included in advances and is amortised over the economic life of the portfolio; being 5 years for on-demand working capital loans and credit card portfolios purchased. Advances are classified as Performing and NPA based on the relevant RBI guidelines. Provisions in respect of non-performing and restructured advances are made based on management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels prescribed under RBI guidelines with regard to the Prudential Norms on Income Recognition, Asset Classification & Provisioning prescribed from time to time. In case of restructured accounts, provision is made for erosion/diminution in fair value of restructured loans, in accordance with RBI guidelines. The Bank also maintains provision on standard assets to cover potential credit losses which are inherent in any loan portfolio in accordance with RBI guidelines in this regard. Provision made against standard assets is included in 'Other Liabilities and Provisions'. Amounts recovered against debts written off in earlier years and provisions no longer considered necessary based on the current status of the borrower are recognised in the profit and loss account as credit to 'Miscellaneous Income' under the head 'Other Income' or provision for NPAs, respectively.

2. Investments

Classification and valuation of Bank's Investments is carried out in accordance with RBI and Fixed Income Money Market and Derivatives Association ('FIMMDA') guidelines issued in this regard from time to time.

a) Classification

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

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

b) Valuation

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

Investments classified as AFS and HFT are marked-to-market on a periodic basis as per relevant RBI guidelines. The securities are valued scrip-wise and depreciation / appreciation are aggregated for each category. Net appreciation in each category, if any, is ignored, while net depreciation is provided for. The

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book value of individual securities is not changed consequent to the periodic valuation of investments.

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

Quoted investments are valued at traded/ quoted price available on the recognised stock exchanges, subsidiary general ledger account transactions, price list of RBI or prices declared by Primary Dealers Association of India ("PDAI") jointly with Fixed Income Money Market and Derivatives Association (FIMMDA) applicable as at the balance sheet date. For deriving market value of unquoted fixed income securities (other than Central and State Government securities), yields / mark-up rates (reflecting associate credit risk) declared by the FIMMDA in consultation with PDAI are used.

Unquoted equity shares are valued at the break-up value, if the latest Balance Sheet is available (which should not be more than one year prior to the date of valuation) or at ₹ 1 as per the RBI guidelines. Depreciation on equity shares acquired and held by the Bank under SDR scheme is provided in accordance with the RBI guidelines.

Quoted Mutual Fund units are valued as per Stock Exchange quotations and un-quoted Mutual Fund units are valued at last available re-purchase price or Net Asset Value where re-purchase price is not available.

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

Security receipts issued by the asset reconstruction companies are valued in accordance with the guidelines prescribed by RBI. Accordingly, Security receipts are valued as per the Net Asset Value provided by the issuing Asset Reconstruction Company.

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

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

a) Transfer from AFS/HFT to HTM is made at the lower of book value or market value at the time of transfer.

b) Transfer from HTM to AFS/HFT is made at acquisition price/book value if originally placed in HTM at par or at a discount and at amortised cost if originally placed in HTM at a premium.

c) Transfer from AFS to HFT category or vice-versa is made at book value and the provision for the accumulated depreciation, if any, held is transferred to the provisions for depreciation against the HFT securities or vice-versa.

e) Repurchase transactions
Repurchase ('Repo') and reverse repurchase ('Reverse Repo') transactions including liquidity adjustment facility (with RBI) are accounted for as borrowing and lending transactions. Accordingly, securities given as collateral under an agreement to repurchase them continue to be held under the investment account of the Bank and the Bank would continue to accrue the coupon/discount on the security during the repo period. Also, the Bank continues to value the securities sold under repo as per the investment classification of the security. Borrowing cost on repo transactions is accounted for as interest expense and revenue on reverse repo transactions are accounted for as interest income.

f) Broken period interest, brokerage etc.
Broken period interest and costs such as brokerage paid at the time of acquisition of the security are charged to the Profit and Loss account.

3. Foreign Currency and Rupee Derivative transactions

Transactions denominated in foreign currency are recorded at exchange rates prevailing on the date of the transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Profit and Loss account. Income and Expenditure items are translated at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the Balance Sheet date at rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant exchange differences are recognized in the Profit and Loss account.

In accordance with RBI Circular No. DBOD No. BP.BC.76/21.04.018/2005-06 dated April 5, 2006 and Accounting Standard 11 - The effect of Changes in Foreign Exchange Rates, foreign exchange trading positions including spot and forward contracts are revalued at each month end at market rates published by FEDAI and then discounted using appropriate curves. Long term foreign exchange contracts (original maturities of over 12 months) where exchange rates are not notified by FEDAI are revalued based on the forward exchange rates implied by the swap curves in respective currencies. The resulting gains and losses are recorded in the profit and loss account except in case of swaps entered into for hedging an on-balance sheet foreign currency exposure which is accounted for on an accrual basis. The unrealised gain and losses on swaps outstanding at year-end are included in 'Other assets' and 'Other liabilities', respectively. The notional values of these contracts are recorded as contingent liability at the closing exchange rates.

Swap cost arising on account of foreign currency swap contracts to convert rupee assets/liabilities into foreign currency assets/liabilities or vice versa is charged to profit and loss account as interest cost by amortising over the tenor of the swap.

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

The interest rate and currency swaps are marked to market using appropriate interest rates/exchange rates as applicable. The profit or loss on revaluation is recorded in the Profit and Loss account and is included in 'Other assets' or 'Other liabilities'. The notional value of these swaps is recorded as Contingent Liability.

Foreign currency futures are marked to market using closing price of the relevant futures contract as published by the exchange/clearing corporation. The profit or loss on revaluation is recorded in the profit and loss account and corresponding asset or liability is shown under 'Other assets' or 'Other liabilities', as the case may be. Margin money deposited with the exchange is included in 'Other assets'. The notional value of outstanding futures contract is recorded as Contingent liability.

Foreign currency options are marked to market using market values after considering the premium received or paid. The profit or loss on revaluation is recorded in the profit and loss account and corresponding asset or liability is shown under 'Other assets' or 'Other liabilities', as the case may be. Premium received and premium paid is recognized in the Profit and Loss account upon expiry or exercise of the options. The notional value of these options is recorded as a Contingent liability.

Provisioning of overdue customer receivable on interest rate and foreign exchange derivative transactions, if any, is made as per RBI guidelines.

With respect to credit exposures to counterparties arising on account of the interest rate and foreign exchange derivative transactions, which are computed as per the current mark to market value of the contract, a provision is made as is applicable to the loan assets in the 'standard' category.

4. Bullion

The Bank imports bullion including precious metal bars on

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

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

5. Fixed Assets and Depreciation

Fixed Assets are accounted for at cost less accumulated depreciation, amortization and accumulated impairment losses. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Premises acquired up to March 31, 1998 have been revalued by the management and are stated at such revalued figure. The appreciation on revaluation is credited to 'Premises Revaluation Reserve' Account. On disposal of revalued premises, the amount standing to the credit of the Premises Revaluation Reserve is transferred to Capital Reserve. Depreciation attributable to the enhanced value is transferred from Premises Revaluation Reserve to the credit of depreciation in the Profit and Loss account.

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

The useful lives of the fixed assets are given below:

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

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

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

6. Retirement and other employee benefits

The Bank's contribution towards Provident fund, being a defined contribution scheme, is accounted for on an accrual basis and recognized in the Profit and Loss

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account. Liability for Gratuity and Pension, being defined benefit retirement schemes, are determined based on an actuarial valuation as at the Balance Sheet date as per the Projected Unit Credit Method as computed by an independent actuary.

The Bank provides for leave encashment liability of its employees who are eligible for encashment of accumulated leave and sick leave, which is a long-term benefit scheme, based on actuarial valuation of the leave encashment liability at the balance sheet date, carried out by an independent actuary.

Actuarial gains/losses arising during the year are recognized in Profit and Loss Account.

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

7. Revenue Recognition

a) Interest income is recognised in the Profit and Loss account on accrual basis, except in the case of interest on NPA and on loan accounts where restructuring has been approved by the Bank under Strategic Debt Restructuring (SDR) scheme of RBI, which is recognised as income on realisation, as per the Income Recognition and Asset Classification norms of RBI.

b) Recoveries in respect of past due loan accounts classified as sub-standard are appropriated towards overdue principal and thereafter towards interest and charges

c) Income on discounted instruments is recognised over the tenure of the instrument on a constant yield basis.

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

e) Loan processing fee is accounted for upfront when it becomes due.

f) All other fees are accounted for as and when they become due.

8. Lease transactions

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

The Bank has not undertaken any finance leases.

9. Taxation

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

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

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

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

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

10. Provisions and contingencies

The Bank creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

11. Provision for reward points on credit cards

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

12. Earnings per share (EPS)

Basic and diluted earnings per share are computed in accordance with Accounting Standard-20 – Earnings per share.

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

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

13. Share issue expenses

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

14. 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.

Schedule 18 - Notes to Accounts forming part of Consolidated Financial Statements for the year ended March 31, 2017

1. Capital

During the year ended March 31, 2017, the Bank issued 37,000,000 equity shares of ₹ 10/- through Initial Public Offer (IPO), each shares allotted at a price of ₹ 225/- aggregating to ₹ 832.50 crore. Further the bank allotted 13,475,006 equity shares aggregating to ₹ 114.67 crore on various dates to the employees who exercised their stock options.

2. Proposed Dividend

The Board of Directors at their meeting on May 2, 2017, proposed a dividend of ₹ 1.8 per share (18%) subject to the approval of the members at the ensuing Annual General Meeting.

In accordance with the revised Accounting Standard (AS) - 4 'Contingencies and Events occurring after the Balance Sheet Date', the Bank has not accounted for proposed dividend ₹ 67.54 crore and corporate dividend tax ₹ 13.75 crore as a liability, as at March 31, 2017.

3. Employee Stock Option Plan ("ESOP")

The members of the Bank have approved granting of stock options to employees under one or more Employee Stock Option Plan (ESOP) enabling the Board and / or the Human Resource Committee to grant such number of Options of the Bank not exceeding 12% of the aggregate number of issued and paid up equity shares of the Bank. The ESOP is equity settled where the employees will receive one equity share per option. The stock options granted to employees vest over a period of two years, three years or four years in the proportion of either 20:80, equal proportion, 40:30:30, 30:30:40 or 10:20:30:40, as the case may be. Vested options can be exercised within a period of three years from the date of vesting or within a period of one year from the date on which the shares of the Bank gets listed on a recognised stock exchange (listed since August 31, 2016), whichever is later.

Under Intrinsic Value method there is no charge to the profit and loss account for the current year on account of grant of the ESOPs, since exercise price of the stock options granted is more than the underlying value of the shares (prior to listing) or at the market price (listed since August 31, 2016), as the case may be. If the Bank had adopted the Black-Scholes model based fair valuation, compensation cost for the year ended March 31, 2017, would have increased by ₹ 24.73 crore and the profit before tax would have been lower correspondingly. Accordingly, on a proforma basis, basic and diluted earnings per share for the year ended March 31, 2017 would have been ₹ 11.92 and ₹ 11.17, respectively.

	FY 2016-17			
Stock option activity under the scheme	No of Options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life years
Outstanding at the beginning of the year	3,38,14,756	46.50 - 120.00	92.95	3.86
Granted during the year	1,31,85,450	120.00 – 494.55	193.61	
Forfeited during the year	25,42,481	46.50 – 377.90	103.31	
Exercised during the year	1,34,75,006	46.50 – 120.00	85.10	
Expired during the year	–			
Outstanding at the end of the year	3,09,82,719	40.00 – 494.55	138.36	3.92
Options exercisable at the end of the year	35,67,877	46.50 – 120.00	89.50	2.58

Options granted during the year carry an exercise price of ₹ 120.00, ₹ 377.90, ₹ 382.15, ₹ 476.70, ₹ 476.85 and ₹ 494.55. During the year corresponding value of the shares for these grants at the time of respective grant was ₹ 77.88, ₹ 377.90, ₹ 382.15, ₹ 476.70, ₹ 476.85 and ₹ 494.55 respectively.

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

Particulars	2016-17
Expected dividend yield	0.30% - 1.25%
Expected volatility	32.74%~45.44%
Risk free interest rates	6.18% - 7.37%
Expected life of options in years (across each tranche)	1.0 - 4.0

Expected volatility is a measure of the amount by which the equity share price is expected to fluctuate during the period. The measure of volatility used in Black-Scholes option pricing model is the annualized standard deviation of the continuously compounded rates of return on the share over a period of time. Expected volatility has been computed by considering the historical data on daily volatility in the closing equity share price on NSE of similar listed banks over the expected tenor of each tranche.

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forming part of the consolidated financial statements for the year ended March 31, 2017

4. Others Disclosures

4.1. Disclosures under AS - 15 on employee benefits

Defined Contribution Plans:

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

(₹ in crore)

Particulars	2016-17
Provident Fund	12.95
Pension Scheme (employees joining after 01.04.2010)	0.02

Defined Benefit Plans:

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

Change in the present value of the defined benefit obligation

(₹ in crore)

Particulars	2016-17	
	Pension	Gratuity
Opening defined benefit obligation at 1st April	107.88	23.34
Current Service cost	5.77	3.65
Interest cost	8.59	1.80
Actuarial losses/ (gains)	(2.08)	4.10
Benefits paid	(12.01)	(3.04)
Closing defined benefit obligation at 31st March	108.15	29.85

Change in the plan assets

(₹ in crore)

Particulars	2016-17	
	Pension	Gratuity
Opening fair value of plan assets at 1st April	87.58	18.46
Expected return on plan assets	6.97	1.43
Employers Contributions	21.89	4.88
Benefit paid	(12.01)	(3.04)
Actuarial gains / (losses) on plan assets	0.83	0.04
Closing fair value of plan assets at 31st March	105.26	21.77

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

(₹ in crore)

Particulars	2016-17	
	Pension	Gratuity
Present value of funded obligation at 31st March	108.15	29.85
Fair value of plan assets at 31st March	105.26	21.77
Deficit / (Surplus)	2.89	8.08
Net Liability / (Asset)	2.89	8.08

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forming part of the consolidated financial statements for the year ended March 31, 2017

Net cost recognized in the profit and loss account

(₹ in crore)

Particulars	2016-17	
	Pension	Gratuity
Current Service cost	5.77	3.65
Interest cost	8.59	1.80
Expected return on plan assets	(6.97)	(1.43)
Net actuarial losses / (gains) recognised during the year	(2.91)	4.06
Total cost of defined benefit plans included in Schedule 16 Payments to and provisions for employees	4.48	8.08

Reconciliation of Expected return and actual return on planned assets

(₹ in crore)

Particulars	2016-17	
	Pension	Gratuity
Expected return on plan assets	6.97	1.43
Actuarial gain / (loss) on plan assets	0.83	0.04
Actual return on plan assets	7.80	1.47

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

(₹ in crore)

Particulars	2016-17	
	Pension	Gratuity
Opening net liability as at 1st April	20.30	4.88
Expenses as recognised in profit & Loss account	4.48	8.08
Employers contribution	(21.89)	(4.88)
Net liability / (asset) recognised in balance sheet	2.89	8.08

Experience Adjustment

(₹ in crore)

Particulars	2016-17		2015-16		2015-16		2015-16		2015-16	
	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity	Pension	Gratuity
Present value of funded obligation at 31st March	108.15	29.85	107.88	23.34	90.65	18.82	71.15	14.09	57.31	12.88
Fair value of plan assets at 31st March	105.26	21.77	87.58	18.46	69.12	14.03	49.32	11.97	54.42	11.45
Deficit / (Surplus)	2.89	8.08	20.30	4.88	21.53	4.79	21.83	2.12	2.89	1.43
On Plan Liabilities (gains) / losses	(6.09)	2.20	18.46	1.35	10.00	1.07	23.21	0.97	8.13	1.15
On Plan Assets (losses) / gains	0.83	0.04	1.01	0.24	0.64	0.12	0.08	(0.01)	(1.10)	(0.02)

Other Details

(₹ in crore)

Particulars	2016-17	
	Pension	Gratuity
Expected Contribution on Plan assets	6.31	13.57

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forming part of the consolidated financial statements for the year ended March 31, 2017

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

Category of Assets	2016-17	
	Pension (%)	Gratuity (%)
Central Government securities	19.40	12.51
State Government securities	32.70	37.63
Corporate Bonds	17.28	22.53
Special Deposit Schemes	–	–
Funds with LIC	–	10.57
Fixed deposits and bank balances	30.62	16.76
Total	100.00	100.00

Key Actuarial Assumptions

Particulars	2016-17	
	Pension	Gratuity
Discount rate	7.39%	6.77%
Expected rate of return on Plan Asset	7.39%	6.77%
Salary Escalation	6.00%	6.00% (IBA) 8.00% (Others)
Attrition rate	2.00%	2.00% (IBA) 20.00% (Others)

4.2. Segment Reporting: Information about business segments

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

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

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

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forming part of the consolidated financial statements for the year ended March 31, 2017

The following table sets forth the business segment results:

(₹ in crore)

Particulars	2016-17				
	Corporate / Wholesale Banking	Retail Banking	Treasury	Other Banking Operations	Total
Gross Revenue	2,570.20	2,320.07	3,181.18	221.02	8,292.47
Unallocated Revenue					0.77
Less: Inter Segment Revenue					3,824.61
Total Revenue					4,468.63
Segment Results	269.17	182.39	179.31	50.03	681.67
Unallocated expenses					0.18
Operating Profit					681.49
Income Tax expense (including deferred tax)					235.44
Net Profit before earnings from Associate					446.05
Add: Share of profit in Associate					0.76
Net Profit					446.81
Segment Assets	20,341.99	8,597.18	18,183.92	813.44	47,936.53
Unallocated Assets					739.00
Total Assets					48,675.53
Segment Liabilities	11,005.47	18,965.72	14,301.84	21.02	44,294.05
Unallocated Liabilities					4,381.48
Total Liabilities					48,675.53

Notes:

- The business of the Bank does not extend outside India and it does not have any assets outside India or earnings emanating from outside India. Accordingly, the Bank has reported operations in the domestic segment only.
- Income, expenses, assets and liabilities have been either specifically identified to individual segment or allocated to segments on a reasonable basis or are classified as unallocated.
- Unallocated items include Fixed Assets, realized gains/losses on their sale, income tax expense, deferred income tax assets/liabilities, advance tax, cash in hand, share capital and reserves.

4.3. Related Party Transactions

As per AS 18 "Related Party Disclosures", the Bank's related parties for the year ended March 31, 2017 are disclosed below:

a) Key Management Personnel ('KMP')

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

Mr. Rajeev Ahuja (Executive Director) (identified as related party w.e.f. February 21, 2017)

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forming part of the consolidated financial statements for the year ended March 31, 2017

b) Relatives of Key Management Personnel

Mrs. Reva Ahuja, Mr. Dharam Bir Ahuja, Ms. Vasudhaa Ahuja, Ms. Vrinda Ahuja, Mrs. Dipeeka Dhand, Ms. Kanika Ahuja, D. B. Ahuja & Sons (HUF)

Ms. Aishwarya Ahuja, Mrs. Priti Ahuja, Mr. Raman Ahuja (identified as related party w.e.f. February 21, 2017)

(₹ in crore)

Items / Related Party	Associates/ Joint ventures	Maximum Balance during the year	KMP	Maximum Balance during the year	Relatives of KMP	Maximum Balance during the year
Remuneration			1.92	–	–	–
Deposit	–	–	10.04	11.06	2.73	3.19
Advances	–	–	0.77	0.85	–	–
Interest paid	–	–	0.13	0.13	0.08	0.08
Interest received	–	–	0.01	0.01	–	–
Interest payable	–	–	–	0.07	0.01	0.02
Interest Receivable	–	–	–	–	–	–

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

4.4. Operational Leases

The Bank has taken certain premises on operating lease. The agreements entered into provide for renewal and rent escalation. Particular of future minimum lease payments in respect of the same are as mentioned below:

(₹ in crore)

Period	2016-17
Not later than one year	66.39
Later than one year and not later than five years	200.35
Later than five years	56.81
Total	323.55
Lease payment recognized in profit and loss account for the year	75.36

4.5. Earnings Per Share (EPS)

(₹ in crore)

Particulars	2016-17
Basic	
Weighted Average Number of equity shares	354,220,599
Net Profit after tax available for equity share holders	446.81
Basic Earnings Per Share (F V ₹ 10/-)	12.61

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forming part of the consolidated financial statements for the year ended March 31, 2017

(₹ in crore)

Particulars	2016-17
Diluted	
Weighted Average Number of equity shares (including dilutive potential equity shares)	377,947,742
Net Profit after tax available for equity share holders	446.81
Diluted Earnings Per Share (F V ₹ 10/-)	11.82
Nominal Value per share	₹ 10

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

4.6. Deferred Tax (AS -22)

Major components of Deferred Tax Assets and Deferred Tax Liabilities as on March 31, 2017 are as under:-

(₹ in crore)

Particulars	2016-17
Deferred tax assets:	
Provision for Assets	88.93
Employee benefits	3.93
Others	9.68
Deferred tax liabilities:	
Charge related to acquisition	–
Fixed Assets	(13.95)
MTM Gain on Derivatives	–
Total	88.59

4.7. Fixed Assets

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

(₹ in crore)

Particulars	2016-17
At cost at the beginning of the year	104.46
Additions during the year	55.79
Deductions during the year	0.44
Accumulated depreciation at March 31	73.23
Closing balance at March 31	86.58
Depreciation charge for the year	26.29

4.8. Small and Micro Industries

Based on information available with the Bank, during the year, there were no amounts outstanding the due date, to the parties covered under the Micro, Small and Medium Enterprises Development Act, 2006.

SCHEDULES

forming part of the consolidated financial statements for the year ended March 31, 2017

4.9. Amount of Provisions made for Income-tax during the year:

(₹ in crore)

Particulars		2016-17
i)	Provision for Income tax / Wealth tax	238.16
ii)	Provision for deferred tax	(2.72)

4.10. Contingent Liabilities

Description of nature of contingent liabilities is set out below:

i) Claims against the Bank not acknowledged as debts:

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

ii) Liability for partly paid investments:

These represent contingent liability on account of possible claims for uncalled amount by the issuer of the securities held by the Bank.

iii) Liability on account of forward exchange and interest rate contracts:

The Bank enters into foreign exchange contracts currency options, forward rate agreements, currency swaps with inter-bank participants on its own account and for the customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by the way of interest/principal in one currency against another, based on pre-determined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows.The amount recorded as contingent liability with respect to these contracts represents the underlying notional amounts of these contracts.

iv) Guarantees given on behalf of Constituents, Acceptances, Endorsement and other obligations:

As a part of its corporate banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customer of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make the payment in the event of the customer failing to fulfill its financial or performance obligations

v) Acceptances, endorsements and other obligations:

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank.

vi) Other contingent items:

a. Commitments for settlement date accounting for securities transactions;

b. Amount of bills rediscounted by the Bank;

c. Demands raised by income tax and other statutory authorities and disputed by the Bank.

Refer schedule 12 for amounts relating to contingent liabilities.

SCHEDULES

forming part of the consolidated financial statements for the year ended March 31, 2017

4.11 The disclosure required on holdings as well as dealings in Specified Bank Notes (SBN) during the period from November 8, 2016 to December 30, 2016 as envisaged in notification GSR 308(E) dated March 30, 2017 issued by the Ministry of Corporate Affairs (MCA), is not applicable to the Bank.

5. Corporate Social Responsibility (CSR)

Operating expenses include ₹ 3.68 crore for the year ended March 31, 2017 towards Corporate Social Responsibility (CSR), in accordance with Companies Act, 2013.

As a responsible organisation, the Bank has approached the mandatory requirements of CSR spends positively by laying a foundation on which it would build and scale future projects and partnerships. The Bank continues to evaluate strategic avenues for CSR expenditure in order to deliver maximum impact. In the years to come, the Bank will further strengthen its processes as per requirement.

Gross Amount required to be spent by the Bank on CSR activities during current year - ₹ 5.68 crore.

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

(₹ in crore)

Particulars	31-Mar-17		
Amount spent during the year on	In cash	Yet to be paid in cash	Total
1. Construction / Acquisition of any assets	–	–	–
2. For purposes other than (i) above	2.13	1.55	3.68

6. 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.

As per our report of even date attached

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

Manoj Kumar Vijai
Partner
Membership No. 046882

Place : Mumbai
Date : May 2, 2017

For and on behalf of RBL Bank Limited

Vishwavir Ahuja
Managing Director & CEO

D. Sivanandhan
Director

Jairaj Purandare
Director

Vimal Bhandari
Director

Naresh Karia
Chief Financial Officer

Vinay Tripathi
Company Secretary

FORM AOC-1

(pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries or Associate Companies or Joint Ventures

Part A: Subsidiaries

The bank does not have any subsidiary.

Part B: Associates and Joint Ventures

The bank does not have any Joint Ventures.

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Sr. No.	Name of the Associate Company	Swadhaar Finserve Private Limited
1	Latest Audited Balance Sheet Date	March 31, 2017
2	Date on which the Associate was associated or acquired	April 5, 2016
3	Shares of Associate held by the Company on the year end	
	(a) No. of Shares	16,403,974
	(b) Amount of Investment in the Associate Company	₹ 20.50 crore
	(c) Extent of Holding (In percentage)	30.00%
4	Description of how there is significant influence	Extent of Equity holding in the Associate Company exceeds 20%
5	Reason why the associate is not consolidated	Consolidated - Not Applicable
6	Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 16.41 crore
7	Profit or Loss for the year	
	i. Considered in Consolidation	₹ 0.76 crore
	ii. Not Considered In Consolidation	Not Applicable

Notes:-

1. There are no joint ventures as per Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures.
2. There are no Associates or Joint Ventures that are yet to commence operations.
3. No Associates or Joint Ventures were liquidated or sold during the year.

For and on behalf of RBL Bank Limited

Vishwavir Ahuja
Managing Director & CEO

D. Sivanandhan
Director

Jairaj Purandare
Director

Vimal Bhandari
Director

Naresh Karia
Chief Financial Officer

Vinay Tripathi
Company Secretary

Place : Mumbai
Date : May 2, 2017

BASEL III DISCLOSURES

For the year ended March 31, 2017

I. Scope of Application

The framework of disclosures applies to **RBL Bank Limited** (hereinafter referred to as the Bank), a scheduled commercial bank, incorporated on August 6, 1943. The Bank does not have any subsidiary nor does it have any interest in any insurance entity.

The Bank has a non-financial associate, Swadhaar Finserve Private Ltd, which is not consolidated for capital adequacy purpose. As per capital adequacy guidelines under Basel III, the insurance and non-financial subsidiaries / joint ventures / associates etc. of the banks should not be consolidated for the purpose of capital adequacy.

Capital Adequacy

Regulatory capital assessment

The Bank is subjected to Capital Adequacy guidelines stipulated by Reserve Bank of India (RBI). In line with RBI guidelines under Basel III, the Bank has adopted Standardized Approach for Credit Risk, Standardized Duration Approach for Market Risk and Basic Indicator Approach for Operational Risk while computing its Capital Adequacy Ratio (CAR).

As per capital adequacy guidelines under Basel III, by March 31, 2019 the Bank is required to maintain a minimum CAR of 9% {11.5% including Capital Conservation Buffer (CCB)}, with minimum Common Equity Tier I (CET I) CAR of 5.5% {8% including CCB}. These guidelines on Basel III are to be implemented in a phased manner. The minimum CAR required to be maintained by the Bank for the year ended March 31, 2017 is 9% {10.25% including CCB} with minimum CET I of 5.5% {6.75% including CCB}.

As on March 31, 2017, total CAR of the Bank stood at 13.72%, well above regulatory minimum requirement of 10.25% (including CCB). Tier I ratio of the Bank stood at 11.39% and CET I ratio at 11.39%.

Assessment of adequacy of Capital to support current and future activities

The Bank has a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) which is approved by the Board of Directors (Board). Under ICAAP, the Bank determines adequacy of capital to meet regulatory norms, current and future business needs, including stress scenarios. ICAAP evaluates and documents all risks and substantiates appropriate capital allocation for risks identified under Pillar 1 (i.e. Credit, Market and Operational Risk) as well as Pillar 2.

ICAAP enables the Bank to ensure the adequacy of capital to take care of the future business growth and various other risks that the Bank is exposed to, so that the minimum capital required is maintained on a continuous basis and also at the times of changing economic conditions/ economic recession. The Bank takes into account both quantifiable and non-quantifiable risks while assessing capital requirements. The Bank considers the following risks as material and has considered these while assessing and planning its capital requirements:

- Credit Risk
- Market Risk
- Operational Risk
- Interest Rate Risk in banking Book
- Liquidity Risk
- Credit Concentration Risk
- Business Risk
- Strategic Risk
- Compliance Risk
- Reputation Risk
- Technology Risk
- Model Risk

The Bank has also implemented a Board approved Stress Testing Framework. This involves the use of various techniques to assess the Bank's vulnerability to plausible but extreme stress events. The stress tests cover assessment of Credit Risk, Market Risk, Operational Risk, Liquidity Risk as well as Interest Rate Risk under assumed 'stress' scenarios. Tolerance limits have also been defined for these stress tests. The stress

BASEL III DISCLOSURES

For the year ended March 31, 2017

tests are used in conjunction with the Bank's business plans for the purpose of capital planning in ICAAP. The stress tests are performed at periodic intervals and results are reported to the Board.

As per the Bank's assessment, it believes that its current robust capital adequacy position, adequate headroom available to raise capital, demonstrated track record for raising capital and adequate flexibility in the balance sheet structure and business model, the capital position of the Bank is expected to remain robust.

Capital requirements for various risks

A summary of Bank's capital requirement for credit, market and operational risk along with CAR as on March 31, 2017 is presented below:

(₹ in Millions)

SN	Particulars	31.03.2017
(a)	Capital requirements for Credit risk:	
	- Portfolios subject to standardized approach	32,100.95
(b)	Capital requirements for Market risk:	
	Standardized duration approach	
	- Interest rate risk	2,807.81
	- Foreign exchange risk (including gold)	117.00
	- Equity risk	363.35
(c)	Capital requirements for Operational risk:	
	- Basic indicator approach	1,387.46
(d)	Capital Adequacy Ratios	
	- Total Capital Adequacy Ratio (%)	13.72 %
	- Tier-1 Capital Adequacy Ratio (%)	11.39 %
	- Common Equity Tier-1 Capital Adequacy Ratio (%)	11.39 %

II. Credit Risk: General Disclosures

Policy and Strategy for Credit Risk Management

Credit Risk is defined as the probability of losses associated with reduction in credit quality of borrowers or counterparties leading to non-payment of dues to the Bank. In the Bank's portfolio, losses arise from default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlements, or any other financial transaction.

The Bank has put in place Commercial Credit Policy, Investment Policy, Recovery Policy, Risk Management Policy, Policy on Transfer of Asset through Securitization & Direct Assignment of Cash Flows, Customer Suitability & Appropriateness Policy, Retail Assets Credit Policy duly approved by the Board whereby credit risk can be identified, quantified and managed within the framework that is considered consistent with the scale, size of business and risk appetite of the Bank. These policies prescribe various methods for credit risk identification, measurement, grading, monitoring, reporting, risk control / mitigation techniques and management of problem loans/ credit.

Credit Risk Management is ensured through following initiatives:

- A rigorous control framework from which only authorized departures are permitted;
- Clear, agreed roles and responsibilities;
- Qualified, experienced and well-motivated personnel;
- A predetermined credit risk measurement and monitoring methodology;
- Consistent reporting and relevant MIS;
- A statement of operating principles;
- Robust systems, applications and data warehousing architecture.
- Monitoring is done through identifying and monitoring Early Warning Signals (EWS)/ Watch List (WL)/ Adversely labeled (AL) cases, Prudential Limits, Sensitive & Co-related sectors, Industry concentration, Individual & Group exposure, analysis of Quarterly Call Report's (QCR's) etc as articulated in the Commercial credit Policy.

Organizational Structure for Credit Risk Management function

The organizational structure of the Bank for Credit Risk Management function has the Board of Directors at the apex level that maintains overall oversight on the management of risks. The Risk Management Committee of Board (RMCB) devises policy and strategy for integrated risk management which includes credit risk. RMCB approves the Bank's credit policies, prudential exposure limits, business segments, credit assessment and approval system, margin and collateral management, credit documentation, credit pricing framework, credit administration and monitoring system, non-performing assets management policy, credit risk management system and exception management.

At operational level, Management Credit Committee (MCC) is responsible for operationalizing the credit policy and implementing credit framework as approved by the Board. The committee recommends policies on standards for presentation of credit proposals, financial covenants, ratings, prudential limits on large credit exposures, standards for loan collaterals, etc. MCC also oversees portfolio risk management, loan review mechanism, risk concentrations, pricing of loans, provisioning and other regulatory/ legal compliances. In addition, the committee has financial authority to approve credit proposals in line with Board approved policy.

MCC is assisted by the Executive Credit Committee (ECC), which does not possess financial authority, but plays an important role towards setting portfolio quality standards. The committee reviews portfolio underwriting standards, approves policy deviations and monitors various other portfolio quality metrics on a periodic basis.

Central Credit Committee (CCC) decisions commercial credit proposals as per defined authority matrix and is governed by the Terms Of Reference as decided by the MCC.

Agri. Credit Committee (ACC) decisions agricultural credit proposals as per defined authority matrix and is governed by the Terms Of Reference as decided by the MCC.

The Bank has 2 committee formed for Retail Assets Secured Lending. Regional Credit Committee (RCC) decisions Retail LAP credit proposals as per the defined authority matrix and is governed by Product Approval Committee (PAC). Central Credit Committee (CCC) decisions Retail Loan Against Property (LAP) and Working Capital Finance (WCF) proposals as per the defined authority matrix and is governed by Retail Assets policy approved by PAC.

The roles and responsibilities of the key functions involved in credit risk management are as detailed below:

- Credit Risk Department (CRD) – The CRD has an independent reporting to Chief Credit Officer (CCO) of the Bank and has credit recommendation and approval authorities at different levels. The CRD takes decisions on all applications in accordance with policies applicable to the specific proposal / product / scheme. To ensure complete independence, and to avoid any conflict of interest, the CRD is not assigned any business targets.
- Credit Administration Department (CAD) – The CAD at Corporate / Regional level acts as the third eye after business and CRD to ensure compliance with the Bank's policies and prudent lending requirements.
- Recoveries and Collections Department– The Recovery Department monitors NPA's and manages restructuring of advances after examining viability of the unit, follows up for recoveries very closely and provides guidance to the Relationship Manager (RM's) / Branch Managers responsible for collections and actively participates in the recovery effort where warranted.
- Portfolio Risk Department– The primary responsibility of Portfolio Risk include overall portfolio analysis and reporting the same to Board, review of internal rating system, monitoring prudential limits and loan reviews, submission of credit related returns/ MIS at periodic intervals.

Credit risk measurement, mitigation, monitoring & reporting systems

Credit Origination and Appraisal System

There are separate Credit Origination and Appraisal Processes for Wholesale, Agri. and Retail segments. Within the Wholesale and Agri. segments, Bank has adopted underwriting standards for different client segments that is based, inter alia, on internal risk ratings, availability of security and other risk parameters. The credit sanctions are provided by experienced credit professionals and / or credit committees with delegated approval authorities as per Bank's Board approved credit policy, basis detailed appraisal memorandum that takes into account business and financial risks of the proposal. The Retail segment, on the other hand, relies largely on standardized product programs for credit risk assessment and approvals.

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Credit Rating Framework

The Bank has put in place an internal rating system for Wholesale segment. The rating system uses various models, depending upon size of company as well as specialized models for Non-Banking Finance Companies (NBFC), Micro Finance Institutions (MFI) and Traders. The internal rating system is a step towards migration to Advanced Approach for Credit Risk as per Basel III.

The rating system is based on a two dimensional rating framework, Borrower Rating and Facility Rating. The Borrower Rating is determined first, which is based on assessment of Industry Risk, Business Risk, Management Risk and Financial Risk along with Project Risk / Conduct of Account (if applicable). This is calibrated to the Probability of Default (PD). The Facility Rating is based on Borrower Rating, and takes into account security structure, therefore is a combination of PD and LGD (Loss Given Default).

Besides, the Bank continues to endeavor to have all facilities above ₹ 5 crore, to have external ratings.

Credit Documentation

The objective of credit documentation is to clearly establish the debt obligation of borrower to the Bank. In most cases, standardized set of documents are used as applicable, depending upon the type of credit facilities and the borrower entity. In cases of credit facilities for structured finance/ customized credit facilities for which standard documents have not been prescribed of are not appropriate, the documentation would be done on case to case basis in consultation with the Legal department/ outside lawyers.

Delegation of powers

The Bank has adopted 'Four Eyes' principle for credit approval. The principle dictates that generally at least two people must create, examine and approve a credit proposal. Most of the loan proposals require Joint Signature Approvals (JSA). This helps to avoid credit approval based on judgment of one functionary alone, ensures compliance and reduces risk from errors & prejudices. The Bank has also adopted Committee Approach for sanctioning high value credit proposals. Board Investment & Credit Committee (BICC), Management Credit Committee (MCC), Central Credit Committee (CCC), Agri. Credit Committee (ACC), Retail Assets Credit Committee approve credit proposals as per authority matrix.

Post Sanction Monitoring

The Bank has evolved a process to ensure end-use of funds is for the purpose for which credit limits are sanctioned. Further, it is ensured that the security obtained from borrowers by way of hypothecation, pledge, etc. are not tampered with in any manner and are adequate.

Quarterly Call Reports (QCR) are used to track the borrower's performance on a quarterly basis. Performance, Status of compliance with Internal Risk Triggers, Covenants, Position of Un-hedged FCY exposure & Adherence to specific approval conditions (if any) is tracked on quarterly basis through QCR.

All exceptions related to sanctioned credit facilities are monitored by Credit Administration Department (CAD) using the CAD exception workflow developed by IBM BPM.

Early Warning System (EWS)

The Bank has an Early Warning System (EWS) for early identification of problem loan accounts across business segments. EWS works on the basis of various pre-defined symptoms. Such accounts are closely monitored by Relationship Managers (RMs), Credit Risk Department, Special Mention Assets (SMA) Group and CAD. These accounts are also monitored by Executive Credit Committee (ECC) on a monthly basis.

Accounts which the Bank wishes to monitor closely are tagged as "Watch list" accounts. Accounts which exhibit severe stress are tagged as "Adverse Labeled" accounts. Both these categories of accounts receive special management attention. Such accounts are monitored very closely by Senior Management and Board/ RMCB.

Based on RBI guidelines pertaining to "Early Recognition of Financial Distress, the Bank has also introduced SMA tagging into following 3 categories".

SMA-0	Principal or interest not overdue for more than 30 days but account showing signs of incipient stress
SMA-1	Principal or interest overdue between 31-60 days
SMA-2	Principal or interest overdue between 61-90 days

As per exposure thresholds specified by RBI, information related to large credit exposures are being reported to CRILC (Central Repository of Information on Large Credit) that has been set-up by RBI. Additionally, any new SMA-2 is also being reported to CRILC as per guidelines.

Reporting of an account as SMA-2 by one or more lending banks/notified NBFCs will trigger the mandatory formation of a Joint Lenders' Forum and formulation of a Corrective Action Plan (CAP).

Review / Renewal of Loans

After a credit facility is sanctioned and disbursed, follow-up and reviews are conducted at periodic intervals. All funded and non-funded facilities granted to a customer are reviewed at least once a year or at more frequent intervals, as warranted.

Credit Pricing

Pricing of loans / advances / cash credit / overdraft or any other financial accommodation granted / provided / renewed or discounted usance bills is in accordance with the directives on interest rates on advances issued by RBI as well as internal policies of the Bank. The Bank has also adopted Risk Based Pricing for different categories of customers.

Credit Portfolio Analysis

Credit portfolio analysis is carried out at periodic intervals to review entire credit portfolio of the Bank to monitor growth, distribution, concentration, quality, compliance with RBI guidelines & policies of the Bank, accounts under Early Warning System (EWS)/ Watch-List (WL)/ Adversely Labeled (AL) category etc. The same is monitored / reviewed by Senior Management/ Board / RMCB.

Loan Review Mechanism (LRM) and Credit Audit

The Bank has implemented LRM and Credit Audit framework in line with RBI guidelines. The primary objective includes monitoring effectiveness of loan administration, compliance with internal policies of Bank and regulatory framework, monitor portfolio quality, concentrations, post sanction follow-ups and appraising top management with information pertaining to the audit finding for further corrective actions.

Non-performing Assets (NPA)

An asset, including a leased asset, becomes non-performing when it ceases to generate income for the Bank.

A non-performing asset (NPA) is a loan or an advance where:

i) Interest and/ or installment of principal remain overdue for a period of more than 90 days in respect of a term loan. Any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the bank.

ii) The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted;

iii) Installment of principal or interest thereon remains overdue for two crop seasons for short duration crops, and one crop season for long duration crops;

iv) The account remains 'out of order' in respect of an Overdraft/ Cash Credit (OD/CC). An account is treated as 'out of order' if:

   a. the outstanding balance remains continuously in excess of the sanctioned limit / drawing power for more than 90 days; or

   b. where outstanding balance in principal operating account is less than sanctioned limit / drawing power, but there are no credits continuously for 90 days as on the date of balance sheet or credits are not enough to cover interest debited during the same period;

v) The regular/ ad hoc credit limits have not been reviewed/ renewed within 180 days from the due date / date of ad-hoc sanction;

vi) Drawings have been permitted in working capital account for a continuous period of 90 days based on drawing power computed on the basis of stock statements that are more than 3 months old, even though the unit may be working or the borrower's financial position is satisfactory;

vii) Bank Guarantees/ Letters of Credits devolved on the Bank which are not reimbursed by the customer within 90 days from the date of payment;

viii) A loan for an infrastructure / non-infrastructure

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project will be classified as NPA during any time before commencement of commercial operations as per record of recovery (90 days overdue), unless it is restructured and becomes eligible for classification as 'standard asset';

ix) A loan for an infrastructure (/ non-infrastructure) project will be classified as NPA if it fails to commence commercial operations within 2 years (/ 6 months) from original date of commencement of commercial operations, even if it is regular as per record of recovery, unless it is restructured and becomes eligible for classification as 'standard asset'.

x) The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of RBI guidelines on securitization;

xi) In respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

Non- performing Investments (NPI)

NPI is one where:

i) Interest / installment (including maturity proceeds) is due and remains unpaid for more than 90 days;

ii) The fixed dividend is not paid in case of preference shares;

iii) In case of equity shares, in the event investment in shares of any company is valued at Re.1 per company on account of non-availability of latest balance sheet in accordance with RBI instructions;

iv) If any credit facility availed by the issuer is NPA in the books of the bank, investment in any of the securities issued by the same issuer would be treated as NPI and vice versa;

v) The investments in debentures / bonds which are deemed to be in the nature of advance would also be subjected to NPI norms as applicable to investments.

Quantitative Disclosures

(a) Total gross credit risk exposures*, Fund based and Non-fund** based separately:

(₹ In Millions)

Category	31.03.2017
Fund Based	**425,749.09**
Gross Advances	296,194.00
Investment in Banking book	72,114.85
All other Assets	57,440.24
Non-Fund Based	**111,134.65**
Total	**536,883.74**

* Represents book value including bill re-discounted.

** Guarantees given on behalf of constituents, Acceptances, Endorsements & other Obligations, Liability on account of outstanding forward exchange contracts (credit equivalent amount).

(b) Geographic distribution of exposure*, Fund based & Non- fund** based separately

(₹ In Millions)

Category	31.03.2017		
	Domestic	Overseas	Total
Fund Based	419,276.42	6,472.67	425,749.09
Non-Fund Based	110,865.43	269.22	111,134.65
Total	530,141.85	6,741.89	536,883.74

* Represents book value including bills re-discounted;

** Guarantees given on behalf of constituents, Acceptances, Endorsements & other Obligations, Liability on account of outstanding forward exchange contracts (credit equivalent amount).

(a) Industry type distribution of exposures*- Funded & Non-funded**

(₹ In Millions)

Industry Name		31.03.2017	
		Fund Based	Non Fund Based
A.	**Mining and Quarrying (A.1 + A.2)**	2,801.55	2,900.66
A.1	Coal	2,157.96	631.58
A.2	Others	643.59	2,269.08
B.	**Food Processing (Sum of B.1 to B.5)**	15,050.75	7,801.34
B.1	Sugar	3,702.74	3,321.84
B.2	Edible Oils and Vanaspati	860.49	3,714.32
B.3	Tea	1,547.89	70.62
B.4	Coffee	1,350.69	–
B.5	Others	7,588.93	694.55
C.	**Beverages (excluding Tea & Coffee) and Tobacco (Sum of C.1 & C.2)**	3,854.73	0.53
C.1	Tobacco and tobacco products	0.89	–
C.2	Others	3,853.84	0.53
D.	**Textiles (Sum of D.1 to D.6)**	6,109.09	379.65
D.1	Cotton	3,760.95	171.64
D.2	Jute	–	–
D.3	Handicraft/ Khadi (Non Priority)	–	–
D.4	Silk	–	–
D.5	Woolen	–	–
D.6	Others	2,348.14	208.01
Out of D (i.e. Total Textiles) to Spinning Mills		–	–
E.	**Leather and Leather Products**	127.10	8.89
F.	**Wood and Wood products**	0.33	–
G.	**Paper and Paper Products**	1,340.06	427.40
H.	**Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels**	2,680.08	2,707.95
I.	**Chemicals and Chemical Products (Dyes, Paints etc.) Sum of I.1 to I.4)**	19,452.00	11,817.15
I.1	Fertilizers	3,550.71	5,734.16
I.2	Drugs and Pharmaceuticals	13,282.83	3,350.11
I.3	Petro-chemicals (excluding under Infrastructure)	43.63	903.55
I.4	Others	2,574.83	1,829.33
J.	**Rubber, Plastic and their products**	2,296.16	2,667.24
K.	**Glass & Glassware**	632.81	295.17
L.	**Cement and Cement Products**	1,801.40	–

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(₹ In Millions)

Industry Name		31.03.2017	
		Fund Based	Non Fund Based
M.	**Basic Metal and Metal Products (M.1 & M.2)**	4,653.80	5,730.12
M.1	Iron and Steel	3,940.82	4,779.35
M.2	Other Metal and Metal Products	712.97	950.77
N.	**All Engineering (N.1 & N.2)**	8,159.54	6,734.86
N.1	Electronics	1,180.91	1,198.89
N.2	Others	6,978.64	5,535.98
O.	**Vehicles, Vehicle Parts and Transport Equipment**	3,084.73	928.80
P.	**Gems and Jewellery**	5,184.45	162.08
Q.	**Construction**	10,754.77	14,530.58
R.	**Infrastructure (Sum R.1 to R.4)**	22,664.39	20,142.68
R.1	Transport(Sum of R.1.1 to R.1.5)	1,376.19	1,046.32
R.1.1.	Railways	9.61	140.96
R.1.2	Roadways	495.83	857.76
R.1.3	Airport	–	–
R.1.4	Waterways	–	–
R.1.5	Ports	870.74	47.60
R.2	Energy (Sum of R.2.1 to R.2.4)	15,703.10	16,442.88
R.2.1	Electricity (generation-transportation and distribution)	15,224.27	8,742.92
R.2.1.1	State Electricity Boards	–	–
R.2.1.2	Others	–	–
R.2.1.3	Power Generation	7,232.83	2,679.56
R.2.1.4	Power transmission / Distribution	5,609.84	1,739.45
R.2.1.5	Power -Non-Conventional Energy	2,381.61	4,323.92
R.2.2	Oil (storage and pipeline)	–	–
R.2.3	Gas/LNG (Storage and pipeline)	478.83	7,699.96
R.2.4	Others	–	–
R.3	Telecommunication	4,616.19	2,483.49
R.4	Others	968.91	170.00
R.4.1	Water sanitation	–	–
R.4.2	Social & Commercial Infrastructure	968.91	170.00
R.4.3	Others	–	–
S.	**Other Industries**	26,867.08	5,667.55
T.	**Other Services**	41,946.42	7,082.05
U.	**NBFC**	15,589.46	1,454.15
V.	**Housing Finance Companies (HFC)**	3,179.08	429.95
W.	**Micro-Finance Institutions (MFI)**	11,363.83	596.96
X.	**Core Investment Companies (CIC)**	–	1,493.52
Y.	**Traders**	17,792.12	4,513.89
All Industries (Sum of A to Y)		227,385.73	98,473.15
Residuary Other Advances (to tally with book value) [~~a+b+c~~]		99,444.39	12,661.50
a.	Education Loan	–	–
b.	Aviation Sector	266.61	5.00
c.	Other Residuary Advances	99,177.78	12,656.50
Total		326,830.12	111,134.65

The Bank's exposure to the industries stated below was more than 5% of the total gross credit exposure:

Sr. No.	Industry classification	Percentage of the total gross credit exposure as on 31.03.2017
1	Infrastructure	9.77%
2	Chemicals and Chemical Products	7.14%
3	Construction	5.77%
4	Food Processing	5.22%
5	Traders	5.09%

* Represents book value of gross advances and investments through credit substitutes;

** Guarantees given on behalf of constituents, Acceptances, Endorsements & other Obligations and Liability on account of outstanding forward exchange contracts (credit equivalent amount).

(b) Residual contractual maturity breakdown of assets as on 31.03.2017

(₹ In Millions)

Maturity bucket	Cash, balances with RBI and other Banks	Investments	Advances	Other assets including fixed assets
1 day	5,518.86	31,458.00	3,949.48	21.53
2 to 7 days	14,373.66	4,703.57	5,522.26	435.15
8 to 14 days	348.98	1,866.41	3,513.27	224.66
15 to 30 days	964.66	5,801.82	9,836.75	27.41
31 days to 2 months	1,601.25	7,997.51	12,398.75	562.45
2 to 3 months	2,086.18	6,540.33	14,361.92	176.03
3 to 6 months	1,646.17	12,738.60	30,683.02	176.03
6 to 12 months	2,207.23	16,795.57	71,838.06	1,952.94
1 to 3 years	6,575.16	33,547.05	100,143.17	1,023.01
3 to 5 years	6,110.11	5,817.28	21,692.72	911.92
5 to 7 years	371.01	6,207.43	6,997.57	7,405.53
7 to 10 years	97.17	1,126.83	7,021.82	–
10 to 15 years	4.45	22.99	6,442.17	–
Over 15 years	31.61	193.70	89.43	2,587.09
Total	41,936.49	134,817.09	294,490.38	15,503.76

(Note: Classification of assets and liabilities under the different maturity buckets in the above table is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI.)

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(c) Asset Quality

- NPA Ratios

(₹ In Millions)

Particulars	31.03.2017
Gross NPAs to gross advances	1.20%
Net NPAs to net advances	0.64%

- Net NPAs

(₹ In Millions)

Particulars	31.03.2017
Gross NPAs	3,568.35
Less: Provisions	1,668.99
Net NPAs	1,899.36

- Classification of gross NPAs

(₹ In Millions)

Particulars	31.03.2017
Sub-standard	1,485.49
Doubtful*	1,898.39
- Doubtful 1	1,103.03
- Doubtful 2	782.19
- Doubtful 3	13.17
Loss	184.47
Total Gross NPAs	3,568.35

* Doubtful 1, 2 and 3 categories correspond to the period for which asset has been doubtful viz., up to one year ('Doubtful 1'), one to three years ('Doubtful 2') and more than three years ('Doubtful 3')

Note: NPAs include all assets that are classified as non-performing.

- Movement of Gross NPAs

(₹ In Millions)

Particulars	01.04.2016 to 31.03.2017
Opening balance	2,080.47
Additions during the year	5,334.12
Reductions	3,846.24
Closing balance	3,568.35

- Movement of Provisions for NPAs

(₹ In Millions)

Particulars	01.04.2016 to 31.03.2017
Opening balance	836.11
Provisions made during the year	2,412.57
Write-off	686.76
Any other adjustment, including transfer between provisions	00.00
Write-back of excess provisions	892.93
Closing balance	1,668.99

- Recoveries from written off accounts aggregating of ₹ 13.70 Millions and write-offs aggregating ₹ 686.76 Millions have been recognized in the statement of profit and loss.

(d) Non-performing Investment

(₹ In Millions)

Particulars	31.03.2017
Gross non-performing investments	283.57
Less: Provisions	136.20
Net non-performing investments	147.37

- Provision for depreciation on Investment

(₹ In Millions)

Particulars	31.03.2017
Opening balance	117.10
Provisions made during the year	392.60
Write-off	0.00
Any other adjustment, including transfer between provisions	0.00
Write-back of excess provisions	137.80
Closing balance	371.90

Movement in provisions held towards depreciation on investments have been reckoned on a yearly basis

- Provision for Standard Asset

(₹ In Millions)

Particulars	31.03.2017
Opening balance	893.40
Provisions made/reversed during the year	450.18
Any other adjustment, including transfer between provisions*	0.00
Closing balance	1,343.58

Refers to foreign currency translation adjustment relating to provision for standard assets in the Bank's overseas branches.

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For the year ended March 31, 2017

Geographic Distribution

(₹ In Millions)

Particulars	31.03.2017		
	Domestic	Overseas	Total
Gross NPA	3,568.35	0.00	3,568.35
Provisions for NPA	1,668.99	0.00	1,668.99
Provision for standard assets	1,343.58	0.00	1,343.58

(e) Industry-Wise Distribution

(₹ In Millions)

Industry Name	As on 31.03.2017			For year ended 31.03.2017	
	Gross NPA	Provisions for NPA	Provision for standard assets	Write offs	Provisions for NPA
A. Mining and Quarrying (A.1 + A.2)	–	–	11.21	–	–
A.1 Coal	–	–	8.63	–	–
A.2 Others	–	–	2.57	–	–
B. Food Processing (Sum of B.1 to B.5)	175.45	54.32	58.43	–	54.38
B.1 Sugar	–	–	14.77	–	–
B.2 Edible Oils and Vanaspati	–	–	3.44	–	–
B.3 Tea	–	–	6.19	–	–
B.4 Coffee	–	–	3.38	–	–
B.5 Others	175.45	54.32	30.65	–	54.38
C. Beverages (excluding Tea & Coffee) and Tobacco (Sum of C.1 & C.2)	–	–	9.81	–	–
C.1 Tobacco and tobacco products	–	–	0.00	–	–
C.2 Others	–	–	9.81	–	–
D. Textiles (Sum of D.1 to D.6)	–	–	33.06	–	–
D.1 Cotton	–	–	14.43	–	–
D.2 Jute	–	–	–	–	–
D.3 Handicraft/ Khadi (Non Priority)	–	–	–	–	–
D.4 Silk	–	–	–	–	–
D.5 Woolen	–	–	–	–	–
D.6 Others	–	–	18.64	–	–
Out of D (i.e.Total Textiles) to Spinning Mills	–	–	–	–	–
E. Leather and Leather Products	–	–	0.45	–	–
F. Wood and Wood products	0.33	0.08	–	–	0.03
G. Paper and Paper Products	–	–	6.33	2.71	1.33
H. Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	–	–	13.47	–	–
I. Chemicals and Chemical Products (Dyes, Paints etc.) Sum of I.1 to I.4)	4.67	4.67	90.12	–	3.50
I.1 Fertilisers	–	–	22.45	–	–
I.2 Drugs and Pharmaceuticals	–	–	57.12	–	–
I.3 Petro-chemicals (excluding under Infrastructure)	–	–	0.11	–	–
I.4 Others	4.67	4.67	10.43	–	3.50
J. Rubber, Plastic and their products	–	–	7.83	–	–
K. Glass & Glassware	–	–	3.53	–	–
L. Cement and Cement Products	–	–	7.21	–	–
M. Basic Metal and Metal Products (M.1 & M.2)	152.43	101.66	11.85	–	71.49
M.1 Iron and Steel	–	–	8.61	–	–
M.2 Other Metal and Metal Products	152.43	101.66	3.24	–	71.49
N. All Engineering (N.1 & N.2)	22.67	5.67	34.66	406.00	210.24
N.1 Electronics	–	–	4.86	–	–
N.2 Others	22.67	5.67	29.80	406.00	210.24
O. Vehicles, Vehicle Parts and Transport Equipments	–	–	16.35	–	–
P. Gems and Jewellery	–	–	20.71	7.17	1.27
Q. Construction	955.94	433.68	113.82	–	374.09
R. Infrastructure (Sum R.1 to R.4)	–	–	98.07	–	–
R.1 Transport(Sum of R.1.1 to R.1.5)	–	–	4.36	–	–
R.1.1. Railways	–	–	1.04	–	–
R.1.2 Roadways	–	–	1.98	–	–
R.1.3 Airport	–	–	–	–	–
R.1.4 Waterways	–	–	–	–	–
R.1.5 Ports	–	–	2.34	–	–
R.2 Energy (Sum of R.2.1 to R.2.4)	–	–	71.37	–	–
R.2.1 Electricity (generation-transportation and distribution)	–	–	65.00	–	–
R.2.1.1 State Electricity Boards	–	–	–	–	–
R.2.1.2 Others	–	–	–	–	–
R.2.1.3 Power Generation	–	–	29.92	–	–
R.2.1.4 Power Transmission/Distribution	–	–	22.44	–	–
R.2.1.4 Power- Non-Conventional Energy	–	–	12.64	–	–
R.2.2 Oil (storage and pipeline)	–	–	–	–	–
R.2.3 Gas/LNG (Storage and pipeline)	–	–	6.37	–	–
R.2.4 Others	–	–	–	–	–
R.3. Telecommunication	–	–	18.46	–	–
R.4 Others	–	–	3.88	–	–
R.4.1 Water sanitation	–	–	–	–	–
R.4.2 Social & Commercial Infrastructure	–	–	3.88	–	–
R.4.3 Others	–	–	–	–	–
S. Other Industries	5.74	4.96	169.19	8.45	2.66

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(₹ In Millions)

Industry Name	As on 31.03.2017			For year ended 31.03.2017	
	Gross NPA	Provisions for NPA	Provision for standard assets	Write offs	Provisions for NPA
T. Other Services	136.77	48.89	169.27	–	15.96
U. NBFC	32.73	19.64	47.36	–	11.96
V. Housing Finance Co (HFC)	–	–	7.61	–	–
W. Micro Finance Insti. (MFI)	6.44	1.61	11.44	–	1.61
X. Core Investment Co. (CIC)	–	–	–	–	–
Y. Traders	819.31	412.06	60.03	–	296.41
All Industries (Sum of A to Y)	2312.47	1087.24	1001.83	424.33	1044.94
Residuary Other Advances (to tally with book value) [a+b+c]	1255.88	581.75	341.75	262.43	1367.63
a. Education Loan	1.48	1.01	–	–	–
b. Aviation Sector	–	–	1.05	–	–
c. Other Residuary Advances	1254.36	580.74	340.70	262.43	1367.63
Total Loans and Advances	3568.35	1668.99	1343.58	686.76	2412.57

III. Credit Risk: Disclosures for Portfolios Subject to the Standardized Approach

Ratings used under Standardized Approach:

As stipulated by RBI, the Bank makes use of ratings assigned to domestic counterparties by following Eligible Credit Assessment Institutions (ECAI's) namely:

- CRISIL Limited;
- CARE Limited
- India Ratings & Research Private Limited (earlier known as Fitch India);
- ICRA Limited;
- Brickwork Ratings India Pvt. Ltd (Brickwork);
- SMERA.

The Bank is using the ratings assigned by the following international credit rating agencies, approved by the RBI, for risk weighting claims on overseas entities:

- Fitch Ratings
- Moody's
- Standard & Poor's

The Bank reckons external ratings for risk weighting purposes, if the external rating assessment complies with the guidelines stipulated by RBI.

Types of exposures for which each agency is used:

The Bank has used the solicited ratings assigned by the above approved credit rating agencies for all eligible exposures, both on balance sheet and off balance sheet, whether short term or long term, as prescribed in the RBI guidelines.

Process used for application of issue ratings to comparable assets in banking book:

Key aspects of the Bank's external ratings application framework are as follows:

1. The Bank uses only those ratings that have been solicited by the counterparty;
2. Where the facility provided by the Bank possesses rating assigned by approved ECAI, the risk weight of the claim is based on this rating;
3. The Bank also reckons external rating at the borrower (issuer) level as follows:

    a. In case the Bank does not have exposure in a rated issue, the Bank would use the long term issue rating (inferred rating) for its comparable unrated exposures to the same borrower, provided that the Bank's exposures is pari-passu or senior and of similar or shorter maturity as compared to the rated issue, then this rating is applied on all unrated facilities of the borrower;

    b. Where a short term rating is used as an inferred rating for a short term un-rated claim, the risk weight applied shall be one notch higher than corresponding to the risk weight of the inferred rating.

Quantitative Disclosures

For exposure amounts after risk mitigation subject to the standardized approach, amount of Bank's exposure (rated and unrated) in the following three major risk buckets as well as those that are deducted:

(₹ In Millions)

Particulars	31.03.3017
- Below 100% risk weight	357,250.27
- 100% risk weight	134,570.72
- More than 100% risk weight	45,062.75
- Deducted	–

Treatment of undrawn exposures

As required by regulatory norms, the Bank holds capital even for the undrawn portion of credit facilities which are not unconditionally cancellable without prior notice by the Bank, by converting such exposures into a credit exposure equivalent based on the applicable Credit Conversion Factor ("CCF"). For credit facilities which are unconditionally cancellable without prior notice, the Bank applies a CCF of zero percent on the undrawn exposure.

IV. Credit Risk Mitigation: Disclosures for Standardized Approaches

Policies and processes

The Bank has in place Commercial Credit Policy, Retail Assets Credit Policy duly approved by the Board. The policies lay down the types of securities normally accepted by the Bank for lending, and administration / monitoring of such securities in order to safeguard / protect the interest of the Bank so as to minimize the risk associated with it.

Credit Risk Mitigation

In line with RBI guidelines, the Bank uses comprehensive approach for credit risk mitigation. Under this approach, the Bank reduces its credit exposure to the counterparty when calculating its capital requirements to the extent of risk mitigation provided by the eligible financial collateral as specified.

Main types of collateral taken by Bank

Bank uses various collaterals financial as well as non-financial, guarantees and credit insurance as credit risk mitigants. The main collaterals include bank deposits, National Saving Certificate (NSC) / Kisan Vikas Patra (KVP) / Life Insurance Policies, plant and machinery, Book debts, residential and commercial mortgages, vehicles and other movable properties. All collaterals are not recognized as credit risk mitigants under the standardized approach. The following are the eligible financial collaterals which are considered under standardized approach.

- Fixed Deposit receipts issued by the Bank;
- Securities issued by Central and State Governments;
- KVP and NSC provided no lock-in period is operational and that can be encashed within the holding period;
- Life Insurance Policies with declared surrender value, issued by an insurance company regulated by the insurance sector regulator;

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- Gold, include bullion and jewellery after notionally converting to 99.99% purity.

Main type of guarantor counterparties

Wherever required the Bank obtains personal or corporate guarantee as an additional comfort for mitigation of credit risk which can be translated into a direct claim on the guarantor which is unconditional and irrevocable. The creditworthiness of the guarantor is normally not linked to or affected by the borrower's financial position.

Concentration Risk in Credit Risk Mitigants

The credit risk mitigation taken is largely in the form of cash deposit with the Bank and thus the concentration risk (credit and market) of the mitigants is low. Besides, the Bank has also set internal limits for certain sensitive sectors to mitigate concentration risk.

Quantitative Disclosures

(₹ In Millions)

SN	Particulars	31.03.2017
1.	Total Exposure (on and off balance sheet) covered by eligible financial collateral after application of haircuts	12,671.08
2.	Total Exposure (on and off balance sheet) covered by guarantees / credit derivatives	6,293.76

V. Securitization Exposures: Disclosure for Standardized Approach

In respect of securitization transactions, the Bank's role is limited as an investor. The outstanding value of securitized exposure as on March 31, 2017 was ₹ 6,193.88 Millions.

Quantitative Disclosures

Banking Book

(₹ In Millions)

SN	Particulars	31.03.2017
1.	Total amount of exposures securitized by the Bank	NIL
2.	For exposures securitized, losses recognized by the Bank during the current period	NIL
3.	Amount of assets intended to be securitized within a year	NIL
4.	Of (3), amount of assets originated within a year before securitization	NIL
5.	Total amount of exposures securitized and unrecognized gain or losses on sale by exposure type	NIL
6.	Aggregate amount of:	
	- On balance sheet securitization exposures retained or purchased broken down by exposure type NIL	
	- Off balance sheet securitization exposures	NIL
7.	Aggregate amount of:	
	- Securitization exposures retained or purchased and the associated capital charges, broken down between exposures & different risk weight bands.	NIL
8.	Exposures that have been deducted entirely from Tier I capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type)	NIL

Trading Book

(₹ in Millions)

SN	Particulars	31.03.2017
1.	Aggregate amount of exposures securitized by the Bank for which the Bank has retained some exposures and which is subject to market risk approach, by exposure type	NIL
2.	Aggregate amount of:	
	- On balance sheet securitization exposures retained or purchased broken down by exposure type	Securities (PTC) purchased with book value ₹ 5,984.46 Millions. backed by pool of micro-finance loans and investment in security receipts with book value ₹ 209.43 Millions.
	- Off balance sheet securitization exposures	NIL
3.	Aggregate amount of securitization exposures retained or purchased separately for:	
	- Securitization exposures retained or purchased subject to Comprehensive Risk Measure for Specific Risk	₹ 6,193.88 Millions
	- Securitization exposures subject to the securitization framework for specific risk broken down into different risk weight bands	(₹ in Millions)

Risk Weight	Exposure
Below 100%	5,666.64
100%	274.09
More than 100%	253.16

4.	Aggregate amount of:	
	- Capital requirements for securitization exposures, subject to the securitization framework broken down into different risk weight bands	(₹ in Millions)

Risk Weight	Capital Required
Below 100%	254.94
100%	19.13
More than 100%	42.15

	- Securitization exposures that are deducted entirely from Tier I capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital (by exposure type)	NIL

VI. Market Risk in Trading Book

Policy and Strategy for Market Risk Management

Bank defines Market Risk as the risk of losses in trading book due to movements in market variables such as interest rates, credit spreads, foreign exchange rates, forward premia, commodity prices, equity prices etc. Bank's exposure to market risk arises from investment in trading book (AFS & HFT category), the foreign exchange positions, and other derivative positions. Under market risk management, liquidity risk, interest rate risk, equity price risk and foreign exchange risk are monitored and managed.

Market Risk is managed in accordance to the Board approved Investment Policy, Market Risk Management Policy, Asset Liability Management (ALM) Policy, Foreign Exchange Policy, Derivatives Policy. The policies lay down well-defined organization structure for market risk management functions and processes whereby the market risks carried by the Bank are identified, measured, monitored and controlled within the stipulated risk appetite of the Bank.

Organization Structure for Market Risk Management function

The organizational structure of Market Risk Management function has the Board of Directors at the apex level that maintains overall oversight on management of risks. The Risk Management Committee of Board (RMCB) devises policy and strategy for integrated risk management which includes market risk. At operational level, Asset Liability Management Committee (ALCO) monitors management of market risk. The main functions of ALCO also include balance sheet planning from a risk return perspective including the strategic management of interest rate risk and liquidity risk.

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The Market Risk Management process includes the following key participants:

- The Market Risk Management Group, which is an independent function, reports to Head - Enterprise Risk and Policy. This group is responsible for developing the policy framework for Market Risk management and day to day oversight over the Market Risk exposures of the Bank.
- The Treasury Mid Office is responsible for monitoring all Market Risk exposures in line with the policies of the bank and escalating excesses/ violations etc. in a timely manner so that corrective action can be initiated.
- Treasury Investment Committee oversees and reviews investments in Government Securities, bonds and debentures, equity investments, and investments in other approved securities and instruments.

Risk Reporting, Measurement, Mitigation and Monitoring Systems

The Market Risk Management framework ensures that there are sufficient processes and controls in place to ensure all market risk exposures are monitored and are within the risk appetite set by the Bank's Board.

Reporting and measurement systems

The Bank has defined various risk metrics for different products and investments. Risk limits are control measures which seek to limit risk within or across the desks. The objective of a limit is to ensure that the negative earnings impact of price risks are within the risk taking appetite of the Bank. The nature of limits includes position limits, gap limits, tenor & duration limits, stop-loss trigger level, Value at Risk (VaR) limits. These limits are appropriately selected for the relevant portfolios. The risk limits are monitored across different levels of the Bank on an ongoing basis.

Liquidity Risk Management

Liquidity Risk is managed in the following manner:

- Asset Liability Management (ALM) Policy of the Bank specifically deals with liquidity and interest rate risk management.
- As envisaged in the ALM policy, liquidity risk is managed through Traditional Gap Analysis based on the residual maturity / behavioral pattern of assets and liabilities as prescribed by RBI.
- Monitoring of prudential (tolerance) limits set for different residual maturity time buckets, large deposits, loans, various liquidity ratios for efficient asset liability management;
- The Bank has also put in place mechanism of short term dynamic liquidity and contingency plan for liquidity risk management;
- Contingency Funding Plan (CFP), approved by the Board sets process to take care of crisis situation in the event of liquidity crunch or a run on the Bank. A comprehensive set of Early Warning Indicators has been designed to forewarn of impending liquidity stress. Crisis Management Team (CMT) would be constituted to provide direction of follow up action on handling the crisis situation.

Assessment of Illiquidity

The Bank has established procedures for calculating an adjustment to the current valuation of less liquid (i.e. illiquid) positions for regulatory capital purposes. The adjustment to the current valuation of illiquid positions is deducted from Common Equity Tier I (CET I) capital while computing CAR of the Bank.

Portfolios covered by Standardized Approach

The Bank has adopted Standardized Duration Approach (SDA) as prescribed by RBI for computation of capital charge for market risk for:

- Securities included under the Held for Trading (HFT) category,
- Securities included under the Available for Sale (AFS) category,
- Open foreign exchange position limits, and
- Trading positions in derivatives.

Capital requirement for:

(₹ In Millions)

Particulars	31.03.2017
Interest Rate Risk	2,807.81
Equity Position Risk	363.35
Foreign Exchange Risk	117.00

VII. Operational Risk

Policy and Strategy for Operational Risk Management

Bank defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputational risk. The Bank faces Operational Risk due to its extensive use of technology, exposure to potential errors, frauds, or unforeseen catastrophes resulting in unexpected losses in the course of business activities.

Bank has a well documented Operational Risk Management Policy to mitigate and manage operational RISK. The Operational Risk Management process of the Bank is driven by a strong control culture and sound operating procedures, involving corporate values, attitudes, competencies, internal control culture, effective internal reporting and contingency planning.

Operational Risk Management Governance Structure

The Bank has an Operational Risk Management framework. The Board of Directors of the Bank defines the risk appetite, sets the risk management strategies and approves the operational risk policies of the Bank. The Bank's risk management processes are guided by well-defined policies commensurate with size of the organization and appropriate for various risk categories, independent risk oversight and periodic monitoring of portfolio by Risk Management Committee of Board (RMCB).

For the effective management of Operational Risk, the Bank has constituted the Operational Risk Management Committee (ORMC) consisting of senior management personnel. The ORMC which supports the Risk Management Committee of Board (RMCB) is responsible for implementing the Operational Risk Management Policy and adopting the best practices. The main functions of ORMC are to monitor and ensure appropriateness of operational risk management and recommend suitable control measures for mitigating the same.

The Operational Risk Management (ORM) unit as part of its on-going process risk assessment has established the risk control self-assessment framework for the operating units. Basis this framework, the key operational units have conducted their systematic risk control self-assessments. Further, operational risk is an integral part of all product approval processes and review of new operating procedures. Gaps if any are highlighted, discussed with the relevant stakeholders, placed in the operational risk management committee meeting, necessary corrective actions initiated and tracked to closure.

The Operational Risk team also performs root cause analysis on operational risk incidents and losses, to identify open risks and suggest suitable risk mitigating actions. These are tracked/ monitored for resolution in a time bound manner. Near misses (risk incidents) are recorded and a database of the same is built to understand the risk drivers. Units which have completed their own risk control self-assessment have also defined Key Risk Indicators (KRIs) which are monitored regularly to enable timely action to mitigate risks.

Additionally, with a view to ensure sound practices in respect of governance of the overall Operational risk, the Bank has outlined policies and processes in respect of Information Security; Outsourcing; Business Continuity Planning & IT Disaster Recovery; Records Management, Fraud Control and Customer Service.

Risk Reporting, Measurement, Mitigation and Monitoring Systems

The following are some of the key techniques applied by Bank and / or group companies to manage operational risks:

- The Bank has built into its operational process segregation of duties, clear reporting structures, well defined processes, operating manuals, staff training, verification of high value transactions and strong audit trails to control and mitigate operational risks.
- New Product and activity notes prepared by business units are reviewed by all concerned departments including compliance, risk management and legal and approved through Product approval committee.
- Dedicated Operational Risk team to drive the processes for management of operational risk. The Operational risk

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team performs risk analysis and root cause analyses on operational risk events, reported by business units, to identify inherent areas of risk and suggest suitable risk mitigating actions which are monitored for resolution. This function is also responsible for ensuring the communication of operational risk events and loss experience to the senior management and ORMC.

- Risk and Control assessments are performed for business units to systematically assess inherent operational risks and quality of controls to mitigate the risks.
- Awareness programs to make the line functions aware of operational risk and its management have been established.
- The Technology Committees provide direction for mitigating the operational risk in IT security.
- Disaster recovery (DR) and Business Continuity Plans (BCP) have been established for significant businesses to ensure continuity of operations and minimal disruption to customer services. These plans are tested and reviewed to ensure their effectiveness to mitigate unforeseen risks arising out of disruptions.
- Risk transfer via insurance is a key strategy to mitigate operational risk exposure at the Bank.
- Internal Audit is part of the ongoing monitoring of the bank's system of internal controls. Internal audit provides an independent assessment of the adequacy of, and compliance with, the bank's established policies and procedures.

Approach for Operational Risk capital assessment

In accordance with RBI guidelines, the Bank has adopted Basic Indicator Approach (BIA) for computation of capital charge for operational risk.

VIII. Interest Rate Risk in the Banking Book (IRRBB)

Policy and Strategy for Interest Rate Risk Management

Interest rate risk in banking book represents the Bank's exposure to adverse movements in interest rates with regard to its non-trading exposures. Interest rate risk is measured by doing a gap analysis as well as factor sensitivity analysis. Bank holds assets, liabilities with different maturity and linked to different benchmark rates, thus creating exposure to unexpected changes in the level of interest rates in such markets.

Interest Rate Risk is managed in accordance to the Board approved Asset Liability Management (ALM) Policy, Investment Policy. The policies lay down well-defined organization structure for interest rate risk management functions and processes whereby the interest rate risks carried by the Bank are identified, measured, monitored and controlled.

Organization Structure for Interest Rate Risk Management function

The organizational structure of the Bank for Interest Rate Risk Management function has the Board of Directors at the apex level that maintains overall oversight of management of risks. The Risk Management Committee of Board (RMCB) devises policy and strategy for integrated risk management which includes interest rate risk. At operational level, Asset Liability Management Committee (ALCO) monitors management of interest rate risk. The main functions of ALCO include balance sheet planning from a risk return perspective including the strategic management of interest rates and liquidity risks.

Risk Reporting, Measurement, Mitigation & Monitoring systems

- Interest rate risk is managed using Gap Analysis of Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL) and monitoring of prudential (tolerance) limits prescribed.
- Earnings perspective - Based on the gap report, Earnings at Risk (EaR) approximates the impact of an interest rate/ re-pricing shock for a given change in interest rate on the net interest income (difference between total interest income and total interest expense) over a one year horizon.
- Economic value perspective - As against the earnings approach, interest rate risk is monitored based on the present value of the Bank's expected cash flows. A modified duration approach is used to ascertain the impact on interest sensitive assets, liabilities and off-balance sheet positions for a given change in interest rates on Market Value of Equity (MVE).
- Monitoring – The Bank employs EaR and MVE measures to assess the sensitivity to interest rate movements on entire balance sheet. EaR and MVE thresholds have been prescribed and the results are monitored on an ongoing basis.

The findings of the risk measures for IRRBB are reviewed by Board at quarterly intervals.

Nature of IRRBB and Key assumptions

- Interest rate risk is measured by using Earnings Perspective and Economic Value Perspective method.
- The distribution into rate sensitive assets and liabilities under Interest Rate Sensitivity Statement, Coupons, Yields are as prescribed in ALM policy of the Bank.
- Non-maturity deposits (current and savings) are classified into appropriate buckets according to the study of behavioral pattern. In case of these deposits, volatile portion is classified into '1-28 Days' time bucket and remaining core portion into '1-3 years' time bucket.

Quantitative Disclosures

Increase (decline) in earnings and economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB.

Earnings Perspective

(₹ In Millions)

Interest rate shock	31.03.2017
1% change in interest rate for 1 year	269.58

Economic Value Perspective

(₹ In Millions)

Interest rate shock	31.03.2017
200 basis point shock	2,854.88

IX. General Disclosure for Exposures Related to Counterparty Credit Risk

Counterparty Credit Risk (CCR) is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. An economic loss would occur if the transactions or portfolio of transactions with the counterparty has a positive economic value for the Bank at the time of default. Unlike exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss whereby the market value for many different types of transactions can be positive or negative to either counterparty. The market value is uncertain and can vary over time with the movement of underlying market factors.

The Bank's Derivative transactions are governed by the Bank's Derivative Policy, Commercial Credit Policy, Market Risk Policy, Country Risk Framework & Inter-Bank Limit Policy and Customer Suitability and Appropriateness Policy as well as by the extant RBI guidelines.

Various risk limits are set up for taking into account market volatility, business strategy and management experience. Risk limits are in place for risk parameters viz. PV01, Value at Risk (VaR), Stop Loss and Stress Scenario Limits. All exposures are monitored against these limits on a daily basis and breaches, if any, are reported promptly.

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

All counterparty exposures are monitored against these limits on a daily basis and breaches, if any, are reported promptly.

Exposure on account of Counterparty Credit Risk

(₹ in Millions)

Particulars	Notional Amounts	Exposure (Current + Potential future)
Foreign Exchange Contracts	172,802.90	8,342.23
Interest rate derivative contracts	51,169.53	955.71
Cross currency swaps	55,562.83	7,827.42
Currency options	44,043.98	1,024.17
Total	**323,579.24**	**18,149.54**

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XI. Composition of Capital

(₹ in Millions)

	Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)		Amounts Subject to Pre-Basel III Treatment	Ref No.
	Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	32,135.83		a1+a2+a3
2	Retained earnings	67.67		b1
3	Accumulated other comprehensive income (and other reserves)	10,307.72		c1+c2+c3
	Revaluation reserves at 55% discount	4.35		
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	–		
	Public sector capital injections grandfathered until January 1, 2018	NA		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	–		
6	Common Equity Tier 1 capital before regulatory adjustments	42,515.57		
	Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	192.56		
8	Goodwill (net of related tax liability)	–		
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	13.50		d1
10	Deferred tax assets	–		e1
11	Cash-flow hedge reserve	–		
12	Shortfall of provisions to expected losses	–		
13	Securitisation gain on sale	–		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	–		
15	Defined-benefit pension fund net assets	–		
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	–		
17	Reciprocal cross-holdings in common equity	–		
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–		
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	–		
20	Mortgage servicing rights (amount above 10% threshold)	–		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	–		
22	Amount exceeding the 15% threshold	-		
23	of which: significant investments in the common stock of financial entities	–		
24	of which: mortgage servicing rights	–		
25	of which: deferred tax assets arising from temporary differences	–		
26	National specific regulatory adjustments (26a+26b+26c+26d)	–		
26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries	–		
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	–		
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	–		
26d	of which: Unamortised pension funds expenditures	–		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	–		
28	**Total regulatory adjustments to Common equity Tier 1**	206.06		
29	**Common Equity Tier 1 capital (CET1)**	42,309.51		
	Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	–		
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	–		
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	–		
33	Directly issued capital instruments subject to phase out from Additional Tier 1	–		
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	–		
35	of which: instruments issued by subsidiaries subject to phase out	–		
36	**Additional Tier 1 capital before regulatory adjustments**	–		
	Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	–		
38	Reciprocal cross-holdings in Additional Tier 1 instruments	–		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	–		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–		
41	National specific regulatory adjustments (41a+41b)	–		
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	–		

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(₹ in Millions)

	Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)	Amounts Subject to Pre-Basel III Treatment	Ref No.
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	–	
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	–	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	–	
43	**Total regulatory adjustments to Additional Tier 1 capital**	–	
44	**Additional Tier 1 capital (AT1)**	–	
44a	**Additional Tier 1 capital reckoned for capital adequacy**	–	
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)**	42,309.51	
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	7,300.00	
47	Directly issued capital instruments subject to phase out from Tier 2	–	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	–	
49	of which: instruments issued by subsidiaries subject to phase out	–	
50	Provisions	1,365.59	j1x 45% + j2 + j3
51	**Tier 2 capital before regulatory adjustments**	8,665.59	
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	–	
53	Reciprocal cross-holdings in Tier 2 instruments	0.37	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	–	
55	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	
56	National specific regulatory adjustments (56a+56b)	–	
56a	of which: Investments in the Tier 2 capital of unconsolidated subsidiaries	–	
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	–	
57	**Total regulatory adjustments to Tier 2 capital**	0.37	
58	**Tier 2 capital (T2)**	8,665.22	
58a	**Tier 2 capital reckoned for capital adequacy**	8,665.22	
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	–	
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	8,665.22	

(₹ in Millions)

	Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)	Amounts Subject to Pre-Basel III Treatment	Ref No.
59	**Total capital (TC = T1 + T2) (45 + 58c)**	50,974.73	
60	**Total risk weighted assets (60a + 60b + 60c)**	371,625.19	
60a	**of which: total credit risk weighted assets**	313,180.00	
60b	**of which: total market risk weighted assets**	41,101.96	
60c	**of which: total operational risk weighted assets**	17,343.23	
	Capital ratios		
61	**Common Equity Tier 1 (as a percentage of risk weighted assets)**	11.39%	
62	**Tier 1 (as a percentage of risk weighted assets)**	11.39%	
63	**Total capital (as a percentage of risk weighted assets)**	13.72%	
64	**Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)**	6.75%	
65	**of which: capital conservation buffer requirement**	1.25%	
66	**of which: bank specific countercyclical buffer requirement**	0.00%	
67	**of which: G-SIB buffer requirement**	0.00%	
68	**Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)**	4.64%	
	National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	
71	National total capital minimum ratio (if different from Basel III minimum)	10.25%	
	Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial entities	–	
73	Significant investments in the common stock of financial entities	–	
74	Mortgage servicing rights (net of related tax liability)	–	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	–	
	Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	–	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	–	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	NA	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	NA	

BASEL III DISCLOSURES

For the year ended March 31, 2017

(₹ in Millions)

	Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)	Amounts Subject to Pre-Basel III Treatment	Ref No.
	Capital instruments subject to phase-out arrangements (only applicable between Sep 30, 2017 and Sep 30, 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	–	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	–	
82	Current cap on AT1 instruments subject to phase out arrangements	–	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	–	
84	Current cap on T2 instruments subject to phase out arrangements	–	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	–	

Notes to the Template

Row No. of the template	Particular	(₹ in Millions)
10	Deferred tax assets associated with accumulated losses	–
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	–
	Total as indicated in row 10	–
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	NA
	of which: Increase in Common Equity Tier 1 capital	NA
	of which: Increase in Additional Tier 1 capital	NA
	of which: Increase in Tier 2 capital	NA
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	NA
	(i) Increase in Common Equity Tier 1 capital	NA
	(i) Increase in risk weighted assets	NA
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	–
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	–
50	Eligible Provisions included in Tier 2 capital	1,365.59
	Eligible Revaluation Reserves included in Tier 2 capital	–
	Total of row 50	1,365.59
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	–

X. Composition of Capital- Reconciliation Requirements

Step 1

(₹ in Millions)

	Composition of Capital- Reconciliation Requirements	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on reporting date	As on reporting date
A	**Capital & Liabilities**		
i.	**Paid-up Capital**	3,752.03	
	Reserves & Surplus	39,603.72	
	Minority Interest	–	
	Total Capital	**43,355.76**	
ii.	**Deposits**	345,880.91	
	of which: Deposits from banks	44,508.77	
	of which: Customer deposits	301,372.14	
	of which: Other deposits (pl. specify)	–	
iii.	**Borrowings**	79,797.57	
	of which: From RBI	–	
	of which: From banks	12,442.96	
	of which: From other institutions & agencies	45,470.76	
	of which: Others (outside India)	14,583.85	
	of which: Capital instruments	7,300.00	
iv.	**Other liabilities & provisions**	17,713.47	
	Total Capital & Liabilities	**486,747.71**	
B			
i	**Cash and balances with Reserve Bank of India**	29,479.29	
	Balance with banks and money at call and short notice	12,457.20	
ii	**Investments:**	134,817.09	
	of which: Government securities	98,012.18	
	of which: Other approved securities	–	
	of which: Shares	1,088.71	
	of which: Debentures & Bonds	20,026.97	
	of which: Subsidiaries / Joint Ventures / Associates	–	
	of which: Others (Commercial Papers, Mutual Funds etc.)	15,689.22	
iii	**Loans and advances**	294,490.38	
	of which: Loans and advances to banks	6,590.29	
	of which: Loans and advances to customers	287,900.09	
iv	**Fixed assets**	2,587.09	
v	**Other assets**	12,916.67	
	of which: Goodwill and intangible assets	13.50	
	of which: Deferred tax assets	885.84	
vi	**Goodwill on consolidation**	–	
vii	**Debit balance in Profit & Loss account**	–	
	Total Assets	**486,747.71**	

BASEL III DISCLOSURES

For the year ended March 31, 2017

Step 2

(₹ in Millions)

	Composition of Capital- Reconciliation Requirements	Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Ref. No.
		As on reporting date	As on reporting date	
A	**Capital & Liabilities**			
i	**Paid-up Capital**	3,752.03		
	Of which:			
	Amount eligible for CET1	3,752.03		a1
	Amount eligible for AT1	–		
	Share application money*	–		a3
	Reserves & Surplus	39,603.72		
	Of which:			
	Share Premium	28,383.80		a2
	Statutory Reserve	3,402.50		c1
	Capital Reserve	158.67		c2
	Revaluation Reserve	6,746.55		c3
	Investment Reserve	9.67		j1
	Balance in Profit & Loss Account	22.01		j2
	Of which: Profit brought forward reckoned for capital adequacy purpose	880.53		
	Of which: Current period profit not reckoned for capital adequacy purpose	39.17		b1
	Minority Interest	–		
	Total Capital	**43,355.76**		
ii	**Deposits**	345,880.91		
	of which: Deposits from banks	44,508.77		
	of which: Customer deposits	301,372.14		
	of which: Other deposits (pl. specify)	–		
iii	**Borrowings**	79,797.57		
	of which: From RBI	–		
	of which: From banks	12,442.96		
	of which: From other institutions & agencies	45,470.76		
	of which: Others (borrowings outside India)	14,583.85		
	of which: Capital instruments	7,300.00		
iv	**Other liabilities & provisions**	17,713.47		
	of which: Provision against Standard Assets	1,343.58		j3
	Total Capital & Liabilities	**486,747.71**		
B	**Assets**			
i	**Cash and balances with Reserve Bank of India**	29,479.29		
	Balance with banks and money at call and short notice	12,457.20		
ii	**Investments**	134,817.09		
	of which: Government securities	98,012.18		
	of which: Other approved securities	–		
	of which: Shares	1,088.71		
	of which: Debentures & Bonds	20,026.97		
	of which: Subsidiaries / Joint Ventures / Associates	–		
	of which: Others (Commercial Papers, Mutual Funds etc.)	15,689.22		
iii	**Loans and advances**	294,490.38		
	of which: Loans and advances to banks	6,590.29		
	of which: Loans and advances to customers	287,900.09		
iv	**Fixed assets**	2,587.09		
v	**Other assets**	12,916.67		
	of which: Goodwill and intangible assets			
	Out of which:			
	Goodwill	–		
	Other intangibles (excluding MSRs)	13.50		d1
	Deferred tax assets	885.84		e1
vi	**Goodwill on consolidation**	–		
vii	**Debit balance in Profit & Loss account**	–		
	Total Assets	**486,747.71**		

* Share Application Money is considered as a part of CET1 Capital as the amount is non-refundable and the shares have since been allotted to the applicants.

BASEL III DISCLOSURES

For the year ended March 31, 2017

Leverage Ratio Disclosure

The leverage ratio act as a credible supplementary measure to the risk based capital requirement. The Bank is required to maintain a minimum leverage ratio of 4.5%. The Bank's leverage ratio calculated in accordance with RBI guidelines under consolidated framework is as follows:

1. Leverage ratio common disclosure as of March 31, 2017

(₹ In Millions)

No.	Leverage ratio framework	Amount
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	480,992.82
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(206.06)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	480,786.76
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	5,754.89
5	Add-on amounts for PFE associated with all derivatives transactions	12,014.04
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	–
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	–
8	(Exempted CCP leg of client-cleared trade exposures)	–
9	Adjusted effective notional amount of written credit derivatives	–
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–
11	**Total derivative exposures (sum of lines 4 to 10)**	17,768.93
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	–
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–
14	CCR exposure for SFT assets	–
15	Agent transaction exposures	–
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	–
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	172,238.84
18	(Adjustments for conversion to credit equivalent amounts)	92,370.02
19	**Off-balance sheet items (sum of lines 17 and 18)**	79,868.82
	Capital and total exposures	
20	**Tier 1 capital**	42,309.51
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	578,424.51
	Leverage ratio	
22	Basel III leverage ratio	7.31%

2. Comparison of accounting assets and leverage ratio exposure

(₹ In Millions)

S. No.	Particulars	Amount
1	Total consolidated assets as per published financial statements	486,747.71
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–
4	Adjustments for derivative financial instruments	12,014.04
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	–
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	79,868.82
7	Other adjustments	(206.06)
8	Leverage ratio exposure	578,424.51

3. Reconciliation of total published balance sheet size and on balance sheet exposure under common disclosure

(₹ In Millions)

S. No.	Particulars	Amount
1	Total consolidated assets as per published financial statements	486,747.71
2	Replacement cost associated with all derivatives transactions, i.e. net of eligible cash variation margin	5,754.89
3	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	–
4	Adjustment for entitles outside the scope of regulatory consolidation	–
5	On-balance sheet exposure under leverage ratio (excluding derivatives & SFTs)	480,992.82

LIST OF BRANCH OFFICES

State	Branch Name	City	Address
Andhra Pradesh	Tirupati	Tirupati	Plot No:87, Motor Workers Colony, Padmathipuram, Tirupati-Tiruchanur Road, Tirupati - 517501
Andhra Pradesh	Peravaram	Peravaram	Door No.2-43, R.S. No.117/14, Main Road, Peravaram Village, Atreyapuram Mandal, East Godavari, Andhra Pradesh - 533235
Andhra Pradesh	Kovada - Kakinada	Kovvada, Kakinada	Door No.1-93, Kovvada Panchayat, Kakinada Rural Mandal, East Godavari, Andhra Pradesh - 533006
Andhra Pradesh	Lalupuram	Lalupuram	Door No.6-48A, Ground Floor, Survey No.333, Lalupuram Village, Guntur Rural Mandal, Guntur, Andhra Pradesh - 522017
Andhra Pradesh	Visakhapatnam	Visakhapatnam	47-1- 1/4, Bhuvaneshwari Plaza, Diamond Park Main Road, Dwarakanagar, Visakhapatnam - 530016
Chandigarh	Chandigarh	Chandigarh	Ground Floor, SCO 135-136, Sector-9C, Madhya Marg, Chandigarh - 160009
Chhattisgarh	Raipur	Raipur	Ground Floor, Shop No.3 & 5, First Floor 3,4,& 5 Raheja Extension, M. G. Road, Raipur - 492001
Dadra And Nagar Haveli	Silvassa	Silvassa	Unit No.1,2 & 7, Roshan Avenue, Silvassa-Vapi Road, Silvassa - 396230
Daman & Diu	Daman	Daman	Ground Floor, Shop No.1,2,3, Plot No.758/7 Ad 758/8 At Villagedabhel, Somnath Temple Road, Daman - 396210
Delhi	Karol Bagh	New Delhi	17 A/53, Ground Floor, W.E.A. Karol Bagh, Opp. Jessaram Hospital, Guradwar Road, New Delhi - 110005
Delhi	Capitol Point	New Delhi	Ground Floor, DLF Capitol Point, Baba Kharag Singh Marg, New Delhi - 110001
Delhi	Haus Khas	New Delhi	Ground Floor, M-6 Hauz Khas, New Delhi - 110016
Delhi	Rajouri Garden	New Delhi	J-13/52, Basement & Ground Floor, Rajouri Garden, New Delhi - 110027
Delhi	Vasant Vihar	New Delhi	23, Basant Lok Market Community Centre, Vasant Vihar, New Delhi - 110057
Delhi	Chandani Chowk	Delhi	Ground Floor, Plot No.450-454, Kucha Brij Nath, Chandni Chowk, Delhi - 110006
Delhi	Pitampura	Delhi	Ground Floor, Plot No.4, Kapil Vihar, Delhi - 110034
Delhi	Vikas Marg	New Delhi	6 Shankar Vihar, Vikas Marg, New Delhi - 110092
Delhi	Sadar Bazar	Delhi	Ground Floor, Sadar Bazar- Plot No.4, 5332 Sadar Thana Road, Delhi - 110006
Delhi	Jagriti Enclave	Delhi	183, Upper Ground Floor, Jagriti Enclave, Delhi - 110092
Delhi	Greater Kailash Part 2	New Delhi	M-2, Ground Floor & Basement, Greater Kailash Part 2, New Delhi - 110048
Goa	Margoa	Margoa	Vasant Arcade, Behind Police Station, Comba, Margoa - 403601
Goa	Ponda	Ponda	Dr. Dada Vaidya Chowk, Main Road, Ponda (Goa) - 403401
Goa	Mhapusa	Mapusa	Shop No.S1, Mapusa Trade Centre, Maroda, Mapusa, Goa - 403507
Goa	Panjim	Panjim	Shop No.G-10 & 11, Nizamar Centre, Ground Floor, Dr. Atmaram Road, Panaji, Goa - 403001
Goa	Calangute	Calangute	Shop No.7,8,9,10, Ground And First Floor, Simplex Complex Phase 2, Calangute, Bardez, Goa - 402516
Goa	Porvorim	Porvorim	House No.456, Near Chodankar Nursing Home, Alto Porvorim, Bardez, Goa - 403521
Goa	Shiragao	Sirgaon	House No.12/1, Wadacha Wada, Shirgaon, Assonora, Goa - 403503
Goa	Netravali	Sanguem	House No.110, Marga Eadda, Netravali, Sanguem, South Goa, - 403704
Gujarat	Ahmedabad	Ahmedabad	Shop No.8,9,10,13 & 14, Mallinath Complex, Opp. Sujata Flats, Shahibaug, Ahmedabad - 380004
Gujarat	Surat	Surat	Showroom No.4, Ground Floor, Twin Tower A, Sahara Darwaja, Ring Road, Surat - 395002
Gujarat	Vapi	Vapi	9/10/11 Sahara Market, Ground Floor, Vapi-Silvassa Road, Vapi, Gujarat - 396191
Gujarat	Kadi	Kadi	Shop Nos.9A,9B,10,10A & 10B, Diamond Plaza, Thol Road, Opp. Arts & Commercial College, Near Ankur Society, Kadi, Gujarat - 382715
Gujarat	Bardoli	Bardoli	U01 & U02 Empire Plaza, Opp. Vamdoor Petrol Pump, Station Road, Bardoli, Rict Surat, Gujarat - 394601
Gujarat	Deesa	Deesa	Shop No.9-10, Kiran Complex, Near Gayatri Temple, Hihway Road, Deesa, Gujarat - 385535
Gujarat	Padra	Padra	7/8 Umiya Nagar, Near Post Office, Padra, Vadodara, Gujarat - 391440
Gujarat	Unjha	Unjha	Plot No.82, Survey No. 8-5-27, Opp. Unjha Pharmacy, Station Road, Unjha, Guajrat - 384170
Gujarat	Vadodara	Baroda	Ground Floor, Chitrakut Complex, Near Pashabhai Park And Natubhai Circle, Race Course Circle Road, Vadodara - 390007
Gujarat	Ahmedabad Viva Complex	Ahmedabad	Viva Complex, Ellisbridge, Opp. Parimal Garden, Ahmedabad - 380006
Gujarat	Biriyandayara	Biriyandayara	Behind Sarhad Dairy, Bhuj-Khavda Highway, Near Bhirandiyara Bus Stand, Bhirandiyara, Bhuj, Gujarat - 370510
Gujarat	Khambhala	Khambhala	Umiya Nivas, Main Bazar, Village Khambala, Paddhari, Rajkot, Gujarat - 360110
Gujarat	Himatnagar	Himatnagar	Shop No.7,8 9, Ashok Vatika, Block-A, Ground Floor, Sahkari Jin Road, Himatnagar - 383001
Gujarat	Valetva	Valetva	Shop No.1 & 2, First Floor Amtiya Enclave, Valetva Cross Road Nadiad Petland Road, Valetva Nadiad Uk, Kheda Rict Gujarat - 388440
Gujarat	Kamalpur	Kamalpur	Shop No.7 & 8, First Floor, Sakal Avenue, Kamalpur, Prantij, Sabarkantha, Gujarat - 383205
Gujarat	Khalikpur	Khalikpur	Shop No.16 & 17, Ground Floor, Sanskruti Complex, Nr Shuyog Petrol Pump, Malpur Road, Khalikpur, Aravali, Gujarat - 383315
Gujarat	South Bopal, Ahmedabad	Mouje Bopal	Shop No.8 And 9, Ground Floor, Orchid Centre, South Bopal, Mouje Bopal, Daskroi, Ahmedabad, Gujarat – 380058
Gujarat	Ankleshwar	Ankleshwar	C-Block, Shop No.1 to 5, Mayur Nagar, Opp. Lords Plaza, Old N H No.08, Village Piraman, Ankleshwar, Bharuch - 393002
Gujarat	Bhojpara	Bhojpara	R.S. No.58/3, Plot No.6, Nr. Galaxy Petrol Pump, National Highway 27, Bhojpara, Gondal, Rajkot - 360311
Gujarat	Vv Nagar	Anand	"Nilkanth Estate" Plot No.154/155, Ground Floor, Shop No.G-3, Nana Bazar, Opposite University Girls Hostel, Vallabh Vidyanagar - 388120
Haryana	Sohna	Sohna	Ground Floor, Aditya Building, Killa No.230-8/2/1, Rakba 2, Ward No.5, Near Bikaner Sweet, Sohna, Haryana - 122103
Haryana	Gurgaon	Gurgaon	Unit No.7 & 14, Ground Floor, Block A, ABW Towers Iffco Chowk, Gurgaon - 122001
Haryana	Panipat	Panipat	Showroom #1 196/7(Part), Opp. N.K. Tower, G.T. Road, Panipat - 132103
Haryana	Faridabad	Faridabad	Shop No.G-01 To G-05 And G-09 to G-10 SCO No.101, Sector-16 Faridabad, Haryana -121002
Haryana	Ocus Technopolis	Gurgaon	Unit No.TGF 4 & 5, Ground Floor, Ocus Technopolis Golf Course Road, Sector 54, Gurgaon, Haryana - 122003
Karnataka	Belgaum	Belgaum	"Bharti", CTS No.3939/1A, Ground Floor, Club Road, Next Harsha, Belgaum - 590001
Karnataka	Shamnewadi	Shamnewadi	1145, Khemalapure Building, Near Bedkihal Circle Main Road, Shamnewadi, Chikodi, Belgaum - 591214
Karnataka	Shedbal	Shedbal	Bazar Peth, Shedbal, Athani, Belgaum - 591315
Karnataka	Shirguppi	Shirguppi	379, A/P Shirguppi, Athani, Belgaum - 591242
Karnataka	Bellad-Bagewadi	Bellad-Bagewadi	395, Basac Circle, A/P Bellad Bagewadi, Hukeri, Belgaum - 591305
Karnataka	Gokak	Gokak	CTS No.3195 Bar, 2B Nilkanthnilaya Bhamgaouda Building, Opp Kourt, Main Road Hospeth Galli, Gokak - 591307
Karnataka	Ankali (Shitol)	Ankali Shitol	At Post Ankali, Chikodi, Belgaum - 591213
Karnataka	Nipani	Nipani	228, Padmaraj Bldg, Sakharwadi, Pune-Bangalore Road, Nipani, Belgaum - 591237
Karnataka	Hubli	Hubli	Ground Floor, Hotel Sri Krishna Bhavan Building, 10/1 Lamington Road, Hubli - 580020
Karnataka	Dharwad	Dharwad	Kabadi Mansion, Kosmos Club Road, Behind Court, Dharwad - 580001
Karnataka	Gandhinagar Bangalore	Bangalore	197, 6th Cross, Gandhinagar, Banglore - 560009
Karnataka	Harugeri	Harugeri	259/1And 2, 269/1 And 2, Halingali Bldg. A/P Harugeri, Raibagh, Belgaum - 591220
Karnataka	Davangere	Davangere	718/1, Subhash Road, Mandi Peth, Davangere - 577001
Karnataka	Koramangla Bangalore	Bangalore	Ground Floor, 631 3rd Block, 3rd Cross, 100 Feet Road, Near BDA Complex, Koramangala, Bangalore - 560034
Karnataka	Doddaballapur	Dod Ballarpur	Khata No.1762/66 , Ward No.4, D Cross, Mail Road, Doddaballapur - 561203
Karnataka	Ramnagarm	Ramnagarm	Khata No.169/1789/1736, Ground Floor, GNR Complex, I Stage, B. M. Road, Ramanagarm - 571511
Karnataka	Munavalli	Munoli	No.2577/2512/1B, N C Yaligar Building, Panchaligershwar Temple Road, Manoli, Saudatti, Belgaum - 597117
Karnataka	Bagalkot	Bagalkot	T.P. No.163A/2B, Near Lions School, Bagalkot, Kartakata - 587101
Karnataka	Mudhol	Mudhol	CTS 4026/3/D/6, Near Ranna Circle, Mudhol, Rict Bagalkot, Karnataka - 587313
Karnataka	Inchageri	Inchageri	Ground Floor, Gram Panchayat, Inchagri Village, Indi Uk, Bijapur, Karnataka - 586117
Karnataka	Manglore	Manglore	UG-8 & UG-9 Maximus Commercial Complex, Light House Hill Road, Mangalore - 575001
Karnataka	Prestige Towers Banglore	Bangalore	Ground Floor, G-13, G-14,G-15 & G-17 Prestige Towers, 99 & 100 Residency Road, Bangalore - 560025
Karnataka	Jp Nagar	Bangalore	Upper Ground And Mez Floor, N-15, 24Th Main, J.P. Nagar, I Phase, Aurobido Marg, Bangalore - 560078
Karnataka	Indiranagar - Bangalore	Bangalore	546, CHM Road, Indira Nagar, Bangalore - 560038
Karnataka	Malleswaram - Bangalore	Bangalore	Komarla Plaza, No: 141, 3rd Main, Margosa Road, Malleswaram, Bangalore - 560003
Kerala	Cochin	Cochin	Ground & First Floor, Palal Arcade, Opp. The Avenue Regent Hotel, M. G. Road, Ernakulam, Kanayanur, Karithala, Cochin - 682016
Madhya Pradesh	Mandideep	Mandideep	Plot No.1, Ward No.12, Sector-A, Indiranagar, Tehsil Goharganj, Raisen, Mandhideep, Madhya Pradesh - 462046
Madhya Pradesh	Khurai	Khurai	Sai Centre Point, Nehru Ward, Station Road, Khurai, Mahya Pradesh - 470117
Madhya Pradesh	Pipariya	Pipariya	Ground Floor, Murli Tower, Cement Road, Pipariya, Madhya Pradesh - 461775
Madhya Pradesh	Chakh Kamed	Ghatiya	Ground Floor, Survey No.283/2, Gram Chak Kamed, Tehsil Gathiya, Ujjain, Madhya Pradesh - 456006
Madhya Pradesh	Kamatoon	Kamtoon	Flat No.1, Mahesh Puram Colony, Near New Hollan Showroom Village Kamtoon, J J Road, Tehsil - Bareli, Raisen, Madhya Pradesh - 464668
Madhya Pradesh	Ashta	Ashta	Ground Floor, Khasra No.416/1, Ashta, Madhya Pradesh - 466116
Madhya Pradesh	Ganjbasoda	Ganj Basoda	Ground Floor, Ward No.12. Station Road, Ganj Basoda, Madhya Pradesh - 464221
Madhya Pradesh	Dhar	Dhar	Shop 21-22, Kashi Baghh, Dhar, Madhya Pradesh - 454001
Madhya Pradesh	Bhopal	Bhopal	Ground Floor, Plot No.2, Akanksha Complex, Front Right Side Portion, Zone-1, M.P. Nagar, Bhopal - 462011
Madhya Pradesh	Seoni Malwa	Seoni Malwa	Ground Floor, Plot No.100/1/1, Thakur Colony, Main Road, Seoni Malwa, Madhya Pradesh - 461223
Madhya Pradesh	Hoshangabad	Hoshangabad	Plot No.34/1, Al Aziz Tower, Babai Piparya Road, Anand Nagar, Hoshangabad - 461001
Madhya Pradesh	Makronia	Makronia	Ground Floor, Khasra No.174/21, 174/23, 172/2, Patwari Halka No.72, Makronia, Madhya Pradesh - 470001
Madhya Pradesh	Indore	Indore	Shop No.3, Ground Floor, The Grace, Plot No.1&2, Kibe Compound, Indore - 452001
Madhya Pradesh	Nanasa	Nanasa	Village Nanasa, P.H. No.21, Tehsil Kannod, Dewas, Madhya Pradesh - 455336
Madhya Pradesh	Bawarikheda	Bawarikheda	Gram Panchayat Bawarikheda, Dewas, Madhya Pradesh - 455332
Maharashtra	Shahupuri	Kolhapur	1st Lane, Shahupuri, Kolhapur - 416001
Maharashtra	Kolhapur City (Laxmipuri)	Kolhapur	CTS No.1414, Shop No.1 to 5, Om Estate, C Ward, Laxmipuri Kolhapur - 416002
Maharashtra	Sangli Main	Sangli	Sukh-Shanti Heights, College Corner, Aamrai Road, Shivaji Nagar (North), Sangli - 416416

LIST OF BRANCH OFFICES

State	Branch Name	City	Address
Maharashtra	Miraj	Miraj	High School Road, Jawahar Chowk, Shivraj Complex, Miraj - 416410
Maharashtra	Jaysingpur	Jaysingpur	A.B.Patil Complex, Subhash Road, Jaysingpur, Kolhapur - 416101
Maharashtra	Pethvadgaon	Peth Vadgaon	R S No.126, Bavadekar Complex, Near Bus Stand, Peth Vadgaon, Hatkanangle, Kolhapur - 416112
Maharashtra	Hupari	Hupari	1670/1, Opp. Hutatma Smarak Mahaveer Nagar, Main Road, Hupari - 416203
Maharashtra	Rukadi	Rukadi	Main Road A/P- Rukadi, Hatkangle, Kolhapur - 416115
Maharashtra	Ichalkaranji	Ichalkaranji	7356, Main Road, Ichalkaranji, Hatkanangale, Kolhapur - 416115
Maharashtra	Tarabai Park - Kolhapur	Kolhapur	Shop No.6,7 & 8, Siddivinayak Apartment, CTS No.233, Plot No.12/13, Tarabai Park Kolhapur - 416003
Maharashtra	M.Y.Sangli	Sangli	Plot No.88, Bank Building, Market Yard, Sangli - 416416
Maharashtra	Mhaisal	Mhaishal	Near Nagoba Katta, Shantisagar Marg, Mhaisal, Miraj, Sangli - 416408
Maharashtra	Kalbadevi	Mumbai	Jewel World Building, Ground Floor, 175, Kalbadevi Road, Corner of Shaik Memonstreet, Mumbai - 400002
Maharashtra	Bhilawdi	Bhilwadi	Dakshin Bhag Bhilwadi Vikas Society Building, Bhilwadi, Uka Palus, Sangli - 416303
Maharashtra	Nandre	Nandre	249, E Ward, Society Building, A/P Nandre, Miraj, Sangli - 416423
Maharashtra	Samdoli	Samdoli	A/P Samdoli, Miraj, Sangli - 416427
Maharashtra	Ingali	Ingali	446, A/P Ingali, Hatkanangale, Kolhapur - 416202
Maharashtra	Vasagade	Vasgade	A/P Vasgade, Karveer, Kolhapur - 416204
Maharashtra	Gandhinagar, Kolhapur	Gandhinagar, Kolhapur	Chabbriy Building, Main Road, Gandhinagar, Karveer, Kolhapur - 416119
Maharashtra	Rajarampuri	Kolhapur	Vitthal Complex, 9th Lane, Rajarampuri, Kolhapur - 416008
Maharashtra	Haladi	Haladi	Plot No.667, Survey No.104, Haladi, Karveer, Kolhapur - 416211
Maharashtra	Inam Dhamni	Inam Dhamani	A/P Inam Dhamani, Miraj, Sangli - 416416
Maharashtra	Arjunwad	Arjunwad	A/P Arjunwad, Shirol, Kolhapur - 416120
Maharashtra	Islampur	Islampur	H. No.2127/28, Dr. Pardeshi Bldg, Islampur, Walva, Sangli - 415409
Maharashtra	Rangoli	Rangoli	A/P Rangoli, Hatkanangale, Kolhapur - 416143
Maharashtra	Khupire	Khupire	C/o Shri Balbhim VKS Vikas Seva Sanstha, Khupire, Karveer, Kolhapur-416205
Maharashtra	Ghotawade	Ghotawade	Bapu Dongale Building, Main Road, Ghotawade, Radhanagari, Kolhapur- 416230
Maharashtra	Akkiwat	Akkiwat	Kallnawar Bldg. A/P - Akkiwat, Shirol, Kolhapur - 416108
Maharashtra	Icc Pune	Pune	MCCIA Trade Tower, Off International Conventinal Centre Show Room No.5, Senapati Bhapat Road, Pune - 411016
Maharashtra	Burli	Burli	Kamdhenu Dudh Utpadak Society Building Burli, Palus, Sangli - 416318
Maharashtra	Aitawade Budruk	Aitawade Budruk	Karmvir Sanskritik Bhavan, A/P. Aitawade Budruk, Walva, Sangli - 415401
Maharashtra	Nerle	Nerle	A/P Nerle, Walwa, Sangli - 415406
Maharashtra	Dudhagaon	Dudhagaon	395/2, A/P Dudhagaon, Uka Miraj, Sangli - 416315
Maharashtra	Ankali(Sangli)	Ankali	178, A/P Ankali.Uka Miraj, Sangli - 416416
Maharashtra	Kabnur	Kabnur	Opposite of Marathi Primary School, Ichalkaranji Kolhapur Road, Kabnur, Hatkanangale, Kolhapur - 416138
Maharashtra	Bhose	Bhose	C.S. No.191, Gandhi Chowk, Bhose, Miraj, Sangli - 416420
Maharashtra	Hingangaon	Hingangaon	53, Grampanchayat Building, A/P. Hingangaon, Kavathe-Mahankal, Sangli - 416405
Maharashtra	Gaonbagh Sangli	Sangli	CS.No.966&967, Mehendale-Kulkarni Bhave, Gaonbhag Sangli, Sangli - 416416
Maharashtra	Unchagaon	Unchagaon	Shop No.101 & 102, Seema Pride, At Post-Uchagaon, Karveer , Kolhapur - 416005
Maharashtra	Borpadale	Borpadale	At Post Borpadale, Panhala, Kolhapur - 416213
Maharashtra	Swargate Pune	Pune	Showroom No.8, Vega Centre, Shankarshet Road, Swargate, Pune - 411042
Maharashtra	Madilge	Madilage	Gadhinglaj, Ajara Road, A/P- Madilage, Ajara, Kolhapur - 416505
Maharashtra	Chinchwad	Pune	Ground & Mazzanine Floor, Ashirwad 199/A, Mumbai-Pune Road, Chinchwad, Pune - 411019
Maharashtra	Kandivali	Mumbai	295, Shri Bldg, Shantilal Modi Rd, Kandivali (West) - 400067
Maharashtra	Bhadavan	Bhadvan	At Post Bhadvan, Ajara, Kolhapur - 416505
Maharashtra	Visapur	Visapur	At Post Visapur, Tasgaon, Sangli - 416314
Maharashtra	Thane	Thane	Laxmi Market, Pokharan Road No.1, Vartak Nagar, Thane (W) - 400606
Maharashtra	Baramati	Baramati	Shantilal Shaha (Pandarkar) Bldg, Mahavir Path, Baramati - 413102
Maharashtra	Solapur	Solapur	Ground Floor, Hotel Dhruva Building, 157/1 Railway Lines, Solapur - 413001
Maharashtra	Borivali	Mumbai	Shop No.2 to 6, Shroff Arcade, Sodawala Lane, Near Thakare Hall, Borivali (W), Mumbai - 400092
Maharashtra	Akluj	Akluj	R.S. No.2258/4A, Mahaveer Path, Near Sadubhau Chowk, Akluj, Malshiras, Solapur - 413101
Maharashtra	Vasai	Vasai	Ground Floor, Shop No.2 & 3, Nikunj Signature, Ambadi Road, Vasai (W), Palghar - 421202
Maharashtra	Panvel	Panvel	Block No.102/103, Indraprashta Building, Tapal Naka, Uran Road, Panvel - 410206
Maharashtra	Vile Parle	Mumbai	6, Ground Floor, Galaxy Arcade, 10 M.G.Road, Vileparle [E] - 400057
Maharashtra	Nashik	Nasik	Shop No.G-01, Ground Floor, Sahyadree Business Park Inn, Near Mico Circle, Nashik - 422002
Maharashtra	Fort	Mumbai	Ground Floor, 2, 2A Dhannur, 15, Sir Firoz Shah Mehta Road, Fort, Mumbai - 400001
Maharashtra	Nerul	Navi Mumbai	Millenium Park, Plot No.17, Sector-25, Nerul, Navi Mumbai - 400706
Maharashtra	Tasgaon	Tasgaon	1565-A, Siddheshwar Chowk, A/P. Tasgaon, Sangli - 416312
Maharashtra	Kalyaninagar	Pune	Shop No.126 &127, Vitoria-I, Foreza, Central Avenue Road, Kalyaninagar, Pune - 411006
Maharashtra	Kharghar	Kharghar	Surya Koti Building, Surya Chs Ltd. Plot No.16, Sector 19, Kharghar, Navi Mumbai Panvel, Raigad - 410210
Maharashtra	Karad	Karad	Shop No.1,2&3, Janaki Palza, Near Kolhapur Naka, Behind Mahatma Gandhi Statue, Karad - 415110
Maharashtra	Dombivali (W)	Dombivali	Atma Tara, Ground Floor, Subhash Road, Vishnunagar, Dombivali (W) - 421202
Maharashtra	Nalasopara	Nalasopara	Building No.1, Shree Ram Sankul, Shop No.1,2,3,4, Achole Road, Opp. Aakanksha Commercial Compelx, Palghar, Nalasopara (E) - 401209
Maharashtra	Kalyan (W)	Kalyan	Bindu Tower, Shop No.2,3,13 & 14, Opp.K.D.M.C. Veg. Market, Santoshi Mata Road, Kalyan (W) - 421301
Maharashtra	Singhgad Road	Pune	Shop No.1 & 2, C Wing, Mohite Paradise, Sinhgad Road, CTS No.16/3 16/4 Anand Nagar, Pune - 411050
Maharashtra	Baner	Pune	A Wing, Anmol Pride, Survey No.270, Hissa No.1/16, Opp. Bharat Petrol Pump, Baner, Pune - 411045
Maharashtra	Virar	Virar	Sumant Chaya, Purandarewadi, Next to Railway Stn., Near Athi Office Bazarward, Alghar, Virar (E) - 410303
Maharashtra	Lower Parel	Mumbai	3rd Floor, Tower 2B, One Indiabulls Centre, 841 Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013
Maharashtra	Thane - Ram Maruti	Thane	Ground Floor, Shankeshwar Arcade, Ram Ganesh Gadkari Path, Ram Maruti Cross Road, Thane(W) - 400602
Maharashtra	Dombivali (E)	Dombivali	1st Floor, Jaykul Arcade, Manpada Road, Near Gaondevi Mandir, Dombivali (E) - 421201
Maharashtra	Chakan	Pune	Ground Floor, Shop No.5 & 6, Tukaram Market, Mega Centre Pune - Nashik Road, Medankarwadi, Chakan - 410501
Maharashtra	Airoli	Navi Mumbai	Unit No.1 to 6, Ground Floor, Ripplez Mall, Plot No.6A, Sector No.7, Airoli, Navi Mumbai - 400708
Maharashtra	Malkapur	Malkapur	More Building, CTS No.215,B Ward, Malkapur, Shahuwadi, Kolhapur - 415101
Maharashtra	Saneguruji Vasahat	Kolhapur	Plot No.9, RS No.1012, A Ward, Sadashiv Jadhav Housing Society, Radhanagari Road, Saneguruji Vasahat, Kolhapur - 416012
Maharashtra	Kagal	Kagal	Ameya Complex, C. S. No.3611, 3612, 3613, Brahmapuri, Kagal, Kolhapur - 416126
Maharashtra	Ghodbunder Road	Thane	Skyline Arcade, Ground Floor, Gopal Baugh, Ghodbunder Road, Opp. Cine Wonder, Kapurbawadi, Thane (W) - 400606
Maharashtra	Omerga	Omerga	Omerga Branch, Mane Hospital Building No.20/21, Ward No.13, Main Road, Omerga, Osmanabad - 413606
Maharashtra	Kurundwad	Kurundwad	123, B, Bhau Smruti, Near Play Groud, Kurundwad, Shirol, Kolhapur - 416106
Maharashtra	Vashi	Navi Mumbai	Arti Chs Ltd, Plot No.29, Sector 2, Vashi, Navi Mumbai - 400703
Maharashtra	Badlapur E	Badlapur	Nisarg Pratiksha Apartments, Old D. P. Road, Katrap, Badlapur East, Thane - 421503
Maharashtra	Aurangabad	Aurangabad	Gr Floor N-3, Plot No.303, CIDCO Jalna Road, Aurangabad - 431003
Maharashtra	Boisar	Boisar	Ameya Park, Near Hotel Boisar Navapur Road, Boisar,Palghar - 401501
Maharashtra	Ahmednagar	Ahmednagar	Sai Icon, Opp. Mauli Sankul, Savedi Road, Ahmednagar - 414003
Maharashtra	Shirdi	Shirdi	Ground Floor, The Executive Inn, City Survey No.961,Nagar-Manmad Highway, A/P Shirdi, Rahata, Ahmednagar - 423109
Maharashtra	Chincholi	Chincholi	Gut No.111, Plot No.5 & 6, Jalgaon Aurangabad Road, Chincholi Village, Jalgaon - 425003
Maharashtra	Nariman Point	Mumbai	Office No.1/A, Ground Floor, MIT Court, 224 Nariman Point, Mumbai - 400021
Maharashtra	Pune Camp Branch	Pune	Ground Floor, 11, Moledina Road, Pune - 411001
Maharashtra	Andheri West	Mumbai	Ground Floor, Ghansham Chambers, Plot No.B-12, Linking Road, Opp. Citi Mall, Andheri West, Mumbai - 400053
Maharashtra	Borgaon	Borgaon	Shop No.13, A Wing, Citiland Complex, Borgaon Village (Borgaon Dharmale), Amravati - 444907
Maharashtra	Ramdaspeth - Nagpur	Nagpur	3,4,5, Ground Floor, Aditya Enclave, Plot No.20-A, Central Bazar, Ramdaspeth, Nagpur - 440010
Maharashtra	Dadar	Mumbai	Plot No.399, Gokhale Road South, Opp. Bmc School, Dadar (West) - 400028
Maharashtra	Ghatkopar (East)	Mumbai	Ground Floor, Shop No.13 & 13A Zest Business Spaces, M. G. Road, Ghatkopar East, Mumbai - 400077
Maharashtra	Andheri (East)	Mumbai	Ground Floor, Shop No.002, Balaji Business Park, CTS No.785, Marol, Andheri East, Mumbai - 400059
Maharashtra	Crawford Market	Mumbai	Ground Floor, 190/194 Lokmanya Tilak Marg, Sardar Griha, Crawford Market, Mumbai - 400002
Maharashtra	Santacruz West	Mumbai	Shop No.3, Greendfield, S. V. Road, Santacruz West, Mumbai - 400054
Maharashtra	Mira Road	Mira-Bhayandar	Asmita Super Market, Shop No.21 to 25, Beverly Park, Opp Cinemax, Mira Road, Mira-Bhayandar - 400107
Maharashtra	Malad West	Mumbai	Simplex Realty Limited, Shop 16 And 17, Simplex Khushaangaan, 82, Vijaykarwadi, S. V.Road, Malad West, Mumbai - 400064
Punjab	Ludhiana	Ludhiana	Ground Floor, SCO No.18-19 C, Canal Colony, Green Park Avenue, Pakhowal Road, Ludhiana - 141001
Punjab	Rajpura	Rajpura	Ground Floor, D-21, Calibre Market, Rajpura - 140401
Punjab	Phagwara, Kapurthala	Phagwara	Ground Floor, City Centre Tower, 338, Guru Hargobind Nagar, Phagwara, Kapurthala - 144401
Punjab	Zirakpur	Zirakpur	SCO 1&2, Ground Floor, Orbit Apartments, VIP Road, Zirakpur Rict, Mohali - 140603
Rajasthan	Bhiwadi - Riico Chowk Branch	Bhiwadi	B-294-295A, The Swagat Palace Hotel, Near Riico Chowk Industrial Area, Bhiwadi, Alwar, Rajasthan - 301019
Rajasthan	Bhiwadi - Bhagatsing Colony Branch	Bhiwadi	A-4, Ground Floor, Bhagat Singh Colny, Alwar Bypass Road, Bhiwadi, Alwar, Rajasthan. - 301019
Rajasthan	Jainpurwas	Jainpurwas	Grand Sapphire Infotech Pvt Ltd, Village Jainpurwas, NH-8 Highway, Tehsil Behror, Alwar - 301701

LIST OF BRANCH OFFICES

State	Branch Name	City	Address
Rajasthan	Udaipur	Udaipur	Ground Floor, Plot No.99, L Road, Bhupalpura, Verma Circle, Opp. Collector Bungalow, Udaipur - 313001
Rajasthan	Chittorgarh	Chittorgarh	Ground Floor, Plot No.2, Sukhshanti Colony, Bhilwara Road, Opposite Sub Jail- Chittorgarh, Rajasthan - 312001
Rajasthan	Mohanpura	Mohanpura	Village Mohanpura, Khasra No.374/264, Part C-1, Ground Floor, Rict-Ajmer, Rajasthan - 305801
Rajasthan	Seenta	Seenta	Ground Floor, Patta No.7, Village Seenta, Tehsil- Era, Rict- Bundhi, Rajasthan - 323021
Rajasthan	Jaipur	Jaipur	Shop No.1, Ground Floor, Silver Square, Bhagwan Das Road, Jaipur - 302001
Rajasthan	Harota, Chomu	Harota	Ground Floor, Near Anjani Hanuman Mandir, At Post - Harota, Tehsil - Chomu, Jaipur - 303705
Rajasthan	Chak 7-Z, Sriganganagar	Chak 7-Z	Ground Floor, Murraba No.42 & 26, Shop No.18-21, Chak 7-Z, Tehsil & Sriganganagar - 335001
Tamil Nadu	Chennai	Chennai	Anand Business Centre/HMH Plaza, Old Door No.105, New Door No.56, G N Chetty Road, T. Nagar, Chennai - 600017
Tamil Nadu	Panruti	Panruti	68/7, Kamaraj Nagar Annai Indira Gandhi Salai, Panruti, Cuddalore Rict, Tamil Nadu - 607105
Tamil Nadu	Avinashi	Avinashi	Shop No.5/215, Rajan Nagar, Opp. Weekly Market, K. K. Pudur Post, Avinashi, Tirupur, Tamil Nadu - 641654
Tamil Nadu	Salem	Salem	No.22, Kandaswarna Beemaratha Arcade, Indhira Gandhi Road, Fairlands, Salem - 636016
Tamil Nadu	N Pugalpur - Karur	Nanjai Pugalur, Karur	Survey No.596/2A, N.H 7, Bye Pass Road, Nanjai Pugalur, Karur Uk And Rict, Tamil Nadu - 639113
Tamil Nadu	Vengangudi - Trichy	Vengangudi	Sasha Complex, Mannachanallur Road, Vengangudi Village, Samayapuram Post, Tiruchirapalli, Tamil Nadu - 621112
Tamil Nadu	Aladikkumulai - Thanjavur	Aladikkumulai, Thanjavur	221/7 Ranganatha Vellalar Complex, Thanjavur Main Road, Aladikkumulai, Pattukkotai Uk, Thanjavur, Tamil Nadu - 614615
Tamil Nadu	Coimbatore	Coimbatore	R.G. Chambers, 726 Avinashi Road, New T.S. No. 1/1396/3B, Coimbatore, Tamil Nadu - 641018
Tamil Nadu	Nungambakkam - Chennai	Chennai	First Floor, Rashmi Towers, No.1 Valluvarkottam High Road, Nungambakkam, Chennai, Tamil Nadu - 600034
Tamil Nadu	Adyar	Chennai	Ground Floor, Nibhav Building, No.11, L.B.Road, Adyar, Chennai - 600020
Tamil Nadu	Parrys Corner	Chennai	Dass India Towers No.3, Second Line Beach Parrys Corner, Chennai - 600001
Tamil Nadu	Anna Nagar	Chennai	1st Floor, Old No.A/ B, 134-136, New No.AB, 106-108, Fourth Avenue Shanti Colony, Anna Nagar, Chennai - 600040
Tamil Nadu	Ariyappampalayam	Sathyamangalam	121, A Sathy Erode Highways, Ariyappampalayam, Sathyamangalam, Erode - 638402
Tamil Nadu	Raskapalayam	Pollachi	2/139, Sree Mahalakshmi Amman Complex,Rasakapalayam, Puliampatti (PO), Pollachi - 642002
Tamil Nadu	Ambur	Ambur	No.73, S S Avenue, By Pass Road, Melkrishnapuram, Ambur - 635802
Tamil Nadu	Madurai	Madurai	People's Tower, 153-G-H-I, North Veli Street, Madurai - 625001
Tamil Nadu	Kagam Erode	Kagam Erode	49/A, Manalkattu Thottam, Ellakadai, Kagam Erode, Tamil Nadu - 638109
Tamil Nadu	Maduravoyal	Chennai	No.135/A, P. H. Road, Maduravoyal, Chennai - 600095
Tamil Nadu	Krishnagiri	Krishnagiri	Vasavi Complex, Royaotta Road, Adjacent to State Bank of Hyderabad, Krishnagiri - 635001
Tamil Nadu	Sadaiyampattu Branch, Kallakurichi	Sadaiyampattu	No.127/2, Near Om Sakthi Kovil, Kachirayapalayam Main Road, Kattukottai, Sadaiyampattu Village, Somandarkudi Post, Kallakurichi, Villupuram - 606213
Telangana	Hyderabad	Hyderabad	D No.6-3-865, Ground Floor, My Home Jupally, Opp. Green Park, Green Lands, Amarpet, Hyderabad - 500016
Telangana	Kukatpally - Hyderabad	Hyderabad	Shop No.10 B, Ground Floor, Manjeera Majestic Mall, Kukatpally, Hyderabad - 500072
Telangana	Madhapur - Hyderabad	Hyderabad	Survey No.88, Krishe Sapphire, Ground Floor, MSR Block, Hi-Tech City Main Road, Madhapur, Hyderabad - 500081
Uttar Pradesh	Noida	Noida	P-7, Sector-18, Uttar Pradesh - 201301
Uttar Pradesh	Moradabad	Moradabad	GF-1, Parsvnath Plaza -II, Neelgiri Commercial Complex, Delhi Road, Moradabad - 244001
Uttar Pradesh	Agra	Agra	Ground Floor, Block No.41/4, Sanjay Place-Shop No.5,6,7,8 And Basement Floor, Shop No.5 & 7, Agra, Uttar Pradesh - 282002
Uttar Pradesh	Noida, Sector 63	Noida	Ground Floor H 1A/28, Sector 63, Noida - 201301
West Bengal	Thapar House Kolkata	Kolkata	Thapar House, 25 Barbourne Road, Kolkatta - 700001
West Bengal	J L Nehru Road - Kolkata	Kolkata	Ground Floor, Horizon Building, 57 Jawaharlal Nehru Road, Kolkata - 700071
West Bengal	Gariahat, Kolkata	Kolkata	Plot No.9/3 A, Ground Floor, Main Road Facing, Gariahat Road, Kolkata - 700019
West Bengal	Kalakar Street, Kolkata	Kolkata	Property No.19, First Floor, Bysack Street, Kolkata - 700007
West Bengal	Budge Budge - Kolkata	Kolkata	Shubham Building, 523/2/1 & 523/2/2, M.G.Road, Chowrasta, Budge Budge Road, Kolkata - 700137
West Bengal	Dankuni	Hoogly	Flat No.101 & 102, Shreya Apartments, 1st Floor, T. N. Mukherjee Road, Lichubagan, Opp. Ramsita Mandir, Dankuni, Hoogly - 712311
West Bengal	Kalyani	Kalyani	B-7/20(S), Kalyani, Besides Beri Honda Showroom, P.O. Kalyani, Nadia - 741235

The above list is subject to change from time to time. Readers are kindly advised to refer to our website (www.rblbank.com) for updated information.

HIGHLIGHTS 2016-17



Vishwavir Ahuja, MD & CEO – RBL Bank , receiving the 'EY Entrepreneur of the year 2016' award in the Financial services category from Nirmala Sitharaman, Minister of State (Independent Charge) for Commerce and Industry, Piyush Goyal, Minister of State (Independent Charge) for Power, Coal, New and Renewable Energy and Mines and Rajiv Memani, Chairman, Ernst & Young, India.



RBL Bank IPO announcement press meet: (From L to R) Uday Kotak - CEO, Kotak Bank, Vishwavir Ahuja - MD & CEO, RBL Bank, Deepak Parekh – Chairman, HDFC Ltd. and Arundhati Bhattacharya, Chairperson, State Bank of India, present on the occasion of the Bank's IPO announcement press meet held in Mumbai.



R. Gurumurthy, Head - Risk and Governance, RBL Bank accepting the CNBC ASIA's 'India Talent Management Award 2017' at the CNBC-TV18 'India Business Leader Awards' from Manoj Sinha (Minister – State, Independent Charge, Communications Ministry) and Arun Jaitley (Minister - Finance, Corporate Affairs & Defense, Government of India).



Andrew Gracias, Head - Financial Markets, RBL Bank and Vincent Valladares Head - Commercial Banking, RBL Bank accept the 'Fastest Growing Small Bank' award at the Business Today Financial Awards from Sudhir Mungantiwar (Cabinet Minister for Finance, Planning, and Forest Departments- Maharashtra). Others in the pic include M. Damodaran (Ex-SEBI Chief) and Prosenjit Datta (Editor – Business Today).



Partnership with Bajaj Finance Ltd.: Vishwavir Ahuja - MD & CEO, RBL Bank with Rajeev Jain, Managing Director, Bajaj Finance Ltd. at the agreement signing ceremony in Pune to create a series of co-branded credit cards for the Indian customers.



GIFT City Launch: Vishwavir Ahuja - MD & CEO, RBL Bank, Sudhir Mankad, Chairman - GIFT City, Maheshwar Sahu, Chairman – GIFT SEZ Ltd. and Dipesh Shah, Head - IFSC GIFT SEZ Ltd. at the lamp lighting ceremony of the Bank's first ever GIFT City branch in Gujarat.