

Standalone Financial Statements

Balance Sheet

As at 31 March, 2023

		(₹ in Thousands)	
	Schedule No.	As at 31-03-2023	As at 31-03-2022
Capital and Liabilities			
Capital	1	6,153,704	6,139,496
Employees' Stock Options Outstanding		4,234,118	1,485,957
Reserves & Surplus	2	1,243,778,747	1,144,115,119
Deposits	3	9,469,452,104	8,219,715,463
Borrowings	4	1,863,000,386	1,851,338,631
Other Liabilities and Provisions	5	586,636,261	531,492,834
Total		13,173,255,320	11,754,287,500
Assets			
Cash and Balances with Reserve Bank of India	6	661,177,565	940,345,056
Balances with Banks and Money at Call and Short Notice	7	402,930,507	169,526,229
Investments	8	2,888,148,338	2,755,972,009
Advances	9	8,453,028,410	7,079,465,923
Fixed Assets	10	47,338,516	45,723,503
Other Assets	11	720,631,984	763,254,780
Total		13,173,255,320	11,754,287,500
Contingent Liabilities	12	14,412,489,359	12,921,045,727
Bills for Collection		681,765,458	669,474,382
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Balance Sheet

In terms of our report attached.

For M. P. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No.: 101851W

Ashutosh Pednekar
Partner
Membership No.: 041037

For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101961W/W100036

Manish Sampat
Partner
Membership No.: 101684

S. Mahendra Dev
Director

Sandeep Poddar
Company Secretary

Rajiv Anand
Deputy Managing Director

Girish Paranjpe
Director

Puneet Sharma
Chief Financial Officer

For Axis Bank Ltd.

Rakesh Makhija
Chairman

Amitabh Chaudhry
Managing Director & CEO

T.C. Suseel Kumar
Director

Meena Ganesh
Director

Date : 27 April, 2023
Place: Mumbai



Profit & Loss Account

For the year ended 31 March, 2023

	Schedule No.	Year ended 31-03-2023	Year ended 31-03-2022
(₹ in Thousands)			
I Income			
Interest earned	13	851,637,656	673,768,296
Other income	14	165,008,717	152,205,453
Total		1,016,646,373	825,973,749
II Expenditure			
Interest expended	15	422,180,212	342,446,131
Operating expenses	16	396,559,899	236,107,543
Provisions and contingencies	18(3.14)(e)	102,109,477	117,165,291
Total		920,849,588	695,718,965
III Net Profit for the year (I - II)	18.1	95,796,785	130,254,784
Balance in Profit & Loss Account brought forward from previous year		381,006,591	299,852,810
IV Amount Available for Appropriation		476,803,376	430,107,594
V Appropriations:			
Transfer to Statutory Reserve		23,949,197	32,563,696
Transfer to Special Reserve	18 (3.1)(b)(iii)	8,410,000	6,091,900
Transfer to/(from) Investment Reserve	18 (3.1)(b)(iv)	(1,484,983)	1,484,983
Transfer to Capital Reserve	18 (3.1)(b)(v)	678,413	4,410,424
Transfer to Investment Fluctuation Reserve	18 (3.1)(b)(vi)	730,000	4,550,000
Dividend paid	18 (4.3)	3,071,447	-
Balance in Profit & Loss Account carried forward		441,449,302	381,006,591
Total		476,803,376	430,107,594
VI Earnings Per Equity Share (Face value ₹2/- per share)	18 (4.1)		
Basic (in ₹)		31.17	42.48
Diluted (in ₹)		31.02	42.35
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached.

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Director

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Director

Date: 27 April, 2023

Place: Mumbai

Cash Flow Statement

For the year ended 31 March, 2023

	(₹ in Thousands)	
	Year ended 31-03-2023	Year ended 31-03-2022
Cash flow from operating activities		
Net profit before taxes	169,058,512	173,825,547
Adjustments for:		
Depreciation and amortisation on fixed assets, intangibles and goodwill (Refer Note 18.1)	130,944,819	10,083,656
Depreciation on investments	5,955,667	(2,644,815)
Amortisation of premium on Held to Maturity investments	8,891,060	8,237,790
Provision for Non Performing Assets (including bad debts)/Restructured assets	62,393,697	75,496,147
Provision on standard assets and other contingencies	(4,696,205)	21,766,659
Profit/(loss) on sale of land, buildings and other assets (net)	67,897	48,759
Loss on repayment of capital by subsidiary	-	237,436
Dividend from Subsidiaries	(150,000)	(886,524)
Employee Stock Options Expense	2,855,221	1,485,957
	375,320,668	287,650,612
Adjustments for:		
(Increase)/Decrease in investments	52,321,544	(241,890,632)
(Increase)/Decrease in advances	(1,434,101,902)	(1,004,617,060)
Increase/(Decrease) in deposits	1,249,736,641	1,237,356,150
(Increase)/Decrease in other assets	27,734,315	35,461,396
Increase/(Decrease) in other liabilities & provisions	59,848,562	66,336,262
Direct taxes paid	(61,838,725)	(40,784,074)
Net cash flow from operating activities	269,021,103	339,512,654
Cash flow from investing activities		
Purchase of fixed assets	(13,249,946)	(13,438,848)
Purchase consideration for acquisition of Citibank India consumer business (Refer Note 18.1)	(116,025,368)	-
(Increase)/Decrease in Held to Maturity investments	(197,141,522)	(258,303,790)
Increase in investment in Subsidiaries	(4,066,478)	(3,994,637)
Decrease in investment in Subsidiaries	-	1,273,010
Proceeds from sale of fixed assets	113,251	61,400
Dividend from Subsidiaries	150,000	886,524
Net cash used in investing activities	(330,220,063)	(273,516,341)



(₹ in Thousands)

	Year ended 31-03-2023	Year ended 31-03-2022
Cash flow from financing activities		
Proceeds from issue/(Repayment) of subordinated debt, Additional Tier I instruments (net)	63,826,500	(23,774,500)
Increase/(Decrease) in borrowings (other than subordinated debt, Additional Tier I instruments (net))	(52,164,745)	446,381,534
Proceeds from issue of share capital	14,209	11,998
Proceeds from share premium (net of share issue expenses)	3,788,801	2,758,544
Payment of dividend (including dividend distribution tax)	(3,071,447)	-
Net cash generated from financing activities	12,393,318	425,377,576
Effect of exchange fluctuation translation reserve	3,042,429	1,199,186
Net increase in cash and cash equivalents	(45,763,213)	492,573,075
Cash and cash equivalents at the beginning of the year	1,109,871,285	617,298,210
Cash and cash equivalents at the end of the year	1,064,108,072	1,109,871,285
Notes to the Cash Flow Statement:		
1. Cash and cash equivalents includes the following		
Cash and Balances with Reserve Bank of India (Refer Schedule 6)	661,177,565	940,345,056
Balances with Banks and Money at Call and Short Notice (Refer Schedule 7)	402,930,507	169,526,229
Cash and cash equivalents at the end of the year	1,064,108,072	1,109,871,285
2. Amount of Corporate Social Responsibility related expenses spent during the year in cash ₹172.04 crores (previous year ₹113.19 crores)		

In terms of our report attached.

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Managing Director & CEO

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Meena Ganesh

Director

Date: 27 April, 2023

Place: Mumbai

Standalone Financial Statements

SCHEDULES FORMING PART OF THE BALANCE SHEET

As at 31 March, 2023

Schedule 1 - Capital

	As at 31-03-2023	As at 31-03-2022
(₹ in Thousands)		
Authorised Capital		
4,250,000,000 (Previous year - 4,250,000,000) Equity Shares of ₹2/- each	8,500,000	8,500,000
Issued, Subscribed and Paid-up capital		
3,076,852,012 (Previous year - 3,069,747,836) Equity Shares of ₹2/- each fully paid-up	6,153,704	6,139,496

Schedule 2 - Reserves and Surplus

	As at 31-03-2023	As at 31-03-2022
(₹ in Thousands)		
I. Statutory Reserve		
Opening Balance	180,554,232	147,990,536
Additions during the year	23,949,197	32,563,696
	204,503,429	180,554,232
II. Special Reserve		
Opening Balance	6,091,900	-
Additions during the year [Refer Schedule 18 (3.1)(b)(iii)]	8,410,000	6,091,900
	14,501,900	6,091,900
III. Share Premium Account		
Opening Balance	515,052,428	512,293,884
Additions during the year	3,879,810	2,758,544
Less: Share issue expenses	-	-
	518,932,238	515,052,428
IV. Investment Reserve Account		
Opening Balance	1,484,983	-
Additions/(Deductions) during the year [Refer Schedule 18 (3.1)(b)(iv)]	(1,484,983)	1,484,983
	-	1,484,983
V. General Reserve		
Opening Balance	3,543,100	3,543,100
Additions during the year [Refer Schedule 18 (3.1)(b)(vii)]	16,051	-
	3,559,151	3,543,100
VI. Capital Reserve		
Opening Balance	37,221,902	32,811,478
Additions during the year [Refer Schedule 18 (3.1)(b)(v)]	678,413	4,410,424
	37,900,315	37,221,902
VII. Foreign Currency Translation Reserve [Refer Schedule 17 (4.7)]		
Opening Balance	2,069,983	870,797
Additions during the year	3,042,429	1,199,186
	5,112,412	2,069,983
VIII. Investment Fluctuation Reserve		
Opening Balance	17,090,000	12,540,000
Additions during the year [Refer Schedule 18 (3.1)(b)(vi)]	730,000	4,550,000
	17,820,000	17,090,000
IX. Balance in Profit and Loss Account brought forward	441,449,302	381,006,591
Total	1,243,778,747	1,144,115,119



Schedule 3 - Deposits

		(₹ in Thousands)	
		As at 31-03-2023	As at 31-03-2022
A.	I. Demand Deposits		
	(i) From banks	47,600,930	47,926,445
	(ii) From others	1,443,604,049	1,227,641,425
	II. Savings Bank Deposits	2,974,159,723	2,424,492,469
	III. Term Deposits		
	(i) From banks	367,776,402	218,241,253
	(ii) From others	4,636,311,000	4,301,413,871
	Total	9,469,452,104	8,219,715,463
B.	I. Deposits of branches in India	9,326,233,360	8,195,335,060
	II. Deposits of branches outside India	143,218,744	24,380,403
	Total	9,469,452,104	8,219,715,463

Schedule 4 - Borrowings

		(₹ in Thousands)	
		As at 31-03-2023	As at 31-03-2022
I.	Borrowings in India		
	(i) Reserve Bank of India	77,690,000	181,020,000
	(ii) Other banks ¹	200,000	150,000
	(iii) Other institutions & agencies ²	1,409,982,700	1,126,296,822
II.	Borrowings outside India ³	375,127,686	543,871,809
	Total	1,863,000,386	1,851,338,631
	Secured borrowings included in I & II above	77,690,000	250,784,722

- Borrowings from other banks include Subordinated Debt of ₹15.00 crores (previous year ₹15.00 crores) in the nature of Non-Convertible Debentures [Also refer Schedule 18 (3.1)(a)]
- Borrowings from other institutions & agencies include Subordinated Debt of ₹23,565.00 crores (previous year ₹14,065.00 crores) in the nature of Non-Convertible Debentures and Perpetual Debt amounting to Nil (previous year ₹3,500.00 crores) [Also refer Schedule 18 (3.1)(a)]
- Borrowings outside india include Additional Tier I Bonds in the nature of Perpetual Debt amounting to \$600 million (₹4,930.20 crores); previous year \$600 million (₹4,547.55 crores) [Also refer Schedule 18 (3.1)(a)]

Standalone Financial Statements

Schedule 5 - Other Liabilities and Provisions

	(₹ in Thousands)	
	As at 31-03-2023	As at 31-03-2022
I. Bills payable	95,438,106	84,993,581
II. Inter-office adjustments (net)	-	-
III. Interest accrued	37,259,299	42,397,579
IV. Contingent provision against standard assets	78,663,991	72,708,198
V. Others (including provisions)	375,274,865	331,393,476
Total	586,636,261	531,492,834

Schedule 6 - Cash and Balances with Reserve Bank of India

	(₹ in Thousands)	
	As at 31-03-2023	As at 31-03-2022
I. Cash in hand (including foreign currency notes)	96,658,774	98,400,898
II. Balances with Reserve Bank of India		
(i) in Current Account	430,038,791	369,934,158
(ii) in Other Accounts	134,480,000	472,010,000
Total	661,177,565	940,345,056

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

	(₹ in Thousands)	
	As at 31-03-2023	As at 31-03-2022
I. In India		
(i) Balance with Banks		
(a) in Current Accounts	11,761,663	12,334,577
(b) in Other Deposit Accounts	26,902,431	1,237,903
(ii) Money at Call and Short Notice		
(a) With banks	2,000,000	-
(b) With other institutions	109,602,394	7,984,854
Total	150,266,488	21,557,334
II. Outside India		
(i) in Current Accounts	46,450,375	23,359,217
(ii) in Other Deposit Accounts	100,830,619	55,183,748
(iii) Money at Call & Short Notice	105,383,025	69,425,930
Total	252,664,019	147,968,895
Grand Total (I+II)	402,930,507	169,526,229



Schedule 8 - Investments

		(₹ in Thousands)	
		As at 31-03-2023	As at 31-03-2022
I. Investments in India in -			
(i)	Government Securities ¹	2,192,665,557	2,190,931,483
(ii)	Other approved securities	-	-
(iii)	Shares	17,580,038	17,589,672
(iv)	Debentures and Bonds	547,642,629	449,048,275
(v)	Subsidiaries/Joint Ventures	26,222,936	22,156,458
(vi)	Others (Mutual Fund units, PTC etc.)	13,693,476	13,611,786
Total Investments in India		2,797,804,636	2,693,337,674
II. Investments outside India in -			
(i)	Government Securities (including local authorities)	84,876,432	56,697,634
(ii)	Subsidiaries and/or joint ventures abroad	3,322,982	3,322,982
(iii)	Others (Equity Shares and Bonds)	2,144,288	2,613,719
Total Investments outside India		90,343,702	62,634,335
Grand Total (I+II)		2,888,148,338	2,755,972,009

1. Includes securities costing ₹85,079.35 crores (previous year ₹58,436.89 crores) pledged for availment of fund transfer facility, clearing facility and margin requirements

Schedule 9 - Advances

		(₹ in Thousands)	
		As at 31-03-2023	As at 31-03-2022
A.			
(i)	Bills purchased and discounted	184,228,644	355,757,979
(ii)	Cash credits, overdrafts and loans repayable on demand ¹	2,427,484,784	1,884,280,541
(iii)	Term loans	5,841,314,982	4,839,427,403
Total		8,453,028,410	7,079,465,923
B.			
(i)	Secured by tangible assets ²	6,032,731,889	5,248,291,348
(ii)	Covered by Bank/Government Guarantees ³	51,093,257	138,087,031
(iii)	Unsecured	2,369,203,264	1,693,087,544
Total		8,453,028,410	7,079,465,923
C.			
I. Advances in India			
(i)	Priority Sector	3,068,509,178	2,541,627,452
(ii)	Public Sector	177,199,442	221,957,001
(iii)	Banks	11,125,209	24,469,274
(iv)	Others	4,861,440,968	3,810,509,106
Total		8,118,274,797	6,598,562,833
II. Advances Outside India			
(i)	Due from banks	2,054,250	5,608,645
(ii)	Due from others -		
	(a) Bills purchased and discounted	69,547,287	238,885,611
	(b) Syndicated loans	569,027	1,070,721
	(c) Others	262,583,049	235,338,113
Total		334,753,613	480,903,090
Grand Total (CI+CII)		8,453,028,410	7,079,465,923

1. Net of borrowings under Inter Bank Participation Certificate (IBPC) ₹8,593.09 crores (previous year Nil), includes lending under IBPC ₹2,162.00 crores (previous year ₹4,925.70 crores)

2. Includes advances against Book Debts

3. Includes advances against L/Cs issued by other banks

Standalone Financial Statements

Schedule 10 - Fixed Assets

	(₹ in Thousands)	
	As at 31-03-2023	As at 31-03-2022
I. Premises		
Gross Block		
At cost at the beginning of the year	18,720,108	18,377,019
Additions on account of acquisition of Citibank India Consumer Business (Refer Note 18.1)	8,607	-
Additions during the year	2,749	343,089
Deductions during the year	-	-
Total	18,731,464	18,720,108
Depreciation		
As at the beginning of the year	2,473,789	2,195,125
Accumulated depreciation of assets acquired from Citibank India Consumer Business (Refer Note 18.1)	4,568	-
Charge for the year	281,771	278,664
Deductions during the year	-	-
Depreciation to date	2,760,128	2,473,789
Net Block	15,971,336	16,246,319
II. Other fixed assets (including furniture & fixtures and intangibles)		
Gross Block		
At cost at the beginning of the year	89,723,748	79,505,358
Additions on account of acquisition of Citibank India Consumer Business (Refer Note 18.1)	119,845,640	-
Additions during the year ¹	13,868,622	12,101,510
Deductions during the year	(2,471,429)	(1,883,120)
Total	220,966,581	89,723,748
Depreciation		
As at the beginning of the year	62,337,834	54,334,010
Accumulated depreciation of assets acquired from Citibank India Consumer Business (Refer Note 18.1)	253,477	-
Charge for the year (Refer Note 18.1)	130,663,048	9,804,992
Deductions during the year	(2,290,469)	(1,801,168)
Depreciation to date	190,963,890	62,337,834
Net Block	30,002,691	27,385,914
III. Capital Work-in-Progress (including capital advances)	1,364,489	2,091,270
GRAND TOTAL (I+II+III)	47,338,516	45,723,503

1. includes movement on account of exchange rate fluctuation



Schedule 11 - Other Assets

	(₹ in Thousands)	
	As at 31-03-2023	As at 31-03-2022
I. Inter-office adjustments (net)	-	-
II. Interest Accrued	100,646,383	84,649,252
III. Tax paid in advance/tax deducted at source (net of provisions)	6,123,806	7,193,917
IV. Stationery and stamps	13,267	6,286
V. Non banking assets acquired in satisfaction of claims ¹	-	-
VI. Others ^{2,3}	613,848,528	671,405,325
Total	720,631,984	763,254,780

1. Represents balance net of provision of ₹2,068.24 crores (previous year ₹2,068.24 crores) on Land held as non-banking asset

2. Includes deferred tax assets of ₹6,326.56 crores (previous year ₹7,361.84 crores) [Refer Schedule 18 (4.8)]

3. Includes Priority Sector Shortfall Deposits of ₹30,564.20 crores (previous year ₹41,653.61 crores)

Schedule 12 - Contingent Liabilities

	(₹ in Thousands)	
	As at 31-03-2023	As at 31-03-2022
I. Claims against the Bank not acknowledged as debts	19,946,684	9,516,734
II. Liability for partly paid investments	2,391,642	3,194,871
III. Liability on account of outstanding forward exchange and derivative contracts:		
a) Forward Contracts	6,048,352,660	5,178,033,671
b) Interest Rate Swaps, Currency Swaps, Forward Rate Agreement & Interest Rate Futures	5,820,185,708	5,426,088,513
c) Foreign Currency Options	409,299,263	479,585,470
Total (a+b+c)	12,277,837,631	11,083,707,654
IV. Guarantees given on behalf of constituents		
In India	917,637,808	724,358,601
Outside India	105,994,487	72,919,870
V. Acceptances, endorsements and other obligations	523,615,332	569,415,450
VI. Other items for which the Bank is contingently liable	565,065,775	457,932,547
GRAND TOTAL (I+II+III+IV+V+VI) [Refer Schedule 18 (4.14)]	14,412,489,359	12,921,045,727

Standalone Financial Statements

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

For the year ended 31 March, 2023

Schedule 13 - Interest Earned

	(₹ in Thousands)	
	Year ended 31-03-2023	Year ended 31-03-2022
I. Interest/discount on advances/bills	645,538,069	496,165,823
II. Income on investments	181,787,319	146,189,141
III. Interest on balances with Reserve Bank of India and other inter-bank funds	8,990,052	15,281,533
IV. Others	15,322,216	16,131,799
Total	851,637,656	673,768,296

Schedule 14 - Other Income

	(₹ in Thousands)	
	Year ended 31-03-2023	Year ended 31-03-2022
I. Commission, exchange and brokerage	144,463,305	113,586,145
II. Profit/(Loss) on sale of investments (net)	3,205,455	11,132,237
III. Profit/(Loss) on revaluation of investments (net) [Refer Schedule 18(3.3)(b)]	(5,955,667)	2,644,815
IV. Profit/(Loss) on sale of land, buildings and other assets (net) ¹	(67,897)	(48,760)
V. Profit/(Loss) on exchange/derivative transactions (net)	18,020,946	19,123,801
VI. Income earned by way of dividends etc. from subsidiaries/companies and/or joint venture abroad/in India	150,000	886,524
VII. Miscellaneous Income	5,192,575	4,880,691
Total	165,008,717	152,205,453

1. includes provision for diminution in value of fixed assets

Schedule 15 - Interest Expended

	(₹ in Thousands)	
	Year ended 31-03-2023	Year ended 31-03-2022
I. Interest on deposits	317,329,440	266,837,844
II. Interest on Reserve Bank of India/Inter-bank borrowings	22,715,525	10,213,473
III. Others	82,135,247	65,394,814
Total	422,180,212	342,446,131

Schedule 16 - Operating Expenses

	(₹ in Thousands)	
	Year ended 31-03-2023	Year ended 31-03-2022
I. Payments to and provisions for employees	87,600,521	76,125,539
II. Rent, taxes and lighting	14,353,981	13,355,481
III. Printing and stationery	3,126,943	2,301,928
IV. Advertisement and publicity	1,442,342	732,598
V. Depreciation on bank's property (Refer Note 18.1)	130,944,819	10,083,656
VI. Directors' fees, allowance and expenses	55,538	49,949
VII. Auditors' fees and expenses	37,289	33,735
VIII. Law charges	1,734,008	2,071,479
IX. Postage, telegrams, telephones etc.	3,628,016	2,879,837
X. Repairs and maintenance	14,814,434	13,774,304
XI. Insurance	14,181,612	12,842,409
XII. Other expenditure (Refer Note 18.1)	124,640,396	101,856,628
Total	396,559,899	236,107,543



17 SIGNIFICANT ACCOUNTING POLICIES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

1. Background

Axis Bank Limited ('the Bank') was incorporated in 1993 and provides a complete suite of banking and financial services including retail banking, wholesale banking and treasury operations. The Bank is primarily governed by the Banking Regulation Act, 1949. As on 31 March 2023, the Bank has overseas branches at Singapore, DIFC - Dubai and an Offshore Banking Unit at the International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India.

Effective 1 March 2023, the Bank completed the acquisition of Citibank's India Consumer Business from Citibank N.A. (acting through its branch in India) ('CBNA') and the NBFC Consumer Business from Citicorp Finance (India) Limited ('CFIL') as going concerns without assigning values to individual assets and liabilities post receipt of statutory and other approvals and completion of all other conditions as stipulated under the respective Business Transfer Agreements (BTAs).

2. Basis of preparation

The standalone financial statements ('financial statements') have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India, unless otherwise stated by the Reserve Bank of India ('RBI'), to comply with the statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, the circulars, notifications, guidelines and directives issued by the RBI from time to time and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021 to the extent applicable and practices generally prevalent in the banking industry in India. Accounting policies applied have been consistent with the previous year except otherwise stated.

3. Use of estimates

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

4. Significant accounting policies

4.1 Investments

Classification

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

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

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

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

All other investments are classified as AFS securities.

For disclosure in the Balance Sheet, investments in India are classified under six categories - Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investment in Subsidiaries/Joint Ventures and Others. Investments made outside India are classified under three categories - Government Securities, Subsidiaries and/or Joint Ventures abroad and Others.

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

Standalone Financial Statements

Transfer of security between categories

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

Acquisition cost

Costs incurred at the time of acquisition, pertaining to investments, such as brokerage, commission etc. are charged to the Profit and Loss Account.

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

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

Valuation

Investments classified under the HTM category: Investments are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period remaining to maturity on a constant yield to maturity basis. Such amortization of premium is adjusted against interest income under the head 'Income from Investments' under Schedule 13 in Profit and Loss Account. As per the RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity.

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

Investments classified under the AFS and HFT categories: Investments under these categories are marked to market. The market/fair value of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/quotes on the stock exchanges or prices declared by the Fixed Income Money Market and Derivatives Association of India ('FIMMDA')/Financial Benchmark India Private Limited ('FBIL'), periodically. Net depreciation, if any, within each category of each investment classification is recognised in the Profit and Loss Account. The net appreciation, if any, under each category of each investment classification is ignored. Net depreciation on each type of investments falling under the residual category of 'Others' (i.e. mutual funds, Pass Through Certificates (PTCs), security receipts etc.) is not offset against gain in another class of investment falling within the 'Others' category. Further, in case of standard investments classified as weak (including certain internally unrated investments) as per the Bank's internal framework, the Bank recognizes net depreciation without availing the benefit of set-off against appreciation within the same class of investments as permitted under the extant RBI circular. The depreciation on securities acquired by way of conversion of outstanding loans is provided in accordance with the RBI guidelines. Provision for depreciation on investments is classified under Schedule-14 'Other Income'. The book value of individual securities is not changed consequent to the periodic valuation of investments.

Non-performing investments are identified and provision is made thereon as per the RBI guidelines. Provision for depreciation on such non-performing investments is not set off against the appreciation in respect of other performing securities as per RBI guidelines. Interest on non-performing investments is not recognized in the Profit and Loss Account until received.

Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost which includes discount accreted over the period to maturity.

Units of mutual funds are valued at the latest repurchase price/Net Asset Value ('NAV') declared by the mutual fund.

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

- The market/fair value of unquoted government securities which are in the nature of Statutory Liquidity Ratio ('SLR') securities forming part of AFS and HFT categories is computed as per the rates published by FIMMDA/FBIL.
- In case of special bonds issued by the Government of India that do not qualify for SLR purposes, unquoted bonds, debentures and preference shares where interest/dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to maturity ('YTM') for Government Securities as published by FIMMDA/FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit ratings along with residual maturity issued by FIMMDA/FBIL is adopted for this purpose.
- In case of bonds & debentures where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by the RBI.
- PTC and Priority Sector PTCs are valued as per extant FIMMDA guidelines.



- Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet (not older than 18 months). In case the latest Balance Sheet is not available, the shares are valued at ₹1 per company.
- Investments in listed instruments of Real Estate Investment Trust ('REIT')/Infrastructure Investment Trust ('INVIT') are valued at the closing price on the recognised stock exchange with the highest volumes. In case the instruments are not traded on any stock exchange, valuation is carried out based on the latest NAV (not older than 1 year) submitted by the trust.
- Units of Venture Capital Funds ('VCF') held under AFS category where current quotations are not available are valued based on the latest audited financial statements of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹1 per VCF. Investment in unquoted VCF may be categorized under HTM category for the initial period of three years and are valued at cost as per the RBI guidelines.
- Investments in Security Receipts ('SRs') are valued as per the NAV declared by the issuing Asset Reconstruction Company ('ARC') or net book value of loans transferred or estimated recoverable value based on Bank's internal assessment on case to case basis, whichever is lower. In case of investments in SRs which are backed by more than 10 percent of the stressed assets sold by the Bank, the valuation of such SRs is additionally subject to a floor of face value of the SRs reduced by the provisioning rate as per the extant asset classification and provisioning norms as applicable to the underlying loans, assuming that the loan notionally continued in the books of the Bank.

Disposal of investments

Investments classified under the HTM category: Realised gains are recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve Account (net of taxes and transfer to statutory reserves) in accordance with the RBI guidelines. Losses are recognised in the Profit and Loss Account.

Investments classified under the AFS and HFT categories: Realised gains/losses are recognised in the Profit and Loss Account.

Short Sales

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. Such short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant Mark-to-Market ('MTM') gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments discussed earlier.

4.2 Repurchase and reverse repurchase transactions

Repurchase transactions ('Repos')

Repurchase transactions in Government securities and corporate debt securities including those conducted under the Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI are accounted for as collateralised borrowings. Accordingly, securities given as collateral under an agreement to repurchase them, continue to be held under the investment account and the Bank continues to accrue the coupon on the security during the repo period. Borrowing cost on such repo transactions is accounted as interest expense in "Schedule 15 - Interest Expended" in the Profit and Loss Account.

Reverse repurchase transactions ('Reverse repos')

Reverse repurchase transactions with RBI with original maturity upto 14 days from the date of issuance, including those conducted under the Liquidity Adjustment Facility ('LAF') and Standing Deposit Facility ('SDF'), are accounted for as collateralised lending under "Schedule 6 - Balances with RBI - in Other Accounts". Revenue on such reverse repos is accounted for as interest income under "Schedule 13 - Interest Earned - Interest on balances with Reserve Bank of India and Other Inter-bank Funds" in the Profit and Loss Account.

Reverse repos with original maturity of more than 14 days from the date of issuance are accounted for as collateralised lending under "Schedule 9 - Advances". Revenue on such reverse repos is accounted for as interest income under "Schedule 13 - Interest Earned - Interest/discount on advances/bills" in the Profit and Loss account.

4.3 Advances

Classification and measurement of advances

Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of bills rediscounted, inter-bank participation certificates, specific provisions made towards NPAs, interest in suspense for NPAs, claims received from Export Credit Guarantee Corporation, provisions for funded interest on term loan classified as NPAs and floating provisions. Structured collateralised foreign currency loans extended to customers and deposits received from the same customer are reported on a net basis.

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The Bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown as due from banks under advances.

Non-performing advances and provision on non-performing advances

NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Advances held at the overseas branches that are identified as impaired as per host country regulations for reasons other than record of recovery, but which are standard as per the RBI guidelines, are classified as NPAs to the extent of amount outstanding in the host country. NPAs are upgraded to standard as per the extant RBI guidelines.

Provisions for NPAs are made for sub-standard and doubtful assets at rates as prescribed by the RBI with the exception of schematic retail advances, agriculture advances and advances to Commercial Banking segment. In respect of schematic retail advances, provisions are made in terms of a bucket-wise policy upon reaching specified stages of delinquency (90 days or more of delinquency) under each type of loan, which satisfies the RBI prudential norms on provisioning. Provisions in respect of commercial banking group advances and agriculture advances classified into sub-standard and doubtful assets are made at rates which are higher than those prescribed by the RBI.

Provisions for advances booked in overseas branches, which are standard as per the RBI guidelines but are identified as impaired as per host country regulations for reasons other than record of recovery, are made as per the host country regulations.

In case of NPAs referred to the National Company Law Tribunal ('NCLT') under the Insolvency and Bankruptcy Code, 2016 ('IBC') where resolution plan or liquidation order has been approved by NCLT, provision is maintained at higher of the requirement under the RBI guidelines or the likely haircut as per resolution plan or liquidation order.

Provision on restructured assets

Restructured assets are classified and provided for in accordance with the guidelines issued by the RBI from time to time. In respect of advances where resolution plan has been implemented under the RBI guidelines on "Resolution Framework for COVID 19-related Stress" and "Micro, Small and Medium Enterprises (MSME) Sector – Restructuring of Advances", provisions are maintained as per the internal framework of the Bank at rates which are higher than those specified under the extant RBI circulars. Restructured loans are upgraded to standard as per the extant RBI guidelines.

Provisions held on restructured assets are reported in Schedule 5 – Other Liabilities and Provisions in the Balance Sheet.

Write-offs and recoveries from written-off accounts

Write-offs are carried out in accordance with the Bank's policy.

Amounts recovered against debts written off are recognised in the Profit and Loss Account as a credit to Provision and Contingencies.

Appropriation of funds for standard advances

In case of Equated Monthly Instalment (EMI) based standard retail advances, funds received from customers are appropriated in the order of principal, interest, penal interest and charges. In case of other standard advances, funds received from customers are appropriated in the order of charges, penal interest, interest and principal.

In case of portfolio of advances acquired from CBNA and CFIL which continue to be serviced through their respective source systems, funds received from customers in respect of accounts which are less than 90 days past due are appropriated in the order of charges, interest and principal. This appropriation logic will be aligned to the Bank's policy upon completion of migration of customer accounts to the Bank's respective source systems.

Other provisions on advances

The Bank recognises additional provisions as per the RBI's guidelines on accounts in default and with aggregate exposure above the threshold limits as laid down in the said framework where the resolution plan is not implemented within the specified timelines.

In respect of borrowers classified as non-cooperative or wilful defaulters, the Bank makes accelerated provisions as per the extant RBI guidelines.

In the case of one-time settlements with borrowers that are entered into but not closed as on the reporting date, the Bank makes provisions which is the higher of (i) the provision required based on asset classification; and (ii) the amount of contracted sacrifice, on a portfolio basis.



Loans reported as fraud are classified as loss assets, and fully provided for immediately without considering the value of security.

The Bank makes incremental provisioning (determined based on a time scale and on occurrence of predefined events) on all outstanding advances and investments relating to borrowers tagged as Red flagged accounts ('RFA').

For entities with Unhedged Foreign Currency Exposure ('UFCE'), provision is made in accordance with the guidelines issued by the RBI, which requires ascertaining the amount of UFCE, estimating the extent of likely loss and estimating the riskiness of the unhedged position. This provision is classified under Schedule 5 – Other Liabilities and Provisions in the Balance Sheet. Further, incremental capital is maintained in respect of such borrower counter parties in the highest risk category, in line with stipulations by the RBI.

The Bank maintains provisions for incremental exposure of the banking system to specified borrowers beyond the Normally Permitted Lending Limit ('NPLL') in proportion to Bank's funded exposure to the specified borrowers as per the RBI guidelines. This provision is classified under Schedule 5 – 'Other Liabilities and Provisions' in the Balance Sheet.

The Bank maintains a general provision on standard advances at the rates prescribed by the RBI. The general provision on corporate standard advances internally rated 'BB and Below' or 'Unrated' and all Special Mention Accounts-2 ('SMA-2') advances as reported to Central Repository of Information on Large Credits ('CRILC'), is maintained at rates that are higher than those prescribed by RBI. In case of overseas branches, general provision on standard advances is maintained at the higher of the levels stipulated by the respective overseas regulator or by the extant RBI guidelines. The Bank also maintains general provision on positive MTM on derivative transactions at the rates prescribed under the extant RBI guidelines.

The Bank maintains provision on non-funded outstanding in relation to NPAs, prudentially written off accounts, corporate standard advances internally rated 'BB and Below' or 'Unrated' and all SMA-2 advances as reported to CRILC. This provision is classified under Schedule 5 – 'Other Liabilities and Provisions' in the Balance Sheet.

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

As on 31 March, 2023, the Bank continues to hold provisions against the potential impact of COVID-19 (other than provisions held for restructuring under COVID-19 norms).

4.4 Country risk

In addition to the provisions required to be held according to the asset classification status, provisions are held for individual country exposure (other than for home country) as per the RBI guidelines. Such provisions are held only in respect of those countries where the net funded exposure of the Bank exceeds 1% of its total assets. For this purpose the countries are categorized into seven risk categories namely insignificant, low, moderate, high, very high, restricted and off-credit as per internal parameters in accordance with RBI guidelines. Provision is made on exposures exceeding 180 days on a graded scale ranging from 0.25% to 100%. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirement is held. If the net funded exposure of the Bank in respect of each country does not exceed 1% of the total assets, no provision is maintained on such country exposure in accordance with RBI guidelines. This provision is classified under Schedule 5 – Other Liabilities and Provisions in the Balance Sheet.

4.5 Securitisation and transfer of assets

Securitisation of Standard Assets

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the assignee/SPV. The Bank also provides credit enhancement in the form of cash collaterals and/or by subordination of cash flows to Senior Pass Through Certificate holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Bank, appropriate provision/disclosure is made at the time of sale in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. In accordance with RBI guidelines on Securitisation of Standard Assets, any loss, profit or premium realised at the time of the sale is accounted for in the Profit and Loss Account for the accounting period during which the sale is completed. However, in case of unrealised gains arising out of sale of underlying assets to the SPV, the profit is recognised in Profit and Loss Account only when such unrealised gains associated with such income is redeemed in cash.

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Transfer of Loan Exposures

In accordance with RBI guidelines on Transfer of Loan exposures, any profit or loss arising because of transfer of loans, which is realised, is accounted for and reflected in the Profit and Loss Account for the accounting period during which the transfer is completed. Loans acquired are carried at acquisition cost unless it is more than the outstanding principal at the time of the transfer, in which case the premium paid is amortised based on a straight line method.

4.6 Priority Sector Lending Certificates

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates ('PSLCs'). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligation through the RBI trading platform. There is no transfer of loan assets in PSLC transactions.

4.7 Translation of Foreign Currency items

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

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

- Assets and liabilities (both monetary and non-monetary as well as contingent liabilities) are translated at closing exchange rates notified by FEDAI at the Balance Sheet date.
- Income and expenses are translated at the rates prevailing on the date of the transactions.
- All resulting exchange differences are accumulated in a separate 'Foreign Currency Translation Reserve' (FCTR) till the disposal of the net investments. Any realised gains or losses on such disposal are recognised in the Profit and Loss Account except for those that relate to repatriation of accumulated profits which are reclassified from FCTR to 'Balance in Profit and Loss Account' under Schedule 2 – Reserves and Surplus in the Balance Sheet.

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

4.8 Foreign exchange and derivative contracts

Derivative transactions comprise of forward contracts, swaps and options which are disclosed as contingent liabilities. The forwards, swaps and options are categorised as trading or hedge transactions. Trading derivative contracts are revalued at the Balance Sheet date with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets (representing positive MTM) and in other liabilities (representing negative MTM) on a gross basis. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Hedge swaps are accounted for on accrual basis except in case of swaps designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements. In such cases the swaps are marked-to-market with the resulting gain or loss recorded as an adjustment to the market value of the designated asset or liability. Hedge transactions that are entered after 26 June, 2019 through rupee interest rate derivatives are accounted for as per the guidance note issued by ICAI on Accounting for Derivative Contracts. Pursuant to the RBI guidelines, any receivables under derivative contracts comprising of crystallised receivables as well as positive MTM in respect of future receivables which remain overdue for more than 90 days are reversed through the Profit and Loss account and are held in a separate suspense account under Schedule 5 – 'Other Liabilities and Provisions'.

Premium on options is recognized as income/expense on expiry or early termination of the transaction.

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

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



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

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

4.9 Revenue recognition

Interest income is recognised on an accrual basis in accordance with AS-9, Revenue Recognition as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Rules, 2021 and the RBI guidelines, except in the case of interest income on non-performing assets where it is recognised on receipt basis as per the income recognition and asset classification norms of RBI. Income on non-coupon bearing discounted instruments or low-coupon bearing instruments is recognised over the tenor of the instrument on a constant yield basis.

Commission on guarantees and Letters of Credit ('LC') is recognized on a pro-rata basis over the period of the guarantee/LC. Locker rent is recognized on a straight-line basis over the period of contract. Annual fee for credit cards and debit cards is recognised on a straight-line basis over the period of service. Arrangership/syndication fee is accounted for on completion of the agreed service and when the right to receive is established. Other fees and commission income are recognised when due, where the Bank is reasonably certain of ultimate collection.

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

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

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

Fees paid for purchase of PSLCs are amortised on straight-line basis over the tenor of the certificate as 'Other Expenditure' under Schedule 16 of the Profit and Loss Account. Fees received on sale of PSLCs are amortised on straight-line basis over the tenor of the certificate as 'Miscellaneous Income' under Schedule 14 of the Profit and Loss Account.

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

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

4.10 Fixed assets and depreciation/impairment

Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment, if any. Cost includes initial handling and delivery charges, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future economic benefit / functioning capability from / of such assets.

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

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

Asset	Estimated useful life
Leased Land	As per the term of the agreement
Owned premises	60 years
Locker cabinets/cash safe/strong room door	10 years
Interior	9 years
EPABX, telephone instruments	8 years
Modem, scanner, routers, hubs, switches, racks/cabinets for IT equipment	5 years

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Asset	Estimated useful life
UPS, VSAT, fax machines	5 years
Cheque book/cheque encoder, currency counting machine, fake note detector	5 years
Application software	5 years
Electronic Data Capture (EDC)/ Point of Sale (POS) machines	5 years
Vehicles	4 years
Computer hardware including printers	3 years
CCTV and video conferencing equipment	3 years
Assets at staff residence	3 years
All other fixed assets	10 years

Assets costing less than ₹5,000 individually are fully depreciated in the year of purchase.

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

Gain or losses arising from the retirement or disposal of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of assets and are recognised as income or expense in the Profit and Loss Account. Further, profit on sale of premises is appropriated to the Capital Reserve Account (net of taxes and transfer to Statutory Reserve) in accordance with RBI instructions.

The Bank has accounted for the Intangibles and Goodwill, acquired and arising from the acquisition of Citi India Consumer Business as per the generally accepted accounting principles and Accounting Standard 26 on Intangible Assets which permits amortization over the best estimate of useful life. During the year, Bank has fully amortized through the Profit and Loss Account, Intangibles and Goodwill resulting from the acquisition of the Citibank India Consumer Business. The Bank continues to have access and business use for the Intangible assets.

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

4.11 Non-banking assets

Non-banking assets ('NBAs') acquired in satisfaction of claims include land. In the case of land, the Bank creates provision and follows the accounting treatment as per specific RBI directions.

4.12 Lease Transactions

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

4.13 Employee Benefits

- **Short-term employee benefits**

Short-term employee benefits comprise salaries and other compensations payable for services which the employee has rendered during the period. These are recognized at the undiscounted amount in the Profit and Loss Account.

- **Provident Fund**

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

The Bank makes contribution as required by The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 to the Employees' Pension Scheme administered by the Regional Provident Fund Commissioner.



The overseas branches of the Bank and its eligible employees contribute a certain percentage of their salary towards respective government schemes as per local regulatory guidelines. The contribution made by the overseas branches is recognised in the Profit and Loss account as it is in the nature of defined contribution.

- **Gratuity**

The Bank contributes towards gratuity fund (defined benefit retirement plan) administered by various insurers for eligible employees. Under this scheme, the settlement obligations remain with the Bank, although the insurers administer the scheme and determine the contribution premium required to be paid by the Bank. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Bank. The liability with regard to the gratuity fund is recognised based on actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition. Actuarial gains/losses are immediately recognized in the Profit and Loss Account and are not deferred.

In respect of employees at overseas branches (other than expatriates), the liability with regard to the gratuity is provided on the basis of a prescribed method as per local laws, wherever applicable.

- **Superannuation**

Employees of the Bank (other than those who moved to the Bank as part of the Citibank India Consumer Business acquisition) are entitled to receive retirement benefits under the Bank's superannuation scheme either under a cash-out option through salary or under a defined contribution plan. Through the defined contribution plan, the Bank contributes annually a sum of 10% of the employee's eligible annual basic salary to Life Insurance corporation (LIC), which undertakes to pay the lump sum and annuity benefit payments pursuant to the scheme. Superannuation contributions are recognised in the Profit and Loss Account in the period in which they accrue.

Eligible employees who moved to the Bank as part of the Citibank India Consumer Business acquisition are entitled to receive a lumpsum corpus amount under a separate superannuation scheme with vesting criteria of 10 years as a defined contribution plan. Through the defined contribution plan, the Bank makes a defined contribution annually of a sum of 25% of such employee's eligible annual basic salary to a Superannuation Trust, which undertakes to pay the lump sum payments pursuant to the scheme after the vesting period. Superannuation contributions are recognised in the Profit and Loss Account in the period in which they accrue.

- **National Pension Scheme ('NPS')**

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

- **Resettlement Allowance**

The Bank provides for resettlement allowance liability in the form of six months' pay at the time of separation, for certain eligible employees who moved to the Bank as part of the Citibank India Consumer Business acquisition. Provision for this liability is based on an actuarial valuation conducted by an independent actuary using the Projected Unit Credit Method as at 31 March each year based on certain assumptions regarding discount rate and salary escalation rate.

4.14 Reward points

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

4.15 Taxation

Income tax expense is the aggregate amount of current tax and deferred tax charge. Current year taxes are determined in accordance with the relevant provisions of the Income Tax Act, 1961 and considering the material principles set out in the Income Computation and Disclosure Standards to the extent applicable. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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

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

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

4.16 Share issue expenses

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

4.17 Corporate Social Responsibility

Expenditure towards Corporate Social Responsibility is recognised in the Profit and Loss Account in accordance with the provisions of the Companies Act, 2013.

4.18 Earnings per share

The Bank reports basic and diluted earnings per share in accordance with AS-20, Earnings per Share, as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

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

4.19 Employee stock/unit option scheme

The 2001 Employee Stock Option Scheme ('the Scheme') provides for grant of stock options on equity shares of the Bank to employees and Directors of the Bank and its subsidiaries. The Scheme is in accordance with the Securities and Exchange Board of India (SEBI) (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the Guidelines'). These Guidelines have since been repealed and substituted by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Scheme is in compliance with the said regulations. Options are granted at an exercise price, which is equal to the fair market price of the underlying equity shares at the date of the grant. The fair market price is the latest available closing price, prior to the date of grant, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

Further, the 2022 Employees Stock Unit Scheme ('the ESU Scheme') provides for grant of stock units convertible into equivalent number of fully paid-up equity share(s) of the Bank to eligible employees. The ESU Scheme is in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and in compliance with the said regulations. The stock units are granted at an exercise price as determined by the Bank and specified at the time of grant which shall not be less than the face value of the equity shares of the Bank.

The Bank followed intrinsic value method to account for its stock based employee compensation plans for all the options granted till the accounting period ending 31 March, 2021.

As per RBI guidelines, for options/units granted after 31 March, 2021, the Bank follows the fair value method and recognizes the fair value of such options/units computed using the Black-Scholes model without reducing estimated forfeitures, as compensation expense over the vesting period. On exercise of the stock options/units, corresponding balance under Employee Stock Options/Units Outstanding is transferred to Share Premium. In respect of the options/units which expire unexercised, the balance standing to the credit of Employee Stock Options/Units Outstanding is transferred to the General Reserve. In respect of Employee Stock Options/Units which are granted to the employees of the subsidiaries, the Bank recovers the cost from the subsidiaries over the vesting period.



4.20 Provisions, contingent liabilities and contingent assets

In accordance with AS-29 "Provisions, Contingent Liabilities and Contingent Assets", provision is recognised when the Bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

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

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

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

4.21 Accounting for dividend

As per AS-4 'Contingencies and Events occurring after the Balance Sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, the Bank does not account for proposed dividend as a liability through appropriation from the Profit and Loss Account. The same is recognised in the year of actual payout post approval of the shareholders. However, the Bank considers proposed dividend in determining capital funds in computing the capital adequacy ratio.

4.22 Cash and cash equivalents

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

4.23 Segment Reporting

The disclosure relating to segment information is made in accordance with AS-17: Segment Reporting and relevant guidelines issued by the RBI.

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18 NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March, 2023

1. Acquisition of Citibank's India Consumer Business

Upon (i) the completion of conditions stipulated in the Business Transfer Agreements (BTAs) executed on 30 March, 2022 as amended from time to time; and (ii) the receipt of requisite statutory and other approvals, the Bank has acquired on a going concern basis the business assets and business liabilities of Citibank's India Consumer Business from Citibank N.A. (acting through its branch in India) ("CBNA") and the NBFC Consumer Business from Citicorp Finance (India) Limited ("CFIL") collectively referred to as Citibank India Consumer Business, effective beginning of day 1 March, 2023 (referred to as Legal Day One) without values being assigned to individual assets and liabilities.

In accordance with the BTAs, the Bank has on Legal Day One paid an Estimated Adjusted Purchase Price aggregating ₹11,602.53 crores based on the position of business assets and business liabilities acquired as at end of day 31 January, 2023, and the Bank without prejudice to any of its rights under the said BTAs estimates a further payable of ₹346.55 crores as Purchase Price True Up Amount based on its best estimate of the position of business assets and business liabilities acquired as at beginning of day 1 March, 2023. The estimated Purchase Price True Up Amount is recorded as a payable to CBNA at 31 March, 2023. Changes, if any, to the Estimated Adjusted Purchase Price and/or estimated Purchase Price True Up Amount, which are subject to review by an external firm and the Bank, upon the receipt of the final closing statement from CBNA and CFIL, shall be accounted for in the period in which the actual settlement occurs.

The Estimated Adjusted Purchase Price and estimated Purchase Price True Up Amount aggregating to ₹11,949.08 crores are attributable to (i) various intangible business and commercial rights viz. Customer relationship (including contracts), Co-branding arrangements, Business processes/ information, Non-compete rights (collectively "Intangibles") and (ii) Goodwill on acquisition of the Citibank India Consumer Business. Based on the report of an independent valuer, Intangibles (excluding Goodwill) were recognized at ₹8,714.24 crores and Goodwill at ₹3,234.84 crores in the financial statements of the Bank. Under Section 15 of the Banking Regulation Act 1949, banks are restricted from declaring dividend in the event a bank carries any intangible assets on its Balance Sheet. As a prudent measure and to protect its ability to pay dividends, the Bank has fully amortised the said Intangibles and Goodwill through the Profit and Loss account in FY 2022-23, even though the Bank continues to have access to and business use for the Intangibles. The Bank has chosen not to create any deferred tax asset on such Intangibles fully amortised through the Profit and Loss Account.

Further, the Bank has fully charged to the Profit and Loss Account (i) ₹179.27 crores towards one-time stamp duty costs relating to the acquisition of Citibank India Consumer Business and (ii) ₹361.47 crores towards harmonization of provisioning and expense policies and/or estimates used in the preparation of financial statements.

Exceptional items comprise (i) full amortization of Intangibles and Goodwill; (ii) impact of policy harmonisation of operating expenses and provisions; and (iii) one-time acquisition related expenses. The tables below quantifies and details the nature of exceptional items and its corresponding impact on Profit after Tax (PAT) for the year ended 31 March, 2023.

		(₹ in crores)
Sr. No.	Description of Exceptional item	31 March, 2023
1	Amortisation of Intangibles and Goodwill in operating expenses	11,949.08
2	Impact of harmonization of policies recognized in provisions and contingencies	232.14
3	Impact of harmonization of policies recognized in operating expenses	129.33
4	One-time acquisition costs recognized in operating expenses	179.27
Total exceptional items		12,489.82

		(₹ in crores)
Sr. No.	Particulars	31 March, 2023
1	Profit After Tax (PAT) (as per Profit and Loss Account)	9,579.68
2	Add: Exceptional items (net of taxes)	12,353.71
3	PAT (excluding impact of exceptional items net of taxes)	21,933.39

The financial results and relevant disclosures for the year ended 31 March, 2023 with respect to the above are therefore not comparable with the previous periods.



2. COVID-19

India is emerging from the after effect of COVID-19 virus, a global pandemic that affected the world economy for more than two years. The extent to which any new wave of COVID-19 will impact the Bank's operations and asset quality will depend on the future developments, which are highly uncertain.

The Bank continues to hold provisions aggregating to ₹5,012 crores as at 31 March, 2023 against the potential impact of COVID-19 (other than provisions held for restructuring under COVID-19 norms).

3. Statutory disclosures as per RBI

3.1 Regulatory Capital

a) Composition of Regulatory Capital

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

	(₹ in crores)	
	31 March, 2023	31 March, 2022
Capital		
Common Equity Tier I (CET I)	1,19,338.71	1,09,904.38
Additional Tier I capital	4,709.33	7,970.65
Tier I	1,24,048.04	1,17,875.03
Tier II	26,115.87	15,857.89
Total capital	1,50,163.91	1,33,732.92
Total risk weighted assets and contingents	8,51,335.34	7,21,356.26
Capital ratios		
Common Equity Tier I	14.02%	15.24%
Tier I	14.57%	16.34%
Tier II	3.07%	2.20%
Capital to Risk Weighted Assets Ratio (CRAR)	17.64%	18.54%
Leverage Ratio	8.08%	8.69%
Percentage of the Shareholding of		
Government of India	Nil	Nil
State Government	Nil	Nil
Amount of paid-up equity capital raised during the year	-	-
Amount of Non- equity Tier I capital raised during the year:		
Perpetual Debt Instruments (PDI) (details given below)	-	\$600 million
Amount of Tier II capital raised of which:		
Debt capital instrument (details given below)	12,000.00	-

During the year ended 31 March, 2023, the Bank has raised Basel III compliant debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	13 December, 2032	120 months	7.88%	₹12,000.00 crores

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During the year ended 31 March, 2022, the Bank has raised Basel III compliant debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Perpetual debt	Additional Tier-I	-	-	4.10%	\$600 million

Above instrument has a call option at expiry of 60 months from the date of allotment

During the year ended 31 March, 2023, the Bank redeemed Basel III compliant debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	31 December, 2022	120 months	9.15%	₹2,500.00 crores
Perpetual debt	Additional Tier-I	28 June, 2022 ¹	60 months	8.75%	₹3,500.00 crores

1. Represents call date

During the year ended 31 March, 2022, the Bank redeemed Basel III compliant debt instruments eligible for Tier-I/Tier-II capital, the details of which are set out below:

Instrument	Capital	Date of maturity	Period	Coupon	Amount
Subordinated debt	Tier-II	1 December, 2021	120 months	9.73%	₹1,500.00 crores
Subordinated debt	Tier-II	20 March, 2022	120 months	9.30%	₹1,925.00 crores
Perpetual debt	Additional Tier-I	14 December, 2021 ¹	60 months	8.75%	₹3,500.00 crores

1. Represents call date

b) Capital and Reserves and Surplus

i) Share Capital

During the year ended 31 March, 2023 and 31 March, 2022, the Bank has not raised equity capital other than allotment of equity shares to eligible employees upon exercise of options under Employees Stock Option Scheme.

ii) Draw down from Reserves

During the year ended 31 March, 2023 and 31 March, 2022 the Bank has not undertaken any drawdown from reserves.

iii) Special Reserve

During the year, the Bank has appropriated ₹841.00 crores (previous year ₹609.19 crores) to the Special Reserve created and maintained in terms of Section 36 (1) (viii) of the Income-tax Act, 1961.

iv) Investment Reserve

During the year, the Bank has utilised ₹148.50 crores (previous year appropriation of ₹148.50 crores) from the Investment Reserve.

v) Capital Reserve

During the year, the Bank has appropriated ₹67.84 crores (previous year ₹441.04 crores) to the Capital Reserve net of taxes and transfer to Statutory Reserve, being the gain on sale of HTM investments in accordance with RBI guidelines.

vi) Investment Fluctuation Reserve

During the year, the Bank has appropriated ₹73.00 crores (previous year ₹455.00 crores) to the Investment Fluctuation Reserve in accordance with RBI guidelines.

vii) General Reserve

The Bank has transferred ₹1.61 crores to the General Reserve from the Employee Stock Options Outstanding Account, in respect of vested employee stock options that have lapsed during the year ended 31 March, 2023.



3.2 Asset liability management

a) Maturity pattern of certain items of assets and liabilities

As at 31 March, 2023

(₹ in crores)

	Deposits ¹	Advances ^{1,2}	Investments ^{1,4}	Borrowings ¹	Foreign Currency Assets ³	Foreign Currency Liabilities ³
1 day	16,759.25	7,736.00	92,392.42	-	12,183.03	796.77
2 days to 7 days	35,148.43	10,747.89	5,449.84	3,348.59	13,199.29	2,947.79
8 days to 14 days	19,806.80	8,918.27	11,736.76	5,278.84	1,875.85	705.29
15 days to 30 days	25,464.69	18,481.64	12,598.72	4,316.13	9,460.91	5,373.50
31 days and upto 2 months	37,953.46	29,341.35	8,001.95	6,609.57	3,615.49	6,544.07
Over 2 months and upto 3 months	39,823.61	17,886.04	6,434.32	13,052.58	8,993.61	11,810.90
Over 3 months and upto 6 months	51,887.72	34,400.14	8,499.16	18,909.50	8,760.09	12,728.04
Over 6 months and upto 1 year	116,197.84	60,264.50	21,692.03	30,206.47	4,383.73	8,356.61
Over 1 year and upto 3 years	32,918.35	174,259.17	17,167.86	65,771.37	5,796.47	10,954.75
Over 3 years and upto 5 years	2,805.78	98,935.11	13,756.05	19,155.71	5,570.55	5,271.72
Over 5 years	568,179.28	384,332.73	90,935.04	19,651.28	3,353.35	11,134.03
Total	946,945.21	845,302.84	288,664.15	186,300.04	77,192.37	76,623.47

As at 31 March, 2022

(₹ in crores)

	Deposits ¹	Advances ^{1,2}	Investments ^{1,4}	Borrowings ¹	Foreign Currency Assets ³	Foreign Currency Liabilities ³
1 day	14,183.51	5,317.64	75,537.21	-	9,714.81	518.79
2 days to 7 days	37,043.82	7,255.75	8,336.49	7,814.52	7,986.06	1,865.57
8 days to 14 days	13,910.41	7,266.69	6,254.19	1,745.45	2,484.67	1,834.83
15 days to 30 days	28,631.46	13,475.92	5,523.81	6,513.71	10,548.69	9,074.48
31 days and upto 2 months	32,939.20	23,351.88	6,659.33	10,094.12	8,691.62	8,482.07
Over 2 months and upto 3 months	30,179.24	25,416.85	4,965.40	16,449.75	7,943.94	9,721.94
Over 3 months and upto 6 months	63,377.75	39,278.51	10,871.83	19,620.14	10,697.72	15,466.14
Over 6 months and upto 1 year	82,573.56	50,557.91	24,494.08	49,140.66	7,123.16	9,791.16
Over 1 year and upto 3 years	25,399.16	142,388.42	31,416.18	45,702.96	6,961.77	7,214.19
Over 3 years and upto 5 years	2,089.71	86,220.11	12,138.67	17,452.55	3,478.53	4,938.59
Over 5 years	491,643.73	307,416.91	89,287.48	10,600.00	6,406.81	6,902.54
Total	821,971.55	707,946.59	275,484.67	185,133.86	82,037.78	75,810.30

1. Includes foreign currency balances.

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

3. Maturity profile of foreign currency assets and liabilities excludes off balance sheet items.

4. Listed equity investments (except strategic investments) have been considered at 50% haircut as per RBI directions.

5. Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors.

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b) Disclosure on Liquidity Coverage Ratio

Qualitative disclosure

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

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

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

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

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

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

The liquidity management of the Bank is undertaken by the Asset Liability Management group in the Treasury department in accordance with the Board approved policies and ALCO approved funding plans. The Risk department measures and monitors the liquidity profile of the Bank with reference to the Board approved limits, for both domestic as well as overseas operations, on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and periodical liquidity stress testing. Periodical reports are placed before the Bank's ALCO for perusal and review. As per RBI guidelines, Bank is required to maintain a minimum of 100% of Liquidity Coverage Ratio, which was applicable for all the quarters for the financial years ending on 31 March, 2023 and 31 March, 2022.

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



Quantitative disclosure

(₹ in crores)

	Quarter ended 31 March, 2023		Quarter ended 31 December, 2022		Quarter ended 30 September, 2022		Quarter ended 30 June, 2022	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLAs)		247,980.92		229,884.88		237,598.27		241,077.03
Cash Outflows								
2 Retail Deposits and deposits from small business customers, of which:	482,386.46	42,941.42	458,088.11	40,811.67	444,730.55	39,661.95	434,794.50	38,815.50
(i) Stable Deposits	105,944.55	5,297.23	99,942.78	4,997.14	96,222.15	4,811.11	93,279.05	4,663.95
(ii) Less Stable Deposits	376,441.91	37,644.19	358,145.33	35,814.53	348,508.40	34,850.84	341,515.45	34,151.55
3 Unsecured wholesale funding, of which :	247,110.11	138,553.33	244,431.24	141,002.94	243,921.59	144,433.65	260,388.97	156,086.76
(i) Operational deposits (all counterparties)	18,446.68	4,589.24	16,173.14	4,021.52	13,643.80	3,389.73	12,949.48	3,218.88
(ii) Non-operational deposits (all counterparties)	228,663.43	133,964.09	228,258.10	136,981.42	230,277.79	141,043.92	247,439.49	152,867.88
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding		-		-		-		-
5 Additional requirements, of which :	64,944.77	50,038.76	46,680.29	36,847.09	48,593.89	38,933.04	39,588.40	30,664.49
(i) Outflows related to derivative exposures and other collateral requirements	46,202.14	46,202.14	33,837.95	33,837.95	36,687.77	36,687.77	29,000.30	29,000.30
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	18,742.63	3,836.62	12,842.34	3,009.14	11,906.12	2,245.27	10,588.10	1,664.19
6 Other contractual funding obligations	22,167.78	22,167.78	22,461.87	22,461.87	19,014.77	19,014.77	20,490.11	20,490.11
7 Other contingent funding obligations	491,237.66	21,193.99	452,127.88	19,284.36	437,460.54	18,690.48	411,347.55	17,579.64
8 Total Cash Outflows		274,895.28		260,407.93		260,733.89		263,636.50
Cash Inflows								
9 Secured lending (eg. reverse repo)	4,496.71	-	126.77	-	143.14	-	11,613.11	-
10 Inflows from fully performing exposures	56,292.54	40,353.17	43,676.57	31,960.87	38,907.06	29,706.48	40,505.55	29,036.18
11 Other cash inflows	43,179.73	43,179.73	31,040.74	31,040.74	34,531.55	34,531.55	27,166.33	27,166.33
12 Total Cash Inflows	103,968.98	83,532.90	74,844.08	63,001.61	73,581.75	64,238.03	79,284.97	56,202.51
	Total adjusted Value		Total adjusted Value		Total adjusted Value		Total adjusted Value	
13 Total HQLA		247,980.92		229,884.88		237,598.27		241,077.03
14 Total Net Cash Outflows		191,362.38		197,406.32		196,495.86		207,433.99
15 Liquidity Coverage Ratio %		129.59%		116.45%		120.92%		116.22%

Notes:

- 1) Average for all the quarters is simple average of daily observations for the quarter
- 2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors

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(₹ in crores)

	Quarter ended 31 March, 2022		Quarter ended 31 December, 2021		Quarter ended 30 September, 2021		Quarter ended 30 June, 2021		
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLAs)	247,519.05	243,858.03	239,327.42	215,604.04				
Cash Outflows									
2	Retail Deposits and deposits from small business customers, of which:	427,301.99	38,166.88	416,235.28	36,428.42	404,815.33	32,975.93	393,015.07	31,905.43
	(i) Stable Deposits	91,266.46	4,563.32	103,902.27	5,195.11	150,112.00	7,505.60	147,921.57	7,396.08
	(ii) Less Stable Deposits	336,035.53	33,603.55	312,333.02	31,233.30	254,703.33	25,470.33	245,093.50	24,509.35
3	Unsecured wholesale funding, of which:	275,595.76	164,685.22	277,333.41	166,737.37	263,267.72	158,418.00	248,118.43	149,077.91
	(i) Operational deposits (all counterparties)	13,998.66	3,481.98	13,507.54	3,355.14	12,911.04	3,205.91	14,822.54	3,683.92
	(ii) Non-operational deposits (all counterparties)	261,597.10	161,203.23	263,825.86	163,382.23	250,356.68	155,212.09	233,295.90	145,393.99
	(iii) Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which:	49,452.02	39,248.16	44,090.15	34,903.07	53,274.72	45,430.44	45,505.58	38,769.72
	(i) Outflows related to derivative exposures and other collateral requirements	37,514.33	37,514.33	32,216.10	32,216.10	43,237.24	43,237.24	36,322.32	36,322.32
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	11,937.69	1,733.84	11,874.04	2,686.97	10,037.48	2,193.20	9,183.26	2,447.40
6	Other contractual funding obligations	20,496.92	20,496.92	20,039.81	20,039.81	16,014.46	16,014.46	14,118.16	14,118.16
7	Other contingent funding obligations	378,769.72	16,282.04	348,838.75	14,962.16	328,623.55	14,116.76	327,377.18	14,001.09
8	Total Cash Outflows	278,879.21	273,070.83	266,955.59	247,872.31				
Cash Inflows									
9	Secured lending (eg. reverse repo)	44,528.38	-	39,197.49	-	40,876.92	-	26,790.71	-
10	Inflows from fully performing exposures	42,763.59	30,232.20	39,012.96	27,802.71	37,294.78	26,247.60	34,658.60	24,525.66
11	Other cash inflows	35,641.28	35,641.28	30,448.63	30,448.63	41,507.53	41,507.53	34,458.32	34,458.32
12	Total Cash Inflows	122,933.26	65,873.48	108,659.07	58,251.33	119,679.23	67,755.13	95,907.63	58,983.98
		Total adjusted Value		Total adjusted Value		Total adjusted Value		Total adjusted Value	
13	Total HQLA		247,519.05		243,858.03		239,327.42		215,604.04
14	Total Net Cash Outflows		213,005.73		214,819.49		199,200.46		188,888.33
15	Liquidity Coverage Ratio %		116.20%		113.52%		120.14%		114.14%

Notes:

- 1) Average for all the quarters is simple average of daily observations for the quarter
- 2) Classification of inflows and outflows for determining the run off factors is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI, which has been relied upon by the auditors



3.3 Investments

a) Composition of Investments

As at 31 March, 2023

(₹ in crores)

	Investments in India						Investments outside India					Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government Securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	190,079.74	-	-	19,015.66	2,622.29	-	211,717.69	-	332.30	-	332.30	212,049.99
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	190,079.74	-	-	19,015.66	2,622.29	-	211,717.69	-	332.30	-	332.30	212,049.99
Available for Sale												
Gross	25,452.91	-	2,472.37	33,344.70	-	1,510.97	62,780.95	8,486.17	-	475.43	8,961.60	71,742.55
Less: Provision for non-performing investments (NPI)	-	-	(550.23)	(610.05)	-	(36.24)	(1,196.52)	-	-	(254.41)	(254.41)	(1,450.93)
Less: Provision for depreciation	(13.16)	-	(164.14)	(671.64)	-	(105.38)	(954.32)	1.47	-	(6.59)	(5.12)	(959.44)
Net	25,439.75	-	1,758.00	32,063.01	-	1,369.35	60,630.11	8,487.64	-	214.43	8,702.07	69,332.18
Held for Trading												
Gross	3,747.34	-	-	3,685.59	-	-	7,432.93	-	-	-	-	7,432.93
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation	(0.27)	-	-	-	-	-	(0.27)	-	-	-	-	(0.27)
Net	3,747.07	-	-	3,685.59	-	-	7,432.66	-	-	-	-	7,432.66
Total Investments												
Gross	219,279.99	-	2,472.37	56,045.95	2,622.29	1,510.97	281,931.57	8,486.17	332.30	475.43	9,293.90	291,225.47
Less: Provision for non-performing investments (NPI)	-	-	(550.23)	(610.05)	-	(36.24)	(1,196.52)	-	-	(254.41)	(254.41)	(1,450.93)
Less: Provision for depreciation	(13.43)	-	(164.14)	(671.64)	-	(105.38)	(954.59)	1.47	-	(6.59)	(5.12)	(959.71)
Net	219,266.56	-	1,758.00	54,764.26	2,622.29	1,369.35	279,780.46	8,487.64	332.30	214.43	9,034.37	288,814.83

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As at 31 March, 2022

(₹ in crores)

	Investments in India						Investments outside India					Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government Securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	172,227.05	-	-	18,043.03	2,215.65	0.27	192,486.00	-	332.30	-	332.30	192,818.30
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	172,227.05	-	-	18,043.03	2,215.65	0.27	192,486.00	-	332.30	-	332.30	192,818.30
Available for Sale												
Gross	42,146.43	-	2,553.56	26,834.46	-	1,814.03	73,348.48	5,670.56	-	506.49	6,177.05	79,525.53
Less: Provision for non-performing investments (NPI)	-	-	(788.70)	(1,097.37)	-	(131.53)	(2,017.60)	-	-	(245.12)	(245.12)	(2,262.72)
Less: Provision for depreciation	(12.86)	-	(5.90)	(46.41)	-	(321.59)	(386.76)	(0.80)	-	-	(0.80)	(387.56)
Net	42,133.57	-	1,758.96	25,690.68	-	1,360.91	70,944.12	5,669.76	-	261.37	5,931.13	76,875.25
Held for Trading												
Gross	4,732.53	-	-	1,171.12	-	-	5,903.65	-	-	-	-	5,903.65
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Net	4,732.53	-	-	1,171.12	-	-	5,903.65	-	-	-	-	5,903.65
Total Investments												
Gross	219,106.01	-	2,553.56	46,048.61	2,215.65	1,814.30	271,738.13	5,670.56	332.30	506.49	6,509.35	278,247.48
Less: Provision for non-performing investments (NPI)	-	-	(788.70)	(1,097.37)	-	(131.53)	(2,017.60)	-	-	(245.12)	(245.12)	(2,262.72)
Less: Provision for depreciation	(12.86)	-	(5.90)	(46.41)	-	(321.59)	(386.76)	(0.80)	-	-	(0.80)	(387.56)
Net	219,093.15	-	1,758.96	44,904.83	2,215.65	1,361.18	269,333.77	5,669.76	332.30	261.37	6,263.43	275,597.20



b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

Particulars	(₹ in crores)	
	31 March, 2023	31 March, 2022
A Movement of provisions held towards depreciation on investment		
Opening Balance	387.56	1,954.60
Add: Provisions made during the year ¹	790.63	-
Less: Write off/ write back of excess provisions during the year	(218.48)	(1,567.04)
Closing Balance	959.71	387.56
B Movement of Investment Fluctuation Reserve		
Opening Balance	1,709.00	1,254.00
Add : Amount transferred during the year	73.00	455.00
Less : Drawdown	-	-
Closing Balance	1,782.00	1,709.00
C Closing Balance in IFR as a percentage of closing balance of investments in AFS and HFT category (net of provision for depreciation and provision for non-performing investments)	2.32%	2.06%

1. including transfer from interest capitalization account

c) Sale and transfers to/from HTM category

During the years ended 31 March, 2023 and 31 March 2022, the value of sales/transfers of securities to/from HTM category (excluding one-time transfer of securities, additional shifting of securities explicitly permitted by RBI and sales to RBI under Open Market Operations (OMO) /Government Securities Acquisition Programme (GSAP)/Conversion/Switch auctions) did not exceed 5% of the book value of investments held in HTM category at the beginning of the year.

d) Non-SLR investment portfolio

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

Particulars	(₹ in crores)	
	31 March, 2023	31 March, 2022
Opening balance	3,031.21	2,633.15
Additions during the year	616.93	968.47
Reductions during the year	(2,063.00)	(570.41)
Closing balance	1,585.14	3,031.21
Total provisions held	1,450.93	2,262.72

ii) Issuer composition Non-SLR investments*:

As at 31 March, 2023		(₹ in crores)				
Sr. No.	Issuer	Total Amount	Extent of private placement	Extent of "below investment grade" securities	Extent of "unrated" securities	Extent of "unlisted" securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	Public Sector Units	3,862.12	3,526.63	84.70	-	1,520.20
ii.	Financial Institutions	5,137.01	4,460.31	77.06	-	-
iii.	Banks	7,735.19	6,860.40	-	-	905.83
iv.	Private Corporates	42,259.43	33,478.08	672.68	187.28	3,557.71
v.	Subsidiaries/Joint Ventures	2,954.59	2,954.59	-	-	2,954.59
vi.	Others	9,997.14	1,510.98	-	-	1,480.97
vii.	Provision held towards depreciation on investments	(946.28)	N.A.	N.A.	N.A.	N.A.
viii.	Provision held towards non performing investments	(1,450.93)	N.A.	N.A.	N.A.	N.A.
	Total	69,548.27	52,790.99	834.44	187.28	10,419.30

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

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As at 31 March, 2022

(₹ in crores)

Sr. No.	Issuer	Total Amount	Extent of private placement	Extent of "below investment grade" securities	Extent of "unrated" securities	Extent of "unlisted" securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	Public Sector Units	1,857.57	1,419.35	84.70	-	549.42
ii.	Financial Institutions	2,579.59	2,337.23	77.12	-	1,449.95
iii.	Banks	6,731.25	5,740.77	-	-	-
iv.	Private Corporates	37,940.26	28,518.20	1,319.64	667.96	4,120.04
v.	Subsidiaries/Joint Ventures	2,547.94	2,547.94	-	-	2,547.94
vi.	Others	7,484.86	1,814.30	-	-	1,814.30
vii.	Provision held towards depreciation on investments	(374.70)	N.A.	N.A.	N.A.	N.A.
viii.	Provision held towards non performing investments	(2,262.72)	N.A.	N.A.	N.A.	N.A.
Total		56,504.05	42,377.79	1,481.46	667.96	10,481.65

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

*excludes investments in non-SLR government securities amounting to ₹5,000.00 (previous year ₹5,000.00)

e) Repo Transactions (in face value terms)

Details of securities sold/purchased (in face value terms) under repos/reverse repos including LAF and MSF transactions (including Triparty repos and repos under Targeted Long Term Repo Operations and SDF under reverse repos):

Year ended 31 March, 2023

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31 March, 2023
Securities sold under repos				
i. Government Securities	7,389.35	43,001.88	26,321.49	7,389.35
ii. Corporate debt Securities	-	-	-	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repos				
i. Government Securities	-	57,252.69	4,174.23	10,958.46
ii. Corporate debt Securities	-	-	-	-
iii. Any other securities	-	-	-	-

There have been no defaults in making the same set of securities available at the time of 2nd leg settlement of the Term Reverse Repo during the year ended 31 March, 2023.

Year ended 31 March, 2022

(₹ in crores)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As at 31 March, 2022
Securities sold under repos				
i. Government Securities	17,364.93	41,087.22	20,070.86	24,543.08
ii. Corporate debt Securities	-	60.99	51.45	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repos				
i. Government Securities	11,995.59	57,467.38	36,808.01	48,016.50
ii. Corporate debt Securities	-	-	-	-
iii. Any other securities	-	-	-	-

There have been no defaults in making the same set of securities available at the time of 2nd leg settlement of the Term Reverse Repo during the year ended 31 March, 2022.



3.4 Asset Quality

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

(₹ in crores)

	31 March, 2023			
	Advances	Investments	Others ¹	Total
Gross NPAs as at the beginning of the year	18,565.63	3,031.21	225.48	21,822.32
Additions on account of acquisition ²	395.70	-	-	395.70
Intra Category Transfer	(90.65)	325.60	(234.95)	-
Additions (fresh NPAs) during the year	13,948.53	291.33	9.47	14,249.33
Sub-total (A)	32,819.21	3,648.14	-	36,467.35
Less:-				
(i) Upgradations	6,389.31	211.22	-	6,600.53
(ii) Recoveries (excluding recoveries made from upgraded accounts) ³	3,162.53	806.69	-	3,969.22
(iii) Technical/Prudential Write-offs	5,045.76	474.52	-	5,520.28
(iv) Write-offs other than those under (iii) above	1,202.52	570.57	-	1,773.09
Sub-total (B)	15,800.12	2,063.00	-	17,863.12
Gross NPAs as at the end of the year (A-B)	17,019.09	1,585.14	-	18,604.23

1. represents application money for investments

2. represents amount of gross NPAs acquired from Citibank India Consumer Business

3. includes recoveries from sale of NPAs

(₹ in crores)

	31 March, 2022			
	Advances	Investments	Others ¹	Total
Gross NPAs as at the beginning of the year	22,681.69	2,633.15	-	25,314.84
Intra Category Transfer	(221.25)	-	221.25	-
Additions (fresh NPAs) during the year	19,136.93	968.47	4.35	20,109.75
Sub-total (A)	41,597.37	3,601.62	225.60	45,424.59
Less:-				
(i) Upgradations	10,958.02	32.37	-	10,990.39
(ii) Recoveries (excluding recoveries made from upgraded accounts) ²	2,948.11	411.58	0.12	3,359.81
(iii) Technical/Prudential Write-offs	7,635.48	81.42	-	7,716.90
(iv) Write-offs other than those under (iii) above	1,490.13	45.04	-	1,535.17
Sub-total (B)	23,031.74	570.41	0.12	23,602.27
Gross NPAs as at the end of the year (A-B)	18,565.63	3,031.21	225.48	21,822.32

1. represents application money for investments

2. includes recoveries from sale of NPAs

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

(₹ in crores)

	31 March, 2023			
	Advances	Investments	Others ¹	Total
Opening balance at the beginning of the year	13,720.69	2,262.72	157.87	16,141.28
Provisions transferred on acquisition ²	203.59	-	-	203.59
Intra-Category Transfer	(90.65)	260.09	(169.44)	-
Provisions made during the year	6,355.89	280.11	-	6,636.00
Effect of exchange rate fluctuation	118.21	9.35	11.57	139.13
Transfer from restructuring provision	-	-	-	-
Write-offs/(write back) of excess provision	(6,875.29)	(1,361.34)	-	(8,236.63)
Closing balance at the end of the year	13,432.44	1,450.93	-	14,883.37

1. represents application money for investments

2. represents provisions transferred from Citibank India Consumer Business

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(₹ in crores)

	31 March, 2022			
	Advances	Investments	Others ¹	Total
Opening balance at the beginning of the year	16,043.23	2,145.75	-	18,188.98
Intra-Category Transfer	(88.50)	-	88.50	-
Provisions made during the year	7,366.06	258.01	65.02	7,689.09
Effect of exchange rate fluctuation	61.74	11.62	4.39	77.75
Transfer from restructuring provision	0.47	-	-	0.47
Write-offs/(write back) of excess provision ²	(9,622.31)	(152.66)	(0.04)	(9,815.01)
Closing balance at the end of the year	13,720.69	2,262.72	157.87	16,141.28

1. represents application money for investments
2. includes provision utilised for sale of NPAs amounting to ₹231.26 crores

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

(₹ in crores)

	31 March, 2023			
	Advances	Investments	Others ¹	Total
Opening balance at the beginning of the year	4,745.30	699.25	67.61	5,512.16
Additions on account of acquisition ²	192.11	-	-	192.11
Intra-Category Transfer	-	65.51	(65.51)	-
Additions during the year	7,592.64	11.22	9.47	7,613.33
Effect of exchange rate fluctuation	(118.21)	(9.35)	(11.57)	(139.13)
Reductions during the year	(8,924.83)	(701.66)	-	(9,626.49)
Interest Capitalisation – Restructured NPA Accounts	(47.90)	54.84	-	6.94
Closing balance at the end of the year³	3,439.11	119.81	-	3,558.92

1. represents application money for investments
2. represents additions to non-performing assets (net of provisions) transferred from Citibank India Consumer Business
3. after netting of balance in Sundries Account (Interest Capitalization - Restructured Accounts), in respect of NPA accounts amounting to ₹161.94 crores which is not recognized as income as per RBI guidelines

(₹ in crores)

	31 March, 2022			
	Advances	Investments	Others ¹	Total
Opening balance at the beginning of the year	6,584.59	408.93	-	6,993.52
Additions during the year	11,637.65	710.46	72.08	12,420.19
Effect of exchange rate fluctuation	(61.74)	(11.62)	(4.39)	(77.75)
Reductions during the year	(13,369.43)	(417.75)	(0.08)	(13,787.26)
Interest Capitalisation – Restructured NPA Accounts	(45.77)	9.23	-	(36.54)
Closing balance at the end of the year²	4,745.30	699.25	67.61	5,512.16

1. represents application money for investments
2. after netting of balance in Sundries Account (Interest Capitalization - Restructured Accounts), in respect of NPA accounts amounting to ₹168.88 crores which is not recognized as income as per RBI guidelines



iv) Classification of advances and provisions held

For the year 31 March, 2023

(₹ in crores)

	Standard	Non-Performing			Total	
	Total Standard Advances	Sub-standard	Doubtful	Loss		Total Non-Performing Advances
Gross Standard Advances and NPAs						
Opening Balance	702,953.91	3,852.85	8,109.54	6,603.24	18,565.63	721,519.54
Inter-Category transfer from/(to) Investments					(90.65)	
Add: Additions on account of acquisition ¹					395.70	
Add: Additions during the year					13,948.53	
Less: Reductions during the year*					(15,800.12)	
Closing Balance	841,866.98	3,888.81	7,223.19	5,907.09	17,019.09	858,886.07
*Reductions in Gross NPAs due to:						
i) Upgradation					(6,389.31)	
ii) Recoveries (excluding recoveries from upgraded accounts)					(3,162.53)	
iii) Technical/Prudential Write-offs					(5,045.76)	
iv) Write-offs other than (iii) above ²					(1,202.52)	
Provisions (excluding Floating Provisions)						
Opening Balance of Provisions held³	7,232.04	1,680.63	5,453.31	6,586.75	13,720.69	20,952.73
Inter category transfer from/(to) Investments & Others					(90.65)	
Add: Provisions transferred on acquisition ¹					203.59	
Add: Fresh provisions made during the year					6,355.89	
Effect of exchange rate fluctuation					118.21	
Transfer from restructuring provision					-	
Less: Excess Provision reversed/ Write-off loans					(6,875.29)	
Closing Balance of Provisions held³	7,815.83	1,999.97	5,549.73	5,882.74	13,432.44	21,248.27
Net NPAs						
Opening Balance		2,172.19	2,573.11	-	4,745.30	
Add: Additions (net of provisions) on account of acquisition ¹					192.11	
Add: Fresh Additions during the year					7,592.64	
Effect of exchange rate fluctuation					(118.21)	
Less: Reductions during the year					(8,924.83)	
Less: Interest Capitalisation - Restructured NPA Accounts					(47.90)	
Closing Balance⁴		1,888.00	1,551.11	-	3,439.11	
Floating Provisions						
Opening Balance						3.25
Add: Additional provisions made during the year						-
Less: Amount of drawn down during the year						-
Closing Balance of Floating provisions						3.25
Technical write-offs and recoveries made thereon (includes advances, investments and others)						
Opening balance of Technical/Prudential written-off accounts						36,255.53
Add: Technical/ Prudential write-offs during the year						5,520.28
Add: Effect of exchange rate fluctuation						520.59
Less: Recoveries made from previously technical/prudential written-off accounts during the year						(2,523.41)
Less: Accounts upgraded pursuant to implementation of resolution plan (change in ownership)						(124.96)
Less: Sacrifice made from previously technical/prudential written-off accounts during the year						(1,632.73)
Closing Balance						38,015.30

1. represents additions to non-performing assets/provisions transferred from Citibank India Consumer Business

2. including sale of NPAs

3. provision for standard advances includes provision on loans under moratorium as per RBI guidelines on COVID-19 regulatory package of ₹3,130.18 crores

4. after netting of balance in Sundries Account (Interest Capitalization - Restructured Accounts), in respect of NPA accounts amounting to ₹147.54 crores which is not recognized as income as per RBI guidelines

Standalone Financial Statements

For the year 31 March, 2022

(₹ in crores)

	Standard		Non-Performing		Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	607,822.57	6,140.99	8,962.55	7,578.15	22,681.69	630,504.26
Inter-Category transfer from/(to) Investments					(221.25)	
Add: Additions during the year					19,136.93	
Less: Reductions during the year*					(23,031.74)	
Closing Balance	702,953.91	3,852.85	8,109.54	6,603.24	18,565.63	721,519.54
*Reductions in Gross NPAs due to:						
i) Upgradation					(10,958.02)	
ii) Recoveries (excluding recoveries from upgraded accounts)					(2,948.11)	
iii) Technical/Prudential Write-offs					(7,635.48)	
iv) Write-offs other than (iii) above ¹					(1,490.13)	
Provisions (excluding Floating Provisions)						
Opening Balance of Provisions held²	7,002.38	2,333.19	6,161.02	7,549.02	16,043.23	23,045.61
Inter category transfer from/(to) Investments & Others					(88.50)	
Add: Fresh provisions made during the year					7,366.06	
Effect of exchange rate fluctuation					61.74	
Transfer from restructuring provision					0.47	
Less: Excess Provision reversed/ Write-off loans ³					(9,662.31)	
Closing Balance of Provisions held²	7,232.04	1,680.63	5,453.31	6,586.75	13,720.69	20,952.73
Net NPAs						
Opening Balance		3,783.20	2,801.39	-	6,584.59	
Add: Fresh Additions during the year					11,637.65	
Effect of exchange rate fluctuation					(61.74)	
Less: Reductions during the year					(13,369.43)	
Less: Interest Capitalisation - Restructured NPA Accounts					(45.77)	
Closing Balance⁴		2,172.19	2,573.11	-	4,745.30	
Floating Provisions						
Opening Balance						3.25
Add: Additional provisions made during the year						-
Less: Amount of drawn down during the year						-
Closing Balance of Floating provisions						3.25
Technical write-offs and recoveries made thereon (includes advances, investments and others)						
Opening balance of Technical/Prudential written-off accounts						31,855.92
Add: Technical/ Prudential write-offs during the year						7,716.90
Add: Effect of exchange rate fluctuation						219.51
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						(1,948.00)
Less: Accounts upgraded pursuant to implementation of resolution plan (change in ownership)						(27.59)
Less: Sacrifice made from previously technical/ prudential written-off accounts during the year						(1,561.21)
Closing Balance						36,255.53

1. including sale of NPAs

2. provision for standard advances includes provision on loans under moratorium as per RBI guidelines on COVID-19 regulatory package of ₹3,130.18 crores

3. includes provision utilised for sale of NPAs amounting to ₹231.26 crores

4. after netting of balance in Sundries Account (Interest Capitalization - Restructured Accounts), in respect of NPA accounts amounting to ₹99.64 crores which is not recognized as income as per RBI guidelines



v) Key NPA Ratios

Ratios (in percent)		31 March, 2023	31 March, 2022
i.	Gross non-performing advances to Gross Advances	1.98%	2.57%
ii.	Net non-performing advances to Net Advances	0.41%	0.67%
iii.	Provision Coverage ratio for non-performing advances (including prudential write offs)	93.71%	90.94%
iv.	Gross non-performing assets as a percentage of gross customer assets ¹	2.02%	2.82%
v.	Net non-performing assets as a percentage of net customer assets ¹	0.39%	0.73%

1. Customer assets include advances and credit substitutes

b) Sector-wise advances:

(₹ in crores)

Sr. No.	Sector	31 March, 2023			31 March, 2022		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	86,834.11	2,086.30	2.40%	56,553.19	2,091.90	3.70%
2	Advances to industries sector eligible as priority sector lending	75,105.29	960.83	1.28%	72,842.76	1,404.72	1.93%
	-Chemical & Chemical products	8,498.89	53.70	0.63%	7,342.63	68.60	0.93%
	-Basic Metal & Metal Products	8,540.99	92.56	1.08%	6,419.34	110.06	1.71%
	-Infrastructure	5,234.93	28.25	0.54%	3,429.68	43.49	1.27%
3	Services	49,011.41	612.87	1.33%	52,894.43	785.23	1.48%
	-Banking and Finance other than NBFCs and MFs	740.27	-	-	3,200.45	-	-
	-Non-banking financial companies (NBFCs)	531.12	42.04	7.92%	6,728.98	11.04	0.16%
	-Commercial Real Estate	7,330.22	5.33	0.07%	6,658.02	21.35	0.32%
	-Trade	21,912.42	326.66	1.49%	20,086.34	563.67	2.81%
4	Personal loans	98,712.43	1,073.53	1.09%	75,003.40	1,185.01	1.58%
	-Housing*	62,261.29	657.13	1.06%	49,092.20	624.70	1.27%
	-Vehicle Loans	14,626.21	252.01	1.72%	12,897.12	426.45	3.31%
	Sub-total (A)	309,663.24	4,733.53	1.53%	257,293.78	5,466.86	2.12%
B	Non Priority Sector						
1	Agriculture and allied activities	-	-	-	1,490.50	25.96	1.74%
2	Industry	166,095.59	6,646.20	4.00%	145,657.30	7,933.04	5.45%
	-Chemical & Chemical products	21,606.98	50.33	0.23%	15,394.89	604.24	3.92%
	-Basic Metal & Metal Products	19,668.12	34.60	0.18%	20,507.85	34.28	0.17%
	-Infrastructure	66,537.30	2,440.32	3.67%	59,404.55	3,071.15	5.17%
3	Services	113,323.12	2,804.30	2.44%	83,671.49	3,031.14	3.62%
	-Banking and Finance other than NBFCs and MFs	18,978.64	0.83	0.00%	25,132.19	74.29	0.30%
	-Non-banking financial companies (NBFCs)	24,836.89	109.05	0.44%	12,586.98	79.35	0.63%
	-Commercial Real Estate	22,302.37	702.21	3.15%	16,984.64	1,174.48	6.91%
	-Trade	20,677.68	732.45	3.54%	13,450.26	730.59	5.43%
4	Personal loans	269,804.12	2,835.06	1.05%	233,657.11	2,108.63	0.90%

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(₹ in crores)

Sr. No.	Sector	31 March, 2023			31 March, 2022		
		Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
	-Housing*	149,550.88	1,218.09	0.81%	133,646.04	1,277.85	0.96%
	-Vehicle Loans	27,998.16	517.12	1.85%	24,739.12	334.04	1.35%
	Sub-total (B)	549,222.83	12,285.56	2.24%	464,476.40	13,098.77	2.82%
	Total (A+B)	858,886.07	17,019.09	1.98%	721,770.18	18,565.63	2.57%

* includes loan against property

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

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

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

(₹ in crores)

Particulars	31 March, 2023	31 March, 2022
Total assets	51,390.81	57,961.69
Total NPAs (Gross)	1,696.27	2,377.67
Total NPAs (Net)	58.67	481.07
Total revenue	2,120.25	901.88

d) Particulars of resolution plan and restructuring

i) Disclosure with regard to implementation of resolution plan as required under RBI circular for Resolution of Stressed Assets:

As on/for the year ended 31 March, 2023

(Amount in ₹ in crores)

Particulars	Resolution plan implemented during the year	Resolution plan not implemented within specified timelines as on 31 March, 2023
No. of borrowers ¹	2	23
Fund and non-fund based outstanding as on 31 March, 2023 ²	492.96	3,236.38
Additional provisions held as per RBI guidelines	108.16	244.88

1. includes prudentially written-off accounts and accounts settled pursuant to implementation of resolution plan

2. excluding fund based outstanding for prudentially written off cases and outstanding in equity shares

As on/for the year ended 31 March, 2022

(Amount in ₹ in crores)

Particulars	Resolution plan implemented during the year	Resolution plan not implemented within specified timelines as on 31 March, 2022
No. of borrowers ¹	4	22
Fund based outstanding as on 31 March, 2022 ²	1,390.45	3,636.18
Additional provisions held as per RBI guidelines	N.A.	591.33

1. includes prudentially written-off accounts and accounts settled pursuant to implementation of resolution plan

2. excluding outstanding for prudentially written off cases and outstanding in equity shares


 ii) **Details of accounts subjected to restructuring^{1,2,3,4}**

(Amount in ₹ crores)

		Agriculture and allied activities		Corporate (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		As on 31 March, 2023	As on 31 March, 2022	As on 31 March, 2023	As on 31 March, 2022	As on 31 March, 2023	As on 31 March, 2022	As on 31 March, 2023	As on 31 March, 2022	As on 31 March, 2023	As on 31 March, 2022
Standard	Number of borrowers*	2	196	3	2	5,241	17,767	3	29	5,249	17,994
	Gross amount	0.09	18.55	613.41	193.08	453.90	806.66	0.35	2.46	1,067.75	1,020.75
	Provision held	0.00 ⁶	0.93	30.67	9.65	137.48	248.65	0.02	0.15	168.17	259.38
Sub-standard	Number of borrowers*	7	39	-	-	4,808	12,971	778	15	5,593	13,025
	Gross amount	0.44	3.79	-	-	94.38	61.26	10.88	1.34	105.70	66.39
	Provision held	0.13	1.14	-	-	46.03	38.77	10.80	0.54	56.96	40.45
Doubtful	Number of borrowers*	33	91	-	2	18,198	14,290	43	5	18,274	14,388
	Gross amount	3.24	8.37	-	592.58	70.89	34.65	6.65	0.71	80.78	636.31
	Provision held	2.45	6.99	-	228.91	50.53	17.52	4.64	0.50	57.62	253.92
Loss	Number of borrowers*	1	14	3	5	7,801	13,511	18	3	7,823	13,533
	Gross amount	3.98	27.96	463.26	540.37	12.50	17.75	0.27	0.79	480.01	586.87
	Provision held ⁵	3.98	27.96	459.22	535.23	12.34	17.64	0.27	0.79	475.81	581.62
Total	Number of borrowers*	43	340	6	9	36,048	58,539	842	52	36,939	58,940
	Gross amount	7.75	58.67	1,076.67	1,326.03	631.67	920.32	18.15	5.30	1,734.24	2,310.32
	Provision held ⁵	6.57	37.02	489.89	773.79	246.38	322.58	15.73	1.98	758.57	1,135.37

* while reporting number of borrowers, restructured accounts of same borrowers under different category are reported only under one category & Denotes amount less than ₹50,000/-

1. Excludes prudentially written-off accounts
2. Excludes accounts where resolution plan is implemented under RBI Resolution Framework for COVID-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0). [Refer note 18 (4.4) (h)]
3. Includes accounts where restructuring is implemented under RBI circular for Resolution of Stressed Assets (excluding cases of change in ownership)
4. Includes restructured portfolio transferred pursuant to acquisition of Citibank India Consumer Business
5. Excluding balance outstanding in Sundries Account (Interest Capitalization - Restructured Accounts), in respect of NPA accounts which is not recognized as income as per RBI guidelines

 e) **Divergence in asset classification and provisioning**

In terms of RBI guidelines, banks are required to disclose the divergences in asset classification and provisioning consequent to RBI's annual supervisory process in their notes to accounts to the financial statements. The disclosure is required if either or both of the following conditions are satisfied: (a) the additional provisioning for NPAs assessed by RBI exceeds 10% of the reported profit before provisions and contingencies for the reference period and (b) the additional Gross NPAs identified by RBI exceed 10% or 15% of the published incremental Gross NPAs for the reference period ended 31 March, 2022 and 31 March, 2021 respectively.

Based on the above, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's annual supervisory process for the year ended 31 March, 2022 and 31 March, 2021.

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f) Disclosure on transfer of loan exposures

i) Details of loans not in default acquired and transferred during the year ended 31 March, 2023 and 31 March, 2022 under the RBI Master Direction on Transfer of Loan Exposure dated 24 September, 2021 are given below :

a) Details of loans not in default acquired from other entities:

Particulars	31 March, 2023		31 March, 2022	
	Corporate	Retail	Corporate	Retail
Mode of acquisition	Assignment and Novation	Assignment	Assignment and Novation	Assignment
Aggregate Principal outstanding of loans acquired	₹3,388.77 crores	₹566.74 crores	₹1,563.57 crores	₹1,883.50 crores
Weighted average residual maturity	7.10 years	9.31 years	10.38 years	11.97 years
Weighted average holding period	N.A.	N.A.	N.A.	N.A.
Retention of beneficial economic interest by the originator	N.A.	10%	N.A.	5%-10%
Coverage of tangible security (for secured loans)	95% secured	Weighted average LTV ~ 50%	100% secured	Weighted average LTV ~ 40%
Rating-wise ¹ distribution of loans acquired by value				
- A- and above	88%	N.A.	75%	N.A.
- BBB and BBB+	11%	N.A.	25%	N.A.
- SME -1 and SME -3	1%	N.A.	-	N.A.

1. Represents internal rating

b) Details of loans not in default transferred to other entities:

Particulars	31 March, 2023		31 March, 2022	
	Corporate	Retail	Corporate	Retail
Mode of transfer	Assignment and Novation	-	Assignment and Novation	-
Aggregate Principal outstanding of loans acquired	₹7,814.41 crores	-	₹5,068.01 crores	-
Weighted average residual maturity	N.A.	N.A.	N.A.	N.A.
Weighted average holding period (for assignment transactions)	1.36 years	-	2.08 years	-
Retention of beneficial economic interest	Nil	-	Nil	-
Coverage of tangible security (for secured loans)	96% secured	-	100% secured	-
Rating-wise ¹ distribution of loans transferred by value				
- A- and above	97%	N.A.	100%	N.A.
- BBB+	3%	N.A.	-	N.A.

1. Represents internal rating

ii) Details of stressed loans acquired and transferred during the year ended 31 March, 2023 and 31 March, 2022 under the RBI Master Direction on Transfer of Loan Exposure dated 24 September, 2021 are given below:

a) The Bank has not acquired any stressed loans (NPA and SMA accounts) during the year ended 31 March, 2023 and 31 March, 2022.

b) Details of stressed loans transferred (excluding prudentially written off accounts):



During the year ended 31 March, 2023

(₹ in crores)

	To ARCs		To permitted transferees		To other transferees	
	NPA	SMA	NPA	SMA	NPA	SMA
No. of accounts	1	-	-	-	-	-
Aggregate principal outstanding of loans transferred (on the date of transfer)	₹4.52	-	-	-	-	-
Weighted average residual tenor of the loans transferred	N.A.	-	-	-	-	-
Net book value of the loans transferred (at the time of transfer)	-	-	-	-	-	-
Aggregate consideration	₹4.55	-	-	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-	-

During the year ended 31 March, 2022

(₹ in crores)

	To ARCs		To permitted transferees		To other transferees	
	NPA	SMA	NPA	SMA	NPA	SMA
No. of accounts	1	-	-	-	-	-
Aggregate principal outstanding of loans transferred (on the date of transfer)	₹215.78	-	-	-	-	-
Weighted average residual tenor of the loans transferred	N.A.	-	-	-	-	-
Net book value of the loans transferred (at the time of transfer)	-	-	-	-	-	-
Aggregate consideration	₹63.40	-	-	-	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-	-

iii) Details on recovery ratings assigned for Security Receipts:

The Bank has not made any investment in Security Receipts during the year ended 31 March, 2023 and the book value of outstanding Security Receipts as on 31 March, 2023 is Nil.

The Bank has not made any investment in Security Receipts during the year ended 31 March, 2022 and the book value of outstanding Security Receipts as on 31 March, 2022 is as under:

(₹ in crores)

Recovery ratings ¹	Anticipated recovery as per recovery rating	Book value ²
RRI	100%-150%	236.21
Total		236.21

1. Recovery rating is as assigned by various external agencies

2. The Bank has not made any investment in Security Receipts during the year ended 31 March, 2022 and holds full provision against the outstanding Security Receipts as on 31 March, 2022

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g) Disclosure on provisioning pertaining to fraud accounts

(₹ in crores)

Particulars	31 March, 2023	31 March, 2022
Number of frauds reported during the year ¹	7,865	6,125
Amounts involved net of recoveries/write-offs	172.54	209.43
Provisions held at the beginning of the year	26.19	18.63
Provisions made during the year	94.43	172.83
Balance held in interest capitalisation accounts	-	-
Provisions held at the end of the year ²	120.62	191.46
Unamortised provision debited from 'other reserves' as at the end of the year	-	-

1. Excluding 121 cases of advances (previous year 108 cases) amounting to ₹133.69 crores (previous year ₹621.65 crores) reported as fraud during the year and subsequently prudentially written off within the financial year
2. In respect of frauds related to advances, the Bank undertakes 100% provisioning of the outstanding amount once the borrower account is classified as fraud in line with RBI guidelines. In respect of other frauds, provision is made where the claim has been admitted and the Bank is under an obligation to settle the same. In all other cases declared as fraud but where claim is not admitted, no provision is required to be made. The number of frauds reported during the year include 7,271 cases amounting to ₹51.92 crores where claim has not been admitted by the Bank (previous year 3,044 cases amounting to ₹17.97 crores)

h) Disclosure under Resolution Framework for COVID-19-related Stress

For the year ended on 31 March, 2023

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for COVID-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0) during the half year ended 30 September, 2022:

(₹ in crores except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31 March, 2022 (A) ¹	Of (A+B), aggregate debt that slipped into NPA during H1 FY23	Of (A+B) amount written off during H1 FY23	Of (A+B) amount paid by the borrowers during H1 FY23 ²	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 30 September, 2022 ¹
Personal Loans ³	2,907.69	233.37	46.14	275.35	2,352.83
Corporate persons	1,121.09	419.22	-	58.44	643.43
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	4,028.78	652.59	46.14	333.79	2,996.26

1. Represents fund based outstanding balance of standard accounts
2. Represents net movement in balance outstanding
3. Personal loans represent retail advances



Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for COVID-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0) during the half year ended 31 March, 2023:

(₹ in crores except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 30 September, 2022 (A) ¹	Accounts transferred pursuant to acquisition of Citibank India Consumer Business - Position as at ¹	Of (A), aggregate debt that slipped into NPA during H2 FY23	Of (A) amount written off during H2 FY23	Of (A) amount paid by the borrowers during H2 FY23 ²	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31 March, 2023 ¹
Personal Loans ³	2,352.83	3.69	192.97	73.87	255.01	1,834.67
Corporate persons	643.43	-	16.08	125.52	289.89	211.94
Of which, MSMEs	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	2,996.26	3.69	209.05	199.39	544.90	2,046.61

1. Represents fund based outstanding balance of standard accounts
2. Represents net movement in balance outstanding
3. Personal loans represent retail advances

For the year ended 31 March, 2022

Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for COVID-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) during the half year ended 30 September, 2021:

(₹ in crores except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31 March, 2021 (A) ^{1,2}	Of (A), aggregate debt that slipped into NPA during the H1 FY22	Of (A) amount written off during H1 FY22	Of (A) amount paid by the borrowers during H1 FY22 ³	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31 March, 2021 ⁴
Personal Loans	484.31	45.77	26.51	45.23	366.80
Corporate persons	1,620.49	-	-	99.61	1,520.88
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	2,104.80	45.77	26.51	144.84	1,887.68

1. Includes cases where resolution plan is implemented after 31 March, 2021
2. Represents fund based outstanding before the date of implementation of resolution plan
3. Represents net movement in balance outstanding
4. Represents fund based outstanding balance of standard accounts as on 30 September, 2021

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Movement in position of accounts where resolution plan is implemented under RBI Resolution Framework for COVID-19 related stress as per RBI circular dated 6 August, 2020 (Resolution Framework 1.0) and 5 May, 2021 (Resolution Framework 2.0) during the half year ended 31 March, 2022:

Type of borrower	(₹ in crores except number of accounts)				
	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 30 September, 2021 (A) ^{1,2}	Of (A), aggregate debt that slipped into NPA during H2 FY22	Of (A) amount written off during H2 FY22	Of (A) amount paid by the borrowers during H2 FY22 ³	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at 31 March, 2022 ²
Personal Loans ⁴	3,088.95	85.44	11.32	84.50	2,907.69
Corporate persons	1,536.22	307.06	-	108.07	1,121.09
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	4,625.17	392.50	11.32	192.57	4,028.78

1. Includes cases where resolution plan is implemented after 30 September, 2021
2. Represents fund based outstanding balance of standard accounts
3. Represents net movement in balance outstanding
4. Personal loans represent retail advances

i) During the years ended 31 March, 2023 and 31 March, 2022 none of the loans and advances held at overseas branches of the Bank have been classified as NPA by any host banking regulator for reasons other than record of recovery.

3.5 Exposures

a) Exposure to Real Estate sector

Category	(₹ in crores)	
	31 March, 2023	31 March, 2022
1) Direct Exposure		
(i) Residential mortgages	205,851.48	186,319.92
- of which housing loans eligible for inclusion in priority sector advances	53,771.99	49,481.10
(ii) Commercial real estate	52,031.70	33,357.52
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial real estate	-	-
2) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	29,143.30	25,377.34
Total Exposure to Real Estate Sector	287,026.48	245,054.78



b) Exposure to Capital Market

(₹ in crores)

Category	31 March, 2023	31 March, 2022
1. Direct investments in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt ¹	2,128.35	2,641.05
2. Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	1.94	1.31
3. Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds are taken as primary security	2,153.40	2,502.29
4. Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds i.e. where primary security other than shares/convertible bonds/convertible debentures/units of equity-oriented mutual funds does not fully cover the advances	223.52	139.43
5. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	14,725.90	9,968.28
6. Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	235.13	704.66
7. Bridge loans to companies against expected equity flows/issues	-	-
8. Underwriting commitments taken up in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity-oriented mutual funds	-	-
9. Financing to stock brokers for margin trading	-	-
10. All exposures to Venture Capital Funds (both registered and unregistered) including capital contribution to LLP	530.95	501.19
Total exposure to Capital Market (Total of 1 to 10)	19,999.19	16,458.21

1. excludes investment in equity shares on account of conversion of debt into equity as part of restructuring amounting to ₹805.55 crores as on 31 March, 2023 (previous year ₹718.35 crores) which are exempted from exposure to Capital Market

c) Details of Risk Category wise Country Exposure

(₹ in crores)

Risk Category ¹	Exposure (Net) as at 31 March, 2023	Provision Held as at 31 March, 2023	Exposure (Net) as at 31 March, 2022	Provision Held as at 31 March, 2022
Insignificant	-	-	-	-
Low	29,368.12	27.44	23,771.90	18.97
Moderate	1,841.20	-	3,474.93	-
High	1,316.05	-	1,224.43	-
Very High	748.65	-	2,094.28	-
Restricted	81.34	-	9.82	-
Off-Credit	-	-	-	-
Total	33,355.36	27.44	30,575.36	18.97

1. Risk categorization is based on the methodology as internally adopted by the Bank

d) Unsecured Advances

(₹ in crores)

Particulars	31 March, 2023	31 March, 2022
Total unsecured advances of the Bank	236,920.33	169,308.75
Out of the above, amount of advances for which securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

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e) Factoring Exposures

As on 31 March, 2023, exposures under factoring stood at ₹12,005.46 crores (previous year ₹7,113.56 crores)

f) Disclosure on Intra-Group Exposures¹

Particulars	(₹ in crores)	
	31 March, 2023	31 March, 2022
Total amount of intra-group exposures	10,782.09	5,822.48
Total amount of top-20 intra-group exposures	10,782.09	5,822.48
Percentage of intra-group exposures to total exposure of the Bank on borrowers/customers	0.67	0.46

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

During the years ended 31 March, 2023 and 31 March, 2022, the intra-group exposures were within the limits specified by RBI.

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

g) Unhedged foreign currency exposures

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

Particulars	(₹ in crores)	
	31 March, 2023	31 March, 2022
Incremental capital held as at 31 March	1,418.94	1,275.66
Provision/(Write back of provision) made during the year	33.60	(61.82)
Cumulative provision held as at 31 March ¹	309.64	273.97

1. Includes provision of ₹2.07 crores transferred on acquisition of Citibank India Consumer Business

3.6 Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

Particulars	(₹ in crores)	
	31 March, 2023	31 March, 2022
Total deposits of twenty largest depositors	85,003.09	82,948.94
Percentage of deposits of twenty largest depositors to total deposits	8.98	10.09

b) Concentration of advances¹

Particulars	(₹ in crores)	
	31 March, 2023	31 March, 2022
Total advances to twenty largest borrowers	124,260.14	109,406.53
Percentage of advances to twenty largest borrowers to total advances	8.08	9.13

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

c) Concentration of exposures¹

	(₹ in crores)	
	31 March, 2023	31 March, 2022
Total exposure to twenty largest borrowers/customers	138,084.13	131,779.47
Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers	8.63	10.42

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

d) Concentration of NPAs

	(₹ in crores)	
	31 March, 2023	31 March, 2022
Total exposure to the top twenty NPA accounts ¹	7,541.48	8,363.27
Percentage exposures of the twenty largest NPA exposures to total gross NPAs ²	37.95	36.27

1. represents fund based and non-fund based outstanding and non-performing investments

2. percentage is computed based on outstanding of top twenty NPA accounts (excluding non-fund based outstanding) to gross NPAs

3.7 Derivatives

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

An 'IRS' is a financial contract between two parties exchanging or swapping a stream of interest payments for a 'notional principal' amount on multiple occasions during a specified period. The Bank deals in interest rate benchmarks like Mumbai Inter-Bank Offered Rate (MIBOR), Indian Government Securities Benchmark Rate (INBMK), Mumbai Inter-Bank Forward Offer Rate (MIFOR), Modified MIFOR, Alternative Reference Rates (ARR) and London Inter-Bank Offered Rate (LIBOR) of various currencies. Pursuant to RBI guidelines on Roadmap for LIBOR transition all new deals are being offered on Modified MIFOR and ARR interest rates benchmarks as published by the regulators of respective currencies. Deals outstanding in MIFOR and LIBOR interest rate benchmarks prior to the transition will continue till their respective maturities.

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

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

		(₹ in crores)	
Sr. No.	Items	As at 31 March, 2023	As at 31 March, 2022
i)	Notional principal of swap agreements	581,830.40	542,412.55
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	9,028.10	6,344.03
iii)	Collateral required by the Bank upon entering into swaps	1,862.88	699.87
iv)	Concentration of credit risk arising from the swaps		
	Maximum single industry exposure with Banks (previous year with Banks)		
-	Interest Rate Swaps/FRAs	3,698.89	2,340.27
-	Cross Currency Swaps	3,973.03	3,694.49
v)	Fair value of the swap book (hedging & trading)		
-	Interest Rate Swaps/FRAs	251.91	139.59
-	Currency Swaps	(336.95)	391.96

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The nature and terms of the IRS as on 31 March, 2023 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	5	214.47	EURIBOR	Fixed Receivable v/s Floating Payable
Trading	120	23,284.81	LIBOR	Fixed Receivable v/s Floating Payable
Trading	3,659	151,181.89	MIBOR	Fixed Receivable v/s Floating Payable
Trading	452	32,513.94	MIFOR	Fixed Receivable v/s Floating Payable
Trading	300	22,535.00	MOD MIFOR	Fixed Receivable v/s Floating Payable
Trading	79	21,918.43	SOFR	Fixed Receivable v/s Floating Payable
Trading	2	261.46	SONIA	Fixed Receivable v/s Floating Payable
Trading	2	270.13	ESTR	Fixed Receivable v/s Floating Payable
Trading	8	1,547.58	EURIBOR	Floating Receivable v/s Fixed Payable
Trading	4	650.00	INBMK	Floating Receivable v/s Fixed Payable
Trading	178	35,651.53	LIBOR	Floating Receivable v/s Fixed Payable
Trading	3,570	150,683.86	MIBOR	Floating Receivable v/s Fixed Payable
Trading	208	19,973.24	MIFOR	Floating Receivable v/s Fixed Payable
Trading	179	13,992.00	MOD MIFOR	Floating Receivable v/s Fixed Payable
Trading	115	24,785.35	SOFR	Floating Receivable v/s Fixed Payable
Trading	2	203.30	SONIA	Floating Receivable v/s Fixed Payable
Trading	4	154.02	TONAR	Floating Receivable v/s Fixed Payable
Trading	3	372.10	ESTR	Floating Receivable v/s Fixed Payable
Trading	7	443.52	MIOIS	Floating Receivable v/s Fixed Payable
Trading	32	12,736.35	LIBOR	Floating Receivable v/s Floating Payable
Trading	4	1,479.06	SOFR	Floating Receivable v/s Floating Payable
	8,933	514,852.04		

The nature and terms of the IRS as on 31 March, 2022 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Hedging	11	3,789.63	LIBOR	Fixed Receivable v/s Floating Payable
Trading	177	32,067.70	LIBOR/EURIBOR	Fixed Receivable v/s Floating Payable
Trading	13	5,472.22	SOFR	Fixed Receivable v/s Floating Payable
Trading	1	248.64	SONIA	Fixed Receivable v/s Floating Payable
Trading	3,329	145,206.43	MIBOR	Fixed Receivable v/s Floating Payable
Trading	632	45,489.71	MIFOR	Fixed Receivable v/s Floating Payable
Trading	63	5,660.00	MOD MIFOR	Fixed Receivable v/s Floating Payable
Trading	4	650.00	INBMK	Floating Receivable v/s Fixed Payable
Trading	246	47,414.65	LIBOR/EURIBOR	Floating Receivable v/s Fixed Payable
Trading	5	416.86	SOFR	Floating Receivable v/s Fixed Payable
Trading	3,311	145,865.23	MIBOR	Floating Receivable v/s Fixed Payable
Trading	317	28,829.68	MIFOR	Floating Receivable v/s Fixed Payable
Trading	43	4,310.00	MOD MIFOR	Floating Receivable v/s Fixed Payable
Trading	37	13,491.07	LIBOR	Floating Receivable v/s Floating Payable
	8,189	478,911.82		



The nature and terms of the FRA as on 31 March, 2023 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	11	505.00	BOND	Fixed Receivable v/s Floating Payable
	11	505.00		

The nature and terms of the FRA as on 31 March, 2022 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
-	-	-	-	-
	-	-		

The nature and terms of the CCS as on 31 March, 2023 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	103	16,610.53	Principal & Coupon Swap	Fixed Payable v/s Fixed Receivable
Trading	92	9,977.53	LIBOR/EURIBOR/SOFR	Fixed Receivable v/s Floating Payable
Trading	74	12,887.76	LIBOR/EURIBOR/ MIBOR/SOFR	Floating Receivable v/s Fixed Payable
Trading	43	13,407.93	LIBOR/MIFOR/ EURIBOR	Floating Receivable v/s Floating Payable
Trading	45	9,509.99	Principal Only	Fixed Receivable
Trading	22	4,079.62	Principal Only	Fixed Payable
	379	66,473.36		

The nature and terms of the CCS as on 31 March, 2022 are set out below:

(₹ in crores)

Nature	Nos.	Notional Principal	Benchmark	Terms
Trading	140	19,929.99	Principal & Coupon Swap	Fixed Payable v/s Fixed Receivable
Trading	91	10,305.61	LIBOR/EURIBOR/ MIBOR	Fixed Receivable v/s Floating Payable
Trading	60	9,995.85	LIBOR/EURIBOR	Floating Receivable v/s Fixed Payable
Trading	48	15,853.76	LIBOR/MIFOR/ EURIBOR/MIBOR	Floating Receivable v/s Floating Payable
Trading	36	3,805.33	Principal Only	Fixed Receivable
Trading	24	3,610.19	Principal Only	Fixed Payable
	399	63,500.73		

b) Exchange Traded Interest Rate Derivatives

For the year ended 31 March, 2023

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2023
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year	
	TUM2 - 2 years US Note - June 2022	843.06
	FVM2 - 5 years US Note - June 2022	70.67
	TYM2 - 10 years US Note - June 2022	377.16
	TUU2 - 2 years US Note - September 2022	295.81
	FVU2 - 5 years US Note - September 2022	141.33
	TYU2 - 10 years US Note - September 2022	491.38
	TUZ2 - 2 years US Note - December 2022	42.73
	FVZ2 - 5 years US Note - December 2022	225.15
	TYZ2 - 10 years US Note - December 2022	315.53

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(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2023
	TUH3 - 2 years US Note - March 2023	42.73
	FVH3 - 5 years US Note - March 2023	382.91
	TYH3 - 10 years US Note - March 2023	438.79
	TUM3 - 2 years US Note - June 2023	626.14
	FVM3 - 5 years US Note - June 2023	69.84
	TYM3 - 10 years US Note - June 2023	179.13
		4,542.36
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2023	
	TUM3 - 2 years US Note - June 2023	47.66
	FVM3 - 5 years US Note - June 2023	69.84
	TYM3 - 10 years US Note - June 2023	70.67
		188.17
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2023 and "not highly effective"	N.A.
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March, 2023 and "not highly effective"	N.A.

For the year ended 31 March, 2022

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2022
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year	
	TUM1 - 2 years US Note - June 2021	462.33
	FVM1 - 5 years US Note - June 2021	73.52
	TYM1 - 10 years US Note - June 2021	238.75
	TUU1 - 2 years US Note - September 2021	666.97
	FVU1 - 5 years US Note - September 2021	219.80
	TYU1 - 10 years US Note - September 2021	372.90
	TUZ1 - 2 years US Note - December 2021	666.97
	FVZ1 - 5 years US Note - December 2021	219.80
	TYZ1 - 10 years US Note - December 2021	303.17
	TUH2 - 2 years US Note - March 2022	666.97
	FVH2 - 5 years US Note - March 2022	181.90
	TYH2 - 10 years US Note - March 2022	392.61
	TUM2 - 2 years US Note - June 2022	113.69
	FVM2 - 5 years US Note - June 2022	154.62
	TYM2 - 10 years US Note - June 2022	258.45
		4,992.45
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2022	
	TUM2 - 2 years US Note - June 2022	22.74
	FVM2 - 5 years US Note - June 2022	65.18
	TYM2 - 10 years US Note - June 2022	108.38
		196.30
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March, 2022 and "not highly effective"	N.A.
iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding as on 31 March, 2022 and "not highly effective"	N.A.



c) **Disclosure on risk exposure in Derivatives**

Qualitative disclosures:

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

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

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

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

The derivative transactions are governed by the Derivative policy, Suitability and Appropriateness Policy for derivative products, Market risk management policy, Hedging policy and the Asset Liability Management (ALM) policy of the Bank as well as by the extant RBI guidelines. The Bank has implemented policy on customer suitability & appropriateness to ensure that derivative transactions entered into are appropriate and suitable to the customer. The Bank has put in place a detailed process flow on documentation for customer derivative transactions for effective management of operational/reputation/compliance risk.

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

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

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

The Hedging Policy of the Bank governs the use of derivatives for hedging purpose. Subject to the prevailing RBI guidelines, the Bank deals in derivatives for hedging fixed rate and floating rate coupon or foreign currency assets/

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liabilities. Transactions for hedging and market making purposes are recorded separately. For hedge transactions, the Bank identifies the hedged item (asset or liability) at the inception of the transaction itself. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. Hedge derivative transactions are accounted for in accordance with the hedge accounting principles. Derivatives for market making purpose are marked to market and the resulting gain/loss is recorded in the Profit and Loss Account. The premium on option contracts is accounted for as per FEDAI guidelines. Derivative transactions are covered under International Swaps and Derivatives Association (ISDA) master agreements with respective counterparties. The exposure on account of derivative transactions is computed as per the RBI guidelines and is marked against the Loan Equivalent Risk (LER) limits approved for the respective counterparties.

(c) Provisioning, collateral and credit risk mitigation

Derivative transactions comprise of swaps, FRAs, futures, forward contracts and options which are disclosed as contingent liabilities. Trading swaps/FRAs/futures/options/forward contracts are revalued at the Balance Sheet date with the resulting unrealised gain or loss being recognised in the Profit and Loss Account and correspondingly in other assets or other liabilities respectively. Hedged swaps are accounted for as per the RBI guidelines. In accordance with RBI guidelines, any receivables (crystallised receivables and positive MTM) under derivatives contracts, which remain overdue for more than 90 days, are reversed through the Profit and Loss Account and are held in a separate Suspense Account.

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

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

Quantitative disclosure on risk exposure in derivatives¹:

(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2023			
		Currency Derivatives			Interest rate Derivatives
		Forward Contracts ⁴	CCS	Options	
1	Derivatives (Notional Principal Amount)				
	a) For hedging	17,737.96	-	-	-
	b) For trading	587,097.30	66,473.36	40,929.93	515,357.04
2	Marked to Market Positions^{2,3}				
	a) Asset (+)	-	-	78.37	251.91
	b) Liability (-)	(278.52)	(336.95)	-	-
3	Credit Exposure³	19,035.44	8,435.49	1,040.88	10,901.15
4	Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March, 2023)				
	a) on hedging derivatives	0.43	-	-	-
	b) on trading derivatives	5.80	171.17	15.78	410.15
5	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging				
	i) Minimum	0.43	-	-	-
	ii) Maximum	1.57	-	-	0.06
	b) on Trading				
	i) Minimum	5.15	102.31	15.31	324.45
	ii) Maximum	13.44	196.57	23.58	438.24

- only Over The Counter derivatives included
- only on trading derivatives and represents net position
- includes accrued interest
- excluding Tom/Spot contracts



(₹ in crores)

Sr. No.	Particulars	As at 31 March, 2022			Interest rate Derivatives
		Currency Derivatives			
		Forward Contracts ⁴	CCS	Options	
1	Derivatives (Notional Principal Amount)				
	a) For hedging	16,271.31	-	-	3,789.63
	b) For trading	501,532.06	63,500.73	47,958.55	475,122.19
2	Marked to Market Positions^{2,3}				
	a) Asset (+)	-	391.96	98.75	110.72
	b) Liability (-)	(597.89)	-	-	-
3	Credit Exposure³	14,755.27	7,945.55	1,023.87	8,489.27
4	Likely impact of one percentage change in interest rate (100*PV01) (as at 31 March, 2022)				
	a) on hedging derivatives	1.30	-	-	0.10
	b) on trading derivatives	15.77	172.26	21.33	394.38
5	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging				
	i) Minimum	1.21	-	-	0.10
	ii) Maximum	2.09	-	-	1.12
	b) on Trading				
	i) Minimum	3.98	106.52	10.27	385.31
	ii) Maximum	16.22	204.39	21.33	450.95

1. only Over The Counter derivatives included
2. only on trading derivatives and represents net position
3. includes accrued interest
4. excluding Tom/Spot contracts

The outstanding notional principal amount of Exchange Traded Interest Rate Futures as at 31 March, 2023 was ₹188.17 crores (previous year ₹196.30 crores) and the mark-to-market value was negative ₹3.16 crores (previous year ₹7.53 crores).

The outstanding notional principal amount of Exchange Traded Currency Options as at 31 March, 2023 was Nil (previous year Nil) and the mark-to-market value was Nil (previous year Nil).

d) The Bank has not undertaken any transactions in Credit Default Swaps (CDS) during the year ended 31 March, 2023 and 31 March, 2022.

3.8 Disclosures relating to securitisation

Details of securitisation transactions undertaken under the RBI Master Direction on Securitisation of Standard Assets, 2021 are given below by the Bank:

Sr. No.	Particulars	(₹ in crores)	
		31 March, 2023	31 March, 2022
1	No. of SPEs holding assets for securitisation transactions originated by the Bank	-	-
2	Total amount of securitised assets as per books of the SPEs	-	-
3	Total amount of exposures retained by the Bank to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	-
	Others	-	-

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		(₹ in crores)	
Sr. No.	Particulars	31 March, 2023	31 March, 2022
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation assets servicing, etc.	-	-
7	Performance of facility provided		
	a) Amount paid	-	-
	b) Repayment received	-	-
	c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past	-	-
9	Amount and number of additional/ top up loan given on same underlying asset	-	-
10	Investor Complaints		
	a) Directly/indirectly received	-	-
	b) Complaints outstanding	-	-

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

3.10 Disclosure on transfers to Depositor Education and Awareness Fund (DEA Fund)

		(₹ in crores)	
Particulars	31 March, 2023	31 March, 2022	
Opening balance of amounts transferred to DEA Fund	448.64	335.38	
Add : Amounts transferred to DEA Fund during the year	314.46	145.48	
Less : Amounts reimbursed by DEA Fund towards claims ^{1,2}	(13.93)	(32.22)	
Closing balance of amounts transferred to DEA Fund	749.17	448.64	

1. Includes ₹4.18 crores (previous year ₹0.66 crores) of claim raised and pending settlement with RBI
2. excludes interest post transfer to DEA Fund



3.11 Disclosure of customer complaints

a) Summary of information on complaints received by the Bank from customers and from Offices of Ombudsman (OBO)

	31 March, 2023	31 March, 2022
Complaints received by the Bank from its customers		
1. Number of complaints pending at the beginning of the year	45,004	17,525
2. Number of complaints received during the year	939,870	935,005
3. Number of complaints disposed during the year	968,044	907,526
<i>of 3, number of complaints rejected by the Bank</i>	95,331	113,703
4. Number of complaints pending at the end of the year	16,830	45,004
Maintainable complaints received by the Bank from OBOs		
5. Number of maintainable complaints received by the Bank from OBOs	15,791	13,536
<i>of 5, Number of complaints resolved in favour of the Bank by OBO's</i>	14,449	12,672
<i>of 5, Number of complaints resolved through conciliation/ mediation/ advisories issued by OBO's</i>	1,342	864
<i>of 5, Number of complaints resolved after passing of Awards by OBO's against the Bank</i>	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

b) Top five grounds of complaints received by the Bank from customers

For the year ended 31 March, 2023

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Credit cards	21,484	334,590	16%	6,715	709
Account opening/difficulty in operation of accounts	3,970	159,188	58%	2,288	83
ATM/Debit cards	6,525	141,029	(22%)	2,282	76
Internet/Mobile/Electronic Banking	2,504	116,620	20%	2,380	288
Loans and advances	6,920	99,977	(45%)	830	38
Others	3,601	88,466	0.5%	2,335	117
Total	45,004	939,870	1%	16,830	1,311

For the year ended 31 March, 2022

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Credit cards	6,665	287,605	287%	21,484	5,522
ATM/Debit cards	1,340	181,146	57%	6,525	814
Loans and advances	4,311	180,390	162%	6,920	693
Account opening/difficulty in operation of accounts	2,584	100,844	120%	3,970	760
Internet/Mobile/Electronic Banking	756	96,970	237%	2,504	144
Others	1,869	88,050	224%	3,601	351
Total	17,525	935,005	159%	45,004	8,284

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

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3.12 Details of penalty/stricture levied by RBI

Details of penalty/stricture levied by RBI during the year ended 31 March, 2023 is as under:

Amount (₹ in crores)	Reason for stricture issued/levy of penalty by RBI	Date of payment of penalty
0.93	Penalty for non-compliance with certain directions issued by RBI on 'Loans and Advances – Statutory and Other Restrictions', 'Reserve Bank of India (Financial Services provided by Banks) Directions, 2016', 'Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016', and 'Levy of penal charges on non-maintenance of minimum balances in savings bank accounts'	11 April, 2022

Details of penalty/stricture levied by RBI during the year ended 31 March, 2022 is as under:

Amount (₹ in crores)	Reason for stricture issued/levy of penalty by RBI	Date of payment of penalty
5.00	Penalty for non-compliance with certain provisions of RBI directions on 'Strengthening the Controls of Payment Ecosystem between Sponsor Banks and SCBs/UCBs as a Corporate Customer', 'Cyber Security Framework in Banks', 'RBI (Financial Services provided by Banks) Directions, 2016', 'Financial Inclusion - Access to Banking Services – Basic Savings Bank Deposit Account' and 'Frauds – Classification and Reporting'	3 August, 2021
0.25	Penalty for non-compliance with certain provisions of directions issued by RBI contained in the Reserve Bank of India – (Know Your Customer (KYC)) Direction, 2016	3 September, 2021

3.13 Disclosure on Remuneration

Qualitative disclosures

a) Information relating to the composition and mandate of the Nomination and Remuneration Committee:

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

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

As at 31 March, 2023, the Nomination and Remuneration Committee comprises of the following Non-Executive Directors:

1. Smt Meena Ganesh - Chairperson
2. Shri Rakesh Makhija
3. Shri Girish Paranjpe
4. Shri TC Suseel Kumar

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

- a. Review and recommend to the Board for approval, the overall remuneration framework and associated policies of the Bank (including remuneration policy for Directors and Key Managerial Personnel) including the level and structure of fixed pay, variable pay, perquisites, bonus pool, stock-based compensation and any other form of compensation as may be included from time to time to all the employees of the Bank including the Managing Director & CEO (MD & CEO), other Whole-Time Directors (WTD) and senior managers one level below the Board.
- b. Recommend to the Board the compensation payable to the Chairman of the Bank.
- c. Review and recommend to the Board for approval, the talent management and succession policy and process in the Bank for ensuring business continuity, especially at the level of MD & CEO, the other WTDs, senior managers' one level below the Board and other key roles and their progression to the Board.
- d. Formulate the criteria and the manner for effective evaluation of performance of the Board as a whole, its Committees and individual directors, including independent directors of the Bank, which may be carried out either by the Committee or by the Board or with the help of an independent external agency and to review its implementation, compliance and outcomes.
- e. Review adequacy and appropriateness of HR strategy of the Bank in the broader areas of code of conduct, ethics, conflict of interest, succession planning, talent management, performance management, remuneration and HR risk management.



- f. Review and recommend to the Board for approval:
 - the creation of new positions one level below MD&CEO
 - appointments, promotions and exits of senior managers one level below the MD&CEO
 - g. Set the goals, objectives and performance benchmarks for the Bank and for MD&CEO, WTDs and Group Executives for the financial year and over the medium to long term.
 - h. Review the performance of the MD&CEO and other WTDs at the end of each year.
 - i. Consider and approve the grant of Stock Options to the MD&CEO, other Whole-Time Directors, Senior Management and other eligible employees of the Bank/subsidiary, in terms of the relevant provisions of the SEBI Regulations, as amended, from time to time.
 - j. Perform such other duties as may be required to be done under any law, statute, rules, regulations etc. enacted by Government of India, Reserve Bank of India or by any other regulatory or statutory body.
- ❖ External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process:
- The Nomination and Remuneration Committee has commissioned Aon Consulting Pvt. Limited, a globally renowned compensation benchmarking firm, to conduct market benchmarking of employee compensation. The Bank participates in the salary benchmarking survey conducted by Aon every year. Aon collects data from multiple private sector peer banks across functions, levels and roles which is then used by the Bank to assess market competitiveness of remuneration offered to Bank employees.
- ❖ A description of the scope of the Bank's remuneration policy, including the extent to which it is applicable to branches in India and overseas:
- The Committee monitors the remuneration policy for both domestic and overseas branches of the Bank on behalf of the Board. However, it does not oversee the compensation policy for subsidiaries of the Bank.
- ❖ A description of the type of employees covered and number of such employees:
- Employees are categorised into following three categories from remuneration structure and administration standpoint:
- Category 1
MD & CEO and WTDs. This category includes **2*** employees.
- Category 2
All the employees in the Grade of Senior Vice President I and above engaged in the functions of Risk Control, Internal Audit and Compliance. This category includes **87*** employees.
- Category 3: Other Staff
'Other Staff' has been defined as a "group of employees whose actions have a material impact on the risk exposure of the Bank". This category includes **22*** employees.
- *represents employees in these categories during the year FY 2022-23 including employees exited from the Bank during FY 2022-23.

b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy:

- ❖ An overview of the key features and objectives of remuneration policy:
- The compensation philosophy of the Bank aims to attract, retain and motivate professionals in order to enable the Bank to attain its strategic objectives and develop a strong performance culture in the competitive environment in which it operates. To achieve this, the following principles are adopted:
- Affordability: Pay to reflect productivity improvements to retain cost-income competitiveness
- Maintain competitiveness on fixed pay in talent market
 - Pay for performance to drive meritocracy through variable pay
 - Employee Stock Options for long-term value creation
 - Benefits and perquisites to remain aligned with market practices and provide flexibility

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Apart from the above, the compensation structure for MD & CEO and WTDs is aligned to RBI's guidelines for sound compensation practices issued in November 2019 and addresses the general principles of:

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

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

- a) Ensure that the compensation, in terms of structure and total amount, is in line with the best practices, as well as competitive vis-à-vis that of peer banks
- b) Establish the linkage of compensation with individual performance as well as achievement of the corporate objectives of the Bank
- c) Include an appropriate variable pay component tied to the achievement of pre-established objectives in line with Bank's scorecard while ensuring that the compensation is aligned with prudent risk taking
- d) Encourage attainment of long term shareholder returns through inclusion of equity linked long-term incentives as part of compensation

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

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

Reserve Bank of India has released revised guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff on 4 November, 2019.

Bank's remuneration policy was reviewed by the Nomination and Remuneration Committee of the Bank in FY 2020-21 in order to align with RBI guidelines. Key highlights of the policy are mentioned below:

- At least 50% of total compensation i.e. Fixed Pay plus Total Variable Pay shall be variable.
- Value of stock options will be included in definition of 'Total Variable Pay'
- Total Variable Pay for the MD & CEO/ Whole-time Directors/ Material Risk Takers of the Bank would be capped at 300% of Fixed Pay.
- If the Total Variable Pay is up to 200% of the Fixed Pay, a minimum of 50% of the Variable pay; and in case Variable Pay is above 200%, a minimum of 67% of the Variable Pay shall be paid via employee stock options.
- Minimum 60% of the Total Variable Pay shall be deferred over 3 years. If cash component is part of Total Variable Pay, at least 50% of the cash component of variable pay should also be deferred over 3 years. In cases where the cash component of Total variable pay is under Rs. 25 lakh, variable pay shall not be deferred
- All the fixed items of compensation, including retiral benefits and perquisites, will be treated as part of Fixed Pay.
- Qualitative and quantitative criteria defined for identification of Material Risk Takers (MRTs).
- Specific guidelines on application of malus and clawback clauses.

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

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



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

- ❖ An overview of the key risks that the Bank takes into account when implementing remuneration measures:
The business activity of the Bank is undertaken within the limits of risk measures to achieve the financial plan. The Financial Perspective in the Bank's Balanced Score Card (BSC) contains metrics pertaining to growth, profitability and asset quality. These metrics along with other metrics in customer, internal process and compliance and people perspective are taken into account while arriving at the remuneration decisions. The metrics on internal process and compliance ensure due weightage to non – financial risk that bank may be exposed to.
- ❖ An overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure:
The Bank has a robust system of measuring and reviewing these risks. The risk parameters are a part of the Balanced Score Card used for setting of performance objectives and for measuring performance which includes, besides financial performance, adherence to internal processes, compliance and people perspectives. Weightage is placed on not only financial or quantitative achievement of objectives but also on qualitative aspects detailing how the objectives were achieved.
- ❖ A discussion of the ways in which these measures affect remuneration:
The relevant risk measures are included in the scorecards of MD & CEO and WTDs. Inclusion of the above mentioned measures ensures that performance parameters are aligned to risk measures at the time of performance evaluation. The Nomination and Remuneration Committee takes into consideration all the above aspects while assessing organisational and individual performance and making compensation related recommendations to the Board.
- ❖ A discussion of how the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration:
The Bank continued to track key metrics across financial, customer, internal process and compliance and people perspective as part of FY 2022-23 BSC. For FY 2022-23, metrics linked to Bank's strategy, with focus on health metrics, sustainability, specifically on capital position and building distinctiveness were incorporated. Further, critical deliverables were included to drive progress as per the Bank's Growth, Profitability Score strategy.

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

- The Bank's performance management and compensation philosophies are structured to support the achievement of the Bank's on-going business objectives by rewarding achievement of objectives linked directly to its strategic business priorities. These strategic priorities are cascaded through annualised objectives to the employees.
The Bank follows the Balanced Scorecard approach in designing its performance management system. Adequate attention is given to the robust goal setting process to ensure alignment of individual objectives to support the achievement of business strategy, financial and non-financial goals across and through the organisation. The non-financial goals for employees include customer service, process improvement, adherence to risk and compliance norms, operations and process control, learning and knowledge development.
- ❖ An overview of main performance metrics for Bank, top level business lines and individuals:
The Bank follows a Balanced Scorecard approach for measuring performance for the Bank, top business lines and individuals. The approach broadly comprises financial, customer, internal processes, compliance, and people perspectives and includes parameters on revenue and profitability, business growth, customer initiatives, operational efficiencies, regulatory compliance, risk management and people management.
- ❖ A discussion of how amounts of individual remuneration are linked to the Bank-wide and individual performance:
The Bank's remuneration practices are underpinned by principles of meritocracy and fairness. The remuneration system strives to maintain the ability to attract, retain, reward and motivate the talent in order to enable the Bank to attain its strategic objectives within the increasingly competitive context in which it operates. The Bank's pay-for-performance approach strives to ensure both internal and external equity in line with emerging market trends. However, the business model and affordability form the overarching boundary conditions.
The Bank follows a Balanced Scorecard approach for measuring performance at senior levels. The Balanced scorecard parameters for individuals are cascaded from the Bank's Balanced Scorecard. The Management Committee or the Nomination and Remuneration Committee reviews the achievements against the set of parameters which determines the performance of the individuals.
For all other employees, performance appraisals are conducted annually and initiated by the employee with self-appraisal. The immediate supervisor reviews the appraisal ratings in a joint consultation meeting with the employee and assigns the performance rating. The final ratings are discussed by a Moderation Committee comprising of senior officials of the Bank. Both relative and absolute individual performances are considered for the moderation process. Individual fixed pay increases, variable pay and ESOPs are linked to the final performance ratings.

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

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

Whilst determining fixed and variable remuneration, relevant risk measures are included in scorecards of senior employees. The Financial Perspective in the Bank's BSC contains metrics pertaining to growth, profitability and asset quality. These metrics along with other metrics in customer, internal process and compliance and people perspective are taken into account while arriving at the remuneration decisions. The metrics on internal process and compliance ensure due weightage to non – financial risk that bank may be exposed to.

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

- e) **Description of the ways in which the Bank seeks to adjust remuneration to take account of the long term performance:**

- i) **Bank's deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance:**

For MD&CEO, Whole Time Directors and other Material Risk Takers of the Bank, minimum 60% of the Total Variable Pay (including Cash Variable Pay and Stock Options) is deferred over 3 years or such other period as prescribed by RBI where applicable. In case the cash component is part of Total Variable Pay and exceeds ₹25 lakhs, at least 50% of the cash component of variable pay is also deferred over 3 years or such other period as prescribed by RBI where applicable.

The total variable pay for MD&CEO, Whole Time Directors and other Material Risk Takers of the Bank is subject to malus and clawback clauses, as defined in the Remuneration Policy of the Bank.

- ii) **Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting through claw back arrangements:**

The Total Variable Pay for MD&CEO, Whole Time Directors and other Material Risk Takers of the Bank is subject to malus and clawback clauses, which are defined in the Remuneration Policy of the Bank. Detailed scenarios under which said clauses can be applied, such as event of an enquiry determining gross negligence or breach of integrity, or significant deterioration in financial performance are defined in the Remuneration Policy of the Bank.

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

- ❖ An overview of the forms of variable remuneration offered:
 - Variable Pay: Variable Pay is linked to corporate performance, business performance and individual performance and ensures differential pay based on the performance levels of employees
 - Employee Stock Options (ESOPs): ESOPs are given to selective set of employees at senior levels based on their level of performance and role. ESOP scheme has an inbuilt deferred vesting design which helps in directing long term performance orientation among employees
- ❖ A discussion of the use of different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or group of employees, a description of the factors that determine the mix and their relative importance:

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



Quantitative disclosures

a) The quantitative disclosures pertaining to the MD & CEO, Whole Time Directors and Material Risk Takers for the year ended 31 March, 2023 and 31 March, 2022 are given below:

Particulars	31 March, 2023	31 March, 2022
a. i) Number of meetings held by the Remuneration Committee (main body overseeing remuneration) during the financial year	10	10
ii) Remuneration paid to its members (sitting fees)	₹3,300,000	₹3,000,000
b. Number of employees having received a variable remuneration award during the financial year ¹	27 ²	25 ²
c. Number and total amount of sign-on/joining bonus made during the financial year		
- Share-linked instruments (number of stock options granted)	85,000	285,000
- Fair value of share linked instruments	₹2.00 crores ³	₹6.64 crores ³
d. Details of severance pay, in addition to accrued benefits, if any	N.A.	N.A.
e. Total amount of outstanding deferred remuneration, split into:		
- Cash	₹18.15 crores	₹7.78 crores
- Shares	-	-
- Share-linked instruments (number of unvested stock options outstanding as on 31 March and fair value of the same)	3,469,130 options with a fair value of ₹79.46 crores ³	3,212,516 options with a fair value of ₹60.02 crores ³
f. Total amount of deferred remuneration paid out in the financial year:		
- Cash	₹2.75 crores	-
- Share-linked instruments (number of stock options vested during the year and fair value of the same)	3,052,814 Options with a fair value of ₹59.21 crores ³	1,791,800 options with a fair value of ₹29.97 crores ³
g. Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred, different forms used:		
- Fixed	₹61.38 crores ⁴	₹52.37 crores ⁴
- Variable	₹103.92 crores ²	₹83.38 crores ²
- Deferred	₹90.85 crores	₹74.05 crores
- of which, cash	₹13.06 crores ³	₹8.38 crores
- of which, share-linked instruments	₹77.79 crores fair value of 3,236,328 options granted during the year ³	₹65.67 crores fair value of 3,142,025 options granted during the year ³
- Non-deferred	₹13.07 crores ²	₹9.33 crores ²
h. Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments	N.A.	N.A.
i. Total amount of reductions during the financial year due to ex- post explicit adjustments	N.A.	N.A.
j. Total amount of reductions during the financial year due to ex- post implicit adjustments	N.A.	N.A.
k. Number of MRT's identified	24	26
l. Number of cases where		
- malus has been exercised	Nil	Nil
- clawback has been exercised	Nil	Nil
- both malus and clawback have been exercised	Nil	Nil
m. The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean - Mean pay of the Bank ⁵ - Deviation of the pay of WTDs from the mean pay for the Bank -		
- MD & CEO	₹1,143,372	₹1,041,154
- WTD 1	₹78,509,472	₹69,195,260
- WTD 2	₹53,113,432	₹37,469,260
	-	₹25,117,567

1. Includes MD & CEO/WTDs/and other MRTs based on the revised criteria given by RBI in its guideline dated 4 November, 2019
2. Pertains to FY 2021-22 and FY 2020-21 paid to MD & CEO, WTDs and other material risk takers
3. Fair value is the weighted average fair value of stock options computed using Black-Scholes options pricing model as on the grant date
4. Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisites is calculated as cost to the Bank
5. Mean pay is computed on annualised fixed pay of all confirmed employees (excluding frontline sales force) as on 31 March. Fixed pay includes basic salary, supplementary allowances, superannuation, contribution to provident fund, gratuity fund and value of perquisites. The value of perquisites is calculated as cost to the Bank
6. Details of erstwhile MRTs who have since retired or undergone a role change and where deferred remuneration is outstanding have also been included in the above disclosure.

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

	(₹ in crores)	
	31 March, 2023	31 March, 2022
a. Amount of fixed remuneration paid during the year	1.76	1.48
b. Profit linked commission paid during the year	-	0.76

3.14 Other Disclosures

a) Business ratios

As at	31 March, 2023 %	31 March, 2022 %
Interest income as a percentage to working funds ¹	7.09	6.26
Non-interest income as a percentage to working funds ¹	1.37	1.41
Cost of Deposits	3.94	3.68
Net Interest Margin ²	4.02	3.47
Operating profit ³ as a percentage to working funds ¹	1.65	2.30
Return on assets (based on working funds ¹)	0.80	1.21
Business (deposits less inter-bank deposits plus advances) per employee ⁴	₹20.00 crores	₹17.92 crores
Profit per employee ⁴ (Refer note 18.1)	₹0.11 crores	₹0.16 crores

- Working funds represent average of total assets as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949 during the year
- Net Interest Income/Average Earning Assets. Net Interest Income = Interest Income – Interest Expense
- Operating profit represents total income as reduced by interest expended and operating expenses
- Productivity ratios are based on average employee numbers for the year

Business ratios (excluding exceptional items)

As at	31 March, 2023 %	31 March, 2022 %
Operating profit as a percentage to working funds ¹	2.67	2.30
Return on assets (based on working funds ¹)	1.82	1.21

- Working funds represent average of total assets as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949 and adjusted for exceptional items during the year (Refer note 18.1).

b) Bancassurance business

	(₹ in crores)	
Sr. No. Nature of Income	31 March, 2023	31 March, 2022
1. For selling life insurance policies	1,359.37	1,187.34
2. For selling non-life insurance policies	136.97	133.21
Total	1,496.34	1,320.55

c) Marketing and Distribution business

	(₹ in crores)	
Sr. No. Nature of Income	31 March, 2023	31 March, 2022
1. Mutual funds	459.40	462.32
2. Alternate products	126.25	71.04
3. Government bonds	2.99	5.40
4. Fees for display of publicity material	243.25	8.86
5. Others	20.37	14.18
Total	852.26	561.80



d) Disclosure regarding Priority Sector Lending Certificates (PSLCs) purchased/sold by the Bank:

Detail of Priority Sector Lending Certificates (PSLC) purchased by the Bank

(₹ in crores)		
Category	31 March, 2023	31 March, 2022
PSLC – Small/Marginal Farmers	38,000.00	39,200.00
PSLC – Micro Enterprises	-	14,350.00
Total	38,000.00	53,550.00

Details of PSLCs sold by the Bank

(₹ in crores)		
Category	31 March, 2023	31 March, 2022
PSLC – Agriculture	10,000.00	-
PSLC – Micro Enterprises	10,000.50	-
PSLC – General	60,513.75	54,400.00
Total	80,514.25	54,400.00

During the year ended 31 March, 2023, the Bank incurred a cost of ₹945.32 crores (previous year ₹1,246.63 crores) towards purchase of PSLCs which forms part of 'Other Expenditure' under Schedule 16 of the Profit and Loss Account. Further, during the year ended 31 March, 2023, the Bank also earned fees of ₹173.20 crores (previous year ₹349.52 crores) on sale of PSLCs which forms part of 'Miscellaneous Income' under Schedule 14 of the Profit and Loss Account.

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

(₹ in crores)		
For the year ended	31 March, 2023	31 March, 2022
Provision for income tax		
- Current tax	6,290.88	4,199.15
- Deferred tax [Refer note 18 (5.8)]	1,035.29	157.93
	7,326.17	4,357.08
Provision for non-performing assets (including bad debts written off net of write backs and recoveries in written off accounts) ¹	3,355.31	5,181.84
Provision for restructured assets/strategic debt restructuring/sustainable structuring	(34.82)	0.95
Provision for Covid-19 restructuring & MSME restructuring	(599.17)	912.33
Provision towards standard assets	434.72	188.21
Provision for unhedged foreign currency exposures	33.60	(61.82)
Provision for country risk	8.47	18.97
Additional provision for delay in implementation of resolution plan	(179.81)	409.62
Provision for probable legal cases	46.75	215.31
Provision for other contingencies	(180.27)	494.04
Total	10,210.95	11,716.53

1. includes provision for non-performing advances of ₹6,053.94 crores (previous year ₹7,164.21 crores) and non-performing investments of ₹186.34 crores (previous year ₹384.46 crores), net of recoveries from written off accounts of ₹2,884.97 crores (previous year ₹2,366.83 crores)

f) Status of implementation of IFRS converged Indian Accounting Standards (Ind AS):

The RBI had issued a circular in February 2016 requiring banks to implement Indian Accounting Standards (Ind AS) and prepare standalone and consolidated Ind AS financial statements with effect from 1 April, 2018. Banks were also required to report the comparative financial statements for the financial year 2017-18, to be published along with the financial statement for the year beginning 1 April, 2018. However, the RBI in its press release issued on 5 April, 2018 deferred the applicability of Ind AS by one year (i.e. 1 April, 2019) for Scheduled Commercial Banks. Further, RBI in a circular issued on 22 March, 2019 has deferred the implementation of Ind AS till further notice.

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During the financial year 2016-17, the Bank had undertaken a preliminary diagnostic analysis of the GAAP differences between Indian GAAP vis-a-vis Ind AS. The Bank has also identified and evaluated data gaps, processes and system changes required to implement Ind AS. The Bank is in the process of implementing necessary changes in its IT systems wherever required and other processes in a phased manner. The Bank is also submitting Proforma Ind AS financial statements to RBI on a half-yearly basis.

In line with the RBI guidelines on Ind AS implementation, the Bank has formed a Steering Committee comprising members from the concerned functional areas, headed by the Deputy Managing Director. A progress report on the status of Ind AS implementation in the Bank is presented to the Audit Committee and Board of Directors on a quarterly basis.

g) Payment of DICGC Insurance Premium

	(₹ in crores)	
	31 March, 2023	31 March, 2022
Payment of DICGC Insurance Premium ¹	958.45	852.52
Arrears in payment of DICGC premium	-	-
Total	958.45	852.52

1. Amount reported is excluding GST

h) Disclosure on provisioning pertaining to Land held under 'Non-Banking assets acquired in satisfaction of claims'

	(₹ in crores)	
Particulars	31 March, 2023	31 March, 2022
Amount of Land held under 'Non-Banking assets acquired in satisfaction of claims'	2,068.24	2,068.24
Provisions made during the year by debiting profit and loss account	-	-
Provisions reversed during the year	-	-
Provisions held at the end of the year	2,068.24	2,068.24
Unamortised provision debited from 'Balance in profit and loss account' under 'Reserves and Surplus'	-	-

i) Details of Others (including provisions) in Other Liabilities and Provisions of Schedule 5 of Balance Sheet exceeding 1% of Total Assets

As at 31 March, 2023

Sr. No.	Particulars	(₹ in crores)
1.	Mark-to-Market (MTM) liability on forex and derivative contracts	13,389.74

During the year ended 31 March, 2022, none of the items within Schedule 5-Other Liabilities and Provisions- "Others (including provisions)" have exceeded 1% of the total assets.

j) Details of Others in Other Assets of Schedule 11 of Balance Sheet exceeding 1% of Total Assets

As at 31 March, 2023

Sr. No.	Particulars	(₹ in crores)
1.	Priority Sector Shortfall Deposits	30,564.20

As at 31 March, 2022

Sr. No.	Particulars	(₹ in crores)
1.	Priority Sector Shortfall Deposits	41,653.61

k) Miscellaneous income exceeding 1% of the total income

During the year ended 31 March, 2023 and 31 March, 2022, none of the items under miscellaneous income (Schedule 14 – Other Income) have exceeded 1% of total income of the Bank.



l) Expenses exceeding 1% of the total income

Details of items under other expenditure (Schedule 16 – Operating Expenses) exceeding 1% of total income of the Bank are given below:

For the year ended 31 March, 2023

Sr. No.	Nature of Expense	(₹ in crores)
1.	Commission paid to Direct Sales Agents (DSA)	1,537.25
2.	Charges paid to Network partners	1,164.46
3.	Cashback charges	1,105.72

For the year ended 31 March, 2022

Sr. No.	Nature of Expense	(₹ in crores)
1.	Fees paid for purchase of Priority Sector Lending Certificates	1,246.63
2.	Commission paid to Direct Sales Agents (DSA)	1,333.77
3.	Fees paid to Collection Agencies	869.12

4. Other Disclosures

4.1. Earnings Per Share ('EPS')

The details of EPS computation is set out below:

	31 March, 2023	31 March, 2022
Basic and Diluted earnings for the year (Net profit after tax) (₹ in crores)	9,579.68	13,025.48
Basic weighted average no. of shares (in crores)	307.30	306.65
Add: Equity shares for no consideration arising on grant of stock options under ESOP (in crores)	1.48	0.92
Diluted weighted average no. of shares (in crores)	308.78	307.57
Basic EPS (₹)	31.17	42.48
Diluted EPS (₹)	31.02	42.35
Basic EPS (excluding exceptional items, refer note 18.1) (₹)	71.37	42.48
Diluted EPS (excluding exceptional items, refer note 18.1) (₹)	71.03	42.35
Nominal value of shares (₹)	2.00	2.00

Dilution of equity is on account of 14,780,391 stock options (previous year 9,241,401)

4.2 Employee Stock Options/Units

Pursuant to the approval of the shareholders in February 2001, the Bank approved an Employee Stock Option Scheme under which eligible employees are granted an option to purchase shares subject to vesting conditions. Over the period till March 2023, pursuant to the approval of the shareholders, the Bank approved ESOP schemes for options aggregating 315,087,000 that vest in a graded manner over 3 years. The options can be exercised within five years from the date of the vesting as the case may be. Within the overall ceiling of 315,087,000 stock options approved for grant by the shareholders as stated earlier, the Bank is authorised to issue options to eligible employees and Whole Time Directors (including those of subsidiary companies).

294,895,841 options have been granted under the Schemes till the previous year ended 31 March, 2022. Pursuant to the approval of the Nomination and Remuneration Committee on 22 March, 2022 the Bank granted 16,625,592 stock options (each option representing entitlement to one equity share of the Bank) to eligible employees/directors of the Bank/subsidiary companies at a grant price of ₹725.90. Further, during FY 2022-23, the Bank granted stock options (each option representing entitlement to one equity share of the Bank) to its eligible employees, the details of which are as under:

Date of grant	No. of options granted	Grant price (₹ per option)
15 July, 2022	85,000	668.25

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Stock option activity under the Scheme for the year ended 31 March, 2023 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	44,279,611	306.54 to 804.80	609.26	4.29
Granted during the year	16,710,592	668.25 to 725.90	725.61	-
Forfeited during the year	(2,676,194)	469.90 to 757.10	693.10	-
Expired during the year	(102,145)	306.54 to 535.00	465.48	-
Exercised during the year	(7,104,176)	306.54 to 757.10	535.32	-
Outstanding at the end of the year	51,107,688	433.10 to 804.80	653.48	4.37
Exercisable at the end of the year	35,119,021	469.90 to 804.80	620.49	3.46

The weighted average share price in respect of options exercised during the year was ₹838.11.

Stock option activity under the Scheme for the year ended 31 March, 2022 is set out below:

	Options outstanding	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (Years)
Outstanding at the beginning of the year	38,109,654	306.54 to 757.10	544.21	4.22
Granted during the year	13,898,988	697.10 to 804.80	727.80	-
Forfeited during the year	(16,71,547)	469.90 to 757.10	645.30	-
Expired during the year	(58,300)	306.54 to 535.00	484.45	-
Exercised during the year	(59,99,184)	306.54 to 757.10	461.82	-
Outstanding at the end of the year	44,279,611	306.54 to 804.80	609.26	4.29
Exercisable at the end of the year	30,458,322	306.54 to 757.10	589.02	3.36

The weighted average share price in respect of options exercised during the year was ₹740.25

Fair Value Methodology

In line with RBI clarification on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers/Material Risk Takers and Control Function Staff on 30 August, 2021, the Bank has changed its accounting policy from the intrinsic value method to the fair value method for all share-linked instruments granted after 31 March, 2021 and consequently recognized the fair value of options computed using the Black-Scholes model, without reducing estimated forfeitures, as compensation expense over the vesting period. During the year, the Bank has recognised ESOP compensation cost of ₹252.65 crores for options granted to employees of the Bank and recovered ₹32.87 crores from subsidiaries in respect of options granted to their employees and deputed staff.

The impact on reported net profit and EPS in respect of options granted prior to 31 March, 2021 considering the fair value based method as prescribed in the Guidance Note on 'Accounting for Employee Share-based Payments' issued by the Institute of Chartered Accountants of India is given below:

	31 March, 2023	31 March, 2022
Net Profit (as reported) (₹ in crores)	9,579.68	13,025.48
Less: Stock based employee compensation expense determined under fair value based method (proforma) (₹ in crores)	(16.01)	(61.90)
Net Profit (Proforma) (₹ in crores)	9,563.67	12,963.58
Earnings per share: Basic (in ₹)		
As reported	31.17	42.48
Proforma	31.12	42.27
Earnings per share: Diluted (in ₹)		
As reported	31.02	42.35
Proforma	31.01	42.17



No cost has been incurred by the Bank in respect of ESOPs granted prior to 31 March, 2021 to the employees of the Bank and subsidiaries which are valued under the intrinsic value method.

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

	31 March, 2023	31 March, 2022
Dividend yield	0.26%-0.43%	0.43%-0.64%
Expected life	2.95-4.95 years	2.28-4.28 years
Risk free interest rate	5.46% to 7.13%	4.71% to 5.67%
Volatility	30.95% to 33.02%	30.91% to 33.93%

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

The weighted average fair value of options granted during the year ended 31 March, 2023 is ₹240.34 (previous year ₹209.47).

Pursuant to the approval of the Shareholders in January 2023, the Bank approved the 'Axis Bank Employees Stock Unit Scheme, 2022' under which the Bank is authorized to grant Units not exceeding 50,000,000 (Five crores) in number in aggregate, to or for benefit of 'Eligible Employees' in accordance with applicable SEBI Regulations, with each such Unit(s) exercisable into equity share(s) of the Bank subject to vesting conditions. The Units vest in a graded manner over 3 years and can be exercised within five years from the date of the vesting at an exercise price as determined in accordance with applicable laws at the time of grant and on such terms and conditions as contained in the Scheme.

On 24 March, 2023, the Nomination and Remuneration Committee of the Board of Directors of the Bank has approved the grant of upto 13,100,000 stock options and grant of upto 3,200,000 stock units to eligible employees, there have been no allotments of options/units under this grant. Accordingly, these options/units have not been considered in the above disclosure.

4.3. Proposed Dividend

The Board of Directors, in their meeting held on 27 April, 2023 have proposed a final dividend of ₹1 per equity share amounting to ₹307.69 crores. The proposal is subject to the approval of shareholders at the Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through the Companies (Accounting Standards) Rules, 2021, such proposed dividend has not been recognised as a liability as on 31 March, 2023.

During the year, the Bank paid final dividend of ₹1 per equity share amounting ₹307.14 crores pertaining to year ended 31 March, 2022.

4.4. Segmental reporting

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

Segment	Principal Activities
Treasury	Treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the proprietary account and for customers. The Treasury segment also includes the central funding unit.
Retail Banking	Constitutes lending to individuals/small businesses through the branch network and other delivery channels subject to the orientation, nature of product, granularity of the exposure and the quantum thereof. Retail Banking activities also include liability products, card services, internet banking, mobile banking, ATM services, depository, financial advisory services and NRI services.
Digital Banking (Sub- segment of Retail Banking)	In accordance with RBI circular DOR.AUT.REC.12/22.01.001/2022-23 dated 7 April 2022 on Establishment of Digital Banking Units, the Bank has presented 'Digital Banking' as a sub-segment of the Retail Banking segment.

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Segment	Principal Activities
Corporate/Wholesale Banking	Includes corporate relationships not included under Retail Banking, corporate advisory services, placements and syndication, project appraisals, capital market related services and cash management services.
Other Banking Business	Includes para banking activities like third party product distribution and other banking transactions not covered under any of the above three segments.

Unallocated assets and liabilities - All items which are reckoned at an enterprise level are classified under this segment such as deferred tax, tax paid in advance net of provision, provision for COVID-19 etc.

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

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

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

Segmental results are set out below:

(₹ in crores)

	31 March, 2023							Total
	Treasury	Corporate/ Wholesale Banking	Retail Banking			Other Banking Business	Unallocated	
			Digital Banking Business	Other Retail Banking Business	Total Retail Banking			
Segment Revenue								
Gross interest income (external customers)	20,501.86	21,888.27	6,784.06	35,907.80	42,691.86	81.78	-	85,163.77
Other income	1,317.51	3,576.08	5,215.61	3,859.92	9,075.53	2,531.75	-	16,500.87
Total income as per Profit and Loss Account	21,819.37	25,464.35	11,999.67	39,767.72	51,767.39	2,613.53	-	101,664.64
Add/(less) inter segment interest income	2,458.67	8,510.09	4,308.23	33,681.82	37,990.05	-	-	48,958.81
Total segment revenue	24,278.04	33,974.44	16,307.90	73,449.54	89,757.44	2,613.53	-	150,623.45
Less: Interest expense (external customers)	12,813.69	1,773.50	3,218.09	24,412.74	27,630.83	-	-	42,218.02
Less: Inter segment interest expense	4,318.66	16,834.82	3,578.92	24,226.41	27,805.33	-	-	48,958.81
Less: Operating expenses	143.92	4,570.85	6,755.41	15,723.24	22,478.65	204.89	12,257.68	39,655.99
Operating profit	7,001.77	10,795.27	2,755.48	9,087.15	11,842.63	2,408.64	(12,257.68)	19,790.63
Less: Provision for non-performing assets/others ¹	(47.11)	(1,246.94)	1,433.28	2,513.07	3,946.35	0.34	232.14	2,884.78
Segment result	7,048.88	12,042.21	1,322.20	6,574.08	7,896.28	2,408.30	(12,489.82)	16,905.85
Less: Provision for tax								7,326.17
Extraordinary profit/loss								-
Net Profit								9,579.68
Segment assets	445,861.38	352,213.76	75,313.40	435,519.28	510,832.68	931.12	7,486.59	1,317,325.53
Segment liabilities	204,780.60	222,220.96	87,602.69	675,052.34	762,655.03	53.98	2,621.72	1,192,332.29
Net assets	241,080.78	129,992.80	(12,289.29)	(239,533.06)	(251,822.35)	877.14	4,864.87	124,993.24
Capital Expenditure for the year (Refer note 18.1)	9.41	262.19	169.38	921.27	1,090.65	24.89	11,949.08	13,336.22
Depreciation on fixed assets for the year (Refer note 18.1)	7.77	216.49	139.87	760.71	900.58	20.56	11,949.08	13,094.48

1. represents material non-cash items other than depreciation

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(₹ in crores)

	31 March, 2022							
	Treasury	Corporate/ Wholesale Banking	Digital Banking Business	Retail Banking Other Retail Banking Business	Total Retail Banking	Other Banking Business	Unallocated	Total
Segment Revenue								
Gross interest income (external customers)	17,896.21	16,383.68			33,080.98	15.96	-	67,376.83
Other income	3,215.01	3,025.94			6,649.55	2,330.04	-	15,220.54
Total income as per Profit and Loss Account	21,111.22	19,409.62			39,730.53	2,346.00	-	82,597.37
Add/(less) inter segment interest income	-	6,462.45			32,193.47	-	-	38,655.92
Total segment revenue	21,111.22	25,872.07			71,924.00	2,346.00	-	121,253.29
Less: Interest expense (external customers)	8,712.23	1,551.34			23,942.16	38.88	-	34,244.61
Less: Inter segment interest expense	6,810.95	11,809.23			20,034.88	0.86	-	38,655.92
Less: Operating expenses	225.91	4,361.69			18,555.37	467.78	-	23,610.75
Operating profit	5,362.13	8,149.81			9,391.59	1,838.48	-	24,742.01
Less: Provision for non-performing assets/others ¹	287.76	1,445.63			5,626.33	(0.27)	-	7,359.45
Segment result	5,074.37	6,704.18			3,765.26	1,838.75	-	17,382.56
Less: Provision for tax								4,357.08
Extraordinary profit/loss								-
Net Profit								13,025.48
Segment assets	441,862.43	303,872.86			420,762.47	447.81	8,483.18	1,175,428.75
Segment liabilities	200,459.98	192,215.76			665,417.24	109.29	2,201.02	1,060,403.29
Net assets	241,402.45	111,657.10			(244,654.77)	338.52	6,282.16	115,025.46
Capital Expenditure for the year	9.69	233.49			982.81	18.47	-	1,244.46
Depreciation on fixed assets for the year	7.86	189.19			796.36	14.96	-	1,008.37

1. represents material non-cash items other than depreciation



Geographic Segments

(₹ in crores)

	Domestic		International		Total	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
Revenue	99,544.39	81,695.50	2,120.25	901.88	101,664.64	82,597.37
Assets	1,265,934.72	1,117,467.06	51,390.81	57,961.69	1,317,325.53	1,175,428.75
Capital Expenditure for the year	13,335.31*	1,243.08	0.91	1.38	13,336.22*	1,244.46
Depreciation on fixed assets for the year	13,092.74*	1,007.12	1.74	1.25	13,094.48*	1,008.37

*includes intangibles and goodwill on acquisition of Citibank India Consumer Business (Refer note 18.1)

4.5 Related party disclosure

The related parties of the Bank are broadly classified as:

a) Promoters

The Bank has identified the following entities as its Promoters:

- Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI)
- Life Insurance Corporation of India (LIC)

In March 2023, the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI) has made a request to the Bank to exit SUUTI from “promoter” category and reclassify it to “public” category. In terms of Reg. 31A of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, the said request is subject to the approval of the Bank’s Board, Stock Exchanges and other Statutory/ Regulatory Authorities, if any. The reclassification will be effective post receipt of the aforesaid approvals.

b) Key Management Personnel

- Mr. Amitabh Chaudhry (MD & CEO)
- Mr. Rajiv Anand (Deputy Managing Director)
- Mr. Rajesh Dahiya [Executive Director (Corporate Centre)] (upto 31 December, 2021)

c) Relatives of Key Management Personnel

Ms. Preeti Chaudhry, Mr. Anagh Chaudhry, Mr. Aruj Chaudhry, Mr. Aryan Chaudhry, Ms. Chhavi Kharb, Mr. Ashok Kharb, Mr. Om Singh Chaudhry, Ms. Kusum Chaudhry, Ms. Gitanjali Anand, Ms. Tara Anand, Ms. Nandita Anand, Mr. P.L. Narain, Mr. P. Srinivas, Ms. Ratna Rao Shekar, Ms. P. Kamashi, Ms. Charu Narain, Ms. K Ramalakshmi, Ms. Hemant Dahiya, Ms. Arooshi Dahiya, Mr. Anshul Avasthi, Ms. Mallika Dahiya, Ms. Jal Medha, Mr. Jai Prakash Dahiya, Ms. Pooja Rathi and Mr. Gagan Rathi.

d) Subsidiary Companies

- Axis Capital Limited
- Axis Trustee Services Limited
- Axis Asset Management Company Limited
- Axis Mutual Fund Trustee Limited
- Axis Bank UK Limited
- Axis Finance Limited
- Axis Securities Limited
- A. Treds Limited
- Freecharge Payment Technologies Private Limited

e) Step down subsidiary companies

- Axis Capital USA LLC
- Axis Pension Fund Management Limited (with effect from 17 May, 2022)

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f) Associate

- Max Life Insurance Company Limited (with effect from 6 April, 2021)

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

The details of transactions of the Bank with its related parties during the year ended 31 March, 2023 are given below:

(₹ in crores)						
Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Step down Subsidiaries	Total
Dividend paid	29.14	0.06	-*	-	-	29.20
Dividend received	-	-	-	15.00	-	15.00
Interest paid	164.98	0.11	0.34	17.88	0.55	183.86
Interest received	-*	0.09	-*	67.15	-	67.24
Investment of the Bank	-	-	-	399.43	7.22	406.65
Repayment of Share Capital by Subsidiaries	-	-	-	-	-	-
Investment in non-equity instruments of related party	-	-	-	85.00	-	85.00
Investment of related party in the Bank	-	16.38	-	-	-	16.38
Redemption of Hybrid capital/Bonds of the Bank	958.00	-	-	-	-	958.00
Purchase of investments	-	-	-	-	-	-
Sale of investments	-	-	-	392.28	-	392.28
Management contracts	-	-	-	8.18	0.20	8.38
Remuneration paid	-	15.26	-	-	-	15.26
Contribution to employee benefit fund	13.76	-	-	-	-	13.76
Placement of deposits	0.22	-	-	-	-	0.22
Repayment of deposits	-	-	-	-	-	-
Call/Term lending to related party	-	-	-	-	-	-
Repayment of Call/Term lending by related party	-	-	-	-	-	-
Swaps/Forward contracts	-	-	-	0.28	-	0.28
Advance granted (net)	-	-	-	474.65	-	474.65
Advance repaid	-*	7.65	-	0.42	-	8.07
Purchase of loans	-	-	-	1,108.14	-	1,108.14
Receiving of services	112.22	-	-	344.06	0.08	456.36
Rendering of services	40.18	-*	-*	74.12	0.55	114.85
Sale/Purchase of foreign exchange currency to/from related party	-	2.55	0.24	-	-	2.79
Royalty received	-	-	-	6.78	-	6.78
Other reimbursements from related party	-	-	-	45.21	0.33	45.54
Other reimbursements to related party	0.08	-	-	0.70	-	0.78

Details of transactions of the Bank with relatives of KMP are for the period during which the KMP are related parties of the Bank

* Denotes amount less than ₹50,000/-

The balances payable to/receivable from the related parties of the Bank as on 31 March, 2023 are given below:

(₹ in crores)						
Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Step down Subsidiaries	Total
Deposits with the Bank	5,678.24	1.96	6.61	1,126.25	10.96	6,824.02
Placement of deposits	2.11	-	-	-	-	2.11
Advances	0.57	1.27	0.03	710.90	-	712.77
Investment of the Bank	-	-	-	2,947.38	7.22	2,954.60
Investment in non-equity instruments of related party	-	-	-	425.00	-	425.00



(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Step down Subsidiaries	Total
Investment of related party in the Bank	48.97	0.11	-*	-	-	49.08
Non-funded commitments	3.25	-	-	0.25	-	3.50
Investment of related party in Hybrid capital/ Bonds of the Bank	500.00	-	-	-	-	500.00
Other receivables (net)	2.20	-	-	9.77	0.03	12.00
Other payables (net)	1.32	-	-	92.29	-	93.61

Details of transactions of the Bank with relatives of KMP are for the period during which the KMP are related parties of the Bank.

* Denotes amount less than ₹50,000/-

The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31 March, 2023 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Step down Subsidiaries	Total
Deposits with the Bank	9,771.44	20.17	11.17	2,130.64	80.00	12,013.42
Placement of deposits	2.11	-	-	-	-	2.11
Advances	0.57	8.89	0.10	870.35	-	879.91
Investment of the Bank	-	-	-	2,947.38	7.22	2,954.60
Investment of related party in the Bank	49.22	0.11	-	-	-	49.33
Investment in non-equity instruments of related party	-	-	-	470.00	-	470.00
Non-funded commitments	3.25	-	-	0.25	-	3.50
Call lending	-	-	-	-	-	-
Swaps/Forward contracts	-	-	-	-	-	-
Investment of related party in Hybrid Capital/ Bonds of the Bank	1,458.00	-	-	-	-	1,458.00
Other receivables (net)	2.20	-	-	16.57	0.04	18.81
Other payables (net)	1.32	-	-	92.29	-	93.61

The details of transactions of the Bank with its related parties during the year ended 31 March, 2022 are given below:

(₹ in crores)

Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Total
Dividend paid	-	-	-	-	-
Dividend received	-	-	-	88.65	88.65
Interest paid	173.69	0.24	0.37	14.95	189.25
Interest received	0.01	0.32	-*	38.54	38.87
Investment of the Bank	-	-	-	399.46	399.46
Repayment of Share Capital by Subsidiaries	-	-	-	127.30	127.30
Investment in non-equity instruments of related party	-	-	-	315.00	315.00
Investment of related party in the Bank	-	11.07	-	-	11.07
Redemption of Hybrid capital/Bonds of the Bank	-	-	-	-	-
Purchase of investments	-	-	-	-	-
Sale of investments	584.75	-	-	66.52	651.27
Management contracts	-	-	-	8.53	8.53
Remuneration paid	-	14.24	-	-	14.24

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					(₹ in crores)
Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Total
Contribution to employee benefit fund	14.19	-	-	-	14.19
Placement of deposits	-	-	-	-	-
Repayment of deposits	0.01	-	-	-	0.01
Call/Term lending to related party	-	-	-	-	-
Repayment of Call/Term lending by related party	-	-	-	-	-
Swaps/Forward contracts	-	-	-	1.09	1.09
Advance granted (net)	-	7.25	-	136.08	143.33
Advance repaid	0.52	2.58	-	0.17	3.27
Purchase of loans	-	-	-	970.04	970.04
Receiving of services	391.51	-	-	284.96	676.47
Rendering of services	46.93	*	*	68.01	114.94
Sale/Purchase of foreign exchange currency to/from related party	-	0.94	0.17	-	1.11
Royalty received	-	-	-	5.53	5.53
Other reimbursements from related party	-	-	-	50.91	50.91
Other reimbursements to related party	0.25	-	-	1.19	1.44

Details of transactions of the Bank with relatives of KMP are for the period during which the KMP are related parties of the Bank.

* Denotes amount less than ₹50,000/-

The balances payable to/receivable from the related parties of the Bank as on 31 March, 2022 are given below:

					(₹ in crores)
Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel [#]	Subsidiaries	Total
Deposits with the Bank	6,411.50	2.39	6.87	974.63	7,395.39
Placement of deposits	1.89	-	-	-	1.89
Advances	0.57	8.89	0.08	236.71	246.25
Investment of the Bank	-	-	-	2,547.94	2,547.94
Investment in non-equity instruments of related party	-	-	-	425.00	425.00
Investment of related party in the Bank	58.28	0.10	-	-	58.38
Non-funded commitments	3.25	-	-	0.25	3.50
Investment of related party in Hybrid capital/Bonds of the Bank	1,458.00	-	-	-	1,458.00
Other receivables (net)	-	-	-	7.28	7.28
Other payables (net)	-	-	-	55.45	55.45

Details of transactions of the Bank with relatives of KMP are for the period during which the KMP are related parties of the Bank.



The maximum balances payable to/receivable from the related parties of the Bank during the year ended 31 March, 2022 are given below:

(₹ in crores)					
Items/Related Party	Promoters	Key Management Personnel	Relatives of Key Management Personnel	Subsidiaries	Total
Deposits with the Bank	15,153.34	17.59	8.44	1,467.69	16,647.06
Placement of deposits	1.90	-	-	-	1.90
Advances	80.60	10.11	0.13	496.69	587.53
Investment of the Bank	-	-	-	2,547.94	2,547.94
Investment of related party in the Bank	81.18	0.11	-	-	81.29
Investment in non-equity instruments of related party	-	-	-	475.00	475.00
Non-funded commitments	3.32	-	-	0.25	3.57
Call lending	-	-	-	-	-
Swaps/Forward contracts	-	-	-	-	-
Investment of related party in Hybrid Capital/Bonds of the Bank	2,760.00	-	-	-	2,760.00
Other receivables (net)	-	-	-	33.28	33.28
Other payables (net)	-	-	-	55.45	55.45

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

Details of transactions with Axis Mutual Fund the fund floated by Axis Asset Management Company Ltd., the Bank's subsidiary has not been disclosed since the entity does not qualify as Related Party as defined under the Accounting Standard 18 - Related Party Disclosure, as notified under Section 2(2) and Section 133 of the Companies Act, 2013 and as per RBI guidelines.

The significant transactions between the Bank and related parties during the year ended 31 March, 2023 and 31 March, 2022 are given below. A specific related party transaction is disclosed as a significant related party transaction wherever it exceeds 10% of the aggregate value of all related party transactions in that category:

Particulars	(₹ in crores)	
	31 March, 2023	31 March, 2022
Dividend received		
Axis Bank UK Limited	-	54.56
Axis Capital Limited	-	19.85
Axis Trustee Services Limited	15.00	14.25
Dividend paid		
Life Insurance Corporation of India	24.49	-
Administrator of the Specified Undertaking of the Unit Trust of India	4.65	-
Interest paid		
Life Insurance Corporation of India	132.09	132.32
Administrator of the Specified Undertaking of the Unit Trust of India	32.89	32.09
General Insurance Corporation of India	N.A.	5.30
Interest received		
Axis Finance Limited	66.03	35.85
Investment in Subsidiaries		
Axis Finance Limited	399.43	399.46
Investment in non-equity instruments of related party		
Axis Finance Limited	85.00	315.00
Investment of related party in the Bank		
Mr. Rajiv Anand	16.38	4.49
Mr. Rajesh Dahiya	N.A.	6.58

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Particulars	(₹ in crores)	
	31 March, 2023	31 March, 2022
Repayment of Share Capital by Subsidiary		
Axis Bank UK Limited	-	127.30
Redemption of Hybrid capital/Bonds of the Bank		
Life Insurance Corporation of India	958.00	-
Sale of investments		
The New India Assurance Company Limited	N.A.	177.23
General Insurance Corporation of India	N.A.	327.27
United India Insurance Company Limited	N.A.	50.05
The Oriental Insurance Company Limited	N.A.	30.20
Axis Securities Limited	392.28	66.52
Management contracts		
A.Treds Limited	3.20	3.39
Axis Capital Limited	2.05	2.33
Axis Trustee Services Limited	1.73	1.55
Axis Asset Management Company Limited	1.19	1.26
Remuneration paid		
Mr. Amitabh Chaudhry	9.23	7.37
Mr. Rajiv Anand	6.03	3.97
Mr. Rajesh Dahiya	N.A.	2.90
Contribution to employee benefit fund		
Life Insurance Corporation of India	13.76	14.19
Placement of security deposits		
Life Insurance Corporation of India	0.22	-
Repayment of deposits		
Life Insurance Corporation of India	-	0.01
Swaps/Forward contracts		
Axis Bank UK Limited	0.28	1.09
Advance granted (net)		
Axis Asset Management Company Limited	0.62	0.47
Axis Finance Limited	473.99	135.61
Advance repaid		
Mr. Amitabh Chaudhry	7.25	-
Life Insurance Corporation of India	-*	0.52
Mr. Rajiv Anand	0.40	0.38
Mr. Rajesh Dahiya	N.A.	2.20
Purchase of loans		
Axis Bank UK Limited	-	150.85
Axis Finance Limited	1,108.14	813.01
Receiving of services		
Life Insurance Corporation of India	111.90	152.22
The New India Assurance Company Limited	N.A.	61.62
The Oriental Insurance Company Limited	N.A.	168.72
Freecharge Payment Technologies Private Limited	307.03	251.34
Axis Securities Limited	0.04	0.13
Rendering of services		
Life Insurance Corporation of India	40.18	46.24
Axis Securities Limited	14.89	8.64
Axis Asset Management Company Limited	29.33	27.99
Freecharge Payment Technologies Private Limited	16.34	18.18



(₹ in crores)

Particulars	31 March, 2023	31 March, 2022
Sale/Purchase of foreign exchange currency to/from related party		
Mr. Amitabh Chaudhry	1.78	0.60
Mr. Rajiv Anand	0.76	0.34
Ms. Tara Anand	-	0.02
Ms. Mallika Dahiya	N.A.	0.13
Royalty received		
Axis Asset Management Company Limited	1.54	1.45
Axis Capital Limited	0.66	0.78
Axis Finance Limited	3.48	2.26
Axis Securities Limited	1.02	0.96
Other reimbursements from related party		
Axis Securities Limited	7.11	4.40
Axis Capital Limited	3.33	3.43
Freecharge Payment Technologies Private Limited	2.29	0.72
Axis Asset Management Company Limited	20.02	35.43
Axis Finance Limited	9.95	5.32
Other reimbursements to related party		
Life Insurance Corporation of India	0.08	0.17
Axis Capital Limited	0.21	0.22
Axis Bank UK Limited	0.21	0.21
Axis Finance Limited	0.16	-
Freecharge Payment Technologies Private Limited	0.06	0.76

* Denotes amount less than ₹50,000/-

4.6. Leases

Disclosure in respect of assets taken on operating lease

This comprises of branches, office premises/ATMs, cash deposit machines, currency chests, staff quarters, office and IT equipments.

(₹ in crores)

	31 March, 2023	31 March, 2022
Future lease rentals payable as at the end of the year:		
- Not later than one year	1,080.24	918.20
- Later than one year and not later than five years	3,456.37	3,089.42
- Later than five years	3,351.43	3,145.16
Total of minimum lease payments recognised in the Profit and Loss Account for the year	1,188.39	1,117.74
Total of future minimum sub-lease payments expected to be received under non-cancellable subleases	1.44	0.85
Sub-lease payments recognised in the Profit and Loss Account for the year	0.70	0.83

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

There are no provisions relating to contingent rent.

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

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Disclosure in respect of assets given on operating lease

	(₹ in crores)	
	31 March, 2023	31 March, 2022
Gross carrying amount of premises at the end of the year	209.60	165.24
Accumulated depreciation at the end of the year	25.43	17.29
Total depreciation charged to profit and loss account for the year	2.28	3.40
Future lease rentals receivable as at the end of the year:		
- Not later than one year	28.52	18.09
- Later than one year and not later than five years	106.19	62.34
- Later than five years	66.44	3.20

There are no provisions relating to contingent rent.

4.7. Movement in fixed assets capitalised as application software and intangibles (included in other fixed assets)

● Movement of fixed assets capitalized as application software

	(₹ in crores)	
Particulars	31 March, 2023	31 March, 2022
At cost at the beginning of the year	2,791.75	2,203.10
Additions during the year*	522.27	593.38
Deductions during the year	(9.48)	(4.73)
Accumulated depreciation as at 31 March	(2,184.59)	(1,809.86)
Closing balance as at 31 March	1,119.95	981.89
Depreciation charge for the year	382.90	312.82

*includes movement on account of exchange rate fluctuation

● Movement of fixed assets capitalized as intangibles and goodwill (Refer note 18.1)

	(₹ in crores)	
Particulars	31 March, 2023	31 March, 2022
At cost at the beginning of the year	-	N.A.
Additions during the year	11,949.08	N.A.
Deductions during the year	-	N.A.
Accumulated amortisation as at 31 March	11,949.08	N.A.
Closing balance as at 31 March	-	N.A.
Amortisation charge for the year	11,949.08	N.A.

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

	(₹ in crores)	
As at	31 March, 2023	31 March, 2022
Deferred tax assets on account of provisions for loan losses	4,719.68	5,242.37
Deferred tax assets on account of provision for employee benefits	24.91	12.99
Deferred tax assets on other items	2,000.30	2,302.96
Deferred tax assets	6,744.89	7,558.32
Deferred tax liabilities on account of depreciation on fixed assets	54.88	42.74
Deferred tax liability on creation of Special Reserve under Income Tax Act [Refer note 18 (3.1) (b) (iii)]	363.26	153.32
Deferred tax liabilities on account of other items	0.19	0.42
Deferred tax liabilities	418.33	196.48
Net Deferred tax assets	6,326.56	7,361.84



4.9. Employee Benefits

Provident Fund

The rules of the Bank's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Bank.

Based on an actuarial valuation conducted by the independent actuary, there is no deficiency in the Trust observed as at the Balance Sheet date.

The following tables summarise the components of net benefit expenses recognised in the Profit and Loss Account and funded status and amounts recognised in the Balance Sheet for the Provident Fund benefit plan (including staff deputed at subsidiaries).

Profit and Loss Account

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

	(₹ in crores)	
	31 March, 2023	31 March, 2022
Current Service Cost*	194.84	170.96
Interest on Defined Benefit Obligation	240.46	192.23
Expected Return on Plan Assets	(312.24)	(259.83)
Net Actuarial Losses/(Gains) recognised in the year	132.03	(66.83)
Losses / (Gains) on Acquisition	-	-
Effect of the limit in Para 59(b) of Accounting Standard - 15	(60.25)	134.43
Total included in "Employee Benefit Expense" [Schedule 16(I)]	194.84	170.96
Actual Return on Plan Assets	205.50	530.56

* includes contribution of ₹0.24 crores towards staff deputed at subsidiaries (previous year ₹0.23 crores)

Balance Sheet

Details of provision for provident fund

	(₹ in crores)	
	31 March, 2023	31 March, 2022
Fair Value of Plan Assets	4,007.93	3,538.64
Present Value of Funded Obligations	(3,933.75)	(3,404.21)
Net asset	74.18	134.43
Amount not recognized as an asset (limit in Para 59(b) of Accounting Standard - 15)	(74.18)	(134.43)
Net Asset/(Liability)	-	-
Amounts in Balance Sheet		
Liabilities	-	-
Assets	-	-
Net Asset/(Liability)	-	-

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

	(₹ in crores)	
	31 March, 2023	31 March, 2022
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	3,404.21	2,861.59
Current Service Cost	194.84	170.96
Interest Cost	240.46	192.23
Actuarial Losses/(Gains)	25.29	203.90
Employees Contribution	372.64	343.79
Liability transferred from/to other companies	126.97	(26.17)
Benefits Paid	(430.66)	(342.09)
Closing Defined Benefit Obligation	3,933.75	3,404.21

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

	(₹ in crores)	
	31 March, 2023	31 March, 2022
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	3,538.64	2,861.59
Expected Return on Plan Assets	312.24	259.83
Actuarial Gains/(Losses)	(106.74)	270.73
Employer contribution during the period	194.84	170.96
Employee contribution during the period	372.64	343.79
Assets transferred from/to other companies	126.97	(26.17)
Benefits Paid	(430.66)	(342.09)
Closing Fair Value of Plan Assets	4,007.93	3,538.64

Experience adjustments

	(₹ in crores)				
	31 March, 2023	31 March, 2022	31 March, 2021	31 March, 2020	31 March, 2019
Defined Benefit Obligations	3,933.75	3,404.21	2,861.59	2,494.37	2,245.71
Plan Assets	4,007.93	3,538.64	2,861.59	2,494.37	2,245.71
Surplus/(Deficit)	74.18	134.43	-	-	-
Experience Adjustments on Plan Liabilities	17.24	169.83	43.51	4.24	(27.40)
Experience Adjustments on Plan Assets	(106.74)	270.73	(12.88)	(32.62)	(57.29)

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

	31 March, 2023	31 March, 2022
Government securities	53%	54%
Bonds, debentures and other fixed income instruments	9%	11%
Equity shares	9%	8%
Others	29%	27%

Principal actuarial assumptions at the Balance Sheet date

	31 March, 2023	31 March, 2022
Discount rate for the term of the obligation	7.45%	6.80%
Average historic yield on the investment portfolio	8.47%	8.61%
Discount rate for the remaining term to maturity of the investment portfolio	7.45%	6.90%
Expected investment return	8.47%	8.51%
Guaranteed rate of return	8.15%	8.10%

The contribution to the employee's provident fund (including Employee Pension Scheme) amounted to ₹306.55 crores for the year (previous year ₹272.91 crores).

Superannuation

The Bank contributed ₹13.71 crores (previous year ₹14.10 crores) to the superannuation plan for the year.

The Bank has also accrued ₹1.68 crores for the eligible employees of the Bank who had moved to the Bank as part of the Citibank India consumer business acquisition as they are entitled to receive a lumpsum corpus amount under a separate Superannuation scheme with vesting criteria of 10 years as a defined contribution plan.

National Pension Scheme (NPS)

During the year, the Bank contributed ₹10.56 crores (previous year ₹8.53 crores) to the NPS for employees who have opted for the scheme.

Gratuity

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



Profit and Loss Account

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

	(₹ in crores)	
	31 March, 2023	31 March, 2022
Current Service Cost	76.40	67.12
Interest on Defined Benefit Obligation	40.70	35.89
Expected Return on Plan Assets	(39.39)	(34.13)
Net Actuarial Losses/(Gains) recognised in the year	(7.53)	6.68
Losses/(Gains) on Acquisition	(37.36)	-
Past Service Cost	-	0.78
Total included in "Employee Benefit Expense" [Schedule 16(I)]	32.82	76.34
Actual Return on Plan Assets	19.66	43.58

Balance Sheet

Details of provision for gratuity

	(₹ in crores)	
	31 March, 2023	31 March, 2022
Fair Value of Plan Assets	678.09	559.68
Present Value of Funded Obligations	677.86	(547.55)
Unrecognised past service cost	-	-
Net Asset/(Liability)	0.23	12.13
Amounts in Balance Sheet		
Liabilities	-	-
Assets	0.23	12.13
Net Asset/(Liability) (included under Schedule 11 - Other Assets /Schedule 5 - Other Liabilities)	0.23	12.13

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

	(₹ in crores)	
	31 March, 2023	31 March, 2022
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	547.55	516.43
Current Service Cost	76.40	67.12
Interest Cost	40.70	35.89
Actuarial Losses/(Gains)	(27.26)	16.13
Liabilities assumed on acquisition	118.96	-
Benefits Paid	(78.49)	(88.02)
Closing Defined Benefit Obligation	677.86	547.55

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

	(₹ in crores)	
	31 March, 2023	31 March, 2022
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	559.68	508.22
Expected Return on Plan Assets	39.39	34.13
Actuarial Gains/(Losses)	(19.73)	9.45
Contributions by Employer	20.92	95.90
Assets acquired on acquisition	156.32	-
Benefits Paid	(78.49)	(88.02)
Closing Fair Value of Plan Assets	678.09	559.68

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Experience adjustments

	(₹ in crores)				
	31 March, 2023	31 March, 2022	31 March, 2021	31 March, 2020	31 March, 2019
Defined Benefit Obligations	677.86	547.55	516.43	469.30	402.15
Plan Assets	678.09	559.68	508.22	467.75	391.91
Surplus/(Deficit)	0.23	12.13	(8.21)	(1.55)	(10.24)
Experience Adjustments on Plan Liabilities	3.97	25.88	(9.28)	(8.33)	7.50
Experience Adjustments on Plan Assets	(19.73)	9.45	6.38	(6.74)	9.36

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

	31 March, 2023	31 March, 2022
Government securities	37%	39%
Bonds, debentures and other fixed income instruments	31%	25%
Money market instruments	4%	10%
Equity shares	3%	5%
Balance in bank & others	25%*	21%

*includes plan assets under transfer pursuant to acquisition of Citibank India Consumer Business

Principal actuarial assumptions at the Balance Sheet date:

	31 March, 2023	31 March, 2022
Discount Rate	7.45% p.a.	6.80% p.a.
Expected Rate of Return on Plan Assets	7.00% p.a.	7.00% p.a.
Salary Escalation Rate	7.00% p.a.	7.00% p.a.
Employee Turnover		
- 21 to 30 (age in years)	24.00%	24.00%
- 31 to 44 (age in years)	14.00%	14.00%
- 45 to 59 (age in years)	8.00%	8.00%

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

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

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

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

Resettlement allowance

Profit and Loss account

During the year ended 31 March, 2023, post transfer of provision towards resettlement allowance on acquisition of Citibank India Consumer Business, the Bank recognised an incremental expense of ₹Nil towards liability in respect of resettlement allowance based on actuarial valuation conducted by an independent actuary.

Balance Sheet

	(₹ in crores)	
	31 March, 2023	31 March, 2022
Current liability	0.46	N.A.
Non current liability	3.29	N.A.
Net Liability (included under Schedule 5 – Other Liabilities)	3.75	N.A.



Principal actuarial assumptions at the Balance Sheet date:

	31 March, 2023	31 March, 2022
Discount Rate	7.45% p.a.	N.A.
Salary Escalation Rate	7.00% p.a.	N.A.
Employee Turnover		
- 21 to 30 (age in years)	24.00%	N.A.
- 31 to 44 (age in years)	14.00%	N.A.
- 45 to 59 (age in years)	8.00%	N.A.

Provision towards probable impact on account of Code of Social Security 2020

The Code on Social Security 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have also not yet been issued. The Bank has carried out an impact assessment of the gratuity liability based on an actuarial valuation and on a prudent basis holds a provision of ₹228.26 crores as on 31 March, 2023 (₹225.30 crores as on 31 March, 2022). This is over and above the provisions made in normal course based on extant rules and as reported in the above disclosure.

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

Under the terms of BTAs executed with CBNA and CFIL, the liability as on beginning of 1 March, 2023 (Legal Day One) in respect of employee benefits for in perimeter employees who have joined the Bank, arising from the enforcement of Code on Social Security 2020 or any other social security legislation shall be borne by CBNA and CFIL respectively, if such code is legally enforced within a finite period. Since, the finite period for which CBNA and CFIL are responsible for the liability has not expired in the current financial year, accordingly, no provision for the said liability has been made in the books of accounts for the said employees.

4.10. Provisions and contingencies

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

	31 March, 2023	31 March, 2022
		(₹ in crores)
Opening balance at the beginning of the year	121.99	88.61
Additions during the year	69.87	50.23
Reductions on account of payments/reversals during the year	(13.80)	(16.85)
Closing balance at the end of the year	178.06	121.99

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

	31 March, 2023	31 March, 2022
		(₹ in crores)
Opening provision at the beginning of the year	250.29	305.36
Provision transferred on acquisition of Citibank India consumer business	319.62	-
Provision made during the year	298.21	70.35
Reductions during the year	(156.58)	(125.42)
Closing provision at the end of the year	711.54	250.29

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

	31 March, 2023	31 March, 2022
		(₹ in crores)
Opening provision at the beginning of the year	4,121.65	3,006.25
Provision transferred on acquisition of Citibank India consumer business	20.24	-
Provision made during the year*	385.21	1,299.24
Reductions during the year	(742.39)	(183.84)
Closing provision at the end of the year	3,784.70	4,121.65

*includes movement on account of exchange rate fluctuation

Closing provision includes provision for legal cases, additional provision for delay in implementation of resolution plan, provision for other contingencies and provision for COVID-19.

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4.11. Small and Micro Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Following are the details of delayed payments to MSMED registered vendors.

For the year ended 31 March, 2023:

Particulars	(₹ in crores)	
	Principal	Interest
The principal amount and the interest due thereon remaining unpaid to any supplier	78.53	0.00*
The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	18.55	1.55
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	N.A.	0.30
The amount of interest accrued and remaining unpaid	N.A.	0.30
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	N.A.	0.30

*Denotes amount less than ₹50,000/-

For the year ended 31 March, 2022:

Particulars	(₹ in crores)	
	Principal	Interest
The principal amount and the interest due thereon remaining unpaid to any supplier	52.38	0.04
The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	95.61	0.34
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	N.A.	1.57
The amount of interest accrued and remaining unpaid	N.A.	1.61
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	N.A.	1.61

The above is based on the information available with the Bank which has been relied upon by the auditors.

4.12. Corporate Social Responsibility (CSR)

- Amount required to be spent by the Bank on CSR during the year ₹199.46 crores (previous year ₹138.06 crores).
- Amount spent towards CSR during the year and recognized as expense in the profit and loss account on CSR related activities is ₹201.92 crores (previous year ₹138.25 crores), which comprises of following-

	31 March, 2023			31 March, 2022		
	In cash	Yet to be paid in cash (i.e. provision) ¹	Total	In cash	Yet to be paid in cash (i.e. provision)	Total
Construction/acquisition of any asset	-	-	-	-	-	-
On purpose other than above	172.04	29.88	201.92	113.19	25.06	138.25

- An amount of ₹29.61 crores has been transferred to the "Axis Bank Limited-Unspent CSR Account for FY 2022-23" to be utilized towards on-going project(s)/program(s) in line with the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.



4.13. Disclosure required as per Ministry of Corporate Affairs notification dated 24 March, 2021

During the year ended 31 March, 2023, other than the transactions undertaken in the normal course of banking business and in accordance with extant regulatory guidelines and Bank's internal policies, as applicable:

1. the Bank has not granted any advance/loans or investments or provided guarantee or security to any other person(s) or entities with an understanding, whether recorded in writing or otherwise, to further lend or invest on behalf of the Bank or provide guarantee or security or the like to any other person identified by the Bank.
2. the Bank has not received any funds from any person(s) or entities with an understanding, whether recorded in writing or otherwise, that the Bank shall further lend or invest or provide guarantee or security or the like in any other person on behalf of and identified by such person(s)/entities.

4.14. Description of contingent liabilities

a) Claims against the Bank not acknowledged as debts

These represent claims filed against the Bank in the normal course of business relating to various legal cases currently in progress. These also include demands raised by tax authorities and other statutory authorities which are disputed by the Bank. The Bank holds provision of ₹357.85 crores as on 31 March, 2023 (previous year ₹297.07 crores) towards claims assessed as probable.

b) Liability for partly paid investments

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

c) Liability on account of forward exchange and derivative contracts

The Bank enters into foreign exchange contracts, including non-deliverable forward (NDF) contracts, currency options/swaps, exchange traded currency options, non-deliverable options, interest rate/currency futures and forward rate agreements on its own account and OTC for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. A non-deliverable forward contract is a currency derivatives contract to exchange cash flows between the contracted forward exchange rate and prevailing spot rates. Currency swaps are commitments between two counterparties to exchange streams of interest payments and/or principal amounts in different currencies on specified dates over the duration of the swap at a pre-agreed exchange rate. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Interest rate futures are standardised, exchange-traded contracts that represent a pledge to undertake a certain interest rate transaction at a specified price, on a specified future date. Forward rate agreements (FRA) are financial contracts between two counterparties, in which a buyer will pay or receive, on the settlement date, the difference between a pre-determined fixed rate (FRA rate) and a reference interest rate, applied on a notional principal amount, for a specified forward period. A foreign currency option is an agreement between two parties in which one grants to the other the right to buy or sell a specified amount of currency at a specific price within a specified time period or at a specified future time. An Exchange Traded Currency Option contract is a standardised foreign exchange derivative contract, which gives the buyer the right, but not the obligation, to exchange money denominated in one currency into another currency at a pre-agreed exchange rate on a specified date on the date of expiry. A non-deliverable option contract is a currency derivatives contract that offers the right, but not the obligation to either purchase or sell a currency against another currency and the contract is settled at the difference between the contracted exchange rate and prevailing spot rate on the expiry date. Currency Futures contract is a standardised, exchange-traded contract, to buy or sell a certain underlying currency at a certain date in the future, at a specified price. The amount of contingent liability represents the notional principal of respective forward exchange and derivative contracts.

d) Guarantees given on behalf of constituents

As a part of its banking activities, the Bank issues guarantees on behalf of its customers to enhance their credit standing. Guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations. These are stated net of cash margin held with the Bank as on the reporting date in Schedule 12 – Contingent Liabilities of the Balance Sheet.

e) Acceptances, endorsements and other obligations

These include documentary credit issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank. These are stated net of cash margin held with the Bank as on the reporting date in Schedule 12 – Contingent Liabilities of the Balance Sheet.

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f) Other items for which the Bank is contingently liable

Other items represent outstanding amount of bills rediscounted by the Bank, estimated amount of contracts remaining to be executed on capital account, notional principal on account of outstanding Tom/Spot foreign exchange contracts, contracts for purchase of investments where settlement is due post balance sheet date, contingent liability relating to undertakings issued towards settlements under resolution plan in respect of non-performing assets, commitments towards underwriting and investment in equity through bids under Initial Public Offering (IPO) of corporates, and amount transferred to Depositor Education and Awareness Fund (DEAF).

During earlier years, the Bank, through one of its overseas branches, had arranged Trade Credit (Buyers Credit loans) against Letters of Undertaking (LOUs) issued by Punjab National Bank (PNB) and down sold such loans to other banks in the secondary market. The LOUs were subsequently alleged as fraudulent by PNB. As on 31 March, 2023, there is no funded exposure outstanding in the overseas branch as Punjab National Bank (PNB) had repaid the aggregate amount of all LOUs due based on the undertaking given by the Bank and made remittance to the overseas branch which was passed on for onward payment to the participating banks. The Bank, in its reasonable and independent judgment, did not and does not anticipate any valid claim by PNB against the Bank for refund by the Bank of the amounts paid by PNB towards the LOUs and has classified this amount as a remote liability as on 31 March, 2023 not warranting any disclosure as a contingent liability.

The Bank has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law/accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements, where applicable.

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

In terms of our report attached.

For M. P. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No.: 101851W

Ashutosh Pednekar
Partner
Membership No.: 041037

For CNK & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101961W/W100036

Manish Sampat
Partner
Membership No.: 101684

For Axis Bank Ltd.

Rakesh Makhija
Chairman

Rajiv Anand
Deputy Managing Director

Amitabh Chaudhry
Managing Director & CEO

S. Mahendra Dev
Director

Girish Paranjpe
Director

T.C. Suseel Kumar
Director

Sandeep Poddar
Company Secretary

Puneet Sharma
Chief Financial Officer

Meena Ganesh
Director

Date : 27 April, 2023
Place: Mumbai