



FIRSTRAND BANK



FirstRand Bank Limited-India Branch

(Incorporated in South Africa with Limited Liability)

Indian Rupees in 000's

Balance Sheet as on		31-Mar-17	31-Mar-16
Description	Schedule	Amount	Amount
CAPITAL AND LIABILITIES			
Capital	1	6,617,140	6,617,140
Reserves & Surplus	2	(3,705,715)	(3,175,827)
Deposits	3	4,934,469	6,330,281
Borrowings	4	2,782,151	8,243,320
Other Liabilities and Provisions	5	4,130,218	1,816,066
Total		14,758,263	19,830,980

ASSETS			
Cash & Balances with Reserve Bank of India	6	289,317	440,563
Balances with Banks & Money at Call & Short Notice	7	744,115	1,990,666
Investments	8	7,092,013	10,998,658
Loans & Advances	9	2,441,360	4,637,876
Fixed Assets	10	32,599	41,942
Other Assets	11	4,158,859	1,721,275
Total		14,758,263	19,830,980
Contingent Liabilities	12	217,018,814	128,876,681
Bills for collection		3,056,560	3,285,419

Significant Accounting Policies and Notes to the Financial Statements 18

The accompanying notes & schedules form an integral part of the Financial Statements

For A.P. Sanzgiri & Co
Chartered Accountants
ICAI Firm Reg No- 116293W

For FirstRand Bank Limited- India Branch

Rohit Wahi

Rohit Wahi
Chief Executive Officer

Kamini Shah

Kamini Shah
Head - Finance



Ankush Goyal
Partner
M.No. 146017
Place: Mumbai
Date: 29 June 2017





FirstRand Bank Limited-India Branch

(Incorporated in South Africa with Limited Liability)

Indian Rupees in 000's

Profit and Loss account for the year ended		31-Mar-17	31-Mar-16
Description	Schedule	Amount	Amount
I. INCOME			
Interest earned	13	1,371,926	1,198,742
Other Income	14	524,452	422,927
Total		1,896,378	1,621,669
II. EXPENDITURE			
Interest expended	15	821,790	763,479
Operating expenses	16	1,300,762	1,275,113
Provisions and contingencies	17	303,714	290,886
Total		2,426,266	2,329,478
III. PROFIT/LOSS			
Net Profit/(Loss) for the year		(529,888)	(707,809)
Net Profit/(Loss) brought forward		(3,175,827)	(2,468,018)
Total		(3,705,715)	(3,175,827)
IV. APPROPRIATIONS			
Balance carried over to Balance Sheet		(3,705,715)	(3,175,827)

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For A.P. Sanzgiri & Co
Chartered Accountants
ICAI Firm Reg No- 116293W

Ankush Goyal
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For FirstRand Bank Limited- India Branch

Rohit Wahi
Chief Executive Officer

Kamini Shah
Head - Finance



FirstRand Bank Limited-India Branch
(Incorporated in South Africa with Limited Liability)

Cash Flow Statement for the year ended 31st March 2017

Indian Rupees in 000's

Particulars	31-Mar-17	31-Mar-16
Cash flow from Operating Activities		
Net profit before taxation and extraordinary items	(529,888)	(707,809)
Adjustments for:		
Depreciation on Fixed Assets	21,843	15,930
(Profits)/loss on sale of Fixed Assets	(38)	(2,467)
Provision for gratuity & leave encashment	(5,184)	12,751
Provision for country risk	(975)	430
Provision for Standard Assets	7,643	11,753
Provision towards Unhedged Foreign Currency Exposure	(18,948)	4,980
Written off Advances	416,203	17
Provision for Non-Performing Asset	(99,946)	273,443
Other Provisions- Loss on SS	1,039	209,242
Provision for Lease Equalisation	5,500	(27,825)
Operating profit before changes in working capital	(202,751)	(209,555)
Adjustment for:		
(Increase)/ Decrease in Investments	3,906,645	574,666
(Increase)/ Decrease in Advances	2,196,517	(2,151,639)
(Increase)/ Decrease in Other Assets	(2,437,585)	(752,795)
Increase/ (Decrease) in Deposits	(1,395,810)	2,964,381
Increase/ (Decrease) in Other liabilities and Provisions	2,005,163	640,900
Cash Generated from operations	4,072,179	1,065,958
Less: Direct Taxes Paid (net of refund received)	3,657	-
Net Cash flow from Operating Activities (A)	4,075,836	1,065,958
Cash flow from Investing Activities		
Purchase of Fixed Assets	(12,490)	(37,415)
Purchase of CWIP	(87)	-
Proceeds from sale of Fixed Assets	113	5,134
Net Cash flow from Investing Activities (B)	(12,464)	(32,281)
Cash flow from Financing Activities		



②





Receipt of Capital	-	132,120
Increase / (Decrease) in Borrowings (Net)	(5,461,169)	(668,926)
Net Cash flow from Financing Activities (C)	(5,461,169)	(536,806)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(1,397,797)	496,871
Cash and Cash equivalents at the beginning of the period	2,431,229	1,934,358
Cash and Cash equivalents at the end of the period	1,033,432	2,431,229

Note: Cash and Cash equivalents represents

Particulars	31-Mar-17	31-Mar-16
a) Cash and balance with Reserve Bank of India	289,317	440,563
b) Balance with Banks and money at call and short notice (Excluding deposits with original maturity of more than 3 months)	744,115	1,990,666
Total	1,033,432	2,431,229

For A.P.Sanzgiri & Co
Chartered Accountants
ICAI Firm Registration No.: - 116293W



Ankush Goyal
Partner
M.No. 146017

Place: Mumbai
Date: 29 June 2017

For FirstRand Bank Limited-India Branch

Rohit Wahi
Chief Executive Officer

Kamini Shah
Head - Finance





Indian Rupees in 000's

Schedules to Financial Statements as at	31-Mar-17	31-Mar-16
SCHEDULE 1 - CAPITAL	Amount	Amount
Opening Balance	6,617,140	6,485,020
Additions during the period	-	132,120
TOTAL	6,617,140	6,617,140
Of the above, amount of deposit kept with Reserve Bank of India under section 11(2)(b) of the Banking Regulation Act, 1949.	2,500	2,500

SCHEDULE 2 - RESERVES & SURPLUS	Amount	Amount
I. Statutory Reserves		
Opening balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
II. Capital Reserves		
Opening balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
III. Investment Reserves		
Opening balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
IV. Revenue and Other Reserves		
Opening balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
V. Balance in Profit & Loss account	(3,705,715)	(3,175,827)
TOTAL (I+II+III+IV+V)	(3,705,715)	(3,175,827)

SCHEDULE 3 - DEPOSITS	Amount	Amount
I (i) Demand deposits		
- From Banks	1,906	58,073
- From others	306,877	260,746
(ii) Savings bank deposits	-	1,018,026
(iii) Term deposits		
- From Banks	-	-
- From others	3,634,946	4,024,241
- Certificate of deposits	990,740	969,195
TOTAL (i+ii+iii)	4,934,469	6,330,281
II.(i) Deposits of branches in India	4,934,469	6,330,281
(ii) Deposits of branches outside India	-	-
TOTAL (i+ii)	4,934,469	6,330,281





Indian Rupees in 000's

SCHEDULE 4 - BORROWINGS	Amount	Amount
I. Borrowings in India		
(i) Reserve Bank of India	-	3,620,000
(ii) Other Bank	1,100,000	2,700,000
(iii) Other institution and agencies	810,680	199,899
Items (i) and (iii) above are secured borrowings		
II. Borrowings outside India (from Head Office)	871,471	1,723,421
TOTAL (I+II)	2,782,151	8,243,320

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS	Amount	Amount
I. Bills Payable	399	-
II. Inter Office adjustments (net)	-	-
III. Interest Accrued	44,250	73,458
IV. Others (including provisions)		
- Provision for Standard Assets	39,464	31,821
- Provision for Unhedged Foreign Currency	5,805	24,753
- Provision for Country Risk	671	1,646
- Others	4,039,629	1,684,388
TOTAL (I + II +III+IV)	4,130,218	1,816,066

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA	Amount	Amount
I. Cash in hand (including foreign currency notes)	5	13,864
II. Balances with Reserve Bank of India		
(i) in Current Accounts	289,312	426,699
(ii) in Other Accounts		
TOTAL (I+II)	289,317	440,563





Indian Rupees in 000's

SCHEDULE 7 - BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE	Amount	Amount
I In India		
(i) Balance with banks		
(a) in Current Accounts	8,278	11,422
(b) in Other Deposit Accounts	-	-
(ii) Money at call and short notice		
(a) with banks	-	-
(b) with other Institutions	-	40,000
(c) with RBI	-	-
TOTAL I (i+ii)	8,278	51,422
II Outside India		
(i) in Current Accounts	27,812	57,688
(ii) in Other Deposit Accounts (to Head office)	-	-
(iii) Money at call and short notice	708,025	1,881,556
TOTAL II (i+ii+iii)	735,837	1,939,244
GRAND TOTAL (I+II)	744,115	1,990,666

Indian Rupees in 000's

SCHEDULE 8 - INVESTMENTS	Amount	Amount
I. Investments in India in		
(i) Government Securities*	3,864,582	7,121,361
(ii) Other approved Securities	-	-
(iii) Shares	-	-
(iv) Debentures and bonds	2,249,730	1,500,644
(v) Subsidiaries and/or joint ventures	-	-
(vi) Others (includes Certificate of Deposit and Commercial Paper)	977,701	2,376,653
	7,092,013	10,998,658
II. Investments Outside India		
	-	-
TOTAL (I + II)	7,092,013	10,998,658

*Government Securities includes the following: a) Securities kept with Clearing Corporation of India Limited towards Security and Forex clearing facility of Face Value Rs. 6,55,000 ('000) [PY Rs. 542,200 ('000)] of which securities kept under Collateralised Borrowing and Lending Obligation of Face Value Rs. 200,000 ('000) [PY Rs. 210,000 ('000)] b) Under the Market Repo (CROMS) of Face Value of Rs 6,40,400('000) [PY Rs. 3,764,800 ('000) with RBI.]





Indian Rupees in 000's

SCHEDULE 9 - ADVANCES		Amount	Amount
I	(i) Bills purchased and discounted	95,629	359,123
	(ii) Cash credits, overdrafts and loans repayable on Demand	277,864	1,183,040
	(iii) Term loans	2,067,867	3,095,713
	TOTAL	2,441,360	4,637,876
II	(i) Secured by tangible assets	1,343,613	2,383,148
	(ii) Covered by bank/Government guarantees	10,880	-
	(iii) Unsecured	1,086,867	2,254,728
	TOTAL	2,441,360	4,637,876
III A.	Advances in India		
	(i) Priority sectors	1,245,551	1,589,532
	(ii) Public sector	-	-
	(iii) Banks	-	-
	(iv) Others	1,195,809	3,048,344
	TOTAL	2,441,360	4,637,876
III B.	Advances outside India		-
	(i) Due from banks	-	-
	(ii) Due from others	-	-
	(a) Bills purchased and discounted	-	-
	(b) Syndicated loans	-	-
	(c) Others	-	-
	TOTAL	-	-
	TOTAL (IIIA + IIIB)	2,441,360	4,637,876





Indian Rupees in 000's

SCHEDULE 10 - FIXED ASSETS	Amount	Amount
I. Premises	-	-
Cost at the beginning of the year	-	-
Additions during the year	-	-
Deductions during the year	-	-
Depreciation to date	-	-
Net book value of premises	-	-
II. Other Fixed Assets (including furniture and fixtures and intangibles)		
Opening Balance	257,780	230,970
Additions During the year	12,490	37,415
Gross Book Value	270,270	268,385
Deductions during the year	(1,053)	(10,605)
Accumulated Depreciation to date	(236,705)	(215,838)
Net Book Value of other fixed assets (including furniture & fixtures and intangibles)	32,512	41,942
III. Capital work-in-progress	87	-
TOTAL (I + II + III)	32,599	41,942

SCHEDULE 11 - OTHER ASSETS	Amount	Amount
I. Inter-office adjustments(net)	-	-
II. Interest accrued	179,050	125,502
III. Tax paid in advance /tax deducted at source	710	492
IV. Stationary and stamps	-	-
V. Non-banking assets acquired in satisfaction of claims	-	-
VI. Deferred Tax	-	-
VII. Others	3,979,099	1,595,281
TOTAL (I +II + III+ IV + V +VI+VII)	4,158,859	1,721,275





Indian Rupees in 000's

SCHEDULE 12 - CONTINGENT LIABILITIES	Amount	Amount
I. Claims against the bank not acknowledged as debt	-	-
II. Liability on account of outstanding derivative contracts	11,866,036	12,079,823
III. Liability on account of outstanding forward exchange contracts and foreign currency swap contract	192,901,588	110,587,511
IV. Guarantees given on behalf of constituents	3,138,479	3,172,894
(a) In India	3,138,479	3,172,894
(b) Outside India	-	-
V. Acceptances, endorsements and other obligations	534,764	905,953
VI. Other items for which the banks is contingently liable / capital commitments	8,577,947	2,130,500
- Capital commitments not provided	-	-
- Others*	8,577,947	2,130,500
TOTAL (I + II + III+ IV + V +VI)	217,018,814	128,876,681

* Includes Rs. 41,632 (in'000) undrawn Limits (P.Y. Rs. 356,525 (in'000))





Indian Rupees in 000's

SCHEDULE 13 - Interest Earned	Amount	Amount
I. Interest/discount on advances/bills	514,574	270,038
II. Income on investments	841,936	917,926
III. Interest on balances with Reserve Bank of India and other interbank funds	14,952	10,645
IV. Others	464	133
TOTAL	1,371,926	1,198,742

SCHEDULE 14 - OTHER INCOME	Amount	Amount
I. Commission, exchange and brokerage (net)	236,128	122,647
II. Profit/(Loss) on investments (net)	64,712	14,745
III. Profit/(Loss) on sale of land, buildings and other assets (net)	38	2,467
IV. Profit on exchange transactions/Derivatives (net)	16,485	39,002
V. Miscellaneous Income*	207,089	244,066
TOTAL	524,452	422,927

*Includes income from HO of Rs. 202,996 (in'000) (P.Y. Rs. 226,282 (in'000))

SCHEDULE 15 - INTEREST EXPENSES	Amount	Amount
I. Interest on deposits	403,146	363,033
II. Interest on Reserve Bank of India / inter- bank borrowings	401,452	386,083
III. Others	17,192	14,363
TOTAL	821,790	763,479

SCHEDULE 16 - OPERATING EXPENSES	Amount	Amount
I. Payment to and Provisions for employees	652,381	610,240
II. Rent, taxes and lighting	174,564	122,462
III. Printing and Stationery	7,316	(263)
IV. Advertisement and publicity	6,703	30,859
V. Depreciation on bank's property	21,843	15,930
VI. Directors' fees, allowances and expenses	-	-
VII. Auditors' fees and expenses	800	2,800
VIII. Law charges	6,543	3,184
IX. Postage, telegrams, telephone etc.	1,575	2,176
X. Repairs and maintenance	63,149	71,564
XI. Insurance	16,783	17,704
XII. Other expenditure	349,105	398,457
TOTAL	1,300,762	1,275,113





Indian Rupees in 000's

SCHEDULE 17 - PROVISIONS AND CONTINGENCIES	Amount	Amount
I. Provision towards Standard Assets	7,643	11,753
II. Provision towards Country Risk	(975)	430
III. Provision towards Non Performing Asset (net of write back)	(99,946)	273,443
IV. Provision towards Unhedged Foreign Currency	(18,948)	4,980
V. Bad Debts written off	416,203	17
VI. Provision for taxation		
- Current income tax expense	-	-
- Deferred tax	-	-
- Wealth tax	-	-
VII. Provision towards other assets	(263)	263
VIII. Provision for Depreciation of Investments	-	-
TOTAL	303,714	290,886





Notes to Accounts

March 2017



FirstRand Bank Limited-India Branch

(Incorporated in South Africa with Limited Liability)

SCHEDULE 18: SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. BACKGROUND

The accompanying financial statements for the year ended 31 March 2017 comprise of accounts of the Mumbai Branch (referred to as 'the Bank') of FirstRand Bank Limited which is a banking company incorporated in South Africa with limited liability and was granted a license to carry on banking business in India by Reserve Bank of India (RBI) on 18 February 2009.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by the Reserve Bank of India (RBI) from time to time, the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rule, 2016 to the extent applicable and practices generally prevalent in the banking industry in India.

The Bank follows accrual method of accounting (except where otherwise stated) and historical cost convention.

The financial statements are presented in Indian Rupees rounded off to the nearest thousand, unless otherwise stated.

3. GOING CONCERN AND USE OF ESTIMATES

The preparation of the financial statements are based on going concern basis and requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent liabilities as at the date of the financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable; however actual results could differ from these estimates. Any revision in the accounting estimates is recognized prospectively in the future period.





4. SIGNIFICANT ACCOUNTING POLICIES

4.1. Investments

Classification

In accordance with RBI guidelines, all investments are classified into the following categories, based on the intent at the time of acquisition

- Held to Maturity (HTM),
- Available for Sale (AFS) and
- Held for Trading (HFT)

Under each of these categories the investment portfolio is further classified in accordance with RBI disclosure guidelines into sub-categories of:

- Government securities,
- Other approved securities,
- Shares,
- Debentures and Bonds,
- Subsidiaries/Joint ventures and
- Others.

Shifting, if any between the categories is done in accordance with RBI guidelines.

The Bank follows settlement date method for accounting of its investments

Basis of classification

Investments that are held principally for resale within 90 days from the date of purchase are classified under HFT category. Investments which the Bank intends to hold till maturity are classified as HTM securities. Investments which are not classified in the above categories are classified under AFS category.

Acquisition Cost

In determining the cost of investment,

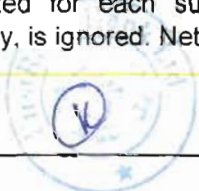
- Brokerage, commission, etc. paid at the time of purchase/sale is charged to the Profit & Loss Account.
- Broken period interest paid at the time of acquisition of the security is charged to the Profit & Loss Account.
- Cost of investments is based on First in First out method.

Disposal of Investments

Profit / Loss on sale of investments under the aforesaid three categories are taken to the Profit & Loss account. The profit from sale of investments under HTM category if any, net of taxes and transfers to statutory reserve is subsequently appropriated to "Capital Reserve".

Valuation

Investments held under the AFS and HFT categories are marked to market periodically at the price as declared by Primary Dealers Association of India jointly with Fixed Income Money Market and Derivatives Association ("FIMMDA"). Securities are valued scrip-wise and depreciation/appreciation is aggregated for each sub-category. Net depreciation, if any, is provided for and net appreciation, if any, is ignored. Net depreciation required to be provided for in





any one sub-category is not reduced on account of net appreciation in any other sub-category. Consequent to revaluation, the book value of the individual security is not changed.

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

Investment held under the HTM category are carried at their acquisition cost and any premium over the face value, paid on acquisition, is amortized on a straight line basis over the remaining period to maturity. Where in the opinion of the management, a diminution other than temporary in the value of investments held under HTM has taken place, suitable provisions are made.

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is marked to market and loss, if any, is charged to the Profit and Loss account while gain, if any, is ignored. Profit / Loss on settlement of the short position is recognized in the Profit and Loss account.

Non-performing investments are identified and depreciation / provision are made thereon based on the RBI guidelines. Based on management assessment of impairment, the Bank may additionally create provision over and above the RBI guidelines. The depreciation / provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognized in the Profit and Loss account until received.

Repurchase (Repo) and Reverse Repurchase Transactions

Repo and Reverse Repo transactions including Liquidity Adjustment Facility (LAF) term repo with RBI and Collateralised Lending and Borrowing Obligations (CBLO) entered with Clearing Corporation of India Limited (CCIL) are considered as lending and borrowing transactions.

Costs thereon are accounted for as interest expense and Revenues thereon are accounted as interest income.

4.2. Advances and provision for advances

Advances are classified as performing and non-performing based on extant prudential norms for income recognition, asset classification and provisioning issued by RBI. Advances are stated net of specific provisions and interest in suspense.

Specific loan loss provisions in respect of non-performing advances (NPAs) are made based on management's assessment of the degree of impairment of advances, subject to the minimum provisioning level prescribed in the RBI guidelines.

The Bank maintains general provision for standard assets including credit exposures computed using the Current Exposure Method on interest rate and foreign exchange derivative contracts as stipulated by RBI. The provision for standard assets is included in Schedule 5 under Other Liabilities.

In addition to the provisions required according to the asset classification status, provisioning is done for individual country exposures (other than for home country exposure). Countries are classified into risk categories as per Export Credit Guarantee Corporation guidelines and provisioning is done as per RBI guidelines in respect of countries' where the net funded exposure is one percent or more of the Bank's total assets and included under 'Other Liabilities and Provisions'.





4.3. Fixed assets and depreciation

Fixed assets are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Gains or losses arising from derecognizing of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit and loss account when the asset is derecognized.

Depreciation on fixed assets is provided as per straight-line method from the date of addition over the estimated useful lives of the asset as estimated by the management. Depreciation on assets sold during the year is charged to the profit and loss account up to the date of sale. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter, then the depreciation is provided at a higher rate based on management's estimate of useful life/remaining useful life.

The management has estimated, assessed and has used the following useful lives to provide depreciation on its fixed assets which is consistent with the prior year

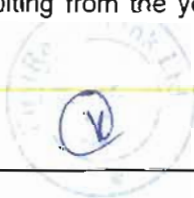
Asset Category	Useful lives estimated by the management (years)	Useful lives as per Companies Act 2013 (years)
Office equipment	3	5
Computers/Hardware Equipment	3	3
Application Software	3	5
Furniture and fixtures	3	10
Motor Vehicles	5	8
Items costing less than Rs. 5,000	Nil	As applicable to asset category

4.4. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of asset's net selling price and value in use. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life

4.5. Foreign Exchange Transactions

Monetary foreign currency assets and liabilities outstanding at the Balance Sheet date are translated to Indian Rupees at spot rates notified by the Foreign Exchange Dealers Association of India ('FEDAI'). All profits/losses resulting from the year end revaluations are recognised in the Profit & Loss Account.





Income and expenses are translated to Indian Rupees at the rates prevailing on the date of the transactions.

Outstanding forward exchange contracts and spot exchange contracts are revalued at year end exchange rates notified by FEDAI for specified maturities and at interpolated rates for contract of interim maturities. The resulting gains or losses on revaluation are included in the Profit & Loss Account in accordance with RBI/FEDAI guidelines. The net unrealised profits or losses are reflected in the Balance Sheet under Other Assets or Other Liabilities respectively.

Contingent liabilities on account of foreign exchange contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed in Indian Rupees at spot rates of exchange notified by FEDAI as at the reporting date.

4.6. Derivative transactions

The Bank enters into derivative contracts such as interest rate swaps and currency swaps, options, currency futures and foreign exchange contracts.

All derivative transactions are reported on a mark to market in the financial statements. The unrealized gains/losses are incorporated in the Profit and Loss Account and the corresponding amounts are reflected as other assets or liabilities respectively in the Balance Sheet.

Premiums paid and received on options are accounted for up-front in the Profit and Loss Account. Foreign currency options are marked to market (MTM) on daily basis and the profit or loss on revaluation is recorded in the Profit and Loss account and corresponding asset or liability is shown under Other assets or Other liabilities, respectively.

Currency futures contracts are marked to market (MTM) using closing rates of the relevant futures contract as published by the exchange. The resultant MTM profit or loss is settled the following day with the exchange Profit or loss on revaluation recorded in the Profit and Loss account. Margin money deposited with the exchange is included in other assets.

In terms of the RBI guidelines, amounts due to the Bank under derivative contracts which remained unpaid in cash for a period of 90 days or more from the specified date of payment are classified as non-performing assets and accordingly provision is made for the same.

4.7. Employee benefits

Gratuity

The Bank has a defined benefit plan for post-employment benefit in the form of gratuity for all its employees. In terms of the revised Accounting Standard-15 on Retirement Benefits, the Bank has made a provision towards Gratuity based on an actuarial valuation done by an independent actuary as at the year end, using the Projected Unit Credit Method. The Gratuity plan is not funded by the Bank. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of Profit and Loss.

Provident Fund

Contribution to Provident Fund is a defined contribution calculated at the designated rate (currently 12% of employee's basic salary) and is charged to the Profit & Loss Account. Both the employer and employee contributions are made to the Employees' Provident Fund Organisation (EPFO) of the Government of India. The Bank has no obligation, other than the contribution





payable to the provident fund. The Bank recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Leave Salary

The Bank makes a provision for accrued compensated absences based on actuarial valuation as carried out by an independent actuary, using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.

4.8. Lease Accounting

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

4.9. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. Interest income is recognized in the Profit & Loss Account on an accrual basis, except in the case of non-performing assets where it is recognized upon realization as per RBI norms.

Fees for services are recognized at the time the services are rendered and a binding obligation to receive the fees has arisen.

Discount and commission income on bills discounted and guarantees issued respectively by the Bank are amortized over the life of the instrument, except commission on guarantees and letters of credit of less than Rs. 200 ('000), is recognized in the Profit & Loss Account in the year in which the guarantee is issued.

Income on discounted instruments is recognized over the tenure of the instrument on a straight line basis.

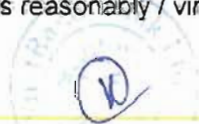
4.10. Taxation

Income tax comprises current tax provision and the net change in the deferred tax asset or liability in the year.

Deferred tax assets and liabilities arising on account of timing differences are recognised in the Profit & Loss Account and the cumulative effect thereof is reflected in the Balance Sheet. Deferred tax assets and liabilities are measured using the enacted or substantially enacted tax rates at the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the Profit & Loss Account in the period of change.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future, except in case of unabsorbed depreciation or carried forward loss under taxation laws which are recognized only to the extent that there is virtual certainty of realization of such assets.

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





4.11. Cash & Cash equivalents

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

4.12. Accounting for Provisions, Contingent Liabilities and Contingent Assets

In Accordance with AS - 29 relating to Provisions, Contingent Liabilities and Contingent Assets, the Bank recognizes provisions only when it has a present obligation as a result of a past event that requires that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

Provisions are determined based on management estimate required to settle the obligation at the Balance Sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

No provision is recognized and a disclosure of contingent liability is made when:

- there is a possible obligation that may arise from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the Bank; or
- any present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Such obligations are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable is provided for except in the extremely rare circumstances where no reliable estimate can be made.

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

Contingent assets are not 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.

4.13. Net Profit / Loss

The net profit/ loss disclosed in the Profit & Loss statement is after:

- Specific provision for advances and provision for standard advances
- Country risk provision
- Unhedged foreign currency exposure
- Provision for shortfall in the value of Investments
- Other usual or necessary provisions.





5. NOTES FORMING PART OF FINANCIAL STATEMENTS AND STATUTORY DISCLOSURES AS PER RESERVE BANK OF INDIA CIRCULARS AND GUIDELINES

5.1. Capital Adequacy Ratio

The Reserve Bank of India had issued guidelines on implementation of Basel III capital regulation in India. These guidelines are to be implemented in a phased manner and are to be fully implemented as on 31 March 2019.

The capital adequacy ratio of the Bank calculated as per RBI guidelines is as follows:

Sr. No	Particulars	31-Mar-17	31-Mar-16
i)	Common Equity Tier 1 capital ratio (%)	20.19	25.36
ii)	Tier 1 capital ratio (%)	20.19	25.36
iii)	Tier 2 capital ratio (%)	0.32	0.43
iv)	Total Capital ratio (CRAR) (%)	20.51	25.79
v)	Percentage of the shareholding of the Government of India in public sector banks	-	-
vi)	Amount of equity capital raised	-	-
vii)	Amount of Additional Tier 1 capital raised; of which	-	-
	PNCPS:	-	-
	PDI:	-	-
viii)	Amount of Tier 2 capital raised; of which	-	-
	Debt capital instrument:	-	-
	Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]	-	-

5.2. Investments

The details of investments are given below:

(Rs. In '000s)

Particulars (In India)	31-Mar-17 Book Value	31-Mar-16 Book Value
1) Value of Investments		
Gross Value of Investments	7,092,013	10,998,658
Less: Provision for Depreciation during the year	---	---
Add: Write back of Provision during the year	---	---
Net Value of Investments	7,092,013	10,998,658
2) Movement of provisions held towards depreciation on Investments		
Opening balance	---	---
Add: Provisions made during the year	---	---
Less: Write off/ write off excess provisions during the year	---	---
Closing balance	---	---



There were no investment outside India as at March 31, 2017 and March 31, 2016.

5.3. Repo Transactions

The details of face value of securities purchased and sold under repo and reverse repo agreements during the year ended 31 March 2017 (previous year figures are shown in brackets) are as follows:

(Rs. In '000s)

Particulars	Minimum Outstanding during the year*	Maximum Outstanding during the year*	Daily average Outstanding during the year*	As at 31-Mar-17 (31-Mar-16)
Securities sold under Repo				
i) Government securities	50,000 (29,500)	5,316,300 (5,716,300)	3,628,442 (3,377,122)	640,400 (---)
ii) Corporate debt securities	--- (---)	--- (---)	--- (---)	--- (---)
Securities purchased under Reverse Repo				
i) Government securities	197,300 (51,100)	1,347,200 (1,476,500)	685,955 (518,639)	--- (---)
ii) Corporate debt securities	--- (---)	--- (---)	--- (---)	--- (---)

* For calculation of minimum and daily average outstanding days with Nil outstanding have been excluded.

The above does not include Repurchase and Reverse Repurchase deals done under Liquidity Adjustment Facility (LAF) with the Reserve Bank of India or Collateralized Borrowing and Lending Obligation (CBLO) transactions concluded through the Clearing Corporation of India (CCIL).





5.4. Non-SLR investment portfolio

- a. Issuer composition of Non SLR investments as at 31 March 2017 (previous year figures are shown in brackets):

(Rs. In '000s)

Sr. No	Issuer	Amount	Extent of private placement	Extent of below investment grade securities	Extent of unrated securities	Extent of unlisted securities
i)	Public sector undertakings (PSUs)	---	---	---	---	---
		(---)	(---)	(---)	(---)	(---)
ii)	Financial Institutions (FIs)	749,894	749,894	---	---	---
		(1,237,697)	(500,000)	(---)	(---)	---
iii)	Banks	977,701	---	---	---	977,701
		(2,140,412)	(---)	(---)	(---)	(2,140,412)
iv)	Private Corporate	1,249,014	1,249,014	---	---	---
		(249,014)	(249,014)	(---)	(---)	(---)
v)	Subsidiaries / Joint Ventures	---	---	---	---	---
		(---)	(---)	(---)	(---)	(---)
vi)	Others	250,822	---	---	---	---
		(250,174)	(---)	(---)	(---)	(---)
vii)	Provision held towards deprecation	---	---	---	---	---
		(---)	(---)	(---)	(---)	(---)
	Total	3,227,431	1,998,908	---	---	977,701
		(3,877,297)	(749,014)	(---)	(---)	(2,140,412)

- b. Non performing Non-SLR Investments as on 31 March 2017 and 31 March 2016 were Nil.

5.5. INVESTMENTS UNDER HTM CATEGORY

During the year, the Bank has not held, acquired or sold any investments in HTM category (previous year Nil). There has been no transfer of investments to/from HTM category during the year.





5.6. Derivatives

a. Interest Rate Swap

Details of outstanding interest rate swap agreements are as follows:

(Rs. In '000s)

Sr. No	Items	31-Mar-17	31-Mar-16
i)	Notional principal of swap agreements	11,655,313	9,995,369
ii)	Loss which would be incurred if counterparties failed to fulfil their obligations under the agreements	8,170	9,071
iii)	Collateral required by the bank upon entering into swaps*	---	---
iv)	Concentration of credit risk arising from the swaps	Banks-97%	Banks-91%
v)	Fair value of the swap book	7,311	1,144

* As per prevailing market practice, the Bank does not insist on collateral from the counterparties to these contracts.

The Nature and terms of interest rate swap are set out below:

(Rs. In '000s)

31-Mar-2017 Terms	Nature	Number of deals	Notional principal
Floating Receivable v/s Fixed Payable-MIBOR *	Trading Swaps	17	5,750,000
Floating Payable v/s Fixed Receivable -MIBOR*	Trading Swaps	18	5,500,000
Floating Receivable v/s Fixed Payable-LIBOR	Trading Swaps	1	202,656
Floating Payable v/s Fixed Receivable-LIBOR	Trading Swaps	1	202,657

(Rs. In '000s)

31-Mar-2016 Terms	Nature	Number of deals	Notional principal
Floating Receivable v/s Fixed Payable-MIBOR *	Trading Swaps	20	6,500,000
Floating Payable v/s Fixed Receivable -MIBOR*	Trading Swaps	8	2,750,000
Floating Receivable v/s Fixed Payable-LIBOR	Trading Swaps	1	372,684
Floating Payable v/s Fixed Receivable-LIBOR	Trading Swaps	1	372,684

* Daily Reset

b. Forward Rate Agreements

There were no forward rate agreements traded during the current and previous year.





c. Currency Swap

Details of outstanding currency swap agreements are as follows :

(Rs. In '000s)			
Sr. No	Items	31-Mar-17	31-Mar-16
i)	Notional principal of swap agreements	145,873	443,099
ii)	Loss which would be incurred if counterparties failed to fulfil their obligations under the agreements	23,066	78,592
iii)	Collateral required by the bank upon entering into swaps	---	---
iv)	Concentration of credit risk arising from the swaps	Banks-95%	Banks-85%
v)	Fair value of the swap book	74	512

The Nature and terms of currency swap are set out below:

(Rs. In '000s)			
31-Mar-2017	Nature	Number of deals	Notional principal
Terms			
Floating Receivable v/s Fixed Payable - 3mth LIBOR	Trading Swaps	1	84,305
Floating Payable v/s Fixed Receivable - 3mth LIBOR	Trading Swaps	1	61,538

(Rs. In '000s)			
31-Mar-2016	Nature	Number of deals	Notional principal
Terms			
Floating Receivable v/s Fixed Payable - 3mth LIBOR	Trading Swaps	1	258,395
Floating Payable v/s Fixed Receivable - 3mth LIBOR	Trading Swaps	1	184,704

d. Exchange traded interest rate derivatives

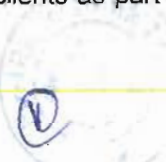
During the current and previous year, the Bank has not dealt in exchange traded derivatives.

e. Disclosures on risk exposure in derivatives

Qualitative disclosure

Treasury front office deals in derivative transactions and the bank has independent teams for monitoring and managing market risk, credit risk and operational risk. Treasury back office undertakes activities such as confirmation, settlement and documentation. Segregation of duties and functions is therefore achieved and effective control is exercised over the activity.

The Bank transacts in derivative products both as a market maker and as a tool for risk management purposes to hedge the interest rate and foreign currency risk arising out of balance sheet. The products are also offered to clients as part of corporate banking business for hedging various types of risk exposures.





The Products available are Interest Rate Swap (IRS), Forward Rate Agreement (FRA), Foreign Currency Forward, Cross Currency Swaps (CCS), Currency Futures and Options.

Derivative transactions expose the Bank primarily to counter-party credit risk, market risk (interest rate and foreign exchange risk) and operational risk.

Organisational structure for management of risk in derivatives trading

The derivative products and activities undertaken by the Bank are governed by the Treasury Trading Mandate, Market Risk Mandate and limit structures which are approved by the Head Office.

The in-country Management Board (MANBO) is responsible for oversight and supervision of all derivative activities including an understanding of the nature of risks taken in order to limit the potential loss of earnings or capital. Asset Liability Committee (ALCO) and MANBO is responsible for interest rate risk and liquidity risk in banking book.

Policies for mitigating risk

The derivative transactions are as per the internal Derivative Policy document which is framed in compliance with Head Office and RBI guidelines. The policy sets the guidelines to identify, measure and manage risks associated with derivative instruments.

Any product, instrument or activity not already approved and covered by the Treasury Trading Mandate is deemed to be a new product and is presented to the Deal Conclusion Forum (DCF) for approval and sign off. The DCF is appropriately represented by risk, compliance, operations and finance.

The Bank also has a Customer Suitability framework in place to safeguard the banks interests and limit the risk of liability.

Risk measurement and monitoring

The risks arising out of derivative products are measured using various tools such as Value at Risk (VaR), Expected Tail Loss (ETL), open positions, structural liquidity analysis, interest rate sensitivity, Duration gap analysis etc. The risk monitoring reports are regularly submitted to the MANBO and ALCO for monitoring purposes and for any other input that may be required.

Prudential limit in respect of derivative transactions is prescribed as per RBI guidelines as the gross PV01 of all outstanding non-option Rupee derivative contracts to be within 0.25% of the net worth of the bank as on the last Balance Sheet date.

Market Risk department independently identifies, measures and monitors market risk associated with all derivative transactions and appraises the MANBO and the ALCO on the compliance with the risk limits.

The Bank applies the Current Exposure method to assess credit risk associated with Derivatives contracts. Credit risk on a contract is computed as the sum of its marked-to-market value if positive and its potential future exposure which is calculated based on its notional value, credit conversion factor and its residual maturity.

Credit risk mitigation, provisioning and accounting

The Bank has an independent Credit Risk team which is responsible for setting up counterparty limits for all transactions including derivatives. After a client is prospectured by the business, the client's credit profile is independently assessed by the credit team to ensure that the same is in line with the Bank's mandate. All the limits proposed are approved by the respective Credit



Committees depending upon the nature and rating of counterparty and size of the limit. While setting up these limits, the Bank follows rigorous appraisal principles and procedures similar to those for loan limits. All exposures are monitored in accordance with the RBI regulations on single/ group borrower limits.

Provisions are made to reflect the risk tendency of the portfolio. Provisions for credit exposures are computed using the Current Exposure Method on interest rate and foreign exchange derivative contracts as stipulated by RBI. Specific provisions are made based on management's assessment of the degree of impairment with respect to derivative transactions subject to minimum provisioning norms laid down by RBI.

In respect of derivative transactions, any overdue receivables representing positive mark-to-market, value due to the Bank, which remains unpaid in cash for a period of 90 days from the specified due date for payment, are classified as non-performing assets as per the 'Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to the Advances Portfolio', issued by the RBI, and reversed to the Profit & Loss Account.

Derivative transactions which are classified as Trading Derivatives are valued at the estimated realisable market price (fair value). The resulting gains or losses are recognised in the Profit & Loss Account with the corresponding net unrealized amounts reflected in Other Assets or Other Liabilities in the Balance Sheet. For the year ended 31 March 2017, all derivative transactions belonged to trading book.

Quantitative Disclosure

These disclosures include exposure for open foreign currency futures and options contracts under the foreign exchange contracts category. The details for currency derivatives and interest rate swap for the year ended 31 March 2017 & 31 March 2016 are given below:

Sr. No	Particulars	31-Mar-17		
		Currency Derivatives		Interest Rate Swaps
		Foreign Exchange contracts	Cross Currency Swaps	
i)	Derivatives (Notional Principal Amount)			
a)	For Hedging	—	—	—
b)	For Trading	192,966,438	145,873	11,655,313
ii)	Marked to Market Positions			
a)	Asset	3,464,703	23,066	8,170
b)	(Liability)	(3,522,457)	(22,992)	(15,484)
iii)	Credit Exposure	7,324,031	25,983	74,723
iv)	Likely Impact of one percentage change in Interest rate (100*PV01)			
a)	On Hedging Derivatives	—	—	—
b)	On Trading Derivatives	(24)	(-)	61

(Rs. In '000s)



(V)



v)	Maximum and Minimum of 100*PV01 observed during the year			
a)	On Hedging	---	---	---
b)	On Trading	30,276-Max (9,257)-Min	(-)-Max (5)-Min	393-Max (700)-Min

(Rs. In '000s)

Sr. No	Particulars	31-Mar-16		
		Currency Derivatives		Interest Rate Swaps
		Foreign Exchange contracts	Cross Currency Swaps	
i)	Derivatives (Notional Principal Amount)			
a)	For Hedging	---	---	---
b)	For Trading	112,228,866	443,099	9,995,369
ii)	Marked to Market Positions			
a)	Asset	1,147,924	78,592	9,071
b)	(Liability)	(1,157,866)	(78,080)	(10,214)
iii)	Credit Exposure	3,441,755	122,902	66,524
iv)	Likely impact of one percentage change In interest rate (100*PV01)			
a)	On Hedging Derivatives	---	---	---
b)	On Trading Derivatives	(435)	(6)	30,370
v)	Maximum and Minimum of 100*PV01 observed during the year			
a)	On Hedging	---	---	---
b)	On Trading	15,703-Max (1,289)-Min	(4)-Max (19)-Min	31,142-Max (1,280)-Min





5.7. Asset Quality

a. Non-Performing Advances:

(Rs. In '000s)			
Sr. No	Particulars	31-Mar-17	31-Mar-16
(i)	Net NPAs to Net Advances (%)	-	6.77
(ii)	Movement of Gross NPAs		
a)	Opening balance	657,918	221,433
b)	Additions during the year	2,380	436,502
c)	Reductions during the year (write off)	(416,203)	(17)
d)	Closing Balance	244,095	657,918
(iii)	Movement of Net NPAs		
a)	Opening balance	313,877	150,837
b)	Additions during the year	---	163,042
c)	Reductions during the year (write off)	(313,877)	(2)
d)	Closing Balance	---	313,877
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
a)	Opening balance	344,041	70,596
b)	Additions during the year	316,257	273,460
c)	Reductions during the year (Write off)	(416,203)	(15)
d)	Closing Balance	244,095	344,041

b. Movement of Gross NPA's

Particulars	31-Mar-17	31-Mar-16
Gross NPAs as on April 1	657,918	221,433
Additions (Fresh NPAs) during the year	2,380	436,502
Sub-total (A)	660,298	657,935
Less:-		
(i) Upgradations	---	---
(ii) Recoveries (excluding recoveries made from upgraded accounts)	---	---
(iii) Write-offs	416,203	17
Sub-total (B)	416,203	17
Gross NPAs as on 31 March (A-B)	244,095	657,918





c. Divergence in Asset Classification and Provisioning for NPAs

The bank has so far not received any communication from RBI on any divergence noted in asset classification. Accordingly the related disclosure on divergence in terms of RBI circular No. Ref DBR.BP.BC.No. 63/21.04.018/2016-17 dated April 18, 2017 on Divergence in Asset Classification and Provisioning for NPAs is not applicable.

d. Particulars of Accounts Restructured:

There were no instances of restructuring of loan assets during the current year and previous year.

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

There were no instances of sale of financial assets to Securitization / Reconstruction Company for asset reconstruction in the current year and previous year.

f. Details of non-performing financial assets purchased/sold:

There were no instances of purchase/sale of non-performing assets during the current year and previous year.

g. Investments in Security Receipts

There were no investments in security receipts as at 31 March 2017 and as at 31 March 2016

h. Provision for Standard Assets

(Rs. In '000s)			
Sr. No	Particulars	31-Mar-17	31-Mar-16
i)	Provision on Standard Assets	39,464	31,821
ii)	Provision towards Country Risk	671	1,546
iii)	Provision towards Unhedged Foreign Currency	5,805	24,753
	TOTAL	45,940	58,220





i. Business Ratios

Sr. No	Particulars	31-Mar-17	31-Mar-16
i)	Interest Income as a percentage to working funds ¹	7.62%	7.28%
ii)	Non-interest income as a percentage to working funds ¹	2.91%	2.57%
iii)	Operating profits as percentage to working funds ¹	(1.26%)	(2.53%)
iv)	Return on Assets ²	(2.94%)	(4.30%)
v)	Business (deposits plus advances) per employee (in Rs. 000's) ³	101,320	76,468
vi)	Net Profit / (loss) per employee (in Rs. 000's) ⁴	(8,411)	(5,445)

¹ 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.

² Net Profit as a percentage to average working funds

³ Business means total of net advances and deposits, excluding interbank deposits

⁴ Productivity ratio is based on year end employee numbers

j. Provision Coverage Ratio (PCR)

The provision coverage ratio of the bank as at 31 March 2017 computed as per extant RBI guidelines is 100% (previous year 52%).

k. Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(Rs. in '000s)

31 March 2017 Maturity Buckets	Deposits	Advances	Investments	Borrowings*	Foreign Currency Assets**	Foreign Currency Liabilities**
Day 1	12,376	66,918	2,474,561	810,680	71,738	2,969
2 to 7 days	643,919	63,747	167,858	666,213	721,289	16,236
8 to 14 days	95,705	122,395	32,754	162,125	122,115	164,776
15 to 30 days	36,577	71,164	7,534	17,833	44,886	18,465
31 days to 2 months	1,151,802	536,431	221,501	476,800	33,816	31,670
2 to 3 months	62,126	326,378	7,906	-	22,697	4,833
Over 3 months & up to 6 months	557,190	84,357	1,311,321	-	-	7,852
Over 6 months & up to 1 year	1,627,558	466,993	1,513,007	648,500	-	651,253
Over 1 year & up to 3 years	711,316	693,476	1,340,500	-	-	35,637
Over 3 years & up to 5 years	36,100	-	9,226	-	-	-
Over 5 years	-	9,500	5,825	-	70,362	153,211
TOTAL	4,934,469	2,441,360	7,082,013	2,782,151	1,056,902	1,086,902





(Rs. In '000s)

31 March 2016 Maturity Buckets	Deposits	Advances	Investments	Borrowings*	Foreign Currency Assets**	Foreign Currency Liabilities**
Day 1	53,474	352,025	5,165,615	-	57,688	140,326
2 to 7 days	97,424	240,025	499,932	4,032,504	1,901,094	62,623
8 to 14 days	29,906	136,997	175,401	1,406,449	82,359	60,534
15 to 28 days	98,287	120,429	37,991	202,110	113,724	203,840
29 days to 3 months	528,020	1,126,566	406,740	747,996	461,764	554,247
Over 3 months & up to 6 months	1,946,757	344,849	877,331	1,191,711	260,385	204,790
Over 6 months & up to 1 year	2,041,657	782,803	2,306,262	-	-	2,954
Over 1 year & up to 3 years	1,237,156	1,220,304	1,230,005	6,62,050	-	7,21,361
Over 3 years & up to 5 years	297,600	164,448	292,316	-	-	-
Over 5 years	-	149,430	7,065	-	71,887	988,226
TOTAL	6,330,281	4,637,876	10,998,658	8,243,320	2,948,901	2,948,901

*Borrowings include Foreign Currency Borrowings which are also reported under Foreign Currency Liabilities

**Assets and liabilities in foreign currency exclude off-balance sheet assets and liabilities.

Classification of assets and liabilities under the different maturity buckets are compiled by the Bank on the same estimates and assumptions as used by the Bank for compiling the structural liquidity return submitted to the RBI.

I. Exposures

i. Exposure to Real Estate Sector

(Rs In 000s)

Sr. No.	Particulars	March 31, 2017	March 31, 2016
i)	Direct exposure		
	a. Residential Mortgages	---	---
	b. Commercial Real Estate	---	---
	of total Commercial real estate - exposure to residential real estate projects		
	of total Commercial Real Estate outstanding as advances		
	c. Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
	- Residential	---	---
	- Commercial Real Estate	---	---
ii)	Indirect exposure		
	Fund based and non-fund based exposures on National Housing Board and Housing finance companies	800,000	800,000
	TOTAL	800,000	800,000

ii. Exposure to Capital Market Sector

There was no exposure to capital market sector as at 31 March 2017 (Previous Year: Nil).





iii. **Margin Trading**

During the year ended 31 March 2017 the bank has not provided any finance for margin trading. (Previous Year: Nil).

iv. **Risk Category wise Country Exposure**

Provision for country risk exposure in line with RBI guidelines is as follows:

(Rs. In '000s)

Risk Category	Exposure* (net) as at 31 March 2017	Provision held as at 31 March 2017	Exposure* (net) as at 31 March 2016	Provision held as at 31 March 2016
Insignificant	208,458	177	627,484	262
Low	789,391	494	2,244,363	1,384
Moderate	74,126	---	61,115	---
High	---	---	74,902	---
Very High	---	---	---	---
Restricted	---	---	---	---
Off-credit	---	---	---	---
TOTAL	1,071,975	671	3,007,864	1,646

*Funded exposures have been reported above. No provision for country risk is made in respect of a country where the net funded exposure of Bank is less than one per cent of its total assets.

v. **Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the Bank**

The Bank did not exceed the prudential exposure limits on single and group borrowings during the current year and previous year.

vi. **Advances against intangible assets**

The Bank does not have any intangible collaterals in the form of rights, licences, authority etc. for its advances which are classified as Unsecured in Schedule 9 of the Balance Sheet as on 31 March 2017 (Previous Year: Nil).

m. **Miscellaneous**

i. **Amount of Provision made for Income tax/Deferred Tax during the period**

The Bank has not created income tax provision and deferred tax assets during the year ended 31 March 2017 in view of losses (Previous Year: Nil).

ii. **Disclosure of Penalties imposed by RBI**

During the year ended 31 March 2017, there was one instance of SGL bouncing. However there was no levy of penalty by RBI. (Previous Year: Nil).





iii. **Subordinated Debt**

The Bank has not raised any subordinated debt during the year ended 31 March 2017. (Previous year: Nil).

iv. **Prior Period Item and Changes in accounting policies**

During the year, there are no material prior period items or any changes in accounting policies

6. DISCLOSURES IN TERMS OF THE ACCOUNTING STANDARD ISSUED BY THE COMPANIES ACT, 2013:

6.1. Employee Benefits

The disclosure required under AS -15 (Revised) "Employee Benefits" issued by ICAI are given below:

- a. **Provident Fund:** The Bank's contribution to the employees' Provident Fund (including administration charges) for the current year is Rs. 21,659 (in '000s). (Previous Year: Rs 25,533 (in '000s)).

b. **Gratuity:**

Principal actuarial assumptions as at balance sheet date:

Particulars	31-Mar-17	31-Mar-16
Discount Rate	6.69%	7.46%
Salary Escalation Rate	10.00%	10.00%
Employee Attrition Rate	1.7%	17%
Expected Average Remaining service	4.63	4.72





(Rs. in '000s)

Sr. No.	Particulars	31-Mar-17	31-Mar-16
(i)	Changes in present value of obligation		
	Opening Defined Benefit Obligation	31,567	25,053
	Interest Cost	2,102	1,859
	Current Service Cost	9,136	7,591
	Actuarial (Gains) / Losses	(6,869)	(678)
	Benefits Paid	(6,781)	(2,258)
	Closing Defined Benefit Obligation	29,155	31,567
(ii)	Changes in the fair value of Plan Assets		
	Fair value of Plan Assets at beginning of period	---	---
	Expected return on Plan Assets	---	---
	Contributions	6,781	2,258
	Benefits paid	(6,781)	(2,258)
	Actuarial Gains / (Losses)	---	---
	Fair value of Plan Assets at the end of the period	---	---
(iii)	Fair value of Plan Assets		
	Fair value of Plan Assets at beginning of period	---	---
	Contributions	6,781	2,258
	Benefits paid	(6,781)	(2,258)
	Fair value of Plan Assets at the end of the period	---	---
	Funded status(Including past service cost)	(29,155)	(31,567)
	Excess of Actual over estimate return on Plan Assets	---	---
(iv)	Experience History		
	(Gain)/Loss on obligation due to change in Assumption	1,105	3,023
	Experience (Gain)/ Loss on obligation	(7,975)	(3,700)
	Actuarial Gain/(Loss) on plan assets	---	---
(v)	Actuarial Gain / (loss) recognized		
	Actuarial Gain / (Loss) for the period – (obligation)	6,869	678
	Actuarial Gain / (Loss) for the period – (Plan assets)	---	---
	Total Gain/(Loss) for the period	6,869	678
	Net Actuarial Gain / (Loss) recognized for the period	6,869	678
(vi)	Amount to be recognized in Balance Sheet and Profit & Loss Account		
	PVO at end of period	29,155	31,567
	Fair value of Plan Assets as at the end of the period	---	---
	Funded Status	(29,155)	(31,567)
	Unrecognized Actuarial Gain/(Loss)	---	---
	Net Asset/(liability) recognized in Balance Sheet	(29,155)	(31,567)
(vii)	Expenses Recognized in Profit & Loss Account		
	Current Service Cost	9,136	7,591
	Interest Cost	2,102	1,859
	Expected return on Plan assets	---	---
	Net Actuarial (Gain) / loss recognized in the period	(6,869)	(678)
	Expenses Recognized in Profit & Loss Account	4,369	8,772





(viii)	Movements in the Liability recognized in Balance Sheet		
	Opening Net Liability	31,567	25,053
	Expenses as above	4,369	8,772
	Contribution paid	(6,781)	(2,258)
	Closing Net Liability	29,155	31,567

6.2. Segmental Reporting

In line with RBI guidelines, the Bank has identified "Treasury & Markets", "Corporate Banking" and "Retail Banking" as the primary reporting segments.

Treasury & market activity comprise trading in bonds, derivatives and foreign exchange operations for customers and to manage the resultant risk exposure. Treasury includes income from investment portfolio, profit / loss on sale of investments, profit / loss on foreign exchange transactions, income from derivatives, money market operations and Balance sheet management.

Corporate Banking primarily comprises Corporate Banking, trade finance and Institutional Banking. Revenues for the segment are derived from interest and fee income on loans and advances, float income and fee based income for non-funded transactions.

The expenses of both the segments comprise funding costs, personnel costs and other direct and allocated overheads.

Retail Banking activities comprises lending to individuals and raising of deposits including deposits raised for Corporate Banking segment.

(Rs. In '000s)

Business Segments	Treasury		Corporate/Wholesale Banking		Retail Banking*		Total	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Particulars								
Revenue	1,040,735	1,095,850	601,004	423,646	254,639	102,173	1,896,378	1,621,669
Result	347,641	304,513	(7, 872)	(99,463)	(565,942)	(621,973)	(226,173)	(416,923)
Unallocated Expenses							303,715	290,886
Deferred Tax (Credit)								-
Operating Profit							(529,888)	(707,809)
Income Taxes								
Extraordinary Profit/Loss								
Net Profit							(529,888)	(707,809)
Other Information								
Segment Assets	11,814,615	14,801,749	1,553,666	4,028,862	928,895	655,973	14,297,176	19,486,584
Unallocated Assets							461,087	344,396
Total Assets	11,814,615	14,801,749	1,553,666	4,028,862	928,895	655,973	14,758,263	19,830,980
Sement Liabilities	10,269,117	13,934,806	45,940	58,483	3,963,876	5,396,893	14,278,932	19,390,182
Unallocated Liabilities							479,331	440,798
Total Liabilities	10,269,117	13,934,806	45,940	58,483	3,963,876	5,396,893	14,758,263	19,830,980



* During the financial year 2016-17 bank has shut down its retail operations from 31 January 2017 onwards.

In computing the above information, certain estimates and assumptions have been made by the management which was relied upon by the auditors.

Geographical segments

The Bank is a branch of a bank incorporated in South Africa and does not have its own overseas operations and operates only in the domestic segment.

6.3. Discontinuing Operations

Pursuant to decision taken by Head office, the Bank on 20 October 2016, declared the closure of the retail liability and SME business units in India. All customers were requested to close their savings accounts by the 31 of January 2017; post which the bank closed the accounts and reclassified the balances to interest free unclaimed deposits for those depositors who did not close their savings account with the Bank. Accordingly, the bank has disclosed the unclaimed savings deposits under Schedule 5 - Other Liabilities on 31 March 2017. The bank further proceeded to run down its SME credit and liability portfolios.

The below table provides the income & expense and the residual asset and liabilities of retail and SME business units of the discontinued operations for the period ended 31 March 2016 and 31 March 2017

Particulars	31-Mar-17	31-Mar-16
Revenue	36,013	74,632
Net Interest Income	24,382	21,526
Other Income	11,631	53,106
Expenditure	542,922	457,003
Staff costs	285,765	164,910
Other Operating Expenses	257,157	292,093
Profit before Tax	(506,909)	(382,371)
Taxes	-	-
Profit after Tax	(506,909)	(382,371)
Segment Assets	352,082	2,045,434
Segment Liabilities	523,523	3,295,504





6.4. Related party disclosure

Related party disclosures given as under:

Relationships during the year

a. Parent

FirstRand Bank Limited, South Africa is the Head Office of FirstRand Bank India Branch. FirstRand Limited is the ultimate holding company of FirstRand Bank Limited, South Africa.

b. Branch Offices

Branch offices comprise of all the branches of FirstRand Bank Limited outside India.

c. Fellow Subsidiaries

Fellow subsidiaries comprise companies which have a common holding company, i.e., FirstRand Limited, South Africa. These are as follows:

FirstRand Bank Limited, FirstRand EMA Holdings Limited, FirstRand Investment Management Holdings Limited, FirstRand Insurance Holdings (Pty) Limited, FirstRand Investment Holdings (Pty) Limited.

d. Key management personnel

Chief Executive Officer of the Bank: Mr. Rohit Wahi

In accordance with RBI circular there is only one entity in each category of related party, and hence details of transactions have not been given.

e. Other related parties in FirstRand Limited where common control exists with whom transactions carried out during the year

RMB Advisors Private Limited (under liquidation)

FirstRand Research and Advisory Services Private Limited (under liquidation)

FirstRand Services Private Limited

The transactions executed during the year with the above related parties are detailed below except one related party (i.e. key management personnel)

Relationship and Nature of Transactions	31 March 2017	31 March 2016
Entities under Common Control		
RMB Advisors Private Limited		
Deposits held by the branch	48,917	46,233
Interest paid	3,771	4,871
FirstRand Research and Advisory Services Limited		
Deposits held by the branch	15,700	15,145
Interest paid	1,090	1,154
FirstRand Services Private Limited		
Overdraft exposure	-	-
Fee Paid for Disaster Recovery Site	360	360
Interest Received	6	57
Deposits held by the branch	-	7,611
Interest paid	-	-



6.5. Leases

Nature of Lease – Operating Lease for office premises

The total of future minimum lease payments under non-cancellable period of lease as determined by the lease agreements are as follows:

Particulars	(Rs. In '000s)	
	31-Mar-2017	31-Mar-2016
Not later than one year	101,815	126,189
Later than one year and not later than five years	25,454	164,574
Later than five years	-	-
TOTAL	127,269	290,763
Total minimum lease payments recognized in the Profit & Loss Account	172,589	124,373

6.6. Software Capitalised under Fixed assets

Particulars	31-Mar-2017	31-Mar-2016
At Cost as at March 31 of preceding year	51,219	21,395
Additions during the year	8,078	29,824
Deductions during the year	-	-
Depreciation till date	36,070	22,570
Net Block	23,227	28,649

6.7. Impairment of Assets

As at 31 March 2017, there were no events or changes in circumstances which indicate any material impairment in the carrying value of the assets covered by Accounting Standard 28 on "Impairment of Assets".

7. ADDITIONAL DISCLOSURES

7.1. Provisions and Contingencies comprises of

Particulars	(Rs. In '000s)	
	31-Mar-17	31-Mar-16
Provision for Standard Assets	7,643	11,753
Provision for Country Risk	(975)	430
Provision for Non-performing Asset	(99,946)	273,443
Provision for Un-hedged Foreign Currency exposure	(18,948)	4,980
Bad debts written off	416,203	17
Provision for Taxation	-	-
Other Provisions	(263)	263
Total	303,714	290,886





7.2. Floating Provisions

Bank has not created floating provisions during the year ended 31 March 2017 (Previous Year: Nil).

7.3. Draw Down from Reserves

Bank did not have draw down's from reserves during the year ended 31 March 2017 (Previous Year: Nil).

7.4. Disclosure of complaints

During the current year Bank has received 119 customer complaints (Previous Year: 223).

Particulars	31-Mar-17	31-Mar-16
(a) No. of complaints pending at the beginning of the year	---	---
(b) No. of complaints received during the year	119	223
(c) No. of complaints redressed during the year	119	223
(d) No. of complaints pending at the end of the year	---	---

7.5. Awards passed by the Banking Ombudsman

During the year no awards were passed by the Banking Ombudsman and there are no unimplemented awards outstanding as on 31 March 2017 (Previous Year: Nil).

7.6. Disclosure of Letters of Comfort (LoCs) issued by Banks

Bank has not issued any Letters of Comfort during the year ended 31 March 2017 (Previous Year: Nil).

7.7. Bancassurance Business

(Rs. In '000s)

Particulars	31-Mar-17	31-Mar-16
Income from selling life insurance policies	602	714
Income from selling mutual funds	-	-

7.8. Concentration of Deposits, Advances, Exposures and NPA's

a. Concentration of Deposits

(Rs. In '000s)

Particulars	31-Mar-17	31-Mar-16
Total Deposits of twenty largest depositors	3,811,010	3,739,756
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank*	97%	70%

* The above deposits includes interbank deposits & excludes certificate of deposits





b. Concentration of Advances**

(Rs. In '000s)

Particulars	31-Mar-17	31-Mar-16
Total Advances to twenty largest borrowers	5,491,228	6,774,267
Percentage of Advances to twenty largest borrowers to Total Advances of the bank*	99%	75%

*The above advance exclude interbank advances

** Advances for this disclosure have been computed as per the definition of Credit Exposure including derivatives as prescribed in RBI's Master Circular DBOD.No.Dir.BC. 23/21.04.018/2015-16 dated 1 July 2015.

c. Concentration of Exposures**

(Rs. In '000s)

Particulars	31-Mar-17	31-Mar-16
Total Exposure to twenty largest borrowers/customers	7,087,106	7,303,729
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers*	96%	73%

*The above exposure excludes interbank exposures

** Exposures are computed based on Credit and Investment exposure as prescribed in RBI's Master Circular DBOD.No.Dir.BC. 23/21.04.018/2015-16 dated 1 July 2015.

d. Concentration of Non-Performing Assets (NPAs)

(Rs. In '000s)

Particulars	31-Mar-17	31-Mar-16
Total Exposure to top four NPA accounts	244,095*	6,57,918*

*One non-performing loans as at 31 March 2017 (Previous Year: Two)





e. Sector-wise Advances

(Rs. In '000s)

Sectors	31-Mar-17			31-Mar-16		
	Gross Advances	Gross NPAs	% of Gross NPAs to Gross Advances in that sector	Gross Advances	Gross NPAs	% of Gross NPAs to Gross Advances in that sector
PRIORITY SECTOR						
-Agriculture and allied activities	-	-	-	-	-	-
-Advances to industries sector eligible as priority sector lending	256,552	-	-	7,51,672	-	-
-Services	74,125	-	-	1,91,059	-	-
-Personal loans*	914,874	-	-	6,46,801	-	-
Sub-total (A)	1,245,551	-	-	15,89,532	-	-
Non Priority Sector						
-Agriculture and allied activities	-	-	-	-	-	-
-Industry	75,112	-	-	2,75,097	-	-
-Services	1,364,187	244,095	17.89	31,15,927	6,57,918	21.11
-Personal loans	604	-	-	1,361	-	-
Sub-total (B)	1,439,903	244,095	16.95	33,92,385	6,57,918	19.39
Total	2,685,454	244,095	9.09	49,81,917	6,57,918	13.21

* Includes loans given under the micro finance lending program

7.9. Overseas Assets, NPAs and Revenue

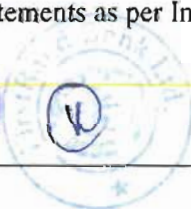
As the Bank is a branch of a foreign bank, this disclosure is not considered as applicable.

7.10. Off-Balance Sheet Special Purpose Vehicles sponsored (which are required to be consolidated as per accounting norms)

The Bank does not have any off-balance sheet sponsored Special Purpose Vehicles as at 31 March 2017 (Previous Year: Nil).

7.11. Indian Accounting Standard (Ind-AS)

The Ministry of Corporate Affairs (MCA), Government of India has notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015. Further, a press release was issued by the MCA on January 18, 2016 outlining the road map for implementation of Indian Accounting Standards (Ind-AS) converged with International Financial Reporting Standards (IFRS) for banks. Banks in India shall comply with the Ind-AS for financial statements for the accounting period beginning from April 01, 2018 onwards, with comparatives for the period ending March 31, 2018 of thereafter. In preparedness towards achieving the same, the Bank had prepared proforma financial statements as per Ind-AS as on September 30, 2016 as per extant





regulatory guidelines and submitted the same to the RBI. The Bank will continue its preparation towards migration to adopting Ind-AS as per regulatory requirement.

7.12. Unamortised Pension and Gratuity Liabilities

Since the Bank does not amortize pension and gratuity expenditure, the disclosure is not applicable.

7.13. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, principal amount, interest accrued and remaining unpaid and interest paid during the year to such enterprises is NIL.

7.14. Remuneration policy

In terms of guidelines issued by RBI vide circular No. BC. 72/29.67.001/2011-12 dated 13 January 2012 on "Compensation of Whole Time Directors / Chief Executive officers / Risk takers and Control function staff, etc.", the Bank has submitted a declaration received from its Head office to RBI to the effect that the compensation structure in India, including that of CEO's, is in conformity with the FSB principles and standards.

7.15. Disclosure relating to Securitisation

The Bank has not entered into any securitization transactions during the year ended March 31, 2017 (Previous Year: Nil)

7.16. Credit Default Swaps

The Bank has not transacted in credit default swaps during the year ended March 31, 2017 (Previous Year: Nil)





7.17. Intra-Group Exposures

Particulars	(Rs. In '000s)	
	31-Mar-17	31-Mar-16
Total amount of Intra-group exposures	20,000	10,000
Total amount of top-20 Intra-group exposures	20,000	10,000
Percentage of Intra-group exposures to total exposure of the bank on borrowers / customers (%)	0.27	0.10
Breach of limits on intra-group exposures and regulatory action thereon, if any	---	---

During the year ended 31 March, 2017, the intra-group exposures were within the limits specified by RBI

7.18. Transfers to Depositor Education and Awareness Fund (DEAF)

The Bank has not transferred to DEAF under during the year ended March 31, 2017 (Previous Year: Nil)

Particulars	(Rs. In '000s)	
	31-Mar-17	31-Mar-16
Opening balance of amounts transferred to DEAF	---	---
Add : Amounts transferred to DEAF during the year	---	---
Less : Amounts reimbursed by DEAF towards claims	---	---
Closing balance of amounts transferred to DEAF	---	---

The bank has started its banking operations from April 2009 onwards & not completed 10 years of its operations.

7.19. Unhedged Foreign Currency Exposure (UFCE)

The Bank assesses the unhedged foreign currency exposures of the borrowers through its credit appraisal and monitoring process. The Bank has created Rs 5,805 (in 000s) as provision towards unhedged foreign currency exposure for the year ended 31 March 2017 (Previous year Rs. 24,753 (in 000s)). The bank held incremental risk weighted assets of Rs 36,555 (in 000's) at 31 March 2017 on UFCE (Previous year Rs. 696,659 (in 000s))





7.20. Other Expenses

Details of other expenses included in Other Expenditure in Schedule 16, exceeding 1% of the total income are:

(Rs. In'000s)		
Particulars	31-Mar-17	31-Mar-16
Professional Fees	143,870	154,403
Service tax written off	35,145	39,743
System development and maintenance costs	55,890	70,427
Broadband Lease line charges	25,694	18,008

7.21. Provision for Long Term contracts

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.





7.22. Liquidity Coverage Ratio (LCR)

The Bank has been computing and submitting its LCR to RBI on monthly basis as per RBI guidelines. The daily average liquidity coverage ratio (LCR) maintained for the quarter ended 31 March 2017 was 98.07%. The Bank has been above the RBI limit for LCR of 70% in 2016 and 80% in 2017.

The following table sets forth unweighted and weighted value of the LCR of the Bank for quarters ended 30 June 2016, 31 December 2016 and 30 September 2016.

(Rs In '000s)

Sr No	Particulars	30-Jun-16		30-Sep-16		31-Dec-16	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
1	High Quality Liquid Assets						
	Total High Quality Liquid Assets (HQLA)	2,370,669	2,370,669	4,038,792	4,038,792	5,335,071	5,335,071
2	Cash Outflows						
	Retail deposits and deposits from small business customers, of which :						
	(i) Stable deposits	13,142	657	13,751	688	33,594	1680
	(ii) Less stable deposits	1,540,516	154,052	1,726,284	172,628	1,326,522	132,652
3	Unsecured wholesale funding, of which:						
	(i) Operational deposits (all counterparties)	47,844	11,961	45,012	11,253	46,180	11,545
	(ii) Non-operational deposits (all counterparties)	3,175,522	1,270,209	3,024,679	1,209,872	2,649,022	1,059,609
	(iii) Unsecured debt	1,844,228	1,844,228	3,678,603	3,678,603	5,191,298	5,191,298
4	Secured wholesale funding	4,113,837	-	3,026,726	-	1,458,552	-
5	Additional requirements, of which						
	(i) Outflows related to derivative exposures and other collateral requirements	12,115	12,115	2,705	2,705	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	458,161	45,816	480,721	48,072	361,563	36,158
6	Other contractual funding obligations	95,133	95,133	199,800	199,800	92,933	92,533
	Other contractual funding obligations	9,698,325	347,160	9,395,540	346,309	9,563,527	350,227
8	Total Cash Outflows	20,998,823	3,781,331	21,593,821	5,669,930	20,723,611	6,876,102
	Cash Inflows						
9	Secured lending (e.g. reverse repos)	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,656,245	1,219,466	1,040,010	685,174	1,082,750	596,409
11	Other cash inflows	893,333	-	947,081	3,540	1,342,282	1,141
12	Total Cash Inflows	2,549,578	1,219,466	1,987,091	688,714	2,425,032	597,550
21	Total HQLA	2,370,669	2,370,669	4,038,792	4,038,792	5,335,071	5,335,071
22	Total Net Cash Outflows	18,449,245	2,561,865	19,606,730	4,981,216	18,298,579	6,278,552
23	Liquidity Coverage Ratio (%)	12.85%	92.54%	20.60%	81.08%	29.16%	84.97%





The Table below shows daily simple average for the quarter ended 31 March 2017 and corresponding monthend average for the quarter ended 31 March 2016.

(Rs In '000s)

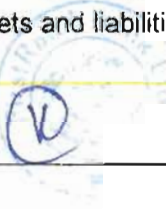
Sr No	Particulars	31-Mar-17		31-Mar-16	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
1	High Quality Liquid Assets				
	Total High Quality Liquid Assets (HQLA)	3,473,270	3,473,270	2,447,298	2,447,298
	Cash Outflows				
2	Retail deposits and deposits from small business customers, of which :				
	(i) Stable deposits	2,152	108	13,368	668
	(ii) Less stable deposits	708,423	70,842	1,469,822	146,982
3	Unsecured wholesale funding, of which:				
	(i) Operational deposits (all counterparties)	51,500	12,875	78,717	19,679
	(ii) Non-operational deposits (all counterparties)	2,485,670	994,268	3,032,747	1,213,098
	(iii) Unsecured debt	2,471,163	2,471,163	2,148,414	2,148,414
4	Secured wholesale funding	2,279,339	-	2,131,133	-
5	Additional requirements, of which				
	(i) Outflows related to derivative exposures and other collateral requirements	39,249	39,249	3,351	3,351
	(ii) Outflows related to loss of funding on debt products	-	-	-	-
	(iii) Credit and liquidity facilities	98,702	9,870	533,878	53,388
6	Other contractual funding obligations	92,180	92,180	101,633	101,633
	Other contractual funding obligations	9,176,875	324,982	11,277,798	466,913
8	Total Cash Outflows	17,405,253	4,015,537	20,790,851	4,154,127
	Cash Inflows				
9	Secured lending (e.g reverse repos)	-	-	-	-
10	Inflows from fully performing exposures	768,578	472,861	2,236,913	2,000,455
11	Other cash inflows	1,829	915	501,821	-
12	Total Cash Inflows	770,407	473,776	3,038,734	2,000,455
21	Total HQLA	3,473,270	3,473,270	2,447,298	2,447,298
22	Total Net Cash Outflows	16,634,846	3,541,761	1,77,52,129	21,53,672
23	Liquidity Coverage Ratio (%)	20.88%	98.07%	13.79%	113.63%





Qualitative disclosures around LCR

- (a) Drivers of LCR results and Composition of HQLA: The Bank has a high percentage of excess SLR securities in the form of central government bonds which are considered as Level 1 high quality liquid assets (HQLA). FRIN also has investments in NCDs and Certificate of Deposits issued by Banks/ NBFCs / Financial Institutions, not qualifying for HQLA. NCDs and CDs issued by Financial Institutions and Banks respectively are not considered as HQLA for LCR computation. The tenors of external borrowings are decided based on the assets funded by such borrowings and such that the outflow on account of repayments is not concentrated on a day / month at any point of time. Secured borrowing under Repo/CBLO is done after ensuring sufficient HQLA is maintained for LCR. Liquidity is proactively managed using this ratio based on forecasted cash flows in the 30 day period and suitable funding plans.
- (b) *Intra-period changes: As per RBI guidelines, the LCR maintenance limit is 70% for 2016 and 80% for 2017. The LCR maintained has always been above the RBI limit.*
- (c) Concentration of Funding Sources: The Bank relies on interbank funding for its trading book. However, it is ensured that the interbank funding is split between call/short notice and term depending upon the liquidity status.
- (d) Derivative exposures and potential collateral calls: The customer derivative trades are economically hedged back to back in the interbank market. Other trading positions operate under various notional position and stop loss limits which limit the chances of having high derivative exposures or collateral calls. There are margins placed with CCIL for FX and GSec settlements based on which CCIL has set an exposure limit on the bank. The bank has been operating within this limit. The bank has also placed initial and variable margins for Currency and Interest Rate Futures settlement. The variable margin is being monitored and provided daily on requirement basis to settle the mark to market moves.
- (e) Currency mismatches: Other than INR, the Bank has major exposure in US dollars as there are pre and post shipment loans booked in dollars. These loans are funded through US dollar borrowing from the head office for matching tenors. Other than these matched loans and borrowings, the Bank has borrowed 3 year US dollar loan from the head office for its rupee funding needs, under the RBI limit of for overseas borrowing; as it is cost effective source of funding. This however, doesn't impact LCR yet. Hence, the mismatches come from INR itself. These 3 year USD loans are due for maturity in Dec 2017.
- (f) Degree of centralisation of liquidity management and interaction between the group's units: The Balance Sheet Management desk (BSM) looks after funding and liquidity of the Bank. BSM is responsible to transfer price all liabilities and assets and manage the interest rate and liquidity risk in banking book. The BSM also looks after Capital Utilisation. The cash capital available is invested in government bonds, as per the head office strategy. This helps LCR to a large extent. Once the assets and liabilities are transfer priced to BSM, there are no liquidity





mismatches left in any other business units except for the trading desk who can run its liquidity and funding mismatch.

- (g) Other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile: all the inflows and outflows considered necessary from the balance sheet are captured in computation of LCR. Further, the Bank believes that the inflows and outflows which might have a material impact under the liquidity stress scenario have been considered for the purpose of LCR.

7.23. Impairment of Advances

As at 31 March 2017, there were no events or changes in circumstances which indicate any material impairment in the carrying value of the assets covered by Accounting Standard 28 on "Impairment of Assets".

7.24. Corporate Social Responsibility (CSR)

For the year ended 31 March 2017, bank has made a loss and hence no CSR activities have been carried out.

7.25. Factoring Business

The Bank did not have any factoring exposure for the year ended 31 March 2017. (Previous Year: Nil).

7.26. Details of provisioning pertaining to Fraud Accounts:

The following table sets forth for the year ended 31 March 2017, the details of provisioning pertaining to fraud accounts

Particulars	31-Mar-17	31-Mar-16
Numbers of fraud reported	-	-
Amounts involved in fraud	-	-
Provisions made	-	-





7.27. Sexual Harassment

The Bank has received no complaints for its disposal under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

7.28. Disclosure of Contingent Liabilities

i. Claims against the Bank not acknowledged as debts

The Bank is a party to various legal and tax proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.

ii. Liability on account of forward exchange and derivative contracts.

The Bank enters into foreign exchange contracts, currency options, currency and interest futures, currency swaps and interest rate swaps with interbank participants and customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts of financial instruments of such foreign exchange contracts and derivatives provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market rates or prices relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly.

iii. Guarantees given on behalf of constituents, acceptances, endorsements and other obligations

As a part of our Corporate Banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.

iv. Other items for which the Bank is contingently liable

Value dated purchase of securities - Capital commitments - Amount deposited with RBI under Depositor Education Awareness Fund - Foreign Exchange Contracts (Tom & Spot)





7.29. Disclosure on Specified Bank Notes(SBN's)

The Bank believes that the MCA notification G.S.R. 308(E) dated 30 March 2017 regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 is not applicable to banking companies. Accordingly, the disclosures prescribed under the said notification are not required to be made by the Bank.

7.30. Audit of Financial Statements


The figures for the year ended 31 March 2016 were audited by previous statutory auditors.

7.31. Prior Period Comparatives

Previous year's figures have been regrouped where necessary to conform to this year's classification.

For A. P. Sanzgiri & Co
Chartered Accountants
Firm's Reg. No: 116293W




Ankush Goyal
Partner
M.No. 146017
Place: Mumbai
Date: 29 June 2017

For FirstRand Bank India Branch




Rohit Wahi
Chief Executive Officer


Kamini Shah
Head - Finance