



PILLAR III DISCLOSURES UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (31.03.2015)
(BASEL III)

1. SCOPE OF APPLICATION (DF 1)

KarurVysya Bank Limited is a scheduled commercial bank which was incorporated on June 22, 1916 at Karur. The Bank has no subsidiaries. As on March 31, 2015, the Bank does not have investment in any insurance entity.

2. CAPITAL ADEQUACY AND CAPITAL STRUCTURE(DF 2)

Under Basel III banks are required to maintain a minimum Pillar 1 Capital to Risk-weighted Assets Ratio (CRAR) of 9% on an on-going basis (other than capital conservation buffer countercyclical capital buffer etc.).

Capital funds are classified into Tier-I and Tier-II capital under the capital adequacy framework.

Tier-I Capital:

The Bank's Tier I capital consists of Common Equity Tier I and Additional Tier I capital. Common Equity Tier 1 (CET1) capital must be at least 5.5% of risk-weighted assets (RWAs) i.e. for Credit risk +Market risk + Operational risk on an ongoing basis and Additional Tier I capital can be a maximum of 1.5%, thus making total Tier I capital to be at least 7%.

In addition to the minimum Common Equity Tier 1 capital of 5.5% of RWAs, banks are also required to maintain a Capital Conservation buffer (CCB) of 2.5% of RWAs in the form of Common Equity Tier 1 capital progressively from Financial Year 2016.

Tier-I capital includes paid-up equity capital, share premium, statutory reserves, capital reserves, other disclosed free reserves and balance in Profit and Loss account at the end of the previous financial year. Profits in current financial year may be included in Tier I on fulfillment of certain conditions regarding incremental provisions for non-performing assets.

Equity Capital

The Bank has authorized share capital of ₹ 200 crore comprising 20,00,00,000 equity shares of ₹10/- each. As on March 31, 2015 the Bank has issued subscribed and paid-up capital of ₹ 121.63 crore constituting 12,16,29,609 shares of ₹ 10/- each.

Tier-II Capital:

The Bank's Tier II capital includes general provision for standard assets and subordinated debt instruments (lower Tier II bonds) eligible for inclusion in Tier II capital.

Provisions or loan-loss reserves held against future, presently unidentified losses, which are freely available to meet losses which subsequently materialize, will qualify for inclusion within

Tier 2 capital. Tier II capital will also include debt capital instruments issued by banks and premium, if any and Revaluation Reserves.

Tier II Subordinated Debt (Lower II bonds)

As on March 31 2015, the Bank had an outstanding subordinated debt (Unsecured Redeemable Non-convertible subordinated lower Tier II Bonds) aggregating ₹ 150 crore, the details of which are stated below:

(₹ in crore)				
Issue Series	Deemed Date of Allotment	Coupon Rate (% p.a)	Tenor (in Months)	Equivalent Amount as on 31 st March 2015
I	September 25, 2009	9.86	120	150.00

Composition of Capital – Tier I and Tier II:

Particulars as on March 31, 2015		(₹ in crore)
1. Tier I capital		
1.1	Paid-up share capital	121.63
1.2	Reserves	4071.40
1.3	Gross Tier I capital (1.1 + 1.2)	4193.03
1.4	Deductions	7.27
1.5	Total Tier I capital (1.3 - 1.4)	4185.76
2. Tier II capital		
2.1	Subordinated Debt (Lower Tier II bonds)	150.00
2.2	General Provisions/IRA and Revaluation Reserves	201.94
2.3	Investment Reserve	53.00
2.4	Gross Tier II capital (2.1 + 2.2+2.3)	404.94
2.5	Deductions	79.00
2.6	Total Tier II capital (2.4 - 2.5)	325.94
3. Debt capital instruments eligible for inclusion in Upper Tier II capital		-
3.1	Total amount outstanding	-
3.2	Of which amount raised during the current year -	-
3.3	Amount eligible to be reckoned as capital funds	-
4. Subordinated debt eligible for inclusion in Lower Tier II capital		-
4.1	Total amount outstanding	-
4.2	Of which amount raised during the current year -	-
4.3	Amount eligible to be reckoned as capital funds	-
5. Other deductions from capital		-
5.1	Other deductions from capital	-
6.	Total eligible capital	4511.70
6.1	Total eligible capital (1.5 + 2.6)	4511.70

2.1 CAPITAL ADEQUACY ASSESSMENT PROCESS

The Bank has a process for assessing its overall capital adequacy in relation to the Bank's risk profile and a strategy for maintaining its capital levels. The process ensures that the Bank has adequate capital to support all the material risks and an appropriate capital cushion. The Bank identifies,

assesses and manages comprehensively all risks that it is exposed to through robust risk management framework, control mechanism and an elaborate process for capital calculation and planning.

The Bank has formalized and implemented a comprehensive Internal Capital Adequacy Assessment Process (ICAAP). The Bank's ICAAP covers the process for assessment of the adequacy of capital to support current and future projections / risks.

The Bank has a structured process for the identification and evaluation of all risks that the Bank faces, which may have a material impact on its financial position. The Bank considers the following risks as material risks it is exposed to in the normal course of its business and therefore, factors these while assessing / planning capital:

- Credit Risk
- Market Risk
- Operational Risk
- Liquidity Risk
- Interest Rate Risk in the Banking Book
- Concentration Risk
- Strategic Risk
- Reputational Risk

The Bank has also implemented a Board approved Stress Testing policy. Stress Testing involves the use of various techniques to assess the Bank's potential vulnerability to extreme but plausible ("stressed") business conditions. Typically, this relates, among other things, to the impact on the Bank's profitability and capital adequacy. Stress Tests are conducted on the Bank's on and off balance sheet exposures to test the impact of Credit, Market risk, Liquidity risk and Interest Rate Risk in the Banking book (IRRBB). The stress test results are put up to the Risk Management Committee (RMC) of the Board for their review and guidance. The Bank periodically assesses and refines its stress tests in an effort to ensure that the stress scenarios capture material risks as well as reflect possible extreme market moves that could arise as a result of market conditions. The stress tests are used in conjunction with the Bank's business plans for the purpose of capital planning in the ICAAP. In line with the RBI guidelines for implementing the New Capital Adequacy Framework under Basel III, the Bank has successfully migrated to the framework from April 1, 2013. The Bank has continued parallel run of Basel II framework continuously tracking the exposures and studied the impact on Bank's Capital to Risk weighted Assets Ratio (CRAR) .

In accordance with the RBI's requirement, the Bank has continued to adopt Standardized Approach (SA) for Credit Risk and Basic Indicator Approach (BIA) for Operational Risk to compute capital as on March 31, 2015. Besides this, the Bank continues to apply the Standardized Duration Approach (SDA) for computing capital requirement for Market Risk. RBI has prescribed banks to maintain a minimum CRAR of 9% with regard to credit risk, market risk and operational risk.

2.2 Capital Adequacy as on March 31, 2015

The total Capital to Risk Weighted Assets Ratio (CRAR) as per Basel III guide lines works to 14.62% as on March 31, 2015 (as against minimum regulatory requirement of 9%). The Tier I CRAR stands at 13.56%. The Bank has followed the RBI guidelines in force, to arrive at the eligible capital, risk weighted assets and CRAR.

Capital requirements for Credit Risk, Market Risk and Operational Risk:

Particulars as on March 31, 2015

	(₹ in crore)
1. Capital requirement for Credit Risk	2393.01
-Portfolio subject to Standardized Approach	2393.01
-Securitization exposures	0.00
2. Capital requirement for Market Risk	151.16
• Standardised Duration Approach	
○ Interest Rate Risk	75.79
○ Foreign Exchange Risk (Including gold)	0.09
○ Equity Risk	75.28
3. Capital requirement for Operational Risk	
• Basic Indicator Approach	233.72
Total capital requirements at 9% (1 + 2 + 3)	2777.89
Total capital	4511.70
CRAR %	14.62%
Tier-I CRAR %	13.56%

3. RISK EXPOSURE AND ASSESSMENT

The Bank is exposed to various types of risk such as Credit, Market, Operational, Liquidity, Interest Rate, Reputational, Legal and Strategic risk. The Bank has separate and independent Risk Management Department in place which oversees all types of risks in an integrated fashion.

The objective of risk management is to have optimum balance between risk and return. It entails the identification, measurement and management of risks across the various businesses of the Bank. Risks are managed through a framework defined in policies approved by the Board of Directors and supported by an independent risk management function which monitors and takes corrective action so that the Bank operates within its risk appetite. The risk management function attempts to anticipate vulnerabilities through quantitative or qualitative examination of the embedded risks in various activities. The Bank continues to focus on refining and improving its risk management systems. In addition to ensuring compliance with regulatory requirements, the Bank has developed robust internal systems for assessing capital requirements keeping in view the business objectives.

The Board of Directors (BOD) approves the strategies and policies for Risk Management, based on recommendations of the Risk Management Committee (RMC) of the Board set up to focus upon risk management issues. The Risk Management Committee of the Board reviews various aspects of risk arising from the businesses undertaken by the Bank. Operating level risk committees comprising of senior management viz. Asset Liability Management Committee (ALCO), the Operational Risk Management Committee (ORMC), Market Risk Management Committee (MRMC) and the Credit Risk Management Committee (CRMC) oversee specific risk areas. These committees in turn provide inputs for review by the Risk Management Committee (RMC) of the Board.

3.1 Risk Management Committee (RMC) of the Board:

The Risk Management Committee of the Board is the primary tier to oversee implementation of Board approved strategies and policies, recommend setting up of tolerance limits wherever required, monitor implementation of strategies and policies, as well as adherence to prescribed tolerance limits etc. The RMC oversees the functioning of Executive level Committees for risk management.

3.2 Executive Level Committees:

At Executive Management level, the organizational responsibilities for implementing and monitoring Board approved strategies and policies and adhering to prescribed tolerance limits etc. are as under:

Sr.No	Executive Level	Committee Focus Area	Chairman
1	Asset Liability Management Committee (ALCO)	All aspects of Asset Liability Management, Monitoring & Control, Interest rate review etc.	Chief Operating Officer
2	Credit Risk Management Committee (CRMC)	All aspects of Credit Risk Management, Monitoring & Control	MD & CEO
3	Market Risk Management Committee(MRMC)	All aspects of Market Risk Management, Monitoring & Control.	Chief Operating Officer
4	Operational Risk Management Committee (ORMC)	All aspects of Operational Risk Management, Monitoring & Control.	Chief Operating Officer

4. CREDIT RISK (DF 3)

4.1 Credit risk is defined as the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. In a bank's portfolio, losses stem from outright default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions.

The Bank adopts the definition of 'past due' and 'impaired credits' (for accounting purposes) as defined by Reserve Bank of India under Income Recognition, Asset Classification and Provisioning (IRAC) norms.

4.1.1.Credit Risk Management

Credit Risk Management Committee (CRMC) headed by MD & CEO is the top-level functional committee for managing credit risk. The committee is responsible for implementation of Credit Risk

Management policy approved by the Bank's Board. The committee considers and takes decision necessary to manage and control credit risk within the overall quantitative prudential limits approved by the Bank's Board. The Committee is entrusted with the responsibilities to formulate standards for presentation of credit proposals, financial covenants, rating standards and benchmarks. The Committee also oversees compliance with Pillar II requirements under Basel II such as ICAAP and Stress Test.

The Bank adopts an integrated approach to credit risk management, which encompasses:

- Establishment and articulation of corporate priorities
- Institution and inculcation of an appropriate credit culture
- Determination of specific credit risk strategy and profile
- Implementation of appropriate credit risk controls
- Monitoring the effectiveness of credit risk controls

The Bank has implemented the Standardized approach for regulatory capital measurement for credit risk.

4.1.2. Credit risk Strategy and Risk Profile:

The bank adopts a credit risk strategy and risk appetite, which is in line with its risk taking ability to ensure conservation and growth of shareholder funds, with a proper balance between risk and reward. Financial resources are allocated to optimize the risk reward ratio.

There is a clearly articulated definition of acceptable credit risk, based upon:

- Identification of target markets/segments
- Establishing of characteristics of desirable customers within the target market
- Assessing whether adequate resources are available to support the business
- Ensuring that all economic and regulatory requirements are complied with
- Ensuring that the portfolio is consistent with the Bank's strategy and objectives especially in relation to risk concentration, maturity profile and liquidity management

4. 1. 3 Credit Risk Controls:

Credit risk controls focus on identification, measuring, monitoring and managing the assumed risks and include:

- A documented credit policy and credit risk management policy
- Approval process with delegated authorities
- Asset quality and risk rating system and its verification
- Effective loan disbursement mechanism to minimize the legal risk
- Effective loan administration to ensure past-due management and bad loan detection
- A loan review mechanism
- Portfolio management tools to manage portfolio risks

Management of credit risk is at three levels:

- Strategic or Portfolio level, so as to ensure that no single event can have a significant adverse impact.
- Established credit policy to have a minimum standard for assuming risk

- Reliance on the competence of trained staff to make sound credit decisions

The Bank relies upon formal and conventional credit risk assessment, viz.:

- The ability and willingness of borrowers to repay.
- Dependence primarily on cash flows for repayment with security taken to provide a secondary source of repayment.
- Quality of data and analysis thereof forms the basis of assessment and not external reputation or unsubstantiated beliefs.
- Rational assessment of probability of default and assessment of 'Worst Case Scenario'.
- Transparency and communication of all relevant facts (negative as well as positive) necessary for making an informed credit decision.
- Documentation of all assessment, rationale and decisions.
- Know Your Customers 'KYC' forms the bedrock of initiating and sustaining any relationship.

4.2 Total gross credit risk exposure as on March 31, 2015:

Category Domestic	(₹ in crore)
Fund based	36690.77
Non fund based	4609.43
Total	41300.20

Note:

1. Fund based credit exposure excludes Cash in hand, Balance with RBI, SLR investments shares, deposits placed with NABARD, SIDBI & NHB, Fixed and Other assets.
2. Non-fund based exposure includes outstanding Letter of Credit, Acceptances and Bank Guarantee exposures.

Exposures reported above include limits or outstanding whichever is higher, for other than term loans and NPAs. In case of terms loans and NPAs, the outstanding amount has been considered for this purpose.

4.3 Geographical Distribution of Credit:

(₹ in crore)

STATE	Fund Based
ANDHRA PRADESH	4591.19
CHANDIGARH	38.12
CHHATTISGARH	14.16
DELHI	2014.54
GOA	37.84
GUJARAT	1141.28
HARYANA	167.05
JHARKHAND	23.23
KARNATAKA	1739.68
KERALA	427.77
MADHYA PRADESH	107.21
MAHARASHTRA	3365.99
ORISSA	135.18
PONDICHERRY	171.57
PUNJAB	292.28
RAJASTHAN	137.16
TAMIL NADU	16549.25
TELANGANA	3756.82
UTTAR PRADESH	371.68
WEST BENGAL	1608.77
TOTAL	36690.77

4.4 Industry wise distributions of exposures as on March 31, 2015.

(₹ in crore)

Industry	Fund Based	Non fund based
MINING & QUARRYING	210.32	6.01
FOOD PROCESSING	1317.87	97.19
BEVERAGES & TOBACCO	77.25	0.13
TEXTILES	2771.02	164.83
LEATHER AND LEATHER PRODUCTS	11.41	0.62
WOOD AND WOOD PRODUCTS	220.55	143.52
PAPER AND PAPER PRODUCTS	122.61	17.12
PETROLEUM	0	0
CHEMICALS AND CHEMICAL PRODUCTS	641.02	59.36
RUBBER, PLASTIC AND THEIR PRODUCTS	283.51	9.53
GLASS & GLASSWARE	4.65	0.20

CEMENT & CEMENT PRODUCTS	81.60	5.68
BASIC METAL AND METAL PRODUCTS	1459.13	120.40
ALL ENGINEERING	499.14	355.01
VEHICLES, VEHICLE PARTS AND TRANSPORT EQUIP.	380.08	7.25
GEMS AND JEWELLERY	377.51	296.23
CONSTRUCTION	307.32	314.89
INFRASTRUCTURE	3422.44	472.45
OTHER INDUSTRIES	370.62	166.12
OTHERS	24132.72	2372.89
TOTAL	36690.77	4609.43

4.5 Residual contractual maturity breakdowns of assets* as on March 31 2015:

(₹ in crore)

Assets	Day 1	Day 2 To Day 7	Day 8 To Day 14	Day 15 To Day 28	Over 28 days To 3 Months	Over 3 Months To 6 Months	Over 6 Months To 1 Year	Over 1 To 3 Years	Over 3 Years To 5 Years	Over 5 Years	Total
Cash	627.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	627.16
Balance with RBI	298.94	32.03	27.32	36.63	219.32	127.22	284.83	308.70	233.99	496.78	2065.76
Balance with other banks	51.16	0.00	0.34	0.00	0.00	0.00	0.00	4.67	0.00	0.00	56.17
Investments	2145.87	201.41	196.16	196.87	1178.87	708.79	1540.96	2275.70	1600.41	2774.85	12819.89
Advances - Performing	3573.17	262.24	236.22	896.73	3094.49	3169.98	5212.12	13438.04	2749.49	3380.51	36012.98
NPA (Gross) Including NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	403.50	287.42	690.92
Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	411.17	411.17
Other Assets	443.02	23.19	23.19	0.00	0.00	0.00	0.00	0.00	0.00	620.87	1110.28
Total	7139.32	518.88	483.24	1130.22	4492.68	4005.99	7037.91	16027.10	4987.39	7971.60	53794.33

* As per ALM guidelines

Advances and Provisions:

(f) Gross NPA

Particulars as on 31.03.2015	₹ in crore
i. Substandard	403.50
ii. Doubtful 1	69.04
iii. Doubtful 2	11.20
Iv Doubtful 3	10.97
v. Loss	183.07
Total	677.78

g) Net NPAs	280.97
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(h) NPA Ratios	
i. Gross NPAs to gross advances (%)	1.85
ii. NPAs to Net Advances (%)	0.78

(i) Movement of NPAs(Gross)	
i. Opening balance	279.18
ii. Additions during the year	619.24
iii. Reductions during the year	220.63
iv. Closing balance	677.78

(j) Movement of provisions for NPAs (excluding provision on Standard Assets)	
i. Opening balance	114.48
ii. Provision made during the year (+)	494.86
iii. Write-off / write-back of excess provisions (-)	229.34
iv. Closing balance	380.00

(₹ in crore)

(k) Amount of Non-Performing Investments	13.14
(l) Amount of provisions held for non-performing investments	13.14

(m) Movement of depreciation on investments	
i. Opening balance as on 01.04.2014	2.81
ii. Add: Provision made during the year (+)	10.33
iii. Less: Write-off/ write-back of excess provision during the year (including depreciation utilized on the sale of securities) (-)	0.00
iv. Closing balance	13.14

5. CREDIT RISK: Disclosures for portfolio subject to the Standardized Approach (DF 4)

5 (a) The Bank has used the ratings of the following domestic external credit rating agencies for the purpose of risk weighting their claims on the domestic entities for capital adequacy purpose:

- i. CRISIL
- ii. CARE
- iii. ICRA
- iv India Ratings
- v Brickwork
- vi SMERA

5 (b) A description of the process used to transfer public issuer ratings onto comparable assets in the banking book:

Bank has used short term ratings for assets with maturity upto one year and long-term ratings for assets maturing after one year as accorded by the approved external credit rating agencies. Bank has not cherry picked ratings. Bank has not used one rating of a CRA (Credit Rating Agency) for one exposure and another CRA's rating for another exposure on the same counterparty unless only one rating is available for a given exposure.

Notwithstanding the repayable on demand condition, cash credit exposures have been subjected to long-term rating.

If an obligor has a long term external credit rating that warrants RW (Risk Weight) of 150%, all unrated exposures on the same obligor whether long or short is assigned the same 150% RW unless mitigated by recognized Credit Risk Mitigants.

Bank has used only solicited rating from the recognized CRAs. In case the obligor has multiple ratings from CRAs, the Bank has a policy of choosing (if there are two ratings) lower rating.

Where RW associated with the rating by a CRA for a specific investment instrument is lower than one corresponding to unrated exposure, but the Bank's exposure is not in that instrument but some other debt, the RW for the rated exposure has been applied to Bank's unrated exposure provided the latter ranks pari-passu or senior to the specific rated exposure and the maturity of Bank's claim is not later than the rated exposure.

If either the issuer or a single issue has been rated warranting RW equal or higher than unrated claim, a claim on the same issuer which is unrated but ranks pari-passu or junior to the rated exposure has been assigned the same RW as the rated exposure.

No recognition of CRM technique has been taken into account in respect of a rated exposure if that has already been factored by the CRA while carrying out the rating.

For exposure amounts after risk mitigation subject to the standardized approach, amount of the Bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted as on March 31,2015 are as follows:

(₹ in crore)

Particulars	Fund Based	Non Fund Based
Below 100% risk weight	30891.01	141.71
100% risk weight	7848.23	2808.91
More than 100% risk weight	4383.78	76.08
Total	43123.02	3026.70

6. CREDIT RISK MITIGATION: Disclosures for Standardized Approach (DF 5)

6.1 The Bank has adopted Credit Risk Mitigation (CRM) Techniques and Collateral Management (CM) guidelines issued by RBI under Master circular – Prudential guidelines on capital Adequacy and Market Discipline – New Capital Adequacy Framework (NCAF).

The Bank has utilized credit risk mitigation in the form of Bank's own deposits, LIC Policies, National Saving Certificate and gold, wherever the collateral is identifiable, marketable & enforceable and complies with RBI requirements. Sovereign exposures and Sovereign guaranteed exposures are risk weighted as per RBI directives.

The general principles applicable for use of credit risk mitigation techniques are as under:

- i.No transaction in which Credit Risk Mitigation (CRM) techniques are used has been assigned higher capital requirement than as otherwise identical transaction where such techniques are not used
- ii.The Bank has taken care to see that effects of CRM are not double counted. To ensure this no additional supervisory recognition of CRM for regulatory capital purposes are made available on claims for which an issue-specific rating is used that already reflects that CRM.
- iii.Principal-only ratings will not be allowed within the CRM framework. The rating should cover principal and interest.

The Bank has, therefore, put in place robust procedures and processes to control these risks, including strategy, consideration of the underlying credit, valuation, policies and procedures systems, control of Roll-off risks, and management of concentration risk arising from the use of CRM techniques and its interaction with the Bank's overall credit risk profile.

6.2 Eligible Financial Collateral:

The following eligible collateral instruments are used for recognition in the comprehensive approach:

- i. Cash (as well as certificates of deposit or comparable instruments, including fixed deposit receipts, issued by the bank) on deposit with the bank which is incurring the counterparty exposure

- ii. Gold: Gold would include both bullion and jewellery
- iii. Securities issued by Central and State Governments
- iv. National Savings Certificates
- v. Life insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator.
- vi. Debt securities rated by a chosen Credit Rating Agency in respect of which the banks should be sufficiently confident about the market liquidity where these are either:
 - a) Attracting 100 per cent or lesser risk weight i.e. rated at least BBB (-), when issued by public sector entities and other entities (including banks and Primary Dealers); or
 - b) Attracting 100 per cent or lesser risk weight i.e. rated at least PR3/ P3/F3/A3 for short-term debt instruments.
- vii) Debt securities not rated by a chosen Credit Rating Agency in respect of which the banks should be sufficiently confident about the market liquidity where these are:
 - a) Issued by a bank
 - b) Listed on a recognized exchange
 - c) Classified as senior debt
 - d) all rated issues of the same seniority by the issuing bank are rated at least BBB(-) or CARE A3/ CRISIL A3/ India Ratings and Research Private Limited (India Ratings) A3/ICRA A3/Brickwork A3/SMERA A3 by a chosen Credit Rating Agency; and
 - e) the bank holding the securities as collateral has no information to suggest that the issue justifies a rating below BBB(-) or CARE A3/ CRISIL A3/ India Ratings and Research Private Limited (India Ratings) A3/ICRA A3/Brickwork A3/SMERA A3 (as applicable) and;
 - f) Banks should be sufficiently confident about the market liquidity of the security
- viii) Units of Mutual Funds regulated by the securities regulator of the jurisdiction of the bank's Operation mutual funds where:
 - a. Price for the units is publicly quoted daily i.e., where the daily NAV is available in public domain; and
 - b. Mutual fund is limited to investing in the instruments listed in this paragraph.

6.3 Total exposure covered by guarantees/credit derivatives - Nil

7. SECURITIZATION EXPOSURES (DF 6)

As per RBI guidelines on Securitization exposure, investments by banks in securitized assets, representing loans to various categories of priority sector, except 'others' category, are eligible for classification under respective categories of priority sector lending (PSL) depending on the underlying assets.

As on March 31, 2015, the Bank does not have any securitization exposure as originator.

8. MARKET RISK IN TRADING BOOK (DF 7)

Market risk refers to the uncertainty of future earnings resulting from changes in interest rates, foreign exchange rates, market prices and volatilities. The Bank assumes market risk in its lending and deposit taking businesses and in its investment activities, including position taking and trading. The market risk is managed in accordance with the investment policies, which are approved by the Board. These policies ensure that operations in securities, foreign exchange and derivatives are conducted in accordance with sound and acceptable business practices and are as per the extant regulatory guidelines, laws governing transactions in financial securities and the financial environment. Market Risk in Trading Book is assessed as per the Standardized Duration approach. The capital charge for Held for Trading (HFT) and Available for Sale (AFS) portfolios is computed as per Reserve Bank of India prudential guidelines.

Market risk management objectives:

The objectives of market risk management are as follows:

- Management of liquidity
- Management of interest rate risk and exchange rate risk.
- Proper classification and valuation of investment portfolio
- Adequate and proper reporting of investments and derivative products
- Compliance with regulatory requirements

Structure and organization of the market risk management function:

The ALCO is the focal point for placing various notes/ reports with regard to liquidity risks.

Strategies and processes:

To comply with the regulatory guidelines and to have independent control groups there is clearfunctional separation of:

- Trading (Front office)
- Monitoring and control (Middle office) and
- Settlements (Back office)

The strategy/guidelines for controlling market risk include:

- Direct involvement of experienced line management
- Stringent controls and limits
- Strict segregation of front, middle and back office duties
- Comprehensive periodical reporting of positions
- Regular independent reviews of all controls and limits
- Rigorous testing and auditing of all pricing, trading and risk management

The scope and nature of risk reporting and measurement systems:

Reporting - The Bank periodically reports on the various investments and their related risk measures to the senior management and the committees of the Board. The Bank also periodically reports to its

regulator in compliance with regulatory requirements.

Measurement - The Bank has devised various risk metrics for measuring market risk. These are reported to Asset Liability Management Committee. Some of the risk metrics adopted by the Bank for monitoring its risks are Value-at-Risk, Earnings at Risk, Modified Duration, Stop Loss limits amongst others.

Particulars As on March 31, 2015	(₹ in crore)
Capital requirements for market risk	
Interest Rate Risk	75.79
Foreign Exchange Risk (Including gold)	0.09
Equity Risk	75.28
Capital requirement for Market Risk	151.16

9. OPERATIONAL RISK (DF 8)

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risk but excludes strategic and reputational risk.

The Bank has put in place a Board approved Operational Risk Management Policy which outlines overall framework for management of Operational Risk.

The Bank manages Operational Risk by way of adopting best practices in processes as well as products. Utmost importance is given on communication and understanding of processes at transactional level and compliance to same are monitored through effective internal audits.

The Bank's selection of personnel and systems of rewarding performance are aligned to meet Bank's stated key priorities. There is a commitment to training and upgrading of staff skills. Strong 'ownership' of exposures is encouraged, through rewards as well as strong accountability.

The Bank understands the criticality of business continuity in the event of any undesirable/unforeseen incident and has put in place an exhaustive Business Continuity Plan (BCP) in place which is subject to periodic drills. The Bank has robust Information Technology set up with Disaster Recovery (DR) site for critical functions and backups. Further there is a strict adherence to Information Security Policy across the Bank.

As per the mandate from RBI, the Bank is following the Basic Indicator Approach (BIA) for assessment of Operational Risk Capital. The Bank is taking quantitative and qualitative steps in view of moving towards advanced approaches as prescribed by RBI.

Capital requirement for operational risk as per Basic Indicator Approach (BIA) as on March 31, 2015 is ₹ 233.72 crore.

10. INTEREST RATE RISK IN BANKING BOOK (DF 9)

Interest Rate Risk in the Banking Book (IRRBB):

Interest rate risk is the potential change in Net Interest Income (NII) or Economic Value of Equity (Balance Sheet impact), caused by unexpected changes in market interest rates. Since NII or Net Interest Margin (NIM) of Bank is dependent on the movements of interest rates, any mismatches or gaps in the cash-flows on re-pricing dates exposes Bank's NII or NIM to interest rate risk. Interest Rate Risk in Banking Book results from an unavoidable position or gap arising from Bank's normal day to day business by holding assets and liabilities in different maturities and different re-pricing dates.

Risk management framework and monitoring:

The Board of the Bank, through Asset liability Management Committee, has overall responsibility for management of risks and it sets limits and policies for management of liquidity risk, market risk including foreign exchange, interest rate and equity risk. The Asset Liability Management Committee (ALCO), a strategic decision making body constituted by Board, headed by Chief Operating Officer and comprising of senior executives of the Bank is responsible for deciding the mix and maturity profile of the assets and liabilities, recommendation of risk policies, setting up of prudential limits to manage the risks and ensuring compliance with the limits set by the Board. The ALM policy of the Bank includes the prudential limits on interest rate risk, liquidity risk, foreign exchange risk and equity risk.

Risk Management Department is monitoring the limits laid down in the ALM Policy through various reports.

Risk measurement and reporting framework:

As a part of its regular activities, ALCO manages the impact of the interest rate risk in banking book, through various limits, reports and tools such as interest rate sensitive gaps, Earnings at risk analysis, duration gap analysis, stress testing, etc. detailed as follows:

Interest rate sensitivity :

The interest rate gap risk, at any given date, is the risk arising from the mismatches in the assets & liabilities over the different time intervals. These mismatches or gaps are arrived at after matching rate sensitive assets and rate sensitive liabilities in the particular time bucket taking into account all assets and liabilities (including off Balance Sheet exposure). The rate sensitive assets and liabilities are grouped in the buckets as per the residual maturity or re-pricing date, whichever is earlier and is reported on monthly basis. The gap indicates whether net interest income is positively or negatively impacted by a change in interest rates and the magnitude of the gap approximates the change in net interest income for any given interest rate shift. Limits are fixed on individual gaps.

Earnings at Risk Analysis (EaR):

The gaps in the report indicates whether the Bank is in a position to benefit from rising interest rates by having a positive gap (RSA > RSL) or whether it is in a position to benefit from declining interest rates by a negative gap (RSL > RSA). The Bank monitors the Earnings at Risk on NII for 2% change in interest rates on the open periodic gaps.

Stress testing:

The Bank measures the impact on NII/ EaR after taking into account various possible movement in interest rates across tenor and impact on the earnings is calculated for each of these scenarios.

Duration gap analysis:

Movement in the interest rates also have a long-term impact on the market value of equity of the Bank, as the economic value of the Bank's assets, liabilities and off-Balance Sheet positions getaffected. Duration is a measure of interest rate sensitivity of assets, liabilities and also equity. It may be defined as the percentage change in the market value of an asset or liability (or equity) for a given change in interest rates. Thus Duration Gap Analysis measures by how much the market value of equity of a firm would change for the possible change in the interest rates.

The following tables show the impact on NII and economic value of equity for a given change in the interest rates. The impact is calculated assuming parallel shifts in the yield curve across all time buckets.

i) Impact on NII:

Changes in interest rates (in bps)

(₹ in crore)

Currency	100	200
INR	128.81	257.63

ii) Impact on economic value of equity:

Changes in interest rates (in bps)

(₹ in crore)

Currency	100	200
INR	104.37	208.73

* No major exposure in foreign currencies

11. General disclosures for exposures related to counter party credit risk (DF 10)

Counterparty exposure

Counterparty credit risk in case of derivative contracts arises from the forward contracts. The subsequent credit risk exposures depend on the value of underlying market factors (e.g., interest rates and foreign exchange rates), which can be volatile and uncertain in nature. The Bank does not enter into derivative transactions other than forward transactions.

Credit limits:

The credit limit for counterparty bank is fixed based on their financial performance as per the latest audited financials. Various financial parameters such as NPA ratios, liquidity ratios, etc are taken into consideration while assigning the limit. Credit exposure is monitored to ensure it does not exceed the approved credit limit.

Credit exposures on forward contracts

The Bank enters into the forward contracts in the normal course of business for positioning and arbitrage purposes, as well as for its own risk management needs, including mitigation of interest rate and foreign currency risk. Derivative exposures are calculated according to the current exposures method.

Credit exposure as on March 31, 2015

(₹ in crore)

	Notional Amount	Gross positive fair value of the contracts	Potential Future Exposure	Total Credit Exposure
Forward contracts	7967.44	8404.38	168.09	8572.47

12. Composition of Capital (DF 11)

(₹ in crore)

Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	1325.80
2	Retained earnings	
3	Accumulated other comprehensive income (and other reserves)	2867.23
4	<i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</i>	
5	Common share capital issued by subsidiaries and held by third parties	
6	Common Equity Tier 1 capital before regulatory adjustments	4193.03
Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	
8	Goodwill (net of related tax liability)	
9	Intangibles (net of related tax liability)	

10	Deferred tax assets	
11	Cash-flow hedgereserve	
12	Shortfall of provisions to expected losses	
13	Securitization gain on sale	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	
15	Defined-benefit pension fund net assets	
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	
17	Reciprocal cross-holdings in common equity	7.27
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible Short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amountabove10% threshold)	
20	Mortgage servicing right s(amount above 10% threshold)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
22	Amount exceeding the 15% threshold	
23	<i>of which: significant investments in the common stock of financialentities</i>	
24	<i>Of which :mortgage servicing rights</i>	
25	<i>Of which: deferred tax assets arising from temporary differences</i>	
26	National specific regulatory adjustments(26a+26b+26c+26d)	7.27
26a	<i>of which: Investments in the equity capital of unconsolidated insurance subsidiaries</i>	
26b	<i>Of which: Investments in the equity capital of unconsolidated non - financial subsidiaries</i>	
26c	<i>Of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank</i>	
26d	<i>Of which: Unamortised pension funds expenditures</i>	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
28	Total regulatory adjustments to Common Equity Tier 1	7.27
29	Common Equity Tier 1 capital (CET1)	4185.76
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium)(31+32)	
31	Of which: classified as equity under applicable accounting standards	
32	Of which: classified as liabilities under applicable accounting standards(PerpetualdebtInstruments)	
33	<i>Directly issued capital instruments subject to phase out from</i>	

34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	
35	<i>Of which: instruments issued by subsidiaries subject to phase out</i>	
36	Additional Tier 1 capital before regulatory adjustments	
Additional Tier 1 capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) ¹⁰	
41	National specific regulatory adjustments (41a+41b)	
41a	<i>of which: Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries</i>	
41b	<i>Of which: Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank</i>	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient	
43	Total regulatory adjustments to Additional Tier 1 capital	
44	Additional Tier 1 capital (AT1)	
44a	Additional Tier 1 capital reckoned for capital adequacy¹¹	
45	Tier 1 capital (T1=CET 1+Admissible AT1)(29+44a)	4185.76
Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier2 instruments plus related stock surplus	150.00
47	<i>Investment Reserve</i>	53.00
48	Tier2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier2)	
49	<i>Of which: instruments issued by subsidiaries subject to phase out</i>	
50	Provisions	201.94
51	Tier 2 capital before regulatory adjustments	404.94
Tier 2 capital: regulatory adjustments		
52	Investments in own Tier2 instruments	
53	Reciprocal cross- holdings in Tier2 instruments	10.00
54	Investments in the capital of banking ,financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	69.00
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
56	National specific regulatory adjustments (56a+56b)	

56a	<i>of which:</i> Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	
56b	<i>Of which:</i> Short fall in the Tier2 capital of majority owned financial entities which have not been consolidated with the bank	
57	Total regulatory adjustments to Tier2 capital	79.00
58	Tier 2 capital (T2)	325.94
58a	Tier2 capital reckoned for capital adequacy	325.94
58b	Excess Additional Tier1 capital reckoned as Tier2 capital	
58c	Total Tier2 capital admissible for capital adequacy (58a+58b)	325.94
59	Total capital (TC=T1+Admissible T2) (45+58c)	4511.70
60	Total risk weighted assets (60a+60b+60c)	30865.51
60a	<i>Of which: total credit risk weighted assets</i>	26589.01
60b	<i>Of which: total market risk weighted assets</i>	1679.53
60c	<i>Of which: total operational risk weighted assets</i>	2596.96
Capital ratios and buffers		
61	Common Equity Tier1 (as a percentage of risk weighted assets)	13.56%
62	Tier1 (as a percentage of risk weighted assets)	13.56%
63	Total capital (as a percentage of risk weighted assets)	14.62%
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus counter cyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	5.50%
65	<i>Of which: capital conservation buffer requirement</i>	
66	<i>Of which: bank specific counter cyclical buffer requirement</i>	
67	<i>Of which: G-SIB buffer requirement</i>	
68	Common Equity Tier1 available to meet buffers (as a percentage of risk weighted assets)	8.06%
National minima(if different from Basel III)		
69	National Common Equity Tier1 minimum ratio (if different from Basel III minimum)	5.50%
70	National Tier1 minimum ratio (if different from Basel III minimum)	7%
71	National total capital minimum ratio (if different from Basel III minimum)	9%
Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial entities	
73	Significant investments in the common stock of financial entities	
74	Mortgage servicing rights (net of related tax liability)	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	
Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	201.94
77	Cap on inclusion of provisions in Tier 2 under standardized approach	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	

79	Cap for inclusion of provisions in Tier2 under internal ratings-based approach	
Capital instruments subject to phase-out arrangements (only applicable between March 31,2017 and March 31,2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	
82	Current cap on AT1 instruments subject to phase out arrangements	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	
84	Current cap on T2 instruments subject to phase out arrangements	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	

13. Main Features of Regulatory Capital Instruments

S.No		
1	Issuer	KARUR VYSYA BANK LIMITED
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	INE036D09013
3	Governing law(s) of the instrument	Indian Law Regulatory Treatment
4	Transitional Basel III rules Subordinated	Tier 2 Bonds
5	Post-transitional Basel III rules	Ineligible
6	Eligible at solo/group/ group & solo	Solo
7	Instrument type	Tier 2 Debt Instruments
8	Amount recognized in regulatory capital (₹ in million, as of most recent reporting date.	1500
9	Par value of instrument `	10 LACS
10	Accounting classification	Liability
11	Original date of issuance	25.09.2009
12	Perpetual or dated	Dated
13	Original maturity date	25.09.2019
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
17	Coupons / dividends	coupon
18	Fixed or floating dividend/coupon	Fixed
19	Coupon rate and any related index	9.86% p.a.
20	Existence of a dividend stopper	No
21	Fully discretionary, partially discretionary or Mandatory	Mandatory
22	Existence of step up or other incentive to redeem	No
23	Noncumulative or cumulative	Cumulative
24	Convertible or Non-convertible	Non Convertible
25	If convertible, conversion trigger(s)	NA
26	If convertible, fully or partially	NA
27	If convertible, conversion rate	NA

28	If convertible, mandatory or optional conversion	NA
29	If convertible, specify instrument type convertible into	NA
30	If convertible, specify issuer of instrument it converts into	NA
31	Write-down feature	No
32	If write-down, write-down trigger(s)	NA
33	If write-down, full or partial	NA
34	If write-down, permanent or temporary	NA
35	If temporary write-down, description of write-up mechanism	NA
36	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All depositors and other creditors
37	Non-compliant transitioned features	YES
38	If yes, specify non-compliant features	Tenor less than 10 years; does not have point of Non Viability Trigger

14. Full terms and conditions of Regulatory Capital Instruments

Instrument	Terms & Conditions	
Unsecured Redeemable Non-Convertible Subordinated Lower Tier- II Bonds - INE036D09013	Issue size	₹ 150 crore
	Face Value	₹ 10 lakhs per bond
	Date of Allotment	25 th September 2009
	Maturity	25 th September 2019
	Coupon	9.86%
	Interest payment	Half yearly

15. Disclosures on Remuneration:

Qualitative Disclosure:

(a) Information relating to the composition and mandate of the Compensation & Remuneration Committee:

The Composition & Remuneration Committee (CRC) of the Board consists of six Directors. The Composition complies with both RBI guidelines and the provisions of Companies Act, 2013.

The Mandate of the Remuneration committee includes:

Determining the Bank's policies on remuneration packages payable to Non-Executive Chairman, MD & CEO/WTD and the President. Positions up to the General Manager level are covered under the salary and other emoluments as per IBA package under Bipartite settlements.

Considering granting of Employees Stock Options and administering and supervising the Employee Stock Option Scheme with particular reference to quantum of options to be granted, grant price, vesting period, exercise period etc.

Prescribing procedures for making fair and reasonable adjustments to the number of options granted in case of any corporate actions such as rights issue, bonus issue, mergers etc., including conditions under which the options shall lapse due to the reasons specified in the ESOS of the Bank.

Complying with the applicable laws regarding compensation / remuneration payable to the persons covered under the compensation policy as also the Regulations governing ESOS in terms of SEBI Regulations and other applicable laws in connection therewith.

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

The Compensation Policy approved by the Board, is in alignment with the RBI guidelines contained in its circular DBODNo.BC.72/29.67.001/2011-12 dated 13.01.2012.

CRC is entrusted with the responsibility of recommending to the Board an appropriate compensation payable to the Non-Executive Chairman, MD & CEO/WTD and the President and COO in the light of the guidance from the regulator from time to time, bank's own requirement as also taking into account the prevailing market practices of payment of compensation, the cost to income ratio and the capital adequacy ratios which should support the remuneration packages. CRC shall working close co-ordination with the Risk Management and ALM Committee of the Board in order to achieve effective alignment between remuneration and risks.

(c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks:

The Committee would be taking into account the following factors while reviewing or making recommendation for reviewing the remuneration for the persons covered under the Policy:

For MD & CEO/WTD, the compensation payable is divided into fixed and variable components. The fixed component represented a significant proportion of total remuneration taking into account all relevant factors including the prevalent industry practice. Approval of RBI is obtained for the fixed compensation payable to MD & CEO/WTD.

For the Non-Executive Chairman of the Bank, only fixed pay/honorarium is payable apart from the sitting fees payable for attending the Board or Board Committee Meetings.

For the President, compensation payable is only fixed pay taking into account the industry practices, experience, performance and potential risk taking etc. apart from perquisites and other allowances applicable to the General Manager Cadre or such higher quantum as may be recommended by the CRC. President is also eligible for Employee Stock Options as may be decided by the CRC as per the SEBI guidelines.

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

Bank would ensure that the compensation is adjusted to all types of risk, symmetrical with risk outcomes as well as sensitive to the time horizon of risk.

The variable pay could be in cash, stock linked instruments or a mix of both. Variable pay shall relate to the performance of the Bank.

Variable pay is considered only for MD & CEO/WTD of the Bank. Variable pay shall not exceed 40% of the fixed pay in any year. This is payable on the basis of achievement of certain business targets such as reaching business figures including net profits and other qualitative factors taking into account the extraordinary items, appropriate risk management and efficient consumption of capital and comparison of results with the industry performance (bench marking).

In the event of negative contributions of the bank and or the relevant line of business in any year, the deferred compensation shall be subjected to malus and clawback arrangements in tune with the RBI guidelines.

(e) A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting:

Presently no variable remuneration is being paid to the President & COO.

For MD & CEO/WTD: If the variable pay is significant, then the bank would defer the payment over a period of three years.

(f) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms:

The Bank has paid only fixed remuneration to MD & CEO for the year 2013-14, as per RBI approval. For the year under report CRC has not recommended variable pay.

MD & CEO has been granted 5000 options under KVBESOS 2011 at a price of ₹ 275/- per option. Vesting period was over on 31.03.2014. The options were fully exercised as on 31.03.2015.

Apart from MD & CEO, no other executive or employee is eligible for variable pay.

The Bank shall not grant any severance pay (other than the terminal benefits and gratuity as per the provisions) to the WTD/MD & CEO or any other executive.

Bank shall not provide any facility or funds or permit MD/WTD to insure or hedge his/her compensation structure to offset the risk alignment effects embedded in the compensation package.

Quantitative Disclosures:

(g) Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.

During the fiscal 2014-15, one meeting was held on 28.05.2014. The members were paid sitting fees for having attended the meeting. Amount of sitting fees paid was ₹ 5000/- per member/per sitting. Aggregate amount paid for the fiscal was at ₹ 25000/-.

(h) Number of employees having received a variable remuneration award during the financial year 2014-15: **NIL**.

Number and total amount of sign-on awards made during the financial year: **NIL**

Details of guaranteed bonus, if any, paid as joining / sign on bonus: **NIL**

Details of severance pay, in addition to accrued benefits, if any: **NIL**

(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms: **NIL**

Total amount of deferred remuneration paid out in the financial year: **NIL**

(j) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred: **NIL**

(k) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments : **NIL**

Total amount of reductions during the financial year due to ex-post explicit adjustments: **NIL**

Total amount of reductions during the financial year due to ex-post implicit adjustments: **NIL**