

Building the new



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The real voyage of discovery
consists not in seeking new
landscapes, but in having
new eyes.

- Marcel Proust



Building the new

**Pursuing excellence is a sustained quest to discover the new.
New experiences for every stakeholder.
New products for evolving financial needs.
New solutions designed to enrich and empower.
We knew. Hence, the new.**

So, what is New? At SBM Bank India, we believe that for anything to be 'New', it must promise a strong future, built on a solid foundation of the past. In other words, when innovation meets trust, New emerges.

Over the past six years, SBM Bank India has harnessed the spirit of innovation and trust to meet the evolving needs of millions of consumers nationwide. In an industry obsessed with size, we have stood out as an experience-first bank, focusing on efficiency, customisation, and a multi-platform phygital banking approach. Most importantly, we have achieved this by banking on the new.

Whether it's introducing new products to build customer credit profiles, leveraging our global presence for a seamless banking experience, or forging strong relationships with MSMEs by being their first choice for banking needs, our proactive and agile approach has resulted in increased client stability and healthy growth.

With the challenges of the past two years behind us, SBM Bank India is now cruising towards the next orbit. In doing so, we are refining what we already knew and, hence, building the new.



Who we are

An Indian Bank in its sixth year of meeting the financial needs of millions of Indians.

We are SBM Bank India – a part of SBM Group, a global conglomerate with a five-decade presence across Asia-Africa corridor. We are proud to be the first universal Bank in the country to receive a banking license from the Reserve Bank of India (RBI) through the Wholly Owned Subsidiary (WOS) route. We commenced our operations on December 1, 2018. We offer customised banking solutions through a technology-first phygital banking model. With over 5 million customers across India, a team of more than 700 members, and 16 branches nationwide, we are committed to serving our community.

SBM Group

A leading financial services provider in Mauritius

The SBM Group is a leading banking and financial services player in Mauritius, and has been contributing to the country's socio-economic development since its inception in 1973.

It is actively involved in the Asia-Africa corridor by means of dedicated banking subsidiaries operating in India, Madagascar and Kenya. The Group is committed to creating long-term value for its stakeholders by offering bespoke solutions to individual, corporate and institutional clients in the banking and non-banking financial fields in Mauritius and internationally. The Group entities are guided by clear strategic orientations to grow their businesses, while preserving the soundness of their operations.

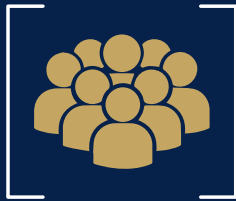
The SBM Group is the third-largest listed entity on the Stock Exchange of Mauritius, with a market capitalisation of MUR 13.8 billion as at 31 December 2023. It is the holding company of various subsidiaries that operate under three clusters: Banking, Non-Banking-Financial and Non-Financial.

The SBM Group has over 100 branches, with more than 3,300 employees in various geographical locations.



KEY HIGHLIGHTS

FY 2023-24



Surpassed

5 million milestone

in terms of total customers



**Added four
new branches**

and relocated the Delhi branch



700 plus employee
strength across the country



**Appointment of new
MD & CEO and CCO**

Key Financial Highlights

FY 2023-24

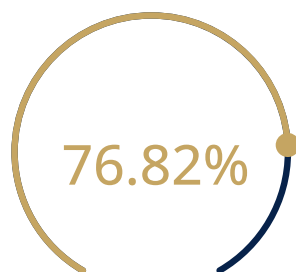
Ratios



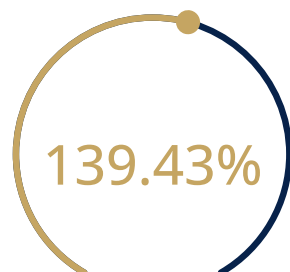
Capital Adequacy



Net NPA



Provision Coverage



Liquidity Coverage

Net Interest Income



₹225.39 Crore

Net worth
(after exceptional items)



₹796.17 Crore

Total Advances



₹4,676.20 Crore

CASA



₹1,775.58 Crore

Total Asset



₹8,945.88 Crore

Note: Networth includes Capital + Reserves and Surplus



MESSAGE FROM THE CHAIRMAN

Dear Stakeholders,

In a year marked by significant global and domestic economic shifts, SBM Bank India has delivered a resilient performance against the backdrop of a strategic realignment to enhance the risk and control environment.

While the global economy grapples with pressures and downside risks due to a mix of economic, geopolitical, and sectoral challenges, India stands out as a beacon of resilience. Driven by strong internal consumption and buoyed by stable economic policies, India has solidified its position as a key jurisdiction for the SBM Group.

A Long-Standing Relationship

Today, the SBM Group is positioned as a leading banking and financial services provider in Mauritius, while being actively involved in the Asia-Africa corridor through dedicated banking subsidiaries operating in India, Kenya and Madagascar.

In India, SBM Group has opened its first branch in Mumbai, back in 1994, at a time when the country was still opening up and modernising its economy on the back of ambitious reforms. Since then, we have witnessed the sustained growth trajectory and evolving aspirations of the Indian people, while the economy has steered into the top five globally.

Our banking activity in the country has grown against the backdrop of the strong ties that continue to exist between Mauritius and India. This relationship has stood the test of time, alongside being marked by a generational history of trust, cooperation, and trade.

Over time, we have proudly expanded our operations, with SBM Bank (India) Limited becoming, in 2018, the first foreign Bank to obtain a Wholly Owned Subsidiary License from the Reserve Bank of India.

During the past six years, we have, notwithstanding the challenges faced, built a banking institution which has gradually boosted its operational efficiency, financial resilience, and market presence, supported by a dedicated workforce and the guidance of the Group. We have demonstrated our potential, supported by our determined approach and a niche business model, which have been key to our sustained value-creation journey.

Expanding Horizons

Today, the Bank is serving over five million customers – supported by 16 branches and 718 employees – with a balance sheet of ₹ 8,946 crore as on 31st March 2024. In line with its global connection, SBM Bank India has indeed set up and expanded its premium banking operations, while posting high growth among its peers.

The unprecedented scale that the Indian economy and market offer for growth is enabling us to dream bigger. While retail operations will continue to expand on the basis of the opportunity to capitalise on a wider pool of customers through a mix of online technology-led experience and on-the-ground banking infrastructure, other markets also offer interesting business prospects, in line with the expansion of the Indian economy and higher living standard of the population.

The Asia-Africa Corridor: A New Frontier

The Asia-Africa corridor is also emerging as a critical banking landscape, with India attractively poised to become the preferred financial centre. Synergies with SBM Group entities operating in Mauritius, Kenya and Madagascar can unleash appealing growth avenues. The presence of the SBM Group in countries across the corridor can, we believe, empower and expand possibilities for millions of customers across neighbouring jurisdictions.

Gratitude and Commitment

On behalf of the SBM Group, I would like to express my heartfelt gratitude to our stakeholders in India, including the Management Teams of the Bank and all its employees, our valued customers and esteemed partners. Your unflinching support and trust in the Bank have been instrumental in forging and sustaining our success.

Over the past six years, we have meticulously honed our operating model and frameworks, introduced a diverse array of customer solutions and broadened our footprint, all while maintaining a steadfast commitment to excellence.

To end here, may I reaffirm that our presence in India truly reflects the core values of the SBM Group and our confidence in the appealing socio-economic prospects of the country, as it further transforms its destiny and pursues its progress. As we look to the future, I am brimming with optimism about the business opportunities that lie ahead for us, mindful of the need to perpetually reinforce our risk management framework.

As we think about our short- and medium-term future, we will ensure that we continue to build on our success, improve our credentials and forge new growth paths that will lead to greater accomplishments, alongside embedding responsible growth for us and our multiple stakeholders.

Mr. Sattar Hajee Abdoula

Chairman



MESSAGE FROM MANAGING DIRECTOR & CEO



**Building a stronger foundation –
Earning the right to grow**



Dear Members,

The year 2023-24 was all about staying resilient and getting fitter, for a strong and sustainable growth journey ahead.

The Opportunities

Evolution demands a series of sustained changes, and as the Indian economy is inching towards its vision of being among the top three globally, the banking and financial services sectors continue to embrace next-level compliances and regulations.

India will continue to embrace its vision of Viksit Bharat by 2047. This vision expects to unleash a four-pronged growth agenda: a prosperous society, a robust financial services sector, strong public finances, and economic sovereignty. In FY 2023-24, Bank credit witnessed double-digit growth driven by the retail and MSME sectors. This growth came with improved asset quality and low delinquencies. However, Indian regulators chose not to rest on the positives but strengthen the moats through more granular compliances to avoid any surprises in the future.

As a young Bank, we were impacted by the gaps in processes and the changes in regulations. While these changes caused us to pause, rethink, realign and reengineer, they ultimately accelerated our adoption of better processes and further strengthening of operations across the Bank.

A Year of Transformation

Change is always momentarily uncomfortable, but our commitment to becoming a compliance-first global Indian Bank enabled us to navigate through the short-term challenges. We began from the ground up – strengthening compliance and streamlining processes – to align with the Bank's vision, while continuing to function as a full-scale universal Bank and pursuing our growth ambitions. Our teams across all verticals worked together cohesively to reinstate products and add new customers across various business segments.

This year, the Bank prioritised implementing a rigorous compliance framework over business expansion. We, at SBM Bank, continued to focus on enhancing the risk & control frameworks and developed comprehensive checks & balances across our partnership ecosystem. This led to a temporary drop in topline but enabled us to emerge stronger and more confident riding on a more effective, robust and well guard-railed process.

At the same time, we dedicated a large portion of the year to further enhancing and expanding our technology offerings for customers. Our digital initiatives have undergone thorough testing, and we are on track to launch a series of planned programs this year. The sustained investment in our IT infrastructure and digital capabilities will drive future growth and significantly enhance customer experiences. Although these efforts have increased operating expenses without immediate revenue growth, they have positioned us well for long-term success.

Elevating talent and enhancing customer experiences

At SBM Bank, we believe the right people can transform and enrich experiences. Amidst tightening of resources and proactive cost control, we ensured the Bank didn't face a talent crunch. We recruited competent and credible professionals from the industry, while simultaneously fast-tracking in-house talent for growth in roles and responsibilities. Our internal Leadership Intervention Program, LEAP, continues to drive a mix of classroom, outbound, and experiential training programs aimed to enhance leadership skills and develop the desirable mindset of aspiring leaders.

We prioritised enhancing customer experiences by implementing advanced processes and technology across all touchpoints. By establishing a Centralised Service Desk, we significantly improved our ability to manage service requests and complaints in Retail Operations, thereby reducing complaint resolution turnaround time. Additionally, we enhanced our video KYC capabilities to strengthen both compliance and customer experience. Leveraging technology and data analytics, we are laying the path to evolve from a young Bank to a comprehensive consumer lifecycle financial solutions provider and position us as a preferred new-age Bank for our customers.

Giving back to society

During the year, under Corporate Social Responsibility (CSR) initiatives, we allocated funds to local partners and NGOs with a special focus on locations where the Bank has branches, to ensure all projects are effectively governed and executed.

With a clear intent to contribute to social welfare, community development, and sustainable practices, our efforts were well aligned with the Bank's commitment to responsible business practices and making a meaningful difference in the communities we serve.

Looking ahead

Our future focus will remain on growth and compliance. We have planted the seeds for multiple opportunities and capabilities in previous years and are now awaiting their fruition. As banking is crucial to India's vision for global economic dominance, we will continue to empower, enrich, and inspire change through financial inclusion, customised products, and responsible compliance.

I sincerely thank our shareholders, customers, employees, and partners for their unwavering support and trust. The future is all about innovation, about The New, and we are building it—brick by brick. I leave you with this note of optimism.

Best regards,

Ashish Vijayakar

MD & CEO,
SBM Bank India

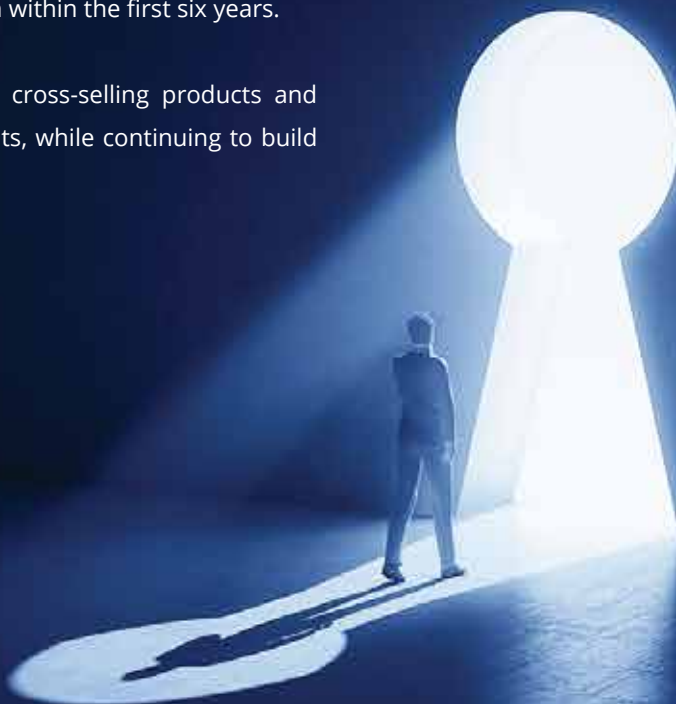
Building the new **... is about enhancing possibilities.**

Since our inception, we, at SBM Bank India, have been committed to creating opportunities and enhancing possibilities. As a universal Bank, we offer a holistic suite of services across retail banking, corporate banking and treasury.

To thrive as a young Bank in a highly competitive market, we continuously assess the evolving financial needs of our customers and carve out our niche in key segments.

We have catered to a diverse clientele, covering affluent segments (SBM Wealth, SBM Private), MSME, Financial Institutions Groups, new-to-credit and beyond, resulting in a customer base exceeding 5 million within the first six years.

Going forward, we will focus on cross-selling products and solutions across business segments, while continuing to build innovative offerings for the world.



Building the new

... is about enriching potential.

Our mission is to provide affordable solutions to those who need them, precisely when and where they need them. As a young Bank, we have maintained strict cost control without compromising on delivery and client experience, allowing us to scale efficiently.

We have gradually expanded our branch network, covering both metropolitan and emerging markets. Our branches, designed as experience centres, to cater to both retail and corporate customers. Currently, we have 16 branches across the country.

We invested in our technology suite and adopted a phygital strategy during the pandemic, which accelerated customer growth. Our technology ecosystem, including Internet banking and mobile app banking, has enabled us to attract new-age customers nationwide, despite our limited physical presence.

Moving forward, we will continue to expand this experiential ecosystem to address vernacular and sectoral banking needs, ensuring a deeper and broader presence in key financial services markets.





Building the new

... is about empowering people.

People are the heart of our ecosystem, and at SBM Bank, we go above and beyond to empower their aspirations. We have consistently fostered a culture of transparency, performance, and learning throughout the organisation. Simultaneously, we have continued to contribute towards uplifting communities through our banking services and supporting social projects.

We remain committed to training and developing the next generation of leaders through our LEAP program. In 2023-24, 40 employees participated in classroom and outbound learning sessions to accelerate their career growth.

We have implemented strategies to build a high level of trust and organisational ownership. Notably, 71% of our new hires in 2023-24 came through employee referral programs. Additionally, we ensured a fun and engaging work environment with celebrations and team-building activities throughout the year.



Board of Directors



Mr. Abdul Sattar Adam Ali
Mamode Hajee Abdoula
 Part - Time Chairman
 Non - Executive Independent Director



Mrs. Sudha Ravi
 Independent Director



Mr. Ameet Patel
 Independent Director



Mr. Shyam Sundar Barik
 Independent Director



Mr. Umesh Jain
 Independent Director



Mr. Raoul Claude Nicolas Gufflet
 Non - Executive Director



Mr. Amalorpavanathan
 Independent Director



Ms. Mariam Rajabally
 Non-Executive Director



Mr. Abizer Diwanji
 Independent Director



Ms. Pallavi Kanchan
 Independent Director



Mr. Ashish Vijayakar
 Managing Director & CEO

Management Team



Mr. Satya Prakash Sarangi
Chief Risk Officer



Mr. Prakash Jaiswal
Head - Corporate Banking



Mr. Nikhil Rajadhyaksha
Head - Retail Banking



Mr. Mandar Pitale
Head - Treasury



Mr. Sailesh Shah
Chief Financial Officer



Mr. Pravin Bhosle
Chief Information Officer



Ms. Sajitha Pillai
Head - HR



Mr. Sabyasachi Ganguly
Chief Compliance Officer



Mr. Prashant Kadam
Chief Operations Officer



Ms. Smita Nair
Head Internal Audit

MANAGEMENT DISCUSSION & ANALYSIS



ECONOMIC OVERVIEW

In 2024, the global economy continues to grow at a modest pace of 3.1 per cent, similar to in 2023, indicating that recovery from the long consequences of the pandemic and geopolitical uncertainty will be steady but slow. As inflation cools to within tolerance bands of central banks globally, the expected policy rate decline has resulted in an easing in overall global financial conditions since October 2023. The anticipation of lower rates in advanced economies has diverted Foreign Portfolio Investors (FPI) to emerging markets like India, which remains a strong favourite among investors betting on sustained economic growth. Moreover, the June election results have reinforced expectations of policy continuity, inviting a strong comeback from FPIs.

According to the World Bank's global economic report, India remains the fastest-growing major economy, with its GDP growth forecast at 6.6 per cent for FY25. The global economy, too, is showing signs of improvement for the first time in three years, though stabilisation remains weak compared to historical standards. Growth in world output and trade in the medium term is muted. Despite the volatility risk posed by geopolitical uncertainty and several domestic elections slated to be held this year, economists are looking at growth with cautious optimism. Most economists believe that geoeconomic fragmentation will characterise 2024, stoking volatility in the coming years. Differentiated growth patterns have emerged across regions, with the US and Asia expected to see decent growth while European prospects remain bleak. With a largely moderate growth expectation, China's outlook is somewhat dim compared to South Asia, East Asia, and Pacific economies.

A good monsoon season and sustained manufacturing and services momentum in India should boost private consumption. Robust investment activity, high productivity, healthy balance sheets of banks and corporates, and government-led capex push add to business optimism in the domestic market.

As a result of all this, the Reserve Bank of India (RBI) projects real GDP growth for 2024-25 at 7.2 per cent with Q1 at 7.3 per cent, Q2 at 7.2 per cent, Q3 at 7.3 per cent, and Q4 at 7.2 per cent.

INFLATION

Most reports suggest that global inflation in 2024 will be manageable. As inflation moderates, policy rates are expected to come down. Meanwhile, companies have adapted to the higher rates and are projected to grow. A soft landing may be in sight, even though the prospects of one are not equally strong across regions, particularly in Europe.

In India while inflation is moderating slowly, it remains sticky, to address which the central bank has maintained the policy rate steady for the eighth consecutive time at 6.5 per cent in its second bi-monthly policy announcement in June 2024. Food inflation remains a significant concern amid adverse climate events, though an above-normal monsoon may ease pressure. According to the RBI, inflation is prolonged owing to steep food prices that persist due to recurring and overlapping supply-side shocks. Core inflation (which does not include food and energy prices) dropped to historic lows in April 2024. The Monetary Policy Committee (MPC) remains watchful of food inflation and its spillover effects in determining rates in the future.



RBI projects the headline inflation rate at 4.5 per cent in 2024-25, the same level as in its April MPC meeting. The quarterly projections are 4.9 per cent in Q1, declining to 3.8 per cent in Q2, rising to 4.6 per cent in Q3 and 4.5 per cent in Q4. Due to sizeable favourable base effects, inflation undershot the target rate in Q2: 2024-25. The second quarter corresponds to the period when the inflation rate was 6.4 per cent in 2023-24.

The RBI had adopted an active disinflationary stance since early 2022-23, tightening the policy rate by 250 basis points between May 2022 and February 2023. The central bank has tamed inflation from its highly elevated levels while sustaining growth. The RBI intends to follow the disinflationary track to maintain this resilience. Reversing its stance prematurely could unleash disorder. With the domestic economy safely on the path of steady growth, the RBI has demonstrated its policy orientation lies in aligning inflation to the target of 4 per cent. RBI chief Shaktikanta Das emphasised that price stability is the foundation for high and durable growth.

GLOBAL BANKING SECTOR OVERVIEW

Despite a turbulent 2023, the global banking sector remains undaunted while it braces for the headwinds of 2024. Several challenges will test the industry's resilience in the post-pandemic era, when geopolitical shocks, reshaping trade ties, technological development, and climate change disrupt the traditional banking framework.

Amid this challenging backdrop, glimmers such as high interest rates have helped banks earn significant net interest income. However, high rates have also raised funding costs for banks, putting pressure on their earnings. The main challenges are generating income in a capital-scarce environment and managing costs amid a slowing global economy.

The International Monetary Fund (IMF) expects the world economy to grow at just 3.0 per cent in 2024. However, weakening inflation is a cause for cheer, as is the possibility of interest rate cuts going into the year. The Swiss Bank and the European Central Bank are leading with policy rate cuts. The US Federal Reserve is expected to follow at some point in 2024, injecting enthusiasm into the market when it does.



India, meanwhile, is projected to have one of the most substantial growth rates in 2024 at 6.9 per cent, bringing in huge investments that augur well for the banking sector and further strengthen balance sheets. The Indian banking sector is robust, with gross non-performing assets (NPAs) of scheduled commercial banks and NBFCs below 3 per cent.

Ten years ago, the Indian administration launched a comprehensive cleanup of bad debts in the banking sector, bringing in regulations that would make the Indian banking system one of the best performing in the world. With the foundation for strong and sustainable growth in place, the Indian financial sector has immense potential for expansion.

INDIAN OUTLOOK

Structural reforms have indeed made banking profitable. The banking sector's net profit in FY24 surpassed ₹ 3 lakh crore for the first time, supported by high credit growth, healthy fee income growth, and low credit costs.

Banks remain well-capitalised, and high provisioning coverage ratios (PCR) ensure they are shielded from contingencies. The volume and value of digital transactions enabled by the United Payments Interface (UPI) system continue to register an uptick, with players like PhonePe and GPay retaining market leadership. Banking profitability and performance metrics like RoA (return on assets) and RoE (return on equity) are consistently improving.

Amid this largely positive picture, a shadow is cast over CASA deposits, which remain low because high interest rates have encouraged many consumers to lock funds in high-yielding term deposits. Banks also face stiff competition from other investment instruments, such as mutual funds, leading to a liquidity squeeze.

An interesting trend has emerged wherein Indian households save a smaller portion of their income but borrow more to invest in physical assets like real estate, vehicles or gold. Households are also taking out loans from banking and non-banking companies to invest in various financial instruments, reflecting a growing financialisation of savings, which is promising for the overall evolution of the Indian BFSI sector as it reflects higher financial inclusion and digitalisation.

OPERATIONAL HIGHLIGHTS

The year 2023-24 marked the sixth year of our operations. Responsible growth and compliance remained the key focus areas for the Bank. The year also marked a new leadership taking charge of management and operations, indicating a renewed commitment to creating value and setting newer customer service standards. Products, People and Processes became the three focal points that shaped overall performance of the Bank.

Products: The Bank continued to provide a complete bouquet of products to its diverse customer profile. It pursued collaborating with leading partners in line with its long-term strategic vision to introduce cutting-edge co-branded products, meeting customers' needs. The Bank widened its existing product range and enhanced features to its offering across Retail and Corporate

clientele including new co-branded credit cards for individual customers, debit cards for its elite customers, and much more.

Processes: FY2023-24 witnessed several significant milestones, including the launch of Svikriti OAS, an internally developed online approval system designed to ensure a transparent audit trail. Throughout the year, the Bank initiated numerous digital transformation projects across Retail, Corporate Banking, and Treasury products. These innovations opened new business avenues, enhanced client experiences with faster processing, and improved governance and automation in operations.

In the retail banking sector, the Bank established a Centralised Service Desk, which expedited requests and resolved them on a T+1 basis, significantly improving timelines. Additionally, the Bank upgraded its VKYC centre in Thane, Mumbai, by recruiting new talent and strengthening compliance. The Bank also implemented a Digital Document Execution platform, which automated processes and benefited customers by enabling e-signing and e-stamping of loan documents. This reduced the time spent on physical paperwork, logistics, and manual data entry. The portal integrates with Nesl API to execute documents digitally.

People: The Bank continues to foster leadership from its competent talent pool through the LEAP program and invests in future leaders through skill development programs and team-building exercises. Besides, the Bank continued to build a transparent, merit-based workplace to empower the talent to evolve in their professional roles.





FINANCIAL PERFORMANCE

Despite the challenges, the Bank continues to encourage financial performance. The Total Deposits registered a decrease of 2.81% from ₹7,318.53 crore in FY2022-23 to ₹7,112.98 crore in FY2023-24. However, Advances declined (owing to proactive limitations and regulator's instructions) to 3.30% from ₹4,835.93 crore in FY2022-23 to ₹4,676.20 crore in FY2023-24. The Bank continued to be cautious, considering the economic challenges in the environment. Its Total Income for the year increased by 8.36 %, from ₹867.02 crore in FY2022-23 to ₹939.51 crore in FY 2023-24, while loss after tax stood at ₹43.25 crore. Interest Income, which accounted for 76.78 per cent of the total income during FY2022-23, clocked a growth of 13.11% to ₹752.93 crore, contributing to 80.14 per cent of the total income during FY2023-24. Capital Adequacy Ratio stood at 16.90 per cent, against the statutory minimum of 11.50 per cent. The Bank's Net Worth as of 31st March 2024 stood at ₹739.88 crore, up by 7.21 per cent as compared to 31st March 2023.

CORPORATE BANKING

SBM Bank India offers financial solutions customised to meet the unique requirements of its corporate clients, ranging from small and medium-sized enterprises (SMEs) to large corporations. Since its inception, the Bank has helped businesses optimise their expenditures and scale sustainably, offering financial advice and working capital financing at competitive rates and flexible schedules.

During FY 2023-24, the Corporate Banking vertical accounted for 71.2 percent of the Bank's total loan book.

This highlights our endeavour to build long-term relationships with clients in this invaluable segment. The primary business activity of banks is lending. The Corporate Banking segment earns income through interest on loans made to corporate clients and processing fees recovered in lieu of the services provided. Various trade and exchange activities, such as forex income, commission on bank guarantees and letters of credit, and inter-bank activities, such as Vostro, Nostro, capital market activities, etc., are other sources of revenue.

The major expenses of the segment consist of interest costs on funds borrowed and other allocated expenses. The in-house experts at the Bank in Corporate Banking provide unmatched service to clients. They specialise in guiding businesses to secure finance for their operations, offering them innovative solutions, suitable products, and services that cater to their unique business needs.

The Financial Institutions (FI) team in Corporate Banking has developed several strategic partnerships with leading banks worldwide. During the year, the team secured significant tie-ups with banks in the Far East, SAARC, Middle East, Africa, Americas, and more. Through sustained outreach efforts, the FI division has strengthened trade in vital economic corridors and regional groupings like India-MENA and India-SAARC and more such cross-border Trade business in corridor regions.

Throughout the year, the Bank introduced several transaction banking products that assisted customers in

managing their collections and payments both domestically and internationally. These products include the launch of Virtual Account Management, enhancements to the Corporate Internet Banking portal, the eTrade platform, and smartOn.Fx, a platform that enables booking deals for Forex transactions.

SBM Bank India has deployed several digital solutions to improve productivity and efficiency. Its digital platforms enable clients to access their accounts, make transactions, and monitor their financials in real time.

RETAIL AND CONSUMER BANKING

This division continued its growth in deposits and advances through its branches and organic channels. With the focus on streamlining the processes and strengthening internal governance, the Bank reviewed its partnerships in alignment with its long-term vision. The key areas of improvement during the financial year were to develop a strong process framework, complete control on the systems and strengthen its risk control mechanism. Armed with the learnings over the previous years in this space, the Bank launched its own digital customer acquisition portal offering the best of the products.

The Bank also continued with its journey to expand its footprint across strategic locations by opening two new branches in Mumbai at Vashi and Andheri. The Bank also added a new location, Ludhiana to its branch network. We relocated our Delhi branch with an intent to provide better ambience and customer service.

TREASURY

The Treasury vertical performs the following core functions:

- ALM market-facing activities that include management of Liquidity, Reserves, Liquidity ratios and Core Investments
- Proprietary Trading in Rates, Equity and Foreign Exchange
- Foreign Exchange Merchant desk that advises clients on their exposures in foreign currency.
- Derivatives Desk that aids clients in hedging foreign currency and interest rate exposures using plain vanilla Currency and Interest Rate Derivative products.

The Asset Liability Management Unit performs a crucial task in banking operations – it mitigates risk arising from a

mismatch between assets and liabilities. The ALM vertical balances risk management through strategic planning and performs other regulatory requirements for a bank. These include maintaining Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR), Liquidity Coverage Ratio (LCR), Intra-day Liquidity (IDL), and High-Quality Liquid Assets (HQLA) as prescribed by the Central Bank and other governing bodies.

In addition, the Desk manages the bank's day-to-day liquidity requirements in domestic and foreign currency. It ensures that the bank's basic operations and strategic decision-making are integrated with risk management. It is instrumental in planning the resource mobilisation strategy, providing a mix of sources is utilised to manage the bank's structural liquidity.

This Desk is also instrumental in communicating with Rating agencies for the Bank's short-term and long-term rating assessments. The Bank has an A1+ credit rating (short term) from ICRA/CARE for its 500 Cr Certificate of Deposit issuance program, putting it in the lowest credit risk category, which is an endorsement of its timely payment of financial obligations.

The Trading Desk trades in permitted asset classes under Rates, Equity, and foreign exchange. Informed by various market indicators, the Desk takes proprietary positions in



multiple assets (like Government Bonds, Corporate Debt, Equity, and Currencies) to maximise the bank's profits.

The Foreign Exchange Merchant Desk comprises highly trained professionals who help enterprises efficiently manage their forex transactions. It's research-based recommendations, hedging solutions, and financial products are customised based on client requirements. The Desk aligns with global best practices and leverages technology to deliver high customer satisfaction.

The Treasury Sales and Solutions team actively supports the Foreign Exchange Merchant Desk and Derivatives Desk in structuring solutions for clients across mid-market corporates, financial institutions, and consumer clients regarding their foreign exchange and interest rate exposures. These complex decisions are guided by strict criteria that guard against potential risk.

INFORMATION TECHNOLOGY

SBM Bank India continuously focuses on digitisation and technological innovations embedded in its information technology systems and processes to streamline banking operations, enhance customer experience, and ensure efficient and secure banking services. The Bank continues to leverage state-of-the-art technology solutions across its on-site and remote banking experiences.

The Bank's Core Banking System processes approximately 8 million financial transactions every month. Considering future business projections, the Bank is in the process of re-architecting its existing core banking system to facilitate the next generation of core banking platforms.

The Bank's IT infrastructure prioritises security and data sanctity across the verticals. The Bank continues to push updates and security patches for its online and banking apps, ensuring a consistent focus on customer experience. At the same time, the Bank has dedicated teams to scan, update, and improve security and user experience across its tech-first products, including payment systems, card management systems, remittances, and forex and derivative products.

Digital Transformation across Retail, Corporate Banking, and Treasury products: SBM Bank India has



been working towards various Digital Transformation initiatives. These Innovations will open more business avenues, enhance the Client experience with faster processing, and ensure better governance and automation in operations.

- **Supply Chain Financing Portal**—SBM Bank India is now working towards building a digital solution that would allow the Bank to manage various supply chain finance products, such as Dealer Finance, Vendor Finance, etc., generating business for the Bank.
- **Digital Document Execution Platform**—The Bank has implemented a digital document execution platform. This will automate and benefit customers by e-signing and e-stamping loan documents, reducing the time consumed in physical paperwork, logistics, and manual data entry. This portal works with Nesl API integrations to execute documents digitally.
- **Security and Fraud Prevention:** SBM Bank India's IT infrastructure incorporates multiple layers of security to safeguard customer information, prevent fraud, and

protect against cyber threats. These measures include DDOS protection, firewalls, intrusion detection systems, robust encryption protocols, and multi-factor authentication methods to ensure the confidentiality and integrity of sensitive data. SBM Bank India also provides real-time monitoring and reporting of the network for any unusual activity trends, which is carried out by implementing various security tools and measures.

- **Robust IT Infrastructure:** SBM Bank India's IT infrastructure has been designed to be strong and agile to quickly adapt to the market and technology changes at reduced costs. Launching a well-architected landing zone on Amazon Web Services (AWS) cloud environment has helped the Bank have a scalable and secured infrastructure platform to deploy various business applications. In addition to that, the Bank has also enabled Virtual Desktop Infrastructure (VDI) - a cutting-edge technology that utilises virtual machines to manage and provide virtual desktops.
- **Unlocking Potential of APIs –** SBM Bank India uses an Enterprise service bus (ESB) that enables an architecture for application interaction through APIs. ESB eliminates application silos by quickly integrating anything with everything and thereby accelerates the time-to-market by developing applications faster and re-using existing assets. Soon, the Bank would aim to

set up a microservices-based architecture that offers a more dynamic and agile approach to developing, executing, and managing applications by working with modular components, unlike the monolithic structure of applications built.

- **Data Analytics and Business Intelligence:** The Bank is implementing an Enterprise Data Lake (EDL) as a centralised repository designed to store, process, and secure large amounts of structured, semi-structured, and unstructured data.
- **Compliance & Regulatory:** SBM Bank India has deployed various audit, compliance, and risk management systems to ensure good compliance records, risk governance, and regulatory reporting standardisation. API based Anti-Money Laundering (AML) solution offers a single platform to perform Risk Profiling, List Screening, Know Your Customer and Reporting that helps detect and manage criminal economic activity and promote integrity and stability to the Bank. Other significant applications in this area that have been rolled are the Enterprise Fraud Management System (EFRM) for monitoring frauds, Suvidha as a centralised service desk solution for Incident, Service Request, and Change Management, 'Automated Data Flow (ADF)', 'Non-performing Assets Monitoring' (NPA), and 'Risk Assessment Model' (RAM).



INFORMATION SECURITY AND CYBER SECURITY

The Bank leverages cutting-edge technologies to facilitate diverse operational functions in a highly automated environment. Information and cyber security are of paramount importance and are considered to be an integral part of our technology implementation. To address information technology-related risks, the Bank has established a robust governance framework and obtained board approval for our comprehensive information security policy and Cybersecurity policy. Adhering to an "identity, prevent, detect, respond & recover" framework, we have implemented stringent measures for information security governance. As the prevalence of cyber threats and attacks, such as hacking, phishing, ransomware, and other illicit means, continues to escalate, resulting in potential service disruptions, theft, or unauthorised disclosure of sensitive internal data and customer information, the Bank has made substantial investments to prevent and safeguard against such attacks proactively.

While the Bank has taken a range of initiatives towards revamping digital platforms and enhancing its core applications it has also laid strong emphasis on continuous strengthening of operational resilience for seamless delivery of services and customer delight. To align with the changes in the technology landscape we have also increased focus on information security across various aspects of technology beginning from data centre to the cloud to the entire technology supply chain.

SBM Bank has implemented various controls to reinforce security measures, including firewalls, anti-malware systems, anti-advanced persistent threat solutions, intrusion prevention/detection mechanisms, round-the-clock security operation centres, honeypot solutions, and Data Leakage Prevention mechanisms. Moreover, the Bank has made significant investments in detecting, responding to, and recovering from any eventualities that may arise. To assess the vulnerability of its IT systems and environment, the Bank engages an external entity to conduct regular vulnerability assessments, penetration testing, application security testing, secure configuration reviews, source code reviews,

and red teaming exercises. Bank has a robust third party risk management programme for all its partners.

SBM Bank continues to be Certified with ISO 27001:2022 and PCI DSS V3.2.1 for Card Security, which reflects the Bank's Standardised processes in line with the Industry best practice.

The Bank undertakes periodic training sessions and sends information e-mailers, as part of knowledge enhancement and awareness, to its customers and employees. The frequency of messages is high for areas like fraud risk management, data privacy and cybersecurity.

As we continue to enhance our digital capabilities, which are integral to our operations, we remain invested towards strengthening our delivery systems, technology platforms and cybersecurity to sustain scalability and resilience.

HUMAN RESOURCES

SBM Bank India family added 302 employees during the year, taking the headcount to 718 employees. The average age is a healthy 35 years indicating an optimum mix of young and experienced Bankers. Women comprise 29% per cent of the workforce.

The Bank believes in offering a workplace that ensures every employee is valued and respected, Hence, it has always been our endeavour to conduct interventions that enhance the professional and personal development as well as wellness of our employees. This ensures that employees remain engaged and are aligned to the organisational goals. This year too, the Bank designed and deployed several such HR interventions.



Several employees were nominated for various programmes, workshops, conferences, and certifications from organisations such as CAB, CAFRAL, CRISIL, FEDAI, Gartner, IDRBT, NIBM, NISM, RBI, and FIMMDA. Series of workshops emphasising the importance of Risk, Compliance and Ethics were initiated for employees at Middle and Senior managerial level. This helped cascade the importance of risk and compliance across levels and functions.

The Bank continued to focus on the developing and nurturing the next generation of leaders. As a part of the succession planning exercise, more than 40 successors underwent Hogan Assessments, followed by a series of bespoke development interventions and personalised coaching sessions. This initiative was won the award for Best Leadership Succession Strategy at Employee Happiness Summit 2023 organised by KamiKaze B2B Media.

Long Service Award and Annual Recognition program was introduced to appreciate and recognise Loyalty as well as outstanding contribution of the employees.

The Bank continued to focus on the wellness and well-being of its employees. Wellness initiatives included Health check-ups, Blood donation camps, sessions on Financial Literacy and other programmes such as Sound

healing, Awareness on Parkinsons, Oral Health and Hygiene, Embracing body positivity, Self Defense and Walkathon.

Programs such as Mandala Workshop, Umbrella Painting, Glass Painting, Chess Tournament, Terrarium making, Ganesh Idol making and festival celebrations during Diwali, Navratri and Dussehra were well received by employees at all locations.

As part of the "Ear to the Ground" initiative, the HR team members engaged with the employees posted in branches to understand workplace challenges and areas for improvement during the year.

VIGILANCE

The Bank is committed to maintaining and providing to all its employees and directors the highest standards of transparency, probity and accountability, and documented policies such as the Vigilance Policy, Whistle Blower Policy, and Anti-Bribery & Anti-Corruption (ABAC) Policy aims to create an ethical working environment. The Vigilance department is under the purview of the Chief of Internal Vigilance (CIV), who assists the top management in formulating, implementing and reviewing the Bank's policy on all vigilance matters. The Bank's vigilance department undertakes incident-based and suo-moto investigations as required.



COMPLIANCE

Adherence to the laws, regulations and guidelines in true letter & spirit is the core of the Bank's business approach. The Bank has defined a Regulatory Compliance Framework, which operates under the oversight of the Audit Committee of the Board and the Board of Directors of the Bank. The Bank has an Independent Compliance Functions led by the Chief Compliance Officer (CCO). The Compliance Department supports the Board and Senior Management in continuously identifying, assessing and mitigating compliance risks.

The focus of the compliance function is on regulatory compliance, statutory compliance, compliance with government policies, Bank's internal policies and prevention of money laundering and funding of illegal activities. The Compliance Department has also institutionalised a framework for dissemination of regulatory changes to various internal departments and close tracking of implementation thereof. The department also monitors submission of various regulatory returns. Compliance Policy of the Bank gives right to Compliance Department to have access to information necessary to carry out its responsibilities and for pointing out possible breaches of compliance policy and to disclose its findings and views to senior management, Board / ACB or any other the committee of the Board. Corrective action is tracked for any non-compliance and compliance-related issues raised by RBI on an ongoing basis. All new Products and Processes as also changes in the existing ones are subject to approval by the Compliance Department prior to their introduction.

The Bank's Compliance Policy outlines critical components of the compliance framework, such as compliance risk assessments, compliance testing, regulatory change management, governance, regulatory reporting, review & approval of new products/processes, regulatory communications, etc. The Bank has a Compliance tracking system to ensure that the regulatory instructions are implemented effectively within the organisation. The Compliance department also undertakes regular compliance testing to evaluate level of compliance and effectiveness of the controls in the Bank to comply with various regulatory guidelines.

The Compliance Department informs the management/ Board about important compliance-related matters through monthly, quarterly, and annual compliance reviews. The Bank also has an executive-level committee to effectively oversee Compliance and AML risks for the Bank namely Compliance and AML Risk Committee (CARC).

AUDIT

SBM Bank India has an independent Internal Audit Function constituting its third line of defence. The Internal Audit function is responsible for providing an independent assurance on the adequacy and effectiveness of internal controls, risk management, and governance systems and processes. The Internal Audit Function also has an Information Security Audit team, which provides assurance on information technology, data security and cybersecurity-related risks.

The Internal Audit Department has a functional reporting line to the Audit Committee of the Board and a dotted line reporting to the MD & CEO for administrative purposes. The Internal Audit department is staffed with qualified professionals who are appropriately skilled and experienced. The Internal Audit policies and practices align with those of the SBM group and comply with the IIA's International Standards for Professional Practice of Internal Auditing. The Internal Audit Function is also subjected to periodic independent external reviews.

The Internal Audit department adopts a risk-based audit approach in congruence with the RBI's Guidelines on Risk-Based Internal Audit. A Risk Based Audit Plan is prepared annually, which is duly approved by the Audit Committee of the Board. The Internal Audit Department audits various businesses and functions, i.e. Corporate Banking, Retail Banking, Operations, Treasury, Risk Management, Control & Support functions and Information Security, including Thematic Audits. Critical units of the Bank are also subjected to an independent Concurrent Audit process by reputable external audit firms under the supervision of Internal Audit functionaries.

As part of the audit process, the Internal Audit Department establishes the extent of adherence to



regulatory guidelines, legal requirements, and the effectiveness of operational processes. It proactively recommends improvements in operational processes and service quality wherever appropriate. It provides timely feedback to the Management for corrective actions. For this purpose, an Audit Forum has been established, ensuring effective management oversight on critical Audit matters. The Audit Committee of the Board also reviews the Internal Audit function's performance through independent meetings, reviews, and formal annual evaluations, and it provides guidance and direction, as required. Further, the Audit Committee monitors the implementation of audit recommendations.

RISK MANAGEMENT

Within the Bank, risks are identified and overseen through the Enterprise Risk Management Framework (ERMF) and risk management policies for various risk domains. These policies assist the organisation in embedding effective risk management practices and culture. ERMF and the associated risk policies govern how the Bank identifies, measures, and manages various risks.

Risk management responsibilities are ingrained within the Board, and the Risk Management Committee (RMC) of the Board guides and oversees the effectiveness of the risk

management practice in the Bank. The RMC supervises the responsibilities delegated to the Committees at the executive level, who are accountable for implementing and reporting on the risk management framework throughout the Bank. The Risk Appetite Statement (RAS) approved by the RMC serves as the guiding document for enterprise-level risk management, and it is disseminated to the various business units through limits and guardrails. The RAS is reviewed on an annual basis by the RMC.

The Bank adopts the Three Lines of Defence (LoD) risk management principle. The First Line of Defence encompasses all customer-facing/ serving units, e.g. the business, operations and IT functions, and they are the "owners" of the risks. They are directly engaged with the customers as the face of the Bank. The Second Line of Defence consists of all the independent risk and control functions, comprising various risk units and compliance functions; the second LoD is responsible for putting the policy, process, and governance framework in place to ensure the effectiveness of risk control and mitigation. Finally, the Third Line of Defence is Audit, which assures the stakeholders of the effectiveness of risk policies, processes, and risk management across the Bank through the audit process.

DIRECTORS' REPORT



DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of SBM Bank (India) Limited (herein referred to as “**your Company**” or “**the Bank**”) is pleased to present the Seventh (7th) Directors' Report on the business and operations of the Bank together with the Audited Financial Statement for the Financial Year ("FY") ended March 31, 2024.

FINANCIAL PERFORMANCE

The highlights of the financial performance for the year under review, are presented below:

(₹ in '000)

Particulars	FY 2024	FY 2023
Deposits and Other Borrowings	7,83,98,211	9,02,37,823
Advances	4,67,62,048	4,83,59,324
Total Income	93,95,102	86,70,177
Profit / (Loss) before Depreciation and Taxation	(1,72,575)	3,56,438
Less: Depreciation	2,26,540	1,48,284
Profit / (Loss) before Taxes	(3,99,115)	2,08,154
Less: Tax Expense	33,356	-
Profit / (Loss) after tax	(4,32,471)	2,08,154
Add: Balance B/F from the previous year	(27,26,867)	(27,26,867)
Less: Appropriations		
Transfer to Statutory Reserves	-	52,039
Transfer to Capital Reserves	11,120	5,213
Transfer to Investment Fluctuation Reserve	(16,834)	1,50,902
Balance carried over to Balance Sheet	(31,53,624)	(27,26,867)

DIVIDEND

Considering accumulated losses, the Board does not recommend any dividend for FY 2023-24.

TRANSFERS TO RESERVES

The Board has appropriated the following amounts to Reserves & Surplus:

(₹ in 000's)

Transfer to Statutory Reserves	-
Transfer to Capital Reserve	11,120
Transfer to Investment Fluctuation Reserve	(16,834)

CAPITAL ADEQUACY RATIO (CAR)

As on March 31, 2024, the total CAR of the Bank, calculated in line with Basel III capital regulations, stood at 16.90% which is well above the regulatory minimum of 11.50% including the Capital Conservation Buffer of 2.5%. Of this, Tier I CAR was 12.30%.

NETWORTH

The Bank's net worth as on March 31, 2024, computed in accordance with the Reserve Bank of India regulations, is as follows:

Particulars	₹ in 000's
Capital	92,13,768
Retained Earnings	3,20,098
Statutory Reserve	5,04,055
Capital Reserve	1,18,653
Investment Fluctuation Reserve	3,37,745
Share Premium	3,55,816
Balance in Profit and Loss Account	(31,53,624)
Less: Deferred Tax Assets (Net)	-
Less: Intangible asset	(2,97,708)
Net worth as on 31st March 2024	73,98,803

STATE OF AFFAIRS

The information on the affairs of the Bank has been given in the Management Discussion and Analysis Report forming part of the Annual Report.

SHARE CAPITAL

During the year under review, the Authorised Share Capital of the Bank increased from ₹ 1000,00,00,000 (Rupees One Thousand Crores only) to ₹ 2000,00,00,000 (Rupees Two Thousand Crores only) as at March 31, 2024, comprising 200,00,00,000 (Two Hundred Crores) equity shares of ₹ 10 (Rupees Ten) each.

During the year under review, on February 02, 2024, the Board of Directors of the Bank approved raising of funds by issue of 9,77,51,710 (Nine Crore Seventy-Seven Lakhs Fifty-One Thousand Seven Hundred and Ten) equity shares having a face value of ₹ 10 (Rupees Ten Only) each at an issue price of ₹ 10.23/- per equity share (which includes premium of Re. 0.23/- paise on each share), amounting to ₹99,99,99,993 (Ninety-Nine Crore Ninety-Nine Lakhs Ninety-Nine Thousand Nine Hundred and Ninety-Three only), by way of rights issue to the existing equity shareholder i.e. SBM (Bank) Holdings Ltd. ("SBMBH"), Holding Company, in the proportion of existing equity shares held by SBMBH. The said equity shares were allotted to SBMBH on February 15, 2024.

With such equity infusion by way of rights issue, the issued, subscribed and paid-up share capital of the Bank as at March 31, 2024, stood at ₹ 921,37,67,940 (Rupees Nine Hundred Twenty-One Crore Thirty-Seven Lakhs Sixty-Seven Thousand Nine Hundred and Forty only) comprising 92,13,76,794 (Ninety-Two Crore Thirteen Lakh Seventy-Six Thousand Seven Hundred and Ninety-Four) equity shares of ₹ 10 (Rupees Ten only) each, fully paid.

TIER-II NON-CONVERTIBLE DEBENTURES

Your Bank has not issued Non-Convertible Debentures ("NCDs") under Tier-II capital during FY 2023-24. Further, the NCDs issued during FY 2022-23, were outstanding as on March 31, 2024, as per the details incorporated in the following table:

ISIN No.	Issuance Date	Maturity Date	Coupon Rate	Amt. issued. (₹ in crores)	Amt. Outstanding (₹ in crores)
INE07PX08019	April 05, 2022	April 05, 2032	9.75% per annum	₹ 125 crores	₹ 125 crores
INE07PX08027	January 24, 2023	January 24, 2033	9.88% per annum	₹ 99 crores	₹ 99 crores

The funds raised through issuance of NCDs were being utilised as per the objects stated in the Information Memorandum of the respective NCDs. Further, the said NCDs were issued on a private placement basis and are listed on the National Stock Exchange of India Limited ("NSE").

Axis Trustee Services Limited acts as the Debenture Trustee for the aforesaid NCDs. The details of Debenture Trustee is as under:

Address: The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar (W), Mumbai – 400 028.

Email Id.: debenturetrustee@axistrustee.com

CREDIT RATING

During the year under review, ICRA Limited ('ICRA') vide its communication dated July 20, 2023, re-affirmed the ratings of the Basel-III Compliant Tier-II bond programme at [ICRA]A+ (Outlook revised to Negative from Stable).

Further, CARE Ratings Limited ('CARE') vide its communication dated October 23, 2023, re-affirmed the ratings of the Basel-III Compliant Tier-II bond programme at [CARE]A+; Negative (Outlook revised to Negative from Stable).

Thereafter, ICRA Limited ('ICRA') vide its communication dated March 01, 2024, downgraded the ratings of the Basel-III Compliant Tier-II bond programme at [ICRA]A (Stable) (Outlook revised to Stable from Negative).

CHANGE IN NATURE OF BUSINESS

During the year ended March 31, 2024, there has been no change in the nature of business of the Bank.

The Bank continued to engage in providing banking and financial services as a banking company governed by the Banking Regulation Act, 1949. The Bank currently offers a complete suite of corporate, consumer, wealth and retail banking services in addition to providing Treasury and Trade Financing Products and Services.

The branch network of the Bank comprises 16 branches located in Mumbai, Bangalore, Chennai, New Delhi, Palghar, Abitghar, Pune, Chandigarh, Hyderabad, RC Puram, Ahmedabad, Kolkata, Ludhiana, Ten Naka, Marol and Vashi. The distribution channels of the Bank also include the use of Business Correspondents.

CHANGES IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Bank is a wholly owned subsidiary of SBM (Bank) Holdings Ltd., as per the Companies Act, 2013 ("the Act"). During the year under review, the Bank has a nil reporting under change in subsidiary company / joint venture / associate companies.

DEPOSITS

Being a Banking Company, the disclosures relating to deposits as required under Rule 8(5)(v) & (vi) of the Companies (Accounts) Rules, 2014, read with Sections 73 and 74 of the Act, are not applicable to the Bank.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE BANK

There were no material changes and commitments affecting the financial position of the Bank, between the end of the fiscal year of the Bank to which the financial statements relate and up to the date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Bank is constantly pursuing its goal of upgrading technology to deliver quality services to its customers in a cost-effective manner. Particulars regarding conservation of energy, technology absorption, foreign exchange earnings and outgo are given as **Annexure A** to this Report.

ANNUAL RETURN

The Annual Return for FY 2023-24 is hosted on the website of the Bank i.e. at <https://www.sbmbank.co.in/aboutus/investor-corner.php>

CORPORATE SOCIAL RESPONSIBILITY

The Annual Report on Corporate Social Responsibility ("CSR") containing, details of CSR Policy, composition of CSR Committee, CSR projects undertaken and web-link thereto as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, is set out under **Annexure B** to this Report.

STATUTORY AUDITORS

The Members of the Bank at their 6th Annual General Meeting ("AGM") held on September 29, 2023 appointed M/s. K S Aiyar & Co., Chartered Accountants, Mumbai (Firm Registration Number 100186W), as the Statutory Auditors of the Bank, to hold office from the conclusion of 6th AGM until the conclusion of the 7th AGM, to be held in FY 2024-25.

The Auditors have confirmed that they are not disqualified from continuing to act as Statutory Auditors of the Bank and that they comply with the eligibility criteria / requirements specified under the Reserve Bank of India ("RBI") Circular for FY 2023-24.

Pursuant to the approval of RBI under the Guidelines on Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs), dated April 27, 2021 ("RBI Guidelines"), all commercial banks, inter-alia, are required to appoint the SCAs / SAs for a continuous period of three years, subject to the firms satisfying the eligibility norms each year. In view of the above, M/s. K S Aiyar & Co., Chartered Accountants, Mumbai (Firm Registration Number 100186W) has completed its tenure of three years as the Statutory Auditor of the Bank.

Considering the completion of term of M/s. K S Aiyer, Chartered Accountants, the Board at its Meeting held on May 29, 2024, based on the recommendation of the Audit Committee, pursuant to the approval received from the Reserve Bank of India and subject to the approval of Members of the Bank, approved the appointment of M/s. Gokhale & Sathe, Chartered Accountants, (Firm Registration Number – FRN 103264W) as the Statutory Auditors of the Bank, to hold office for a period of 3 years from the conclusion of Seventh (7th) AGM till the conclusion of Tenth (10th) AGM to conduct audit for a continuous period of three financial years beginning from April 01, 2024 and ending on March 31, 2027, subject to approval of RBI for FY 2025-26 and FY 2026-27.

STATUTORY AUDITORS' REPORT

The Statutory Auditors' Report issued by M/s. K S Aiyar & Co., Chartered Accountants, does not contain any qualification, reservation or adverse remark on the financial statements of the Bank for the year ended March 31, 2024. The notes on financial statements referred to in the Statutory Auditors' Report are self-explanatory and do not call for any further comments. Further, pursuant to Section 143(12) of the Act, the Statutory Auditors of the Bank have not reported any instances of fraud committed in the Bank by its officers or employees.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Proper internal financial controls are in place and the financial controls are adequate and are operating effectively. Further, the Statutory Auditors have, in compliance with the requirements of the Act, issued an opinion with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, the details of which may be referred to in the independent auditor's report attached to the financial statements of FY 2023-24.

SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. D. A. Kamat & Co., Practicing Company Secretaries, as Secretarial Auditor to undertake the Secretarial Audit of the Bank for FY 2023-24.

The Secretarial Audit Report issued by the Secretarial Auditor has been appended as **Annexure C** to this Report.

MAINTENANCE OF COST RECORDS & COST AUDIT

The Bank is engaged in the banking business and is not required to maintain cost records and comply with the requirements of cost audit as prescribed under the provisions of Section 148(1) of the Act.

BOARD OF DIRECTORS

Board Composition

The composition of the Board of Directors of the Bank is governed by the Act, the Banking Regulation Act, 1949 ("BR Act") and is in conformity with the same. As of March 31, 2024, the Board of Directors comprised a combination of nine

Directors viz., Mr. Abdul Sattar Adam Ali Mamode Hajee Abdoula, Part-time Chairman (Independent Director), Ms. Sudha Ravi, Independent Director, Mr. Shyam Sundar Barik, Independent Director, Mr. Ameet Patel, Independent Director, Mr. R. Amalorpavanathan, Independent Director, Mr. Umesh Jain, Independent Director, Ms. Sharon Ramdenee, Independent Director, Mr. Raoul Gufflet, Non-Executive Director and Mr. Ashish Vijayakar, Managing Director and CEO. The size of the Board is commensurate with the size and business of the Bank. The Board mix provides a combination of professionalism, knowledge and experience required in the banking industry.

Change in the composition of the Board

At the Sixth AGM of the Bank held on September 29, 2023, the Members approved the re-appointment of Mr. Umesh Jain (DIN: 06432749) as an Independent Director, not liable to retire by rotation, for a term of four years i.e. from October 14, 2023, to October 13, 2027.

Mr. Sidharth Rath, Managing Director and CEO of the Bank, had resigned from the said position and his resignation was placed and accepted by the Board, at its meeting held on October 12, 2023.

Subsequently, RBI vide its letter dated November 13, 2023, accorded its approval for the appointment of Mr. Dipak Agarwal (DIN: 10383250) as an interim Managing Director & CEO of the Bank for a period of two months with effect from November 17, 2023, and Board at its meeting held on November 16, 2023 had approved his appointment. The RBI vide its letter dated January 15, 2024, extended the tenure of Mr. Dipak Agarwal as an interim Managing Director & CEO, with effect from January 17, 2024, for further period of one month or till the new Managing Director & CEO takes charge, whichever is earlier.

Pursuant to completion of the extended tenure of Mr. Dipak Agarwal as an interim Managing Director & CEO, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee ("NRC") and approval of the RBI vide its letter dated February 06, 2024, approved the appointment of Mr. Ashish Vijayakar (DIN:10498810) as the new Managing Director & CEO of the Bank for a period of 3 years with effect from closing of business hours of February 16, 2024.

Mr. Raoul Gufflet (DIN: 09194722) was re-appointed as a Non-Executive and Non-Independent Director of the Bank for a second term of 4 years with effect from June 16, 2024, liable to retire by rotation, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members.

Ms. Sharon Ramdenee (DIN: 09342424) tendered her resignation and accordingly, she ceased to be the Independent Director of the Bank with effect from June 30, 2024. Further, her resignation was placed and accepted by the Board at its meeting held on May 29, 2024. Your Board places on record its sincere appreciation for the contribution made by her during her tenure with the Bank and wishes her well in future endeavours.

Ms. Mariam Rajabally (DIN: 10648323) was appointed as an Additional Director and a Non-Executive and Non-Independent Director of the Bank for a period of three years, with effect from May 29, 2024, liable to retire by rotation, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members.

Mr. Abizer Diwanji (DIN: 02540442) was appointed as an Additional Director (Non-Executive) Independent Director of the Bank for a period of four years, with effect from August 09, 2024, not liable to retire by rotation, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members.

Ms. Pallavi Kanchan (DIN: 07545615) was appointed as an Additional Director (Non-Executive) Independent Director of the Bank for a period of four years, with effect from September 09, 2024, not liable to retire by rotation, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members.

The resolutions pertaining to the approval of appointment / re-appointment of Mr. Raoul Gufflet, Ms. Mariam Rajabally, Mr. Abizer Diwanji, and Ms. Pallavi Kanchan are included in the Notice of Seventh AGM of the Bank.

Directors retiring by Rotation

In accordance with Section 152 of the Act read with the Articles of Association of the Bank, Mr. Ashish Vijayakar is liable to retire by rotation at the ensuing AGM and being eligible has offered himself for re appointment. The Board recommends the same for the approval of the Members.

In accordance with Section 152 of the Act read with the Articles of Association of the Bank, Mr. Ashish Vijayakar is liable to retire by rotation at the ensuing AGM and being eligible has offered himself for re-appointment. The Board recommends the same for the approval of the Members.

Declaration from Independent Directors

As on the date of this Report, the Board of the Bank has eleven Directors, including three Women Directors. The Board currently comprises of eight Independent Directors, two Non-Executive Directors and one Executive Director.

The Bank has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6), read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. In the opinion of the Board, the Independent Directors are persons with integrity and possess the requisite experience, expertise and proficiency required under applicable laws and the policies of the Bank.

All the Independent Directors of the Bank have complied with the provisions of sub rule (1) and (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to registration with the Indian Institute of Corporate Affairs for the Independent Directors' Database.

BOARD EVALUATION

Evaluation of the performance of all Directors is undertaken annually. The Bank has implemented a Policy setting out procedure and system of evaluating performance of the Board, its Committees, Chairperson and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects. At a separate meeting of Independent Directors, the performance of non-independent directors, performance of the board as a whole, and performance of the Chairperson were evaluated. The Board of Directors has expressed its satisfaction with the evaluation process.

KEY MANAGERIAL PERSONNEL

As on March 31, 2024, the following officials of the Bank are the Key Managerial Personnel ("KMP"), pursuant to the provisions of Section 203 of the Act and Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- Mr. Ashish Vijayakar, Managing Director & CEO
 - Mr. Saileshkumar Shah, Chief Financial Officer
 - Mr. Mehul Somaiya, Company Secretary
- a. Mr. Sidharth Rath (DIN: 00682901) ceased to be the Managing Director & CEO and KMP of the Bank on November 16, 2023.
 - b. Mr. Dipak Agarwal (DIN: 10383250) was appointed as an Interim Managing Director & CEO for a period of two months with effect from November 17, 2023, which was approved by the Board at its meeting held on November 16, 2023. The RBI vide its letter dated January 15, 2024, extended the tenure of Mr. Dipak Agarwal as an interim Managing Director & CEO of the Bank, with effect from January 17, 2024, for further period of one month or till the new Managing Director & CEO takes charge, whichever is earlier.
 - c. Mr. Ashish Vijayakar (DIN: 10498810) was appointed as the Managing Director & CEO and KMP of the Bank for a period of 3 years with effect from closing of business hours of February 16, 2024.
 - d. Mr. Mehul Somaiya was appointed as the Company Secretary & Compliance Officer and KMP of the Bank with effect from March 22, 2024. Mr. Somaiya has also been designated as the Grievance Redressal Officer of the Bank in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
 - e. Ms. Ruchi Sheth tendered her resignation and accordingly, she ceased to be the Company Secretary & Compliance Officer, Grievance Redressal Officer, and KMP of the Bank with effect from November 10, 2023.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, Nineteen Board Meetings were convened and held, and not more than one hundred and twenty days had elapsed between two consecutive Board meetings.

WHISTLE BLOWER POLICY / VIGILANCE MECHANISM

As part of Bank's commitment to implement and maintain adequate corporate governance standards and transparency in the Bank, we have implemented Whistle Blower, Vigilance policies and frameworks with the objective of creating a vigil mechanism for directors and employees to report genuine concerns appropriately.

The framework is aligned with RBI's Protected Disclosure Scheme. The framework is aligned to the provisions of Section 177 of the Act read with rules framed thereunder.

AUDIT COMMITTEE

The Audit Committee comprises of the following Directors as on March 31, 2024:

Name	Category
Mr. Ameet Patel – Chairman	Non-Executive, Independent Director
Mr. Shyam Sundar Barik	Non-Executive, Independent Director
Mr. Umesh Jain	Non-Executive, Independent Director
Ms. Sharon Ramdenee*	Non-Executive, Independent Director

* Ms. Sharon Ramdenee, Independent Director, resigned from the said position with effect from June 30, 2024. Accordingly, she ceased to be the Committee member with effect from the said date.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) of the Act, the provisions of Section 186 of the Act, except sub-section (1), do not apply to a loan made, guarantee given or security provided by a banking company in the ordinary course of its business.

RELATED PARTY TRANSACTIONS

During the year under review, all contracts/arrangements/transactions entered into by the Bank with related parties were in ordinary course of business and on an arm's length basis. There were no material related party transactions by the Bank during the year under review. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable.

All related party transactions as required under Accounting Standard AS-18 are reported in note no. 21 of Notes to Accounts of financial statements of the Bank.

RISK MANAGEMENT FRAMEWORK

The Bank has a robust Risk Management framework to identify, measure, manage and mitigate risks emanating from business and opportunities. This framework seeks to create transparency, minimise adverse impact on the business strategy and enhance the Bank's competitive advantage. This risk framework thus helps in managing market, credit, operational and emerging risks and quantifies potential impact at a Company level. While the Board is responsible for framing, implementing and monitoring the risk management framework, it has delegated its powers relating to monitoring and reviewing of risks associated with the business of the Bank to the Risk Management Committee. The Bank also has a well-defined Fraud Risk Monitoring framework and the Fraud Monitoring Committee of the Board of Directors to oversee the matters related to fraud risk.

Further, information on the risk management process of the Bank is contained in the Management Discussion & Analysis Report which forms part of the Annual Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The management's discussion and analysis report, forms part of the Annual Report of the Bank.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Bank endeavours to comply with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 ("POSH Act"), your Bank has commitment to provide healthy and respectful work environment for the employee free from all forms of workplace sexual harassment. The Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints.

The following is a summary of Sexual Harassment complaint(s) received and disposed off during the FY 2023- 24, pursuant to the POSH Act and Rules framed thereunder:

- a) Number of complaint(s) of Sexual Harassment received during the year – 1
- b) Number of complaint(s) disposed off during the year – 1
- c) Number of cases pending as at March 31, 2024 – Nil

OTHER DISCLOSURES

1. The National Stock Exchange of India Limited vide its letter dated March 01, 2024, has imposed a fine of ₹ 11,800 (Rupees Eleven Thousand and Eight Hundred only) for delay in compliance under Regulation 60(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. i.e. Notice in advance of at least seven working days for fixing a record date for purposes of payment of interest or repayment of amount (excluding the date of intimation and the record date) to the recognised stock exchange(s).
2. Mr. Sachindra Rai, Chief Compliance Officer ("CCO") and Vigilance Officer resigned from the Bank on October 23, 2023, due to personal reasons.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Sabyasachi Ganguly, as the CCO of the Bank with effect from March 15, 2024..

3. The Reserve Bank of India (RBI) issued Notification No. RBI/2023-24/70 DOR.HGG.GOV.REC.46/29.67.001/2023-24 dated October 25, 2023, on "Appointment of Whole-Time Directors", wherein the regulator has mandated the Banks to ensure the presence of at least two Whole Time Directors (WTDs), including MD & CEO, on their Boards. In view of above, the Board of Directors approved alteration in the Articles of Association of the Bank, subject to the approval of shareholders in general meeting.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status of the Bank;
5. Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 against the Bank.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Act, your Directors, based on the representations received from the Operating Management, confirm that;

- a) your Bank has, in the preparation of the annual accounts for the financial year ended March 31, 2024, followed the applicable Accounting Standards along with proper explanation relating to material departures;

- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank as at March 31, 2024 and of the loss of the Bank for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Further, statutory auditors have, in compliance with the requirements of the Act, issued an opinion with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, details of which may be referred to in the independent auditor's report attached to the financial statements of FY 2023-24.

ACKNOWLEDGMENT

Your Directors would like to place on record their sincere appreciation for the assistance and co-operation received from the Reserve Bank of India, Financial Institutions, Banks, National Stock Exchange of India Limited, Debenture Trustee, other Regulators, Government authorities, customers, vendors and members during the year under review.

The Bank would like to take this opportunity to express sincere thanks to its valued clients and customers for their continued patronage during the year. The Directors also wish to place on record their deep sense of appreciation for the committed services by the Bank's executives, staff and workers.

**For and on behalf of the Board of Directors of
SBM BANK (INDIA) LIMITED**

Place: Mumbai
Date: September 11, 2024

Ashish Vijayakar
Managing Director & CEO
(DIN: 10498810)

Ameet Patel
Independent Director
(DIN: 00726197)



Annexure A

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

a. Conservation of Energy:

As the Company is a Banking Company, the particulars regarding conservation of energy as required to be disclosed pursuant to provision of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to its activities. However, the Bank has been taking several steps towards conservation of energy.

b. Technology Absorption

SBM Bank India continuously focusses on digitisation and technological innovations embedded onto its information technology systems and processes with an objective to streamline banking operations, enhance customer experience and ensure efficient and secure banking services.

Key areas where Information Technology is currently being leveraged by SBM Bank India are as below:

- **Core Banking System:** SBM Bank India utilises a robust core banking system powered by IT infrastructure. This system manages the Bank's primary operations, including customer accounts, deposits, withdrawals, transfers, and other banking transactions. It provides real-time data integration, allowing customers to access their accounts and perform transactions online or through various digital applications. At present approximately 8 million financial transactions are being processed by the Core Banking System every month. In addition to this, considering future business projections - The Bank is in the process of re-architecting its existing Core Banking System that would facilitate Next-Generation core banking platform.
- **Online and Mobile Banking:** SBM Bank India offers online and mobile banking services that enable customers to access their accounts, view balances, initiate fund transfers through NEFT, IMPS & UPI, pay bills, and manage various banking activities remotely. These services leverage secure IT systems to ensure data privacy and protect against unauthorised access.
- **Payment Systems:** Modern payment systems that uses cash substitute as compared to traditional payment systems have been enabled for customers of SBM Bank India. The Bank utilises electronic funds transfer mechanisms such as Real-Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT), Immediate Payment Service (IMPS), Unified Payments Interface (UPI) developed by National Payments Corporation of India (NPCI), SWIFT (that allows send/receive electronic payments internationally) and Aadhaar Enabled Payment System (AePS) to facilitate seamless and secure fund transfers between accounts within the Bank and other financial institutions.
- **Card Management System (CMS):** SBM Bank India offers and manages a wide variety of cards such as Debit, Credit & Prepaid cards across RuPay, VISA & Mastercard payment networks. At present Bank has setup the card management system on SBM owned dedicated virtual private cloud (VPC) with ease of integration across various systems, inbuilt Information security checks and platform that supports ease of operations.
- **Digital Transformation across Retail, Corporate Banking & Treasury products:** SBM Bank India has been working towards various Digital Transformation initiatives. These Innovations will open more business avenues, enhance the Client experience with faster processing and ensure better governance and automation in operations.
 - **Corporate Internet Banking –** SBM Bank India offers Corporate Internet Banking platform to its corporate customers for carrying out online business transactions, securely and conveniently from the comfort of their home or office. The corporate internet banking portal facilitates various features of Balance Inquiry, Funds Transfer (within and to other Banks), FD/RD, Tax payment, Bulk Payments Upload etc. With internet banking services at fingertips, we aim to ensure convenience and security on the platform.

- **Smart Banking (Bank's own organic journey through Mobile App)** – With the launch of the Smart Banking platform, customers will have a direct onboarding access and avail various banking features through a link hosted on Bank's Website. Bank is also in the process of launching its Smart Banking Mobile App that would be supported on Android & iOS operating systems and through which customers can directly avail onboarding features of Bank and carry out anywhere anytime banking.
- **eTrade Portal** – We have implemented a Digital Online Platform that would facilitate all Trade Finance Products & Fx remittances to customers.
- **Derivatives Implementation** – This is a Banking Automation for enabling the new Business avenues which will allow Bank to transact a wide variety of products across Foreign Exchange, Fixed Income, Interest Rates, Equities and Structured Products with integrated Liquidity & Risk Management.
- **Supply Chain Financing Portal** – SBM Bank India is now working towards building a digital solution that would allow Bank to manage various supply chain finance products such as Dealer Finance, Vendor Finance, etc, generating business for the Bank.
- **Digital Document execution Platform** – Bank has implemented a digital document execution platform. This will automate and benefit the Customers for e-Sign and e-Stamping of Loan Documents reducing the time consumed in physical paperwork, logistics and manual data entry. This portal works with Nesl API integrations for digital execution of documents.
- **Customer Relationship Management (CRM):** SBM Bank India employs CRM software to manage customer interactions, track customer preferences, and personalise services. This technology allows the bank to better understand customer needs and offer tailored financial products and services.
- **Security and Fraud Prevention:** IT infrastructure at SBM Bank India incorporates multiple layers of security to safeguard customer information, prevent fraud, and protect against cyber threats. These measures include DDOS protection, firewalls, intrusion detection systems, strong encryption protocols, and multi-factor authentication methods to ensure the confidentiality and integrity of sensitive data. SBM Bank India also ensures real-time monitoring and reporting of network for any unusual activity trends is carried out through implementation of various security tools and measures.
- **Robust IT Infrastructure:** Efficiency, productivity, performance, and security are the fundamental keys to running a successful business, and they should be followed not only to keep up with market trends but also to gain a competitive advantage. In achieving these goals, IT infrastructure services of SBM Bank India has been designed to be robust and agile so that it can easily adapt to the market and technology changes at reduced costs. The launch of a well architected landing zone on Amazon Web Services (AWS) cloud environment has helped Bank in having a scalable and secured infrastructure platform to deploy various business applications. In addition to that we have also enabled Virtual Desktop Infrastructure (VDI) - a cutting-edge technology that utilises virtual machines to manage and provide virtual desktops.
- **Unlocking Potential of APIs** – SBM Bank India uses Enterprise service bus (ESB) that enables an architecture for application interaction through APIs. ESB eliminates application silos by quickly integrating anything with everything and thereby accelerates the time-to-market by developing applications faster and re-using existing assets. Soon, Bank would aim at setting up a microservices based architecture that offers more dynamic and agile approach to developing, executing, and managing applications by working with modular components unlike the monolithic structure of applications build.
- **Data Analytics and Business Intelligence:** SBM Bank India utilises IT tools for data analytics and business intelligence to gain insights into customer behaviour, identify trends, and make informed business decisions. This allows the bank to offer targeted financial products and services, improve operational efficiency, and enhance the overall customer experience. Bank is in the process of implementation of **Enterprise Data Lake (EDL)** that would act as a centralised repository designed to store, process, and secure large amounts of structured, semi-structured and unstructured data.

- **Compliance & Regulatory:** Banks regularly have to deal with a lot of regulatory compliance norms set up by the government or central banking agencies on a local/national or even on an international level. Keeping that into consideration SBM Bank India has deployed various audit, compliance, and risk management systems to ensure good compliance record, risk governance and regulatory reporting standardisation. API based Anti-Money Laundering (AML) solution offers a single platform to perform Risk Profiling, List Screening, Know Your Customer and Reporting that helps detect and manage criminal economic activity and promotes integrity and stability to the Bank. This avoids physical visits by Bank officials and reduces paper consumption of sharing reports on customer identification and authentication.

Other major applications pertaining to this area which have been rolled out in SBM Bank India are Enterprise Fraud Management System (EFRM) for monitoring of frauds, Suvidha as a centralised service desk solution for Incidents, Service Request and Change Management, 'Automated Data Flow' (ADF), 'Non-performing Assets Monitoring' (NPA), 'Risk Assessment Model' (RAM) etc.

- **Other Digital Transformation Initiatives:** SBM Bank India actively embraces digital transformation initiatives to enhance operational efficiency and customer experience. These initiatives include digital onboarding through Video KYC, paperless transactions, and automation of internal processes. With regards to the setup of a repository to manage & store customer documents we have strengthened our digital capabilities to implement a centralised Document Management System that would make it digitally store documents in standardised file structures and formats, approved workflows, easy search, and retrieval mechanism, indexing along with adequate security.

Our journey towards leveraging technology to deliver efficient, secure, and customer-centric banking services continues and we would keep adopting emerging technologies and innovative IT solutions to stay competitive in the ever-evolving banking industry.

c. Foreign Exchange Earnings and Outgo

During the year, the total foreign exchange earned by the Bank was ₹ **1,26,892 thousand** and the Foreign Exchange outgo was ₹ **8,20,987 thousand**. (This does not include foreign currency cash flows in derivatives and foreign currency exchange transactions.)



ANNEXURE B

Annual Report on Corporate Social Responsibility for FY 2023-24

(as prescribed under Section 135 of the Companies Act, 2013 and Companies
(Corporate Social Responsibility Policy) Rules, 2014)

1. Brief outline on the CSR policy of the Bank:

The primary purpose of the Bank's CSR philosophy is to make a meaningful and measurable impact on the lives of economically, physically, and socially challenged communities of the country by supporting initiatives aimed at creating conditions suitable for sustainable livelihood and dignified living in these communities. To this effect the Bank's CSR objectives are as follows: (a) Promotion of healthcare and sanitation (b) Extending support to Old Age Homes/Day Care facilities for senior citizens (c) Extending support to poverty alleviation initiatives and measures to reduce inequalities (d) Extending support to initiatives around education and skill development (e) Extending support to initiatives around environmental sustainability and rural development and (f) Extending support to initiatives that promote the welfare of Armed Forces Veterans.

2. Composition of CSR Committee:

Sr. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Abdul Sattar Adam Ali Mamode Hajee Abdoula	Chairman (Part-time Chairman and Independent Director)	1	1
2.	Mrs. Sudha Ravi	Member (Independent Director)	1	Nil
3.	Ms. Sharon Ramdenee	Member (Former Independent Director)	1	Nil
4.	Mr. Sidharth Rath ¹	Member (Former Managing Director & CEO)	1	1
5.	Mr. Dipak Agarwal ²	Member (Former Interim Managing Director & CEO)	1	NA
6.	Mr. Ashish Vijayakar ³	Member (Managing Director & CEO)	1	NA

1. Ceased to be member of the Committee with effect from November 16, 2023.
2. Appointed as member of the Committee with effect from November 17, 2023, and subsequently ceased to be member of the Committee with effect from closure of business hours of February 16, 2024.
3. Appointed as member of the Committee commencing from closure of business hours of February 16, 2024.

3. Web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

- a. Composition of the CSR committee: <https://www.sbmbank.co.in/aboutus/about-sbm-csr.php>
- b. CSR policy: https://www.sbmbank.co.in/aboutus/sbmassest/pdf/policies/policy_10.pdf
- c. CSR projects: <https://www.sbmbank.co.in/aboutus/about-sbm-csr.php>

4. **Executive Summary along with the web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Not applicable
5. (a) **Average Net Profit of the Company as per sub-section (5) of section 135:** ₹ 34,02,71,932.89
- (b) **Two percent of average net profit of the Company as per sub-section (5) of section 135:** ₹ 68,05,438.66
- (c) **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:** Nil
- (d) **Amount required to be set-off for the financial year, if any:** Nil
- (e) **Total CSR obligation for the financial year [(b) +(c) - (d)]:** ₹ 68,05,438.66
6. (a) **Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects):** ₹ 70,00,000 (1,94,561.34 excess spent on CSR by SBM Bank (India) Limited)

Details as below:

- ₹ 15 lacs sponsorship extended towards Each One Educate One Foundation's edu-care program wherein children from underprivileged backgrounds, in Grades 6-12, are put through education programs which takes care of students' basic requirements, such as food, clothing, housing, and all other necessary daily needs in addition to their educational costs. The annual investment per student is ₹ 1,00,000.
 - ₹ 10 lacs sponsorship extended towards Global Vikas Trust's initiative towards the support of farmers from poorer and underprivileged segments in Palghar, Maharashtra.
 - ₹ 15 lacs sponsorship extended to Shri Chaitanya Seva Trust towards the setting up of a green skilling and livelihood training of tribal farmers/families focused Science Technology and Innovation (STI) Hub in association with the Department of Science and Technology Government of India including a 2-acre nursery and farmer training blocks in Mokhada, Palghar.
 - ₹ 10 lacs sponsorship extended towards the sponsorship of food packet distribution programmes in Shahapur Taluka (Thane district) by Association for Nutrition and Development Action (ANNADA).
 - ₹ 10 lacs sponsorship extended to Medical Research Foundation (Sankara Nethralaya) for the funding of 60 complex ophthalmic surgeries of patients from the lower income bracket with a monthly income of less than ₹12,000.
 - ₹ 5 lacs sponsorship extended towards Centurion University of Technology and Management's Krushak Kalyan Yojna covering 150 small and marginal farmers in Odisha.
 - ₹ 5 lacs sponsorship extended towards cataract surgeries for the poor and elderly being conducted by Help Age India in conjunction with their partners.
- (b) **Amount spent in Administrative Overheads:** Not Applicable. The Bank's CSR Steering Group reviews proposals from various agencies executing projects that align with the Bank's CSR objectives, provides recommendations to the Committee on CSR fund allocation and supervises the transfer of funds, and next steps around ensuring proper use of funds as an activity carried out pro-bono.
- (c) **Amount spent on Impact Assessment, if applicable:** Not applicable.
- (d) **Total amount spent for the Financial Year [(a) + (b) + (c)]:** ₹ 70,00,000
- (e) **CSR amount spent or unspent for the Financial Year:** as below

Total Amount Spent for the Financial Year 2023-24 (in ₹)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
₹ 70,00,000	Nil	N.A.	N.A.	Nil	N.A.

(f) Excess amount for set-off, if any: None

Sr.No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	68,05,438.66
(ii)	Total amount spent for the Financial Year	70,00,000.00
(iii)	Excess amount spent for the Financial Year [(ii) - (i)]	1,94,561.34
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	None
(v)	Amount available for set off in succeeding Financial Years [(iii) - (iv)]	None

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Not applicable

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY22-23	Nil	N.A.	27,00,000	7,32,000	July 27, 2023	Nil	N.A.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not Applicable

For and on behalf of the Board of Directors of
SBM BANK (INDIA) LIMITED

Abdul Sattar Adam Ali Mamode Hajee Abdoula
Chairman, CSR Committee
Part-Time Chairman
(DIN: 01724586)

Ashish Vijayakar
Member, CSR Committee
Managing Director & CEO
(DIN: 10498810)

Place: Mumbai

Date: September 11, 2024

ANNEXURE C

SECRETARIAL AUDIT REPORT

To,
The Members,
SBM Bank (India) Limited,
101, Raheja Centre, 1st Floor
Free Press Journal Marg,
Nariman Point,
Mumbai - 400 021.

Subject: Secretarial Audit Report of the Bank for the Financial Year 2023-24

We present herewith the Secretarial Audit Report for SBM Bank (India) Limited, for the Financial Year 2023-24 in terms of Section 204 of the Companies Act, 2013. Our report of even date is to be read along with the following:

1. Maintenance of secretarial record is the responsibility of the management of the Bank. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Bank.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Bank nor of the efficacy or effectiveness with which the management has conducted the affairs of the Bank.

Place: Mumbai
Date: September 11, 2024

Signature:
Name of the Firm: D. A. Kamat & Co
FCS No. 3843
CP No: 4965
UDIN: F003843F001198575
P.R. No.: 1714/2022

FORM NO MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR 1ST APRIL, 2023 to 31ST MARCH, 2024

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

To,
The Members,
SBM Bank (India) Limited,
Mumbai.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SBM Bank (India) Limited** (hereinafter called the "Bank"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Bank's books, papers, minute books, forms and returns filed and other records maintained by the Bank and also the information provided by the Bank, its officers, agents and authorised representatives during the conduct of the secretarial audit, the explanations and clarifications given to us and there presentations made by the Management, we hereby report that in our opinion, the Bank has during the audit period covering Financial Year from 1st April, 2023 to 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Bank has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I. We have examined the books, papers, minute books, forms and returns filed, reports issued by various fellow professionals and other applicable records and registers and maintained by the Bank for the Financial Year from 1st April, 2023 to 31st March, 2024 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
4. The Foreign Exchange Management Act, 1999 and the Rules/ Regulations made thereunder to the extent of Foreign Direct Investment (FEMA);
5. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation 2011;
6. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 2015;
7. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
8. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Bank has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent stated in this Report.

II. Provisions of the following Regulations and Guidelines prescribed are not applicable to the Bank, for the financial year ended 31st March, 2024 under report:-

- (a) The Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

- (d) The Securities and Exchange Board (Buyback of Securities) Regulations, 1998;
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (g) The Securities and Exchange Board of India (Banker to Issue) Regulations, 1994;
- (h) The Securities and Exchange Board of India (Registrar to an Issuer and Share Transfer Agent) Regulation 1993

III. Based on the nature of business activities of the Bank, the following specific Acts / Laws / Rules / Regulations are applicable to the Bank, which has been duly complied with:

- (a) Banking Regulation Act, 1949 and rules made thereunder;

IV. We have reviewed the information, documents, records, filings and other certificates or confirmations received from fellow professionals for the period under review and the representations made by the Bank and its officers on the systems, records and compliances under other laws applicable to the Bank.

V. We have examined the compliances of the applicable provisions of Secretarial Standards, I and II issued by the Institute of Company Secretaries, India and notified by the MCA u/s 118(10) as issued under the Companies Act, 2013, except during the year under review the Company has not circulated few Minutes of Board & Committees Meetings within the timelines prescribed under the Secretarial Standard – 1 on Board Meetings issued by the Institute of Company Secretaries of India.

We further report that:

The Board of Directors of the Bank is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that during the year under report, the Bank has undertaken following events / action having a major bearing on the Bank's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- 1) Resignation of Ms. Ruchi Sheth from the position of Company Secretary and Compliance officer with effect from 10th November, 2023. Further, appointment of Mr. Mehul Somaiya as Company Secretary and Compliance officer of the Company with effect from 22nd March, 2024 has been undertaken.
- 2) Resignation of Mr. Sidharth Rath as MD & CEO of the SBM Bank (India) Limited with effect from 16th November, 2023.
- 3) Appointment of Mr. Dipak Agarwal (DIN: 10383250) as Interim MD & CEO of the SBM Bank (India) Limited with effect from 17th November, 2023. RBI vide its letter dated 13th November, 2023, accorded its approval for the appointment of Mr. Dipak Agarwal as Interim MD & CEO for a period of two months.
- 4) On account of expiration of approval given by the RBI, Mr. Dipak Agarwal (DIN: 10383250) ceased to be the interim Managing Director & CEO of the Bank with effect from the closure of business hours of 16th February, 2024.
- 5) Appointment of Mr. Ashish Vijayakar (DIN: 10498810) as Managing Director & Chief Executive Officer (MD & CEO) of SBM Bank (India) Limited with effect from commencing from closure of business hours of 16th February, 2024.
- 6) Resignation of Mr. Neeraj Sinha as Head – Retail Banking and Key Managerial Personnel from the Bank with effect from 01st February, 2024.
- 7) In the 10th Extra-Ordinary General Meeting held on 7th July, 2023, approved Re-Appointment of Mr. Abdul Sattar Adam Ali Mamode Hajee Abdoula (DIN: 01724586), Independent Director as the Non-Executive Part-Time Chairman of the Bank for Second term commencing from 9th July, 2023 till 8th July, 2026.

- In the 6th Annual General Meeting held on 29th September 2023 approve:
 - 1) Appointment of M/S K S Aiyar & Co., Chartered Accountants (ICAI Firm Registration No. 100186W) as Statutory Auditors and fix their remuneration for the FY 2023-24.
 - 2) Reappointment of Mr. Raoul Gufflet (DIN: 09194722), Non-Executive Director of the Bank, liable to retire by rotation.
 - 3) Re-appointment of Mr. Umesh Jain (DIN: 06432749) as an Independent Director second term of 4 (four) years commencing from October 14, 2023 till October 13, 2027.
- During the year under review, Bank in its 10th Extra-Ordinary General Meeting held on 7th July, 2023 has approved increase in the Authorised Share Capital of the Bank from 100,00,00,000 (One Hundred Crores) equity shares of ₹10 each (Rupees Ten only) amounting to ₹ 1,000,00,00,000 (Rupees One Thousand Crores only) to 200,00,00,000 (Two Hundred Crores) equity shares of ₹ 10 each (Rupees Ten only) amounting to ₹ 2,000,00,00,000 (Rupees Two Thousand Crores only).
- During the year under review the Bank has allotted 9,77,51,710 Equity Shares of Face Value of ₹ 10/- Each at an Issue Price of ₹ 10.23/- per Share (which includes premium of ₹ 0.23/- on each Share) to the existing shareholders as Rights Issue.
- The Company through Resolution by Circulation No. 01/2023-24 of the Board of Directors held its 11th Extra-Ordinary General Meeting for approval of Alteration in Articles of Association of the Bank. Further the RBI Approval is also sought for the same.
- The Company through Resolution by Circulation No. 02/2023-24 of the Board of Director to take note of the Notice received from National Stock Exchange of India Limited ('NSE') for Non-Compliance with Regulation 60(2) of SEBI (LODR) Regulations, 2015 ("Listing Regulations") and to approve submission of Waiver Request with Respect to payment of Fine of ₹ 11,800 (₹ 10,000 + GST 1800).
- During the year under review, The Reserve Bank of India ('RBI') has issued Show Cause Notice ('SCN') to the Bank for violation of instructions issued vide letter no. Ref. No.CO. DOS.SED. No.56982/17- 01-02612022-23 dated 23rd January 2023 ('LRS Order'). The SCN was issued regarding international debit card transactions which were blocked with a delay on account of IT developments required to be implemented so that domestic usage of debit cards was not affected. The LRS Order had directed the Bank to stop, with immediate effect, undertaking any transaction under the Liberalised Remittance Scheme.
- The Reserve Bank of India (RBI) had also issued Show Cause Notice (SCN) vide letter no. Ref. No. CO.ENFD.DECB.No.S617/02- 03-019/2023-2024 for non-compliance with the (i) Reserve Bank directions observed during statutory inspection of the bank with reference to its financial position as on March 31, 2022, and (ii) the conditions imposed by the Reserve Bank. The Board was informed that the Acknowledgement to the letter was submitted to RBI on December 08, 2023. The Bank had submitted its response to RBI on December 29, 2023.

The above Show Cause Notices (SCNs) have been closed by RBI and monetary penalty of ₹ 88.70 Lacs was imposed on the Bank in May 2024.

The Bank has received a displeasure letter from RBI on "Non-Compliance to guidelines on Internal Office Accounts" (Ref. No. DOS. CO. SED. No. S6908/17.01.026/2023-24). Further the Draft Response was circulated and submitted to the RBI.

Place: Mumbai
Date: September 11, 2024

Signature:
Name of the Firm: D. A. Kamat & Co
FCS No. 3843
CP No: 4965
UDIN: F003843F001198575
P.R. No.: 1714/2022

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To,
The Members of SBM Bank (India) Limited
Report on Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of SBM Bank (India) Limited ("the Bank"), which comprise the Balance Sheet as at March 31, 2024, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of the material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by Banking Regulation Act, 1949, as well as the Companies Act, 2013 ("the Act") and circulars and guidelines issued by the Reserve Bank of India, in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with rules made thereunder, of the state of affairs of the Bank as at March 31, 2024, and its Loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters	How our audit addressed the key audit matter
<p>Identification of Non-performing asset (NPA) and provisioning on advances</p> <p>The Reserve Bank of India's ("RBI") guidelines on income recognition and asset classification ("IRAC") prescribe the prudential norms for identification & classification of non-performing assets ("NPA") and the minimum provision required for such assets.</p> <p>The Bank management is required to apply its judgement to determine the identification and provision required against the NPAs by applying quantitative as well as qualitative factors. The risk of identification of NPAs is affected by factors like stress and liquidity concerns in certain sectors.</p> <p>The provision on NPA is estimated by management of the Bank based on ageing and classification of NPAs, recovery estimates, nature of loan product, value of security and other qualitative factors and it is subject to</p>	<p>Tested the design and operating effectiveness of key controls (including application controls) over approval, recording, monitoring & recovery of loans, monitoring overdue/stressed accounts, identification of NPA, provision for NPA & valuation for security and collateral.</p> <p>Testing of application controls include testing of automated controls, reports and system reconciliations.</p> <p>Evaluated the governance process & review controls over calculations of provision of non-performing advances, basis of provisioning in accordance with the Board-approved policy.</p> <p>Selected the borrowers based on quantitative and qualitative risk factors for their assessment of appropriate classification as NPA including computation of overdue ageing to assess its correct</p>

<p>the minimum provisioning norms specified by RBI and approved policy of the bank in this regard.</p> <p>Additionally, the Bank makes provisions on exposures that are not classified as NPAs including advances in certain sectors and identified advances or group advances that can potentially slip into NPA. These are classified as additional provisions.</p> <p>Since the identification of NPAs and Provisioning for advances require a significant level of estimation and given its significance to the overall audit including possible observation by RBI which could result into disclosure in the financial statements, we have ascertained identification and provisioning for NPAs as a key audit matter.</p>	<p>classification and provision amount as per extant IRAC norms and the Bank policy.</p> <p>Performed other substantive procedures included and not limited to the following:</p> <ul style="list-style-type: none"> • Selected samples of performing loans and assessed independently as to whether those should be classified as NPA; • For samples selected reviewed the collateral valuation, financial statements and other qualitative information; • Considered the accounts reported by the Bank and other Banks as Special Mention Accounts ("SMA") in RBI's Central Repository of Information on Large Credits (CRILC) to identify stress; • For selected samples assessed independently accounts that can potentially be classified as NPA and Red Flagged Accounts; • Performed inquiries with the credit and risk departments to ascertain if there were indicators of stress or an occurrence of an event of default in a particular loan account or any product category which needed to be considered as NPA; • Examined the early warning reports generated by the Bank to identify stressed loan accounts; • Held specific discussions with the management of the Bank on accounts where there is perceived credit risk and the steps taken to mitigate the risks to identified accounts; • Reviewed the audit report of the external auditors regarding compliance of RBI circular in respect of IRAC Automation.
<p>Information Technology ("IT") Systems and Controls</p> <p>The Bank has an IT architecture to support its day-to-day business operations. High volume of transactions is processed and recorded on single or multiple applications.</p> <p>The reliability and security of IT systems plays a key role in the business operations of the Bank. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner.</p> <p>Appropriate IT general controls and application controls are required to ensure that such IT systems</p>	<p>Our Audit procedures with respect to this matter included:</p> <p>For testing the IT general controls, application controls and IT dependent manual controls, we involved IT specialists as part of the audit. The team also assisted in testing the accuracy of the information produced by the Bank's IT systems.</p> <p>Obtained a comprehensive understanding of IT applications implemented at the Bank. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology.</p> <p>Key IT audit procedures includes review of design and operating effectiveness of key controls operating over</p>

are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.

We have identified 'IT systems and controls' as key audit matter because of the high-level automation, multiple number of systems being used by the management and its impact on the financial reporting system.

user access management (which includes user access provisioning, de-provisioning, access review, password configuration review, segregation of duties and privilege access), change management (which include change release in production environment are compliant to the defined procedures and segregation of environment is ensured), program development (which include review of data migration activity), computer operations (which includes review of key controls pertaining to, backup, Batch processing (including interface testing), incident management and data centre security), System interface controls. This included review of requests for access to systems were appropriately logged, reviewed, and authorised. Also, entity level controls pertaining to policy and procedure was also part of our audit procedure.

In addition to the above, the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were reviewed. Using various techniques such as inquiry, review of documentation / record / reports, observation, and re-performance. We also reviewed few controls using negative testing techniques. We had taken adequate samples of instances for our review.

Reviewed compensating controls and performed alternate procedures, where necessary. In addition, understood where relevant, changes made to the IT landscape during the audit period.



Information Other Than Financial Statements and Auditors' Report Thereon

The Bank's Board of Directors is responsible for the preparation of Other Information. The Other Information comprises the Directors' Report including Annexures to Directors' Report (collectively called as "Other Information") but does not include the Financial Statements and our auditor's report thereon and the Pillar 3 Disclosures under Basel III Capital Regulations, Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

As the Other Information is not prepared by the management as on the date of this report, we are not in a position to comment on the same.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ("RBI") from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the business activities within the Bank and its branches to express an opinion on the Bank's financial statements. Materiality is the magnitude of the misstatements in the financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

Bank continues to carry a provision of 1% of Operating Income as at the year-end amounting to ₹ 4.17 Crores, as advised by the Reserve Bank of India in view of certain non-compliances observed in its inspection with respect to Automation of Income Recognition, Asset classification and Provisioning processes.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provision of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Act and Rules made thereunder.
2. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory.
 - b. The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
 - c. Since the key operations of the Bank are automated with the key applications integrated into the core banking

systems, the audit is carried out centrally, as all the necessary records and data required for the purposes of our audit are available therein. Therefore, no returns are being received from the branches.

- d. The profit and loss account shows a true balance of loss for the year that ended.
3. In our opinion and to the best of our information and according to the explanations given to us, as the Bank is governed by Section 35B (2A) of the Banking Regulation Act, 1949, Section 197 of the Act relating to managerial remuneration is not applicable.;
 4. Further, as required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books;
 - c) the Balance Sheet, the profit and loss account and the statement of cash flows dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act and Rules made thereunder, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
 - e) on the basis of written representation received from the directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as director in terms of Section 164 (2) of the Companies Act, 2013;
 - f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i) The Bank has disclosed the impact of pending litigations on its financial position in its financial statements to the extent determinable/ascertainable—Refer Note 15 and Note 16 of Schedule 17B to the financial statements.
 - ii) The Bank has made provision, as required, under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer Note 17 of Schedule 17B to the financial statements.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.
 - iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Bank from any persons or entities, including foreign entities ("Funding Parties"), with the

understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on such audit procedures that were considered reasonable and appropriate by us in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (a) and (b) contain any material misstatement.

- v) During the year the Bank has not declared or paid any dividend.

- vi) Based on our examination which included test checks, the Bank has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

Place: Mumbai
Date: May 29, 2024

For K. S. Aiyar & Co.
Chartered Accountants,
Firm Reg. No.100186W

Rajesh Joshi
Partner
Membership No. 038526
UDIN: 038526BKEKRW2266

Annexure A to the Independent Auditor's Report of even date on the financial statements of SBM Bank (India) Limited

(Referred to in paragraph 4 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to financial statements of **SBM Bank (India) Limited** ("the Bank") as at March 31, 2024 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls

Over Financial Reporting ("the Guidance Note") and the Standards on Auditing ("the SAs"), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Bank has in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai
Date: May 29, 2024

For K. S. Aiyar & Co.
Chartered Accountants,
Firm Reg. No.100186W

Rajesh Joshi
Partner
Membership No. 038526
UDIN:24038526BKEKRW2266

SBM BANK (INDIA) LIMITED

BALANCE SHEET AS ON MARCH 31, 2024				PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2024			
	Schedule	Audited As at 31 March 2024	Audited As at 31 March 2023		Schedule	For the year ended 31 March 2024	For the year ended 31 March 2023
		(Amount in ₹'000)	(Amount in ₹'000)			(Amount in ₹'000)	(Amount in ₹'000)
CAPITAL AND LIABILITIES				I. INCOME			
Capital	1	92,13,768	82,36,251	Interest earned	13	75,29,324	66,56,708
Reserves & Surplus	2	(12,52,052)	(8,33,624)	Other Income	14	18,65,778	20,13,469
Deposits	3	7,11,29,811	7,31,85,330	TOTAL		93,95,102	86,70,177
Borrowings	4	72,68,400	1,70,52,493	II. EXPENDITURE			
Other Liabilities and Provisions	5	30,98,882	36,12,101	Interest expended	15	52,75,450	45,33,906
TOTAL		8,94,58,809	10,12,52,551	Operating expenses	16	42,87,778	37,59,774
ASSETS				Provisions & contingencies	17B - (14.e)	2,64,345	1,68,343
Cash and Balances with Reserve Bank of India	6	63,14,336	97,13,098	TOTAL		98,27,573	84,62,023
Balances with Banks and Money at Call and Short Notice	7	3,86,944	2,32,712	III. PROFIT/LOSS			
Investments	8	3,05,73,832	3,69,27,090	Net profit/(loss) for the year		(4,32,471)	2,08,154
Advances	9	4,67,62,048	4,83,59,324	Profit/(loss) brought forward		(27,26,867)	(27,26,867)
Fixed Assets	10	10,44,987	8,81,539	TOTAL		(31,59,338)	(25,18,713)
Other Assets	11	43,76,662	51,38,788	IV. APPROPRIATIONS			
TOTAL		8,94,58,809	10,12,52,551	Transfer to Statutory Reserves		-	52,039
Contingent Liabilities	12	8,61,51,873	9,96,07,129	Transfer to Capital Reserve		11,120	5,213
Bills for Collection	17	89,44,545	62,14,842	Transfer to Investment Fluctuation Reserve		(16,834)	1,50,902
Significant Accounting Policies & Notes on Accounts				Balance carried over to Balance Sheet		(31,53,624)	(27,26,867)
				TOTAL		(31,59,338)	(25,18,713)
				V. BASIC AND DILUTED EARNING PER SHARE (₹)	17B-(23)	(0.52)	0.25

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

As per our attached Report of even date.

For K. S. Aiyar & Co.

Chartered Accountants

ICAI Firm Registration No.: 100186W

Sd/-

Mr. Rajesh Joshi

Partner

ICAI Membership No. 038526

Place: Mumbai

Date: May 29, 2024

For SBM Bank (India) Limited

Sd/-

Mr. Ashish Vijayakar

Managing Director & Chief Executive Officer

Sd/-

Mr. Saileshkumar Shah

Chief Financial Officer

Sd/-

Mr. Ameet Patel

Independent Director

Sd/-

Mr. Mehul Somaiya

Company Secretary

SBM BANK (INDIA) LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Year Ended March 31, 2024 (Amount in ₹'000)	Year Ended March 31, 2023 (Amount in ₹'000)
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before Taxes	(3,99,115)	2,08,154
Adjustments to profit / (loss) from operations		
Depreciation on Fixed Assets	2,26,545	1,48,284
Amortisation of premium on Held to Maturity investments	22,954	22,470
Provision for Non-Performing Assets	67,947	47,869
Depreciation on investments or (Profit) / loss on revaluation of investments	(10,110)	19,475
Non performing Advances written off	3,37,330	1,33,771
Non performing Investments written off	6,970	-
Provision on standard assets and other contingencies	(18,615)	39,203
Sub-Total	2,33,906	6,19,226
Changes in working capital		
(Increase) / Decrease in Investments	42,80,725	(1,10,00,565)
(Increase) / Decrease in Advances	11,91,999	(50,05,301)
(Increase) / Decrease in Other Assets	8,08,533	(27,72,674)
Increase / (Decrease) in Deposits	(20,55,519)	51,90,867
Increase / (Decrease) in Other Liabilities & Provisions	(4,94,604)	11,10,388
Net Cash from Operating Activities before Income Tax	39,65,040	(1,18,58,059)
Tax refund (net of taxes paid)	(79,763)	(40,317)
Net Cash from Operating Activities after Income Tax	38,85,277	(1,18,98,376)
B. Cash Flow from Investing Activities		
(Increase) / Decrease in Held To Maturity (HTM) securities	20,52,719	(36,89,812)
Purchase of Fixed Assets	(3,98,433)	(2,85,281)
Net Cash from Investing Activities	16,54,286	(39,75,093)
C. Cash Flow from Financing Activities		
Proceeds from issue of share capital	10,00,000	-
Proceeds from raising Tier-2 Capital	-	22,40,000
Increase / (Decrease) in Borrowings	(97,84,093)	1,16,22,493
Net Cash from Financing Activities	(87,84,093)	1,38,62,493

SBM BANK (INDIA) LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Year Ended March 31, 2024 (Amount in ₹'000)	Year Ended March 31, 2023 (Amount in ₹'000)
D. Cash and Cash Equivalent at the beginning of the year		
I. Cash in Hand (including foreign currency notes)	14,827	20,527
II. Balances with Reserve Bank of India	96,98,271	44,84,845
III. Balances with Banks and Money at Call and Short Notice	2,32,712	74,51,414
	99,45,810	1,19,56,786
E. Cash and Cash Equivalent at the end of the year		
I. Cash in Hand (including foreign currency notes)	19,482	14,827
II. Balances with Reserve Bank of India	62,94,854	96,98,271
III. Balances with Bank and Money at Call and Short Notice	3,86,944	2,32,712
	67,01,280	99,45,810
A Cash Flow from Operating Activities	38,85,277	(1,18,98,376)
B Cash Flow from Investing Activities	16,54,286	(39,75,093)
C Cash Flow from Financing Activities	(87,84,093)	1,38,62,493
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	(32,44,530)	(20,10,976)
D Cash and Cash Equivalent at the beginning of the year	99,45,810	1,19,56,786
E Cash and Cash Equivalent at the end of the year (A+B+C+D)	67,01,280	99,45,810

For K. S. Aiyar & Co.

Chartered Accountants

ICAI Firm Registration No.: 100186W

Sd/-

Mr. Rajesh Joshi

Partner

ICAI Membership No. 038526

Place: Mumbai

Date: May 29, 2024

For SBM Bank (India) Limited

Sd/-

Mr. Ashish Vijayakar

Managing Director & Chief Executive Officer

Sd/-

Mr. Saileshkumar Shah

Chief Financial Officer

Sd/-

Mr. Ameet Patel

Independent Director

Sd/-

Mr. Mehul Somaiya

Company Secretary

SBM BANK (INDIA) LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As of 31 March 2024	As of 31 March 2023		As of 31 March 2024	As of 31 March 2023
	(Amount in ₹'000)	(Amount in ₹'000)		(Amount in ₹'000)	(Amount in ₹'000)
SCHEDULE 1 : CAPITAL			SCHEDULE 3 : DEPOSITS		
Authorised Capital : 2,000,000,000 equity shares of ₹ 10 each (P.Y. : 1,00,00,00,000)	2,00,00,000	1,00,00,000	A.I. Demand Deposits		
Issued, subscribed and paid-up capital :			(i) From Banks	4,29,943	5,20,217
Opening Balance (82,36,25,084 equity shares of ₹ 10 each)	82,36,251	82,36,251	(ii) From Others	94,05,002	1,06,24,661
Additions during the year	9,77,517	-	A.II. Savings Bank Deposits	79,20,890	93,17,161
Deductions during the year	-	-	A.III. Term Deposits		
			(i) From Banks	37,35,796	32,57,124
			(ii) From Others	4,96,38,180	4,94,66,167
TOTAL	92,13,768	82,36,251	Total	7,11,29,811	7,31,85,330
SCHEDULE 2 : RESERVES AND SURPLUS			B.I. Deposits of branches in India	7,11,29,811	7,31,85,330
I. Statutory Reserve			B.II. Deposits of branches outside India	-	-
Opening Balance	5,04,055	4,52,016	TOTAL	7,11,29,811	7,31,85,330
Additions during the year	-	52,039			
Deductions during the year	-	-	SCHEDULE 4 : BORROWINGS		
Sub Total	5,04,055	5,04,055	I. Borrowings in India		
II. Capital Reserve			i) Reserve Bank of India	-	60,000
Opening Balance	1,07,533	1,02,320	ii) Other Banks	-	-
Additions during the year	11,120	5,213	iii) Other Institutions and Agencies	72,68,400	1,69,27,197
Deductions during the year	-	-	Sub Total	72,68,400	1,69,87,197
Sub Total	1,18,653	1,07,533	II. Borrowings outside India	-	65,296
III. Retained Earnings			TOTAL (I + II)	72,68,400	1,70,52,493
Opening Balance	3,20,098	3,20,098	Secured Borrowings included in I & II above	-	79,05,597
Additions during the year	-	-	SCHEDULE 5 : OTHER LIABILITIES AND PROVISIONS		
Deductions during the year	-	-	I. Bills Payable	95,610	1,97,289
Sub Total	3,20,098	3,20,098	II. Interest Accrued	4,36,832	4,19,944
IV. Investment Fluctuation Reserve			III. Deferred Tax Liability (Net)	-	-
Opening Balance	3,54,579	2,03,677	IV. Provision for standard advances (Refer Note 4 (a) - Schedule 17.B)	2,38,524	2,57,140
Additions during the year	-	1,50,902	V. Others (including Provisions) (Refer Note 32- Schedule 17.B for items exceeding 1% of total assets)	23,27,916	27,37,728
Deductions during the year	16,834	-	TOTAL	30,98,882	36,12,101
Sub Total	3,37,745	3,54,579	SCHEDULE 6 : CASH AND BALANCES WITH RBI		
V. Revaluation Reserve			I. Cash in Hand (including Foreign Currency Notes - NIL) (P.Y. : NIL)	19,482	14,827
Opening Balance	2,73,645	2,25,376	II. Balances with Reserve Bank of India in Current Account in Other Accounts	29,84,854	41,58,271
Additions during the year	-	54,974		33,10,000	55,40,000
Deductions during the year	8,440	6,705	TOTAL	63,14,336	97,13,098
Sub Total	2,65,205	2,73,645			
VI. Share Premium					
Opening Balance	3,33,333	3,33,333			
Additions during the year	22,483	-			
Deductions during the year	-	-			
Sub Total	3,55,816	3,33,333			
VII. Balance in Profit and Loss Account	(31,53,624)	(27,26,867)			
VIII. Share Application Money	-	-			
Total (I+II+III+IV+V+VI+VII+VIII)	(12,52,052)	(8,33,624)			

SBM BANK (INDIA) LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As of 31 March 2024	As of 31 March 2023		As of 31 March 2024	As of 31 March 2023
	(Amount in ₹'000)	(Amount in ₹'000)		(Amount in ₹'000)	(Amount in ₹'000)
SCHEDULE 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE			SCHEDULE 10 : FIXED ASSETS		
I. In India			I. Premises		
i) Balances with Banks in			At Cost at beginning of year	5,45,713	4,90,739
(a) Current Accounts	51,433	10,429	Additions during the year	-	54,974
(b) Other Deposit Accounts	-	-	Deductions during the year	-	-
ii) Money at call and short notice			Depreciation to date	1,77,164	1,65,479
(a) with Banks	-	-	Sub Total	3,68,549	3,80,234
(b) with Other Institutions	-	-			
Sub Total	51,433	10,429	II. Other Fixed Assets (including Furniture & Fixtures)		
II. Outside India			At Cost at beginning of year	10,42,347	7,68,753
i) in Current Accounts	2,03,285	2,22,283	Additions during the year	3,96,061	2,75,456
ii) in Other Deposit Accounts	-	-	Deductions during the year	-	1,862
iii) in Money at Call and Short Notice	1,32,226	-	Depreciation to date	8,59,219	6,35,919
Sub Total	3,35,511	2,22,283	Sub Total	5,79,189	4,06,428
TOTAL (I + II)	3,86,944	2,32,712	III. Capital Work in Progress	97,249	94,877
SCHEDULE 8 : INVESTMENTS			TOTAL (I, II & III)	10,44,987	8,81,539
I. Investments in India in			SCHEDULE 11 : OTHER ASSETS		
i. Government Securities	2,87,98,405	3,55,10,061	I. Inter-Office Adjustment (Net)	-	-
ii. Other Approved Securities	-	-	II. Interest Accrued	5,25,151	5,84,335
iii. Shares	-	51,370	III. Tax paid in Advance/ Tax Deducted at Sources (Net of Provisions)	1,77,637	1,31,230
iv. Debentures and Bonds	7,97,758	10,95,037	IV. Deferred Tax Assets (Net)	-	-
v. Subsidiaries and /or Joint Venture	-	-	V. Stationery and Stamps	48	39
vi. Others (includes PTC investment)	9,77,669	2,70,622	VI. Cash Margin Deposits with CCIL	-	-
TOTAL	3,05,73,832	3,69,27,090	VII. Others (Refer Note 33- Schedule 17.B for items exceeding 1% of total assets)	36,73,826	44,23,184
II. Investments outside India	-	-	*Includes Deposits kept with NABARD ₹72,966 (P.Y.: ₹80,482); with SIDBI ₹3,01,500 (P.Y.: ₹3,79,900); with NHB ₹19,864 (P. Y.: ₹20,600); with MUDRA ₹20,600 (P.Y.: ₹20,600) for meeting shortfall in Priority sector lending)		
TOTAL (I + II)	3,05,73,832	3,69,27,090	TOTAL	43,76,662	51,38,788
SCHEDULE 9 : ADVANCES			SCHEDULE 12 : CONTINGENT LIABILITIES		
A. i) Bills Purchased and Discounted	12,49,709	27,65,628	I. Claims against the Bank not acknowledged as Debts	55,059	89,105
ii) Cash Credits, Overdrafts and Loans repayable on Demand	1,35,73,145	1,35,72,607	II. Liability for Partly Paid Investments	-	-
iii) Term loans	3,19,39,194	3,20,21,089	III. Liability on account of outstanding Forward Exchange Contracts & Derivatives	6,98,60,688	7,38,72,107
TOTAL	4,67,62,048	4,83,59,324	IV. Guarantees given on behalf of Constituents		
B. i) Secured by Tangible Assets (includes advances against Book debts)	4,38,95,128	4,17,56,316	a) In India	80,61,271	71,42,036
ii) Covered by Bank / Government Guarantees (includes advance against standby letter of credit)	2,61,466	4,45,939	b) Outside India	17,66,784	38,78,686
iii) Unsecured	26,05,454	61,57,069	V. Acceptances, Endorsements and Other Obligation	61,83,567	55,79,156
TOTAL	4,67,62,048	4,83,59,324	VI. Other items for which the Bank is Contingently Liable	2,24,504	90,46,039
C. I. Advances in India			TOTAL	8,61,51,873	9,96,07,129
i. Priority Sectors	1,41,34,250	1,40,10,973			
ii. Public Sector	-	-			
iii. Banks	81,860	3,47,074			
iv. Others	3,25,45,938	3,40,01,277			
TOTAL	4,67,62,048	4,83,59,324			
II. Advances outside India	-	-			
TOTAL (CI & CII)	4,67,62,048	4,83,59,324			

SBM BANK (INDIA) LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT					
	Year Ended 31 March 2024	Year Ended 31 March 2023		Year Ended 31 March 2024	Year Ended 31 March 2023
	(Amount in ₹'000)	(Amount in ₹'000)		(Amount in ₹'000)	(Amount in ₹'000)
SCHEDULE 13 : INTEREST EARNED			SCHEDULE 15 : INTEREST EXPENDED		
I. Interest/ Discount on Advances/ Bills	50,52,109	44,96,238	I. Interest on Deposits	38,73,219	34,33,472
II. Income on Investments	21,45,735	18,55,731	II. Interest on Reserve Bank of India/Inter Bank Borrowings	291	11,637
III. Interest on Balances with RBI and Other Inter-bank Funds	1,44,695	2,08,418	III. Others*	14,01,940	10,88,797
IV. Others*	1,86,785	96,321	TOTAL	52,75,450	45,33,906
TOTAL	75,29,324	66,56,708	*includes Swap Cost on Funding Swaps of ₹4,88,177 (P.Y. : ₹3,08,118)		
*includes Swap Gain on Funding Swaps of ₹82,754 (P.Y. : ₹58,370)			SCHEDULE 16 : OPERATING EXPENSES		
SCHEDULE 14 : OTHER INCOME			I. Payments to and Provision for Employees	15,33,997	12,15,669
I. Commission, Exchange and Brokerage	8,54,940	9,38,174	II. Rent, Taxes and Lighting	1,96,439	1,79,330
II. Profit / (loss) on sale of Investments	1,39,300	1,11,032	III. Printing and Stationery	36,663	28,818
III. Profit / (loss) on Revaluation of Investments	17,080	(41,175)	IV. Advertisement and Publicity	51,100	61,234
IV. Profit / (loss) on sale of Land Building & Other Assets	-	-	V. Depreciation on Bank's Property	2,26,540	1,48,284
V. Profit on Exchange Transactions	6,74,614	9,96,652	VI. Directors' fees, allowances and expenses	23,850	12,810
VI. Income earned by way of Dividends etc. from Companies and / or Joint Ventures in India & Aboard	-	-	VII. Auditors' Fees and Expenses	5,850	4,611
VII. Profit / (loss) on Derivative Trade	34,008	-	VIII. Law charges (including Professional Fees)	4,23,508	4,48,019
VIII. Miscellaneous Income (Refer Note 34 - Schedule 17.B for items exceeding 1% of total income)	1,45,836	8,786	IX. Postages, Telegrams, Telephones, etc.	22,547	58,561
TOTAL	18,65,778	20,13,469	X. Repairs and Maintenance	18,932	6,215
			XI. Insurance	91,744	84,222
			XII. Other Expenditure (Refer Note 31- Schedule 17.B for items exceeding 1% of total income)	16,56,608	15,12,001
			Total	42,87,778	37,59,774



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

SCHEDULE 17. A – SIGNIFICANT ACCOUNTING POLICIES

a) Background

The financial statements for the year comprise the accounts of the SBM Bank (India) Limited, ('the Bank') which is incorporated in India and is a wholly owned subsidiary of SBM (Bank) Holdings Limited, Mauritius ('the Parent'). The Bank is engaged in providing banking and financial services as a banking company governed by the Banking Regulation Act, 1949.

As at March 31, 2024 the Bank carries out operations through 16 branches located at:

Mumbai, Chennai, Hyderabad, RC Puram Medak, Bengaluru, New Delhi, Galtare-Palghar, Ahmedabad, Kolkata, Pune, Chandigarh, Abitghar-Palghar, Ludhiana, Ten Naka-Palghar, Mumbai-Marol Naka, Navi Mumbai-Vashi.

b) Basis of preparation

The financial statements have been prepared in accordance with the requirements prescribed under the Third Schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conforms 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 with the Companies (Accounts) Rules 2014 and other relevant provisions of the Companies Act, 2013 ("the Act") and the Companies (Accounting Standards) Amendment Rules, 2016, in so far as they apply to banks and practices generally prevalent in the banking industry in India. The financial statements are prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency and accrual unless otherwise stated.

c) Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current or future periods.

d) Revenue recognition

Income and expenses are recognised on accrual basis except as otherwise stated. Interest income is recognised in the Profit and Loss account on accrual basis except in case of interest on non-performing assets which is recognised on receipt basis. Interest income on discounted instruments is recognised over the tenor of the instrument on a straight-line basis. Processing Fees, Commission on Letters of Credit and Locker Fees income are recognised upfront on becoming due. Commission on bank guarantees issued is amortised over the period of guarantees. Dividend income is recognised when the right to receive the dividend is established. The Bank derecognises its financial assets when it sells to Securitisation Company (SC)/ Reconstruction Company (RC), and accounts for as under:

- If the sale is at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.
- If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received.

Profit on sale of investments in the 'Held to Maturity' category is recognised in the profit and loss account and profit is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Profit/loss on sale of investments in 'Available for Sale' and 'Held for Trading' categories is recognised in the profit and loss account.

e) Foreign Exchange Transactions

Income and expenditure items are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities denominated in foreign currencies as at the Balance Sheet date are revalued at the year-end rates as notified by Foreign Exchange Dealers Association of India (FEDAI). Net exchange differences arising on the settlement of transactions and on account of assets and liabilities are charged or credited to the Profit and Loss account as prescribed by RBI.

Outstanding forward exchange contracts are revalued at rates of exchange notified by FEDAI and the resulting profits or losses are included in the Profit and Loss account. Guarantees and Acceptances, endorsements and other obligations are stated at the year-end closing rate as notified by FEDAI.

f) Derivatives

Derivatives are financial instruments comprising of forward exchange contracts, interest rate swaps and cross currency swaps which are undertaken for either trading or hedging purposes.

Trading derivatives are marked to market as per the generally accepted practices prevalent in the industry and the resultant unrealised gain or loss is recognised in the Profit and Loss Account, with the corresponding net unrealised amount reflected in Other Assets or Other Liabilities in the Balance Sheet.

Forward Exchange contracts and other derivative contracts which have overdue receivables remaining unpaid for over 90 days or more are classified as non-performing assets and are provided as prescribed by RBI.

The Bank also maintains a general provision on derivative exposures computed as per marked to market value of the contracts in accordance with the RBI guidelines.

The Bank has undertaken funding swaps to hedge certain loans and deposits. Premium/discount on such funding swaps is recognised as interest income/expense and is amortised on a pro-rata basis over the underlying swap period.

g) Investments**Classification**

Investments are classified under "Held to Maturity" (HTM), "Available for Sale" (AFS) and "Held for Trading" (HFT) categories in accordance with RBI norms. For the purpose of disclosure of balance sheet, they are classified under 6 groups viz. i) Government Securities, ii) Other Approved Securities, iii) Shares, iv) Debentures and Bonds v) Subsidiaries and / or joint ventures and vi) Other Investments.

Purchase and sale transactions in securities are recorded under settlement date of accounting, except in the case of equity shares where trade date accounting is followed.

Valuation

Investments held under HTM category are carried at acquisition cost. If the acquisition cost is more than the face value, the premium is amortised over the remaining tenor of the investments.

Investments classified under AFS and HFT portfolios are marked to market on daily basis. Investments under AFS and HFT classification are valued as per rates declared by Financial Benchmarks India Pvt. Limited (FBIL) and in accordance with the RBI guidelines. Consequently, net depreciation, if any, under these classifications mentioned in Schedule 8 is provided for in the Profit and Loss account. The net appreciation, if any, under any classification is ignored, except to the extent of depreciation previously provided. The book value of the individual securities is not changed consequent to periodic valuation of investments.

Treasury Bills, Commercial Paper and Certificates of Deposit are valued at carrying cost.

The valuation of other unquoted fixed income securities (viz. State government securities, Other approved securities, bonds and debentures) wherever linked to the YTM rates, is computed with a mark-up (reflecting associated credit and liquidity risk) over the YTM rates for government securities published by FBIL.

Investments in pass through certificates (PTCs) are valued by adopting base yield curve and FIMMDA spread matrix relative to weighted average maturity of the security.

The Bank undertakes short sale transactions in dated central government securities in accordance with RBI guidelines. The short positions are categorised under HFT category and are marked to market. The mark-to market loss is charged to profit and loss account and gain, if any, is ignored.

Broken period interest is accounted as per the RBI guidelines.

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

Quoted equity shares are valued at their closing price on a recognised stock exchange. Unquoted equity shares are valued at the break-up value if the latest Balance Sheet is available or at ₹ 1 as per the RBI guidelines.

In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of: (i) Net Book Value (NBV) (i.e., book value less provisions held) of the financial asset; and (ii) Redemption value of SR.

Investments in Security receipts ('SR') issued against loans transferred by the Bank is more than 10 percent of all SRs issued against the transferred asset, provision for depreciation is made higher of: (i) provision required based on NAV disclosed by the assets reconstruction company; and (ii) the provision as per IRAC norms, assuming that the loan notionally continued in the books of the Bank.

SRs issued by an SC / ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC / ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC / ARC, is reckoned for valuation of such investments.

Non-performing Investments are identified, and provision is made as per RBI guidelines.

Investment Fluctuation Reserve

In accordance with the RBI Circular DBR.No.BP.BC.102/21.04.048/2017-18, an Investment Fluctuation Reserve was created to protect against systemic impact of sharp increase in the yields on Government Securities.

As required by the aforesaid circular the transfer to this reserve shall be lower of the following –

- i) net profit on sale of investments during the year;
- ii) net profit for the year less mandatory appropriations, until the amount of the reserve is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.

The bank may, at its discretion, draw down the balance available in IFR in excess of 2 percent of its HFT and AFS portfolio and disclose the same at the end of any accounting year.

Transfer of Securities between Classifications

Reclassification of investments from one category to the other, if done, is in accordance with RBI guidelines and any such transfer is accounted for at the acquisition cost / book value / market value, whichever is lower, as at the date of transfer. Depreciation, if any, on such transfer is fully provided for.

Repurchase transactions

Repurchase and reverse repurchase transactions (if any) are accounted in accordance with the prescribed RBI guidelines. The difference between the clean price of the first leg and the second leg is recognised as interest income / expense over the period of the transaction in the Profit and Loss account.

Others

Brokerage, fees and commission on acquisition of securities including money market instruments, are recognised as expenses in Profit and Loss account.

h) Advances

The Bank follows prudential norms formulated by RBI for classifying the assets as Standard, Sub-Standard, Doubtful and Loss assets and are stated at net of the required provision made on non-performing advances.

Provision for advances classified as Standard, Sub-standard, Doubtful & Loss assets are made based on management's assessment, subject to minimum provisions as per RBI guidelines. In addition to the provisions required to be held according to the asset classification status, provisions are held for country exposures as per RBI guidelines. Further the Bank also maintains a provision on unhedged foreign currency exposures as per the RBI guidelines.

i) Fixed Assets

Office Premises is stated at revalued amount less accumulated depreciation / amortisation and all other Fixed Assets are stated at cost less accumulated depreciation / amortisation. Capital work-in-progress comprises of cost of fixed assets that are not yet ready for their intended use as at the reporting date.

Depreciation on the Fixed Assets is charged on straight-line method over the useful life of the fixed assets prescribed in Schedule II of the Companies Act, 2013. The useful life of the group of fixed assets are given below.

Type of Assets	Useful life as per Companies Act, 2013	Useful life as per Bank's Accounting Policy
Office Premises	60 years	60 years
Office equipment (including Air conditioner)	5 years	5 years
EDP Equipment's, Computers*	6 years	3 years
Software*	6 years	3 years
Furniture & Fixtures	10 years	10 years
Motor Car	8 years	8 years

* As per RBI guidelines

Revaluation of Fixed Assets

Premises are revalued every three years by an independent valuer to reflect current market valuation. Appreciation, if any, on revaluation is credited to Revaluation Reserve. Depreciation on the revalued portion of asset is adjusted from revaluation reserves.

Impairment of Assets

An asset is considered as impaired when at the balance sheet date, there are indications that the assets may be impaired and the carrying amount of the asset, or where applicable, the cash-generating unit to which the asset belongs, exceeds its recoverable amount (i.e., the higher of the asset's net selling price and value-in-use). The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal / external factors. If such recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to the recoverable amount and the impairment loss is recognised as an expense in the Profit and Loss Account.

j) Retirement and employee benefits

i) Leave salary - The employees of the Bank are entitled to carry forward leave balance to the subsequent year. This carried forward balance is encashable at the time of either retirement or resignation.

ii) Gratuity - The Bank provides for gratuity, a defined benefit retirement plan, covering eligible employees. The plan provides for lump sum payments to vested employees at retirement or upon death while in employment or on termination of employment for an amount equivalent to 15 days' eligible salary payable for each completed year of service if the service is more than 5 years. The Bank accounts for the liability for future gratuity benefits using the projected unit cost method based on annual actuarial valuation. Gratuity fund is being managed by "LIC Group Gratuity Scheme" and any actuarial gain / loss contribution determined by the actuary are charged to Profit and Loss account and are not deferred.

iii) Provident fund - In accordance with law, all employees of the Bank are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Bank contribute monthly at a pre-determined rate. Contribution to provident fund is recognised as expense as and when the services are rendered. The Bank has no liability for future provident fund benefits other than its annual contribution.

iv) New Pension Scheme (NPS) - In respect of employees who opt for contribution to the NPS, the Bank contributes certain percentage of the basic salary of employees to the aforesaid scheme, a defined contribution plan, which is managed and administered by pension fund management companies. The Bank has no liability other than its contribution and recognises such contributions as an expense in the year incurred.

k) Net Profit / Loss

Profit / Loss for the year is arrived at after providing for non-performing advances, adjustments on valuation of investments, taxes on income, depreciation on fixed assets and other necessary and mandatory provisions.

l) Taxation

Taxes on income are accounted for in accordance with Accounting Standard (AS 22) on "Accounting for Taxes on Income" and comprise current and deferred tax. Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and laws in respect of taxable income for the year, in accordance with the Income Tax Act, 1961.

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e., differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising on account of carry forward losses and unabsorbed depreciation under tax laws are recognised only if there is virtual certainty of its realisation, supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on account of other timing differences are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

The Bank has exercised option referred u/s 115BAA with respect to tax rate, accordingly Minimum Alternative Tax ("MAT") provision u/s 115JB are not applicable on Bank.

m) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Lease transactions are accounted for in accordance with AS 19 – Leases. For operating leases, lease payments are recognised as an expense in the statement of Profit and Loss account on a straight-line basis over the lease term.

n) Accounting for Provisions, Contingent Liabilities and Contingent Assets

The Bank has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long-term contracts. In accordance with Accounting Standard - 29 on 'Provisions, Contingent Liabilities and Contingent Assets', the Bank recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are measured based on the best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

In cases where the available information indicates that the loss on the contingency is reasonably possible, but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Bank does not expect the outcome of these contingencies to have a materially adverse effect on its financial results. Contingent assets are neither recognised nor disclosed in the financial statements.

o) Floating and countercyclical provision

Countercyclical provisioning buffers and floating provisions are the specific amount that the Bank sets aside in good times. The floating provisions can be used only for contingencies under extraordinary circumstances for making specific provisions in impaired accounts after obtaining board's approval and with prior permission of RBI.

p) Cash Flow Statement

Cash Flow Statement is prepared using the indirect method set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Bank. Cash and Cash Equivalents, consist of Cash and Balances with Reserve Bank of India and Balances with Banks and Money at Call and Short Notice (including effect of changes in exchange rates on cash and cash equivalents in foreign currency).

q) Earnings per share

Earnings per share is calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding as at the end of the period.

r) Segment Information

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by RBI.

SCHEDULE 17. B: - NOTES TO THE FINANCIAL STATEMENTS**1. Regulatory Capital****a) Composition of Regulatory Capital**

The Banks are required to disclose Capital adequacy ratio computed under Basel III capital guidelines of the RBI.

(₹ in Crore)

Sr. No.	CRAR ratio as per Basel III	March 31, 2024	March 31, 2023
i)	Common Equity Tier 1 capital (CET 1) / Paid up share Capital and reserves (net of deductions, if any)	747.81	689.75
ii)	Additional Tier 1 Capital / Other Tier 1 Capital	-	-
iii)	Tier 1 Capital (i + ii)	747.81	689.75
iv)	Tier 2 Capital	279.34	282.91
v)	Total Capital (Tier 1+ Tier 2)	1,027.15	972.66
vi)	Total Risk Weighted Assets (RWAs)	6,078.91	6,017.68
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share Capital and reserves as percentage of RWAs	12.30%	11.46%
viii)	Tier 1 Ratio (Tier 1 Capital as a percentage of RWAs)	12.30%	11.46%
ix)	Tier 2 Ratio (Tier 2 Capital as a percentage of RWAs)	4.60%	4.70%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	16.90%	16.16%
xi)	Leverage Ratio	6.92%	6.43%
xii)	Percentage of the shareholding of the Government of India in public sector banks	-	-
	a) Government of India	-	-
	b) State Government	-	-
	c) Sponsor Bank	-	-
xiii)	Amount of paid-up equity Capital raised during the year*	100	-
xiv)	Amount of non-equity Tier 1 Capital raised during the year, of which:		
	a) Basel III compliant Perpetual Non-cumulative Preference Shares	-	-
	b) Basel III compliant Perpetual Debt Instruments		
xv)	Amount of Tier 2 capital raised during the year, of which	-	224
	a) BASEL III Compliant Non-convertible Debentures	-	224

* Including Share premium of ₹2.25 Crore

b) Drawdown from Reserves

As per "Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks – Spreading of MTM losses and creation of Investment Fluctuation Reserve (IFR)" A bank may, at its discretion, drawdown the balance available in IFR in excess of 2 percent of its HFT and AFS portfolio, for credit to the balance of profit / loss as disclosed in the profit and loss account at the end of any accounting year. During FY 2023-24, the Bank has drawdown ₹1.68 Crores from investment fluctuation reserve which was in excess of 2% of bank's HFT and AFS portfolio (Previous Year: NIL). Also Refer Schedule 2 – Reserves and Surplus.

2. Asset Liability Management**a) Maturity pattern of certain items of Assets and Liabilities**

The following table presents the maturity pattern of Assets and Liability pattern as on March 31, 2024.

(₹ in Crore)

Particulars	Day 1	2 to 7 days	8 to 14 Days	15 to 30 Days	31 days and upto 2 months	Over 2 months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	305.47	502.83	219.62	240.87	266.72	318.62	579.63	1,587.10	2,627.73	430.43	33.96	7,112.98
Advances	80.68	162.06	29.23	21.13	284.30	73.00	69.96	264.38	2,326.33	662.97	702.16	4,676.20
Investments	1,838.61	-	-	43.13	164.99	41.35	133.78	244.61	369.29	88.33	133.29	3,057.38
Borrowings	-	-	1.11	-	1.11	43.11	45.33	90.66	321.52	-	224.00	726.84
Foreign Currency Assets	35.89	-	-	-	8.35	18.48	2.38	-	3.85	-	49.23	118.18
Foreign Currency Liabilities	84.67	36.34	3.16	5.52	3.36	1.84	39.84	181.28	550.22	365.28	2.82	1,274.33

The following table presents the maturity pattern of Assets and Liability pattern as on March 31, 2023.

(₹ in Crore)

Particulars	Day 1	2 to 7 days	8 to 14 Days	15 to 30 Days	31 days and upto 2 months	Over 2 months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	384.50	541.28	228.57	320.92	293.03	426.18	575.84	1,717.27	2,591.20	211.35	28.39	7,318.53
Advances	37.30	98.30	44.94	137.07	519.90	138.34	158.10	179.15	2,144.85	687.63	690.35	4,835.93
Investments	2,317.31	2.55	109.98	1.19	197.14	50.80	119.53	310.07	418.05	46.29	119.80	3,692.71
Borrowings	-	797.09	1.11	-	1.11	43.11	45.33	90.66	427.84	75.00	224.00	1,705.25
Foreign Currency Assets	22.27	-	-	-	13.21	47.78	10.97	0.00	5.69	-	51.07	150.99
Foreign Currency Liabilities	84.23	9.39	3.07	5.42	21.08	0.62	74.34	80.20	494.18	185.92	5.86	964.31

b) Liquidity Coverage Ratio (LCR)

The Basel Committee for Banking Supervision (BCBS) had introduced the Liquidity Coverage Ratio (LCR) in order to ensure that a bank has an adequate stock of unencumbered High Quality Liquid Assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. The applicable minimum LCR required to be maintained by banks is 100% as on March 31, 2024.

Quantitative Disclosure

FY 2023-24

(₹ in Crore)

		June 30, 2023		September 30, 2023		December 31, 2023		March 31, 2024	
		Total Un weighted Value (average)	Total Weighted Value (average)	Total Un weighted Value (average)	Total Weighted Value (average)	Total Un weighted Value (average)	Total Weighted Value (average)	Total Un weighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		2,672.47		2,604.02		2,720.36		2,378.58
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	1,867.09	186.71	1,821.02	182.10	1,858.95	185.90	2,494.21	246.68
(i)	Stable deposits	-	-	-	-	-	-	-	-
(ii)	Less stable deposits	1,867.09	186.71	1,821.02	182.10	1,858.95	185.90	2,494.21	246.68
3	Unsecured wholesale funding, of which:	2,465.47	1,412.94	2,273.35	1,274.32	2,150.08	1,255.25	2,258.69	1,318.18
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	2,465.47	1,412.94	2,273.35	1,274.32	2,150.08	1,255.25	2,258.69	1,318.18
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		-		-		-		-
5	Additional requirements, of which	793.15	112.95	877.88	127.39	864.82	131.74	823.77	117.41
(i)	Outflows related to derivative exposures and other	7.01	7.01	6.10	6.10	8.16	8.16	6.35	6.28
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	786.14	105.94	871.78	121.29	856.66	123.58	817.42	111.13
6	Other contractual funding obligations	226.18	226.18	185.22	185.22	186.38	186.38	168.98	167.12
7	Other contingent funding obligations	1,699.11	51.15	1,733.73	52.19	1,692.41	50.92	1,514.69	45.07
8	TOTAL CASH OUTFLOWS		1,989.93		1,821.22		1,810.19		1,894.46
Cash Inflows									
9	Secured lending (e.g. reverse repos)	6.59	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	197.07	112.12	269.59	172.90	251.07	166.02	258.42	157.17
11	Other cash inflows	83.16	44.33	59.35	32.52	55.57	31.62	58.33	31.39
12	TOTAL CASH INFLOWS	286.82	156.45	328.94	205.42	306.64	197.64	316.75	188.56
13	TOTAL HQLA		2,672.47		2,604.02		2,720.36		2,378.58
14	TOTAL NET CASH OUTFLOWS		1,833.48		1,615.80		1,612.55		1,705.90
15	LIQUIDITY COVERAGE RATIO (%)		145.76%		161.16%		168.70%		139.43%

Quantitative Disclosure

FY 2022-23

(₹ in Crore)

		June 30, 2022		September 30, 2022		December 31, 2022		March 31, 2023	
		Total Un weighted Value (average)	Total Weighted Value (average)	Total Un weighted Value (average)	Total Weighted Value (average)	Total Un weighted Value (average)	Total Weighted Value (average)	Total Un weighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		2,705.29		2,748.11		2,672.09		2,527.36
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	1,584.21	158.42	1,851.57	185.16	2,140.66	214.07	2,149.43	214.94
(i)	Stable deposits	-	-	-	-	-	-	-	-
(ii)	Less stable deposits	1,584.21	158.42	1,851.57	185.16	2,140.66	214.07	2,149.43	214.94
3	Unsecured wholesale funding, of which:	2,899.05	1,540.15	2,918.44	1,663.90	2,387.02	1,404.99	2,308.97	1,299.20
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	2,899.05	1,540.15	2,918.44	1,663.90	2,387.02	1,404.99	2,308.97	1,299.20
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		-		-		-		-
5	Additional requirements, of which	693.54	113.92	732.81	121.17	903.61	129.44	719.36	112.08
(i)	Outflows related to derivative exposures and other	8.00	8.00	6.55	6.55	8.93	8.93	10.75	10.75
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	685.54	105.92	726.26	114.62	894.68	120.51	708.61	101.33
6	Other contractual funding obligations	249.87	249.87	345.10	345.10	421.94	421.94	279.61	279.61
7	Other contingent funding obligations	1,423.88	42.90	1,409.62	42.47	1,474.19	44.39	1,603.13	48.28
8	TOTAL CASH OUTFLOWS		2,105.26		2,357.80		2,214.83		1,954.11
Cash Inflows									
9	Secured lending (e.g. reverse repos)	538.10	-	5.98	-	-	-	-	-
10	Inflows from fully performing exposures	172.45	115.05	172.74	109.40	225.24	128.69	248.42	131.81
11	Other cash inflows	174.17	91.56	178.06	93.79	163.19	86.90	132.31	72.36
12	TOTAL CASH INFLOWS	884.72	206.61	356.78	203.19	388.43	215.59	380.73	204.17
13	TOTAL HQLA		2,705.29		2,748.11		2,672.09		2,527.36
14	TOTAL NET CASH OUTFLOWS		1,898.65		2,154.61		1,999.24		1,749.94
15	LIQUIDITY COVERAGE RATIO (%)		142.48%		127.55%		133.66%		144.43%

Qualitative disclosure

The Reserve Bank of India has prescribed monitoring of sufficiency of Bank's liquid assets using Basel III – Liquidity Coverage Ratio (LCR). The LCR is aimed at measuring and promoting short-term resilience of Banks to potential liquidity disruptions by ensuring maintenance of sufficient high-quality liquid assets (HQLAs) to survive in acute stress scenario lasting for 30 days.

The ratio comprises of high-quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator. HQLA has been divided into two parts i.e., Level 1 HQLA which comprises of primarily cash, excess CRR, excess SLR and a portion of mandatory SLR as permitted by RBI (under MSF and FALLCR) and Level 2 HQLA which normally contains the liquid Corporate Securities. Cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities by the outflow run-off rates and cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in within next 30 days.

For classification of deposits, the Bank segregates its deposits into various customer segments, viz Retail (which includes deposits from individuals), Corporate (which includes deposits from corporates) and Others (which includes all other residuary deposits including from Financial Counterparties).

	Line items significant to LCR	Explanatory Note
A	The main drivers of the LCR results and the evolution of the contribution of inputs to the LCR's calculation	<p>The main drivers of LCR results are:</p> <ol style="list-style-type: none"> 1. High-Quality Liquid Asset (HQLA) is one of the major drivers of LCR; the major portion of HQLA consists of the facility to avail liquidity under Marginal Standing Facility (MSF), FALLCR & excess SLR investments. 2. Cash Outflow is another major driver of LCR. The main components of cash outflows are less stable retail deposits, funding from other legal entity and net derivative cash outflow. 3. Another major driver of LCR is Cash Inflow. The main components of cash inflows are inflows by counterparty and net derivative cash inflow.
B	Intra-period changes as well as changes over time	Not Applicable
C	The composition of HQLA	<p>The HQLA comprises of the following:</p> <ol style="list-style-type: none"> 1. Level 1 assets comprised of surplus SLR investments (net of encumbered against REPO, CBLO, MSF, CROMS, other securities pledged for RTGS, SGF, MCX, NSCCL etc.) and 2% of NDTL applicable for MSF and 16.00% of NDTL (FALLCR) as per RBI circular no. RBI/2018-19/164 DBR.BP.BC.No. 34/21.04.098/2018-19 dated 04/04/2019. 2. Level 2A assets comprised of Special (Discom) Bonds issued by State Government, Bonds issued by State Power Distribution Companies, Central Government PSUs excluding the finance companies and bonds of private corporates having rating of AA - and above excluding the finance companies. 3. Level 2B assets comprises of bonds of corporates having ratings of BBB- to A+ excluding the finance companies. 4. Level 2B assets also comprises of NIFTY / SENSEX shares excluding the finance companies.
D	Concentration of funding sources	Bank addresses the funding concentration by monitoring their funding from each significant counterparty, each significant product / instrument and each significant currency ('significant' is defined as aggregate amount is more than 1% of the Bank's liabilities)

E	Derivative exposures and potential collateral calls	Derivative exposure of the Bank consists Forward transactions, cross currency swap, interest rate swaps, options and other RMC approved derivative investments. The Bank has considered the mark-to-market amounts for computing the net cash flows from derivative transactions including the CCIL deals in the LCR computation.
F	Currency mismatch in the LCR	To capture potential currency mismatches, the LCR in each significant currency is monitored. A currency is considered as "significant" if the aggregate liabilities denominated in that currency amount to 5 per cent or more of the Bank's total liabilities. Bank doesn't have currency mismatch in LCR as Bank does not have exposure in 'significant' currency.
G	Degree of centralisation of liquidity management and interaction between the group's units	Liquidity management in the Bank is centralised and monitored by ALM & Treasury team. Interaction between treasury, CBS, ALM team & other functional units are seamless.
H	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	None
I	Other Information	None

The average LCR for the quarter ended March 31, 2024 was at 139.43% as against 144.43% for the quarter ended March 31, 2023 and above the present prescribed minimum requirement of 100%. The average HQLA for the quarter ended March 31, 2024 was ₹2,378.58 crore as against was ₹2,527.36 crore for the quarter ended March 31, 2023.

c) Net Stable Funding ratio (NSFR)

Qualitative Disclosure

The Net Stable Funding Ratio (NSFR) measures the extent to which assets are funded with stable sources of funding so that the risk of future funding stress can be mitigated. The RBI prescribes a minimum NSFR of 100%. Available Stable Funding (ASF) is calculated by applying weightages to capital and liabilities to reflect the portion that is expected to be available over a one-year time horizon. Required Stable Funding (RSF) captures the liquidity characteristics of the assets and the expectation that these assets and off-balance sheet exposures will require funding over the next year. The maturity of assets is taken as being the latest possible date at which the asset may mature. The aim of NSFR requirements is to restrict maturity mismatches between assets and liabilities and limit the reliance on unstable short-term funding to finance potentially illiquid long-term assets. The NSFR reduces long-term refinancing risk and assesses resilience over longer-term time horizon (over 1 year) of the Bank by measuring the extent of stable sources of funds with the Bank to fund its long-term assets. The NSFR shows a Bank's ability to manage structural liquidity risk over a one-year horizon. It ensures that a Bank's long-term illiquid assets are funded with a minimum amount of stable long-term funding.

As of 31st March 2024, Bank maintains the Available Stable Funding (ASF) ₹5,791.79 Crores (Previous Year: ₹5,965.70 Crores) and total Required Stable funding (RSF) at ₹4,259.53 crores (Previous Year: ₹4,690.65 crores). The RSF is primarily driven by total regulatory capital, deposits from retail customers, small business customers and non-financial corporate customers. Required Stable Funding (RSF is primarily driven by unencumbered performing loans with risk weights greater than 35% under the Standardised Approach. NSFR is sensitive to the composition of assets and liabilities and movements due to positions falling / moving into the NSFR 1-year tenor.

The guidelines for NSFR were effective from October 1, 2021. NSFR for all the quarters of Financial year 2023-24 and 2022-23 have been disclosed below.

Quantitative Disclosure

(₹ in Crore)

NSFR Disclosure Template	June 30, 2023				September 30, 2023				December 31, 2023				March 31, 2024			
	Unweighted value by residual maturity				Unweighted value by residual maturity				Unweighted value by residual maturity				Unweighted value by residual maturity			
	No Maturity*	<6 months	6 months to <1 Year	Weighted Value =1 year	No Maturity*	<6 months	6 months to <1 Year	Weighted Value =1 year	No Maturity*	<6 months	6 months to <1 Year	Weighted Value =1 year	No Maturity*	<6 months	6 months to <1 Year	Weighted Value =1 year
ASF Item																
1 Capital: (2+3)	749.96	-	-	224.00	742.92	-	-	224.00	966.92	723.35	0.00	0.00	224.00	947.35	803.15	0.00
2 Regulatory capital	749.96	-	-	224.00	742.92	-	-	224.00	966.92	723.35	0.00	0.00	224.00	947.35	803.15	0.00
3 Other capital instruments	-	-	-	-	-	-	-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4 Retail deposits and deposits from small (5+6) business customers:	751.30	446.47	686.08	1,315.06	803.28	517.43	674.72	1,396.00	3,142.23	780.42	639.74	757.67	1,316.52	3,237.55	715.82	759.79
5 Stable deposits	-	-	-	-	-	-	-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6 Less stable deposits	751.30	446.47	686.08	1,315.06	803.28	517.43	674.72	1,396.00	3,142.23	780.42	639.74	757.67	1,316.52	3,237.55	715.82	759.79
7 Wholesale funding: (8+9)	930.33	1,463.19	954.69	798.55	1,769.38	871.96	1,676.61	755.39	1,779.11	905.52	1,162.98	636.53	717.56	1,494.32	1,059.96	963.49
8 Operational deposits	-	-	-	-	-	-	-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9 Other wholesale funding	930.33	1,463.19	954.69	798.55	1,769.38	871.96	1,676.61	755.39	1,779.11	905.52	1,162.98	636.53	717.56	1,494.32	1,059.96	963.49
10 Other liabilities: (11+12)	201.26	807.82	19.07	-	-	267.08	97.86	21.55	-	227.01	57.49	21.80	0.00	0.00	281.87	58.22
11 NSFR derivative liabilities	3.81	-	-	-	-	6.26	-	-	-	0.00	0.00	0.00	0.00	0.00	18.36	0.00
12 All other liabilities and equity not included in the above categories	197.45	807.82	19.07	-	-	260.82	97.86	21.55	-	227.01	57.49	21.80	0.00	0.00	263.51	58.22
13 Total ASF (1+4+7+10)	2,632.86	2,717.48	1,659.84	2,337.61	5,701.05	2,685.24	2,291.90	1,451.65	2,412.09	5,888.27	2,636.31	1,860.21	1,416.00	2,258.08	2,860.80	1,747.47
RSF Item																
14 Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	157.54	-	-	-	-	138.55	-	-	-	-	-	151.64
15 Deposits held at other financial institutions for operational purposes	83.79	-	-	-	41.89	26.25	-	-	-	13.13	31.07	-	-	-	25.47	-
16 Performing loans and securities: (17+18+19+21+23)	-	1,262.23	425.18	3,017.10	3,399.24	-	944.96	477.69	2,918.31	3,194.01	-	1,193.70	410.21	2,763.96	3,139.33	-
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	130.03	95.42	372.56	439.77	-	111.42	108.32	413.08	483.96	-	169.04	93.66	453.34	525.53	-
19 Performing loans to non-financial corporate clients; loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	1,130.87	305.89	2,459.88	2,797.35	-	832.36	357.44	2,346.72	2,583.65	-	1,024.21	303.33	2,196.84	2,524.47	-
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	456.96	-	-	456.96	-	25.52	-	-	25.52	-	25.52	-	-	-	-
21 Performing residential mortgages, of which:	-	-	23.87	99.14	88.31	-	-	11.93	106.27	81.00	-	-	13.22	104.98	81.46	-
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	23.87	99.14	88.31	-	-	11.93	106.27	81.00	-	-	13.22	104.98	81.46	-
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	1.33	-	85.51	73.81	-	1.18	-	52.23	45.40	-	0.46	-	8.80	7.87	-
24 Other assets: (sum of rows 25 to 29)	503.86	49.12	17.82	54.93	610.95	558.47	68.03	30.76	56.88	693.86	558.63	57.63	27.40	43.26	666.52	102.55
25 Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	98.59	-	-	-	83.80	135.22	-	-	-	114.94	136.01	-	-	-	70.28	-
27 NSFR derivative assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 NSFR derivative liabilities before deduction of variation margin posted	4.57	-	-	-	4.57	5.06	-	-	-	5.06	3.46	-	-	-	3.46	-
29 All other assets not included in the above categories	400.71	49.12	17.82	54.93	522.58	418.19	68.03	30.76	56.88	573.86	413.94	57.63	27.40	43.26	542.24	102.55
30 Off-balance sheet items	2,661.76	-	-	-	98.86	2,867.10	-	-	-	108.47	2,621.11	-	-	-	101.32	2,666.13
31 Total RSF	3,249.41	1,311.35	443.00	3,072.03	4,308.49	3,451.83	1,012.99	508.44	2,975.19	4,147.96	3,210.81	1,251.34	437.60	2,807.22	4,046.35	3,220.45
32 Net Stable Funding Ratio (%)	-	-	-	-	132.32%	-	-	-	-	141.96%	-	-	-	-	140.35%	-

* Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

Quantitative Disclosure

(₹ in Crore)

NSFR Disclosure Template	June 30, 2022				September 30, 2022				December 31, 2022				March 31, 2023							
	Unweighted value by residual maturity			Weighted Value	Unweighted value by residual maturity			Weighted Value	Unweighted value by residual maturity			Weighted Value	Unweighted value by residual maturity			Weighted Value				
	No Maturity*	<6 months	6 months to <1 Year		No Maturity*	<6 months	6 months to <1 Year		No Maturity*	<6 months	6 months to <1 Year		No Maturity*	<6 months	6 months to <1 Year					
ASF Item																				
1	Capital: (2+3)	740.10	-	-	740.10	752.54	-	-	125.00	877.54	757.06	-	-	125.00	882.06	974.93	-	-	-	974.93
2	Regulatory capital	740.10	-	-	740.10	752.54	-	-	-	752.54	757.06	-	-	-	757.06	750.93	-	-	-	750.93
3	Other capital instruments	-	-	-	-	-	-	-	125.00	125.00	-	-	-	125.00	125.00	224.00	-	-	-	224.00
4	Retail deposits and deposits from small business customers: (5+6)	474.30	369.20	603.40	1,988.00	745.84	486.10	606.85	889.67	2,449.46	937.54	472.31	529.34	1,200.15	2,881.50	818.24	468.83	580.88	1,239.14	2,864.88
5	Stable deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Less stable deposits	474.30	369.20	603.40	1,988.00	745.84	486.10	606.85	889.67	2,449.46	937.54	472.31	529.35	1,200.15	2,881.50	818.24	468.83	580.88	1,239.14	2,864.88
7	Wholesale funding: (8+9)	1,322.40	2,072.60	1,304.70	1,188.70	2,615.20	1,561.92	2,421.52	821.97	910.44	2,314.46	2,513.26	963.51	1,024.08	2,250.04	1,231.90	1,431.06	1,269.02	924.97	2,125.89
8	Operational deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Other wholesale funding	1,322.40	2,072.60	1,304.70	1,188.70	2,615.20	1,561.92	2,421.52	821.97	910.44	2,314.46	2,513.26	963.51	1,024.08	2,250.04	1,231.90	1,431.06	1,269.02	924.97	2,125.89
10	Other liabilities: (11+12)	301.30	1.70	-	0.40	-	559.23	4.86	-	0.41	-	428.29	11.48	15.32	-	302.67	865.48	18.13	-	-
11	NSFR derivative liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	301.30	1.70	-	0.40	-	559.23	4.86	-	0.41	-	428.29	11.48	15.32	-	302.67	865.48	18.13	-	-
13	Total ASF (1+4+7+10)	2,838.10	2,443.50	1,908.10	1,916.30	5,343.30	3,619.53	2,912.48	1,428.82	1,925.52	5,641.46	3,362.43	2,997.05	1,508.17	2,349.23	6,013.60	3,327.74	2,765.37	1,868.03	2,164.11
RSF Item																				
14	Total NSFR high-quality liquid assets (HQLA)	-	-	-	148.20	-	-	-	-	156.53	-	-	-	-	-	170.10	-	-	-	179.71
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-	-	66.40	-	-	-	-	33.20	23.27	-	-	11.64
16	Performing loans and securities: (17+18+19+21+23)	99.10	1,367.70	36.70	3,071.40	3,364.70	49.69	1,365.27	59.05	3,232.62	3,484.28	-	1,312.70	195.80	3,989.50	4,207.20	-	1,097.21	239.22	3,588.46
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	99.10	1,367.70	30.70	-	760.00	49.69	1,365.27	53.05	-	745.20	-	36.30	68.70	593.70	633.60	-	41.16	52.14	463.65
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	-	-	-	3,014.20	2,562.10	-	-	-	3,124.78	2,656.06	-	1,269.60	74.30	3,251.30	3,425.60	-	1,049.49	86.35	3,015.21
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-	-	-	-	-	-	-	211.00	-	-	211.00	-	431.16	-	431.16
21	Performing residential mortgages, of which:	-	-	-	55.80	36.30	-	-	-	68.70	44.65	-	-	19.80	84.50	74.70	-	20.10	99.20	84.58
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	55.80	36.30	-	-	-	68.70	44.65	-	-	19.80	84.50	74.70	-	20.10	99.20	84.58
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	6.00	1.40	6.30	-	-	6.00	39.14	38.37	-	6.80	33.00	60.00	73.30	-	6.56	80.63	10.40
24	Other assets: (sum of rows 25 to 29)	1,010.90	-	-	-	995.70	1,291.71	-	-	1,276.36	616.60	7.80	8.10	49.50	666.60	620.18	12.64	11.95	47.12	676.39
25	Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	101.30	-	-	-	86.10	102.35	-	-	87.00	102.80	-	-	-	87.40	103.33	-	-	-	87.83
27	NSFR derivative assets	15.50	-	-	-	15.50	17.26	-	-	17.26	41.90	-	-	-	41.90	25.20	-	-	-	25.20
28	NSFR derivative liabilities before deduction of variation margin posted	2.40	-	-	-	2.40	4.32	-	-	4.32	4.00	-	-	-	4.00	2.56	-	-	-	2.56
29	All other assets not included in the above categories	891.70	-	-	-	891.70	1,167.78	-	-	1,167.78	467.90	7.80	8.10	49.50	533.30	489.09	12.64	11.95	47.12	560.79
30	Off-balance sheet items	71.00	-	-	-	71.00	-	-	-	2.13	761.10	-	-	-	36.60	1,366.41	-	-	-	66.90
31	Total RSF	1,181.00	1,367.70	36.70	3,071.40	4,510.50	1,412.40	1,365.27	59.05	3,232.62	4,919.30	1,444.10	1,320.50	203.90	4,039.00	5,113.70	2,009.86	1,109.85	251.17	3,635.58
32	Net Stable Funding Ratio (%)	-	-	-	118.46%	-	-	-	-	114.67%	-	-	-	-	-	117.60%	-	-	-	127.18%

* Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

3. Investments

a) Composition of Investment Portfolio

As at March 31, 2024

(₹ in Crore)

INVESTMENTS IN INDIA								INVESTMENTS OUTSIDE INDIA				
Particulars	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	1,368.65	-	-	-	-	-	1,368.65	-	-	-	-	1,368.65
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	1,368.65	-	-	-	-	-	1,368.65	-	-	-	-	1,368.65
Available for Sale												
Gross	1,215.79	-	-	79.40	-	117.86	1,413.05	-	-	-	-	1,413.05
Less: Provision for depreciation and NPI	-	-	-	3.63	-	20.09	23.72	-	-	-	-	23.72
Net	1,215.79	-	-	75.77	-	97.77	1,389.33	-	-	-	-	1,389.33
Held for Trading												
Gross	295.40	-	-	4.00	-	-	299.40	-	-	-	-	299.40
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	295.40	-	-	4.00	-	-	299.40	-	-	-	-	299.40
Total Investments	2,879.84	-	-	83.40	-	117.86	3,081.10	-	-	-	-	3,081.10
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	3.63	-	20.09	23.72	-	-	-	-	23.72
Net	2,879.84	-	-	79.77	-	97.77	3,057.38	-	-	-	-	3,057.38

As at March 31, 2023

(₹ in Crore)

INVESTMENTS IN INDIA								INVESTMENTS OUTSIDE INDIA				
Particulars	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	1,570.22	-	-	6.00	-	-	1,576.22	-	-	-	-	1,576.22
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	1,570.22	-	-	6.00	-	-	1,576.22	-	-	-	-	1,576.22
Available for Sale												
Gross	1,980.79	-	5.88	103.50	-	49.4	2,139.57	-	-	-	-	2,139.57
Less: Provision for depreciation and NPI	-	-	0.74	-	-	22.34	23.08	-	-	-	-	23.08
Net	1,980.79	-	5.14	103.50	-	27.06	2,116.49	-	-	-	-	2,116.49
Held for Trading												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments	3,551.01	-	5.88	109.50	-	49.40	3,715.79	-	-	-	-	3,715.79
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	0.74	-	-	22.34	23.08	-	-	-	-	23.08
Net	3,551.01	-	5.14	109.50	-	27.06	3,692.71	-	-	-	-	3,692.71

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
1. Movement of provision held towards depreciation on investments:		
(i) Opening balance	23.08	21.12
(ii) Add: Provision made during the year	3.63	4.13
(iii) Less: Write-off / write-back of excess provision during the year (including depreciation utilised on sale of securities)	2.99	2.17
(iv) Closing balance	23.72	23.08
2. Movement of Investment Fluctuation Reserve		
(i) Opening balance	35.45	20.36
(ii) Add: Amount transferred during the year	-	15.09
(iii) Less: Drawdown	1.68	-
(iv) Closing balance	33.77	35.45
3. Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT / Current category*	2.00%	1.68%

*Net investment is considered

c) Sale and Transfers to / from HTM Category

The Bank has not sold or transferred securities to or from Held to Maturity (HTM) category exceeding 5% of the book value of investment held in HTM category at the beginning of the financial year. The above threshold of 5% excludes one time transfer of securities to / from HTM with approval of the Board permitted to be undertaken by Banks at the beginning of the accounting year, sale to RBI under pre-announced Open Market Operation auctions and repurchase of Government securities by Government of India.

d) Non-SLR investment portfolio**i) Non-performing Non-SLR investments**

Movement in non-performing Non-SLR Investment is set out below:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Opening Balance	0.70	2.87
Additions during the year since 1 st April	3.63	-
Reductions during the above period	0.70	2.17
Closing balance	3.63	0.70
Total Provision held	3.63	0.70



ii) Issuer composition of Non-SLR investments

The issuer composition of Non-SLR investments of the Bank is given below:

As at March 31, 2024

(₹ in Crore)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of below Investment grade securities	Extent of Unrated Securities**	Extent of Unlisted Securities#
1	PSUs	65.40	-	-	-	-
2	FIs	112.14	-	-	-	-
3	Banks	-	-	-	-	-
4	Private Corporates	3.63	-	3.63	-	3.63
5	Subsidiaries/Joint Ventures	-	-	-	-	-
6	Others*	20.09	-	-	20.09	-
7	Provision held towards Depreciation	(23.72)	-	(3.63)	(20.09)	(3.63)
	Total	177.54	-	-	-	-

*This includes security receipt received on sale of assets to ARC

**Excludes investments in equity shares in line with extant RBI guidelines. The amount shows the Book Value of the Investment.

#Excludes investments in equity shares, security receipts, commercial paper and certificate of deposits in line with extant RBI guidelines.

As on March 31, 2023

(₹ in Crore)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of below Investment grade securities	Extent of Unrated Securities**	Extent of Unlisted Securities#
1	PSUs	18.47	-	-	-	-
2	FIs	10.84	-	-	-	-
3	Banks	82.30	-	-	-	-
4	Private Corporates	3.77	-	-	-	-
5	Subsidiaries/ Joint Ventures	-	-	-	-	-
6	Others*	49.40	-	-	22.34	-
7	Provision held towards Depreciation	(23.08)	-	-	(22.34)	-
	Total	141.70	-	-	-	-

*This includes security receipt received on sale of assets to ARC

**Excludes investments in equity shares in line with extant RBI guidelines.

#Excludes investments in equity shares, security receipts, commercial paper and certificate of deposits in line with extant RBI guidelines.

e) Repo/ Reverse repo transactions (in face value terms)

The details of securities sold and purchased under repos and reverse repos including LAF during the year are given below:

FY 2023-24	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2024
Securities Sold under Repurchase Transactions*				
(i) Government Securities	17.05#	1,440.70	393.66	-
(ii) Corporate Debt Securities	-	-	-	-
(iii) Any other securities	-	-	-	-
Securities purchased under Reverse Repurchase Transactions *				
(i) Government Securities	1.00#	455.00	63.60	-
(ii) Corporate Debt Securities	-	-	-	-
(iii) Any other securities	-	-	-	-

* Consist of RBI LAF & TREPS disclosed at face value.

NIL outstanding on any day is ignored for reckoning minimum outstanding.

(₹ in Crore)

FY 2022-23	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2023
Securities Sold under Repurchase Transactions*				
(i) Government Securities	19.00#	1,561.73	450.50	790.56
(ii) Corporate Debt Securities	-	-	-	-
(iii) Any other securities	-	-	-	-
Securities purchased under Reverse Repurchase Transactions *				
(i) Government Securities	4.81#	1,258.00	149.20	-
(ii) Corporate Debt Securities	-	-	-	-
(iii) Any other securities	-	-	-	-

* Consist of RBI LAF & TREPS disclosed at face value.

NIL outstanding on any day is ignored for reckoning minimum outstanding

f) Government Security Lending (GSL) Transaction (in market value terms)

The Bank has not entered into any Government Security Lending Transaction during the FY 2023-24 (PY: NIL).

4. Asset quality**a) Classification of advances and provisions held**

(₹ in Crore)

FY 2023-24	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening balance	4,819.34	20.92	18.32	58.24	97.48	4,916.82
Add: Additions during the year					90.46	
Less: Reductions during the year					64.31	
Closing balance	4,647.54	38.43	20.62	64.58	123.63	4,771.17
Reductions in Gross NPAs due to:						
i) Recoveries (excluding recoveries from upgraded accounts) & Upgradation					30.58	
ii) Technical / Prudential Write-offs					33.73	
iii) Write-offs other than those under (ii) above					-	
Provisions (excluding Floating / Countercyclical Provisions)						
Opening balance of provisions held	25.71	4.33	18.32	58.24	80.89	106.60
Add: Fresh provisions made during the year					37.16	
Less: Excess provision reversed / Write-off loans					23.08	
Closing balance of provisions held	23.85	12.24	18.15	64.58	94.97	118.82
Net NPAs						
Opening Balance		16.59	-	-	16.59	
Add: Fresh additions during the year					20.45	
Less: Reductions during the year					8.38	
Closing Balance		26.19	2.47	-	28.66	

(₹ in Crore)

FY 2022-23	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening balance	4,336.43	29.32	62.97	0.95	93.24	4,429.67
Add: Additions during the year					36.00	
Less: Reductions during the year					31.76	
Closing balance	4819.34	20.92	18.32	58.24	97.48	4,916.82
Reductions in Gross NPAs due to:						
i) Recoveries (excluding recoveries from upgraded accounts) & Upgradation					18.38	
ii) Technical / Prudential Write-offs					13.38	
iii) Write-offs other than those under (ii) above					-	
Provisions (excluding Floating / Countercyclical Provisions)						
Opening balance of provisions held	21.79	12.34	62.81	0.95	76.10	97.89
Add: Fresh provisions made during the year					18.66	
Less: Excess provision reversed / Write-off loans					13.87	
Closing balance of provisions held	25.71	4.33	18.32	58.24	80.89	106.60
Net NPAs						
Opening Balance		16.98	0.16	-	17.14	
Add: Fresh additions during the year					17.34	
Less: Reductions during the year					17.89	
Closing Balance		16.59	-	-	16.59	

(₹ in Crore)

FY 2023-24	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Floating/Countercyclical Provisions						
Opening balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down / utilised during the year						-
Closing balance of floating provisions						-
Technical / prudential write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						399.99
Add: Technical / Prudential write-offs during the year						33.73
Less: Recoveries made from previously technical / prudential written-off accounts during the year						15.57
Closing balance						418.15

(₹ in Crore)

FY 2022-23	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Floating/ Countercyclical Provisions						
Opening balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down / utilised during the year*						-
Closing balance of floating provisions						-
Technical / prudential write-offs and the recoveries made thereon						
Opening balance of Technical / Prudential written-off accounts						389.69
Add: Technical / Prudential write-offs during the year						13.38
Less: Recoveries made from previously technical / prudential written-off accounts during the year						3.08
Closing balance						399.99

Ratios (%)	March 31, 2024	March 31, 2023
Gross NPA to Gross Advances	2.59%	1.98%
Net NPA to Net Advances	0.61%	0.34%
Provision coverage ratio	76.82%	82.98%

b) Sector-wise Advances and Gross NPAs

(₹ in Crore)

Sr. No.	Sector	FY 2023-24			FY 2022-23		
		Outstanding Total Gross Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Gross Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and Allied Activities	694.69	-	-	545.97	-	-
2	Advances to industries sector eligible as priority sector lending	248.19	10.00	4.03%	357.2	2.00	0.56%
	<i>Of Which</i>						
	a. Gems & Jewelry	54.58	-	-	73.99	-	-
	b. Construction	6.67	-	-	56.14	-	-
	c. Chemicals and Chemical Products	68.59	10.00	14.58%	47.48	-	-
	d. Leather and Leather products	27.85	-	-	44.76	-	-
	f. Paper and Paper Products	31.01	-	-	31.69	-	-
3	Services	317.89	-	-	288.01	-	-
	<i>Of which</i>						
	a. NBFC	148.98	-	-	197.18	-	-
	b. Commercial Real Estate	7.09	-	-	44.29	-	-
	c. Trade	57.64	-	-	34.62	-	-
	d. Professional Services	68.40			15.97		
4	Personal loans	155.87	3.44	2.21%	210.67	3.06	1.45%
	Sub-total (A)	1,416.64	13.44	0.95%	1,401.85	5.06	0.36%

b) Sector-wise Advances and Gross NPAs

(₹ in Crore)

Sr. No.	Sector	FY 2023-24			FY 2022-23		
		Outstanding Total Gross Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Gross Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
B	Non-Priority Sector						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Industry	1,021.66	76.29	7.47%	1,186.63	74.21	6.25%
	of which	286.69	76.29	26.61%	264.65	73.31	27.70%
	a. Infrastructure						
	b. Chemical & Chemical Products	204.31	-	-	239.05	-	-
	c. All engineering	86.16	-	-	151.7	-	-
	d. Manufacturing - Basic Metal and Metal Products	112.78	-	-	139.58	-	-
	e. Food Processing	98.40	-	-	53.30	0.90	1.69%
3	Services	1,399.46	-	-	1,197.5	-	-
	of which	334.02	-	-	412.46	-	-
	a. Commercial Real Estate						
	b. NBFC	477.55	-	-	275.48	-	-
	c. Trade	188.41	-	-	218.65	-	-
	d. Other services	141.56	-	-	196.31	-	-
	e. Financial Intermediation	197.42	-	-	-	-	-
4	Personal loans	933.41	33.90	3.63%	1,130.84	18.21	1.61%
	of which	774.68	29.28	3.78%	996.43	13.65	1.37%
	a. Other Retail Loans						
	b. Housing loans	134.42	4.19	3.12%	127.51	4.56	3.58%
	Sub-total (B)	3,354.53	110.19	3.28%	3,514.97	92.42	2.63%
	Total (A+B)	4,771.17	123.63	2.59%	4,916.82	97.48	1.98%

c) Overseas Assets, NPAs and Revenue

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Total Assets	-	-
Total NPAs	-	-
Total Revenue for the year ended	-	-

d) Particulars of resolution plan and restructuring*

Details of Resolution Plan (RP) implemented under Prudential Framework for Resolution of Stressed Assets dated June 07, 2019 are given below. Details of loans restructured under COVID have been provided under Note 4(h).

(₹ in Crore)

		Agriculture & Allied activities		Corporates (Excluding MSME)		Micro, Small & Medium Enterprises		Retail (Excluding Agriculture & MSME)		Total	
		FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Standard	Number of Borrowers	-	-	-	-	-	-	-	-	-	-
	Gross Amount	-	-	-	-	-	-	-	-	-	-
	Provision held	-	-	-	-	-	-	-	-	-	-
Sub-standard	Number of Borrowers	-	-	-	-	-	-	-	-	-	-
	Gross Amount	-	-	-	-	-	-	-	-	-	-
	Provision held	-	-	-	-	-	-	-	-	-	-
Doubtful	Number of Borrowers	-	-	1	-	-	-	-	-	1	-
	Gross Amount	-	-	68.15	-	-	-	-	-	68.15	-
	Provision held	-	-	68.15	-	-	-	-	-	68.15	-
Total	Number of Borrowers	-	-	1	-	-	-	-	-	1	-
	Gross Amount	-	-	68.15	-	-	-	-	-	68.15	-
	Provision held	-	-	68.15	-	-	-	-	-	68.15	-

*Includes NCDs received as part of restructuring plan currently classified as non-performing investment.

e) Divergence in asset classification and provisioning

RBI has directed that banks shall make suitable disclosures, wherever either (a) the additional provisioning requirements assessed by RBI exceed 5 percent of the reported profit before provisions and contingencies for the reference period or (b) the additional Gross NPAs identified by RBI exceed 5 percent of the published incremental Gross NPAs for the reference period, or both.

No divergence was observed by RBI in respect of the Bank's asset classification and provisioning under the extant prudential norms on income recognition asset classification and provisioning (IRACP) post their assessment of the books of accounts for the Financial Year 2022-23 which requires such disclosures.

f) Disclosure of transfer of loan exposure

- The Bank has not transferred any stressed loans (non-performing asset and Special Mention Account) and loan not in default during the year ended March 31, 2024.
- The Bank has not acquired any stressed loans (NPA and SMA accounts) during the year ended March 31, 2024.
- Details of loans not in default acquired during the year through assignment as given below:

Particulars	March 31, 2024	March 31, 2023
Aggregate amounts of loans acquired (₹ in crore)	12.68	369.35
Aggregate consideration paid (₹ in crore)	10.14	295.48
Weighted average residual maturity (in years)	1.77	2.15
Weighted average holding period by originator (in years)	0.70	0.68
Retention of beneficial economic interest by the originator	20%	20%
Tangible security coverage	Unsecured loans	Unsecured loans
Rating wise distribution of rated loans*	Unrated	Unrated

*The loans are unrated as these are from non-corporate borrowers.

(iv) Details on recovery ratings assigned for Security Receipts as on March 31, 2024:

(₹ in Crore)

Recovery Rating [^]	Anticipated recovery as per recovery rating	March 31, 2024	March 31, 2023
		Book Value**	Book Value**
BWRR1/ BWRR1+	100% - 150%	-	2.42
India Rating (RR3)/BWRR3	50% - 75%	2.42	2.25
RR5/Unrated*	0% - 25%	17.67	17.67
Total		20.09	22.34

[^] Recovery rating is as assigned by various external agencies.

*Represents security receipts for which 8 years have been completed.

**The Bank has not made any investment in Security Receipts during the year ended March 31, 2024, and March 31, 2023. Provision against the outstanding Security Receipts as on March 31, 2024 is ₹20.09 Crore and as on March 31, 2023 is ₹22.34 Crore.

g) Fraud accounts

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Number of loan frauds reported [^]	376	144
Amount involved in fraud	1.46	2.27
Amount involved in fraud net of recoveries / charge-offs as at the end of the year	1.46	2.27
Provisions held as at the end of the year	-	-
Un-amortised provision debited from 'other reserves'	-	-

[^]The number of frauds reported during the year include 360 cases (Previous Year: 110 cases) with amount involved of ₹1.36 crores (Previous Year: ₹0.17 crores) where claim has not been admitted by the Bank. The loss suffered by the Bank is ₹0.01 crores (Previous Year: ₹0.13 crores), in those cases where the claim is admitted, and the Bank is under an obligation to settle the same and no further provision is required to be made in all other cases of fraud.

h) COVID-19

Details of resolution plans implemented under the RBI Resolution Framework for COVID-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) as at are given below:

FY 2023-24

(₹ in Crore)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Addition during the period**	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2023
Personal Loans	-	-	-	-	-	-
Corporate Persons*	3.82	-	-	0.21	0.20	3.81
Of which, MSMEs	3.82	-	-	0.21	0.20	3.81
Others	3.23	-	-	0.37	0.26	3.12
Total	7.05	-	-	0.58	0.46	6.93

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

**New additions is on account of interest accrued for customers opted for resolution.

(₹ in Crore)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Addition during the period**	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2024
Personal Loans	-	-	-	-	-	-
Corporate Persons*	3.81	-	-	0.25	0.21	3.77
<i>Of which, MSMEs</i>	3.81	-	-	0.25	0.21	3.77
Others	3.12	0.41	-	0.73	0.15	2.13
Total	6.93	0.41	-	0.98	0.36	5.90

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

**New additions is on account of interest accrued for customers opted for resolution.

FY 2022-23

(₹ in Crore)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Addition during the period**	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2022
Personal Loans	-	-	-	-	-	-
Corporate Persons*	3.94	-	-	0.25	0.18	3.87
<i>Of which, MSMEs</i>	3.94	-	-	0.25	0.18	3.87
Others	5.06	0.80	-	0.28	0.20	4.18
Total	9.00	0.80	-	0.53	0.38	8.05

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

**Also includes interest accrued on customers opted for resolution 2.0.

(₹ in Crore)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the September 30, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Addition during the period**	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end March 31, 2023
Personal Loans	-	-	-	-	-	-
Corporate Persons*	3.87	-	-	0.23	0.18	3.82
<i>Of which, MSMEs</i>	3.87	-	-	0.23	0.18	3.82
Others	4.18	0.80	-	0.36	0.21	3.23
Total	8.05	0.80	-	0.59	0.39	7.05

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

**Also includes interest accrued on customers opted for resolution 2.0.

5. Exposures

a) Exposure to Real Estate Sector

(₹ in Crore)

Category	March 31, 2024	March 31, 2023
a) Direct Exposure		
(i) Residential Mortgages	423.88	417.48
(ii) Commercial Real Estate	575.40	760.12
(iii) Investments in Mortgage-Backed Securities (MBS) and other securitised exposures		-
(a) Residential		-
(b) Commercial Real Estate		-
b) Indirect Exposure		-
Fund based and non-fund-based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).*	16.75	42.50
Total Exposure to Real Estate Sector	1,016.03	1,220.10

*includes investment exposure

b) Exposure to Capital Market

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
i. Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	5.88
ii. Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii. Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv. Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-
v. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	135.76	122.00
vi. Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii. Bridge loans to companies against expected equity flows / issues;	-	-
viii. Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
ix. Financing to stockbrokers for margin trading;	-	-
x. All exposures to Venture Capital Funds (both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with the capital market exposure ceilings (both direct and indirect)	-	-
Total Exposure to Capital Market	135.76	127.88

c. Risk category-wise country exposure

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table.:

(₹ in Crore)

Risk Category	Exposure (net) as at March 31, 2024	Provision held as at March 31, 2024	Exposure (net) as at March 31, 2023	Provision held as at March 31, 2023
Insignificant	38.31	-	21.27	-
Low	16.81	-	9.96	-
Moderately Low	6.33	-	-	-
Moderate	-	-	31.92	-
Moderately High	1.85	-	-	-
High	-	-	-	-
Very High	-	-	-	-
Total	63.30	-	63.15	-

d. Unsecured advances

Unsecured advances have been appropriately classified under 'Schedule 9. Details as per RBI guidelines are as follows:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Total unsecured advances of the bank	260.55	615.71
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

e. Factoring exposures

There were no factoring exposures during the current financial year. (Previous Year: NIL)

f. Intra-group exposures

Intra-Group exposures in accordance with RBI guidelines are as follows:

(₹ in Crore)

Sr. No.	Particulars	March 31, 2024	March 31, 2023
1	Total amount of intra-group exposures	18.26	16.60
2	Total amount of top-20 intra-group exposures	18.26	16.60
3	Percentage of intra-group exposures to total exposure of the Bank on borrowers/customers*	0.23%	0.21%
4	Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	-	-

*includes bank exposure

g. Disclosure on Single / Group Borrower Limits

The RBI has prescribed limits linked to a bank's eligible capital base in respect of exposures to single counterparty and group of connected counterparties. Breaches if any observed were appropriately reported to RBI.

h. Unhedged Foreign Currency Exposure

The Bank closely monitors the unhedged foreign currency exposures of its corporate clients and also factors this risk into the pricing. The information on the unhedged foreign currency exposures of the corporate is obtained on a quarterly basis and riskiness of the same with respect to the USD – INR exchange rate fluctuation is assessed.

As on 31st March 2024, Bank has unhedged foreign currency exposure which is appropriately considered in the computation of credit risk RWA as on 31st March 2024. The Bank addresses the currency induced credit risk in a comprehensive manner and the incremental provisioning and capital held by the Bank on account of the same as on March 31, 2024 is as follows:

Unhedged Foreign Currency Exposure provisions for current year:

(₹ in Crore)

Incremental standard asset provision required as per RBI guideline	Outstanding as on March 31, 2024	Incremental standard advance provision as on March 31, 2024
0 bps	4,443.38	-
20 bps	79.01	0.16
40 bps	39.97	0.16
60 bps	-	-
80 bps	85.18	0.68

Unhedged Foreign Currency Exposure provisions for previous year:

(₹ in Crore)

Incremental standard asset provision required as per RBI guideline	Outstanding as on March 31, 2023	Incremental standard advance provision as on March 31, 2023
0 bps	4,479.42	-
20 bps	172.46	0.34
40 bps	60.07	0.24
60 bps	-	-
80 bps	107.37	0.86

6. Concentration of deposits, advances, exposures and NPAs

a. Concentration of Deposits

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Total deposits of twenty largest depositors	1,524.09	1,576.56
Percentage of Deposits to twenty largest depositors to total deposits of the Bank	21.43%	21.54%

b. Concentration of Advances*#

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Total advances to twenty largest borrowers	1,307.88	1,230.79
Percentage of Advances to twenty largest borrowers to total advances of the Bank	16.90%	16.44%

* Excluding banking exposures

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

c) Concentration of Exposures*

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Total Exposures to twenty largest borrowers / customers	1,319.73	1,230.79
Percentage of Exposures to twenty largest borrowers / Customers to Total Exposures of the Bank on borrowers / Customers	16.62%	16.09%

*Excluding banking exposures

d) Concentration of NPA*

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Total Exposure to the top twenty NPA accounts	101.66	86.80
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	79.89%	89.05%

*Represent fund based, non-fund based outstanding and non-performing investments

7. Derivatives

a. Forward Rate Agreement / Interest Rate Swap

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
The notional principal of swap agreements	450.10	-
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	6.72	-
Collateral required by the Bank upon entering into swaps	-	-
Concentration of credit risk arising from the swaps (with Banks)	15.00	-
The fair value of the swap book [(Payable) / Receivable]	3.17	-

Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps by the Bank

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

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

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

All the derivative transactions in the trading book, including FX forward will be marked to market except the transactions that took place in form of funding swap in banking book for hedging purposes, which will be valuing on carrying cost. For valuation purposes, Bank is using Fair Valuation Policy.

The Bank is calculating Market risk in the form of Market risk capital charge for all the interest rate sensitive derivative instruments on daily basis.

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

b. Exchange Traded Interest Rate Derivatives

(₹ in Crore)

Sr. No.	Particulars	March 31, 2024	March 31, 2023
i	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	-	-
ii	Notional principal amount of exchange traded interest rate derivatives outstanding (instrument-wise)	-	-
iii	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-	-
iv	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-	-

C. Disclosures on risk exposure in derivatives**1. Qualitative Disclosures*****The structure and organisation for management of risk in derivatives trading:***

Treasury operation is segregated into three different department's viz. front office, mid office and back office. The primary role of front office is to conduct business, that of mid office is to ensure compliance in accordance with set norms and policies and that of back office is to process / settle the transactions.

The Bank has in place policies and procedures, which have been approved by Board of Directors, to ensure adherence to various risk parameters and prudential limits.

The scope and nature of risk measurement, risk reporting and risk monitoring systems:**i. Risk Measurement**

For foreign exchange contracts, risk is measured through a daily report called, Value at Risk (VAR), which computes VAR on the forex, gaps using FEDAI VAR factors. In addition, the Bank has set its Risk Appetite in the form of Stop Loss and Counterparty Exposure Limit.

ii. Risk Reporting and Risk monitoring systems

The Bank has the following reports / systems in place, which are reviewed by the top management:

- VAR
- Net Overnight Open Position, as per report
- Aggregate Gap Limit (AGL)/Individual Gap Limit (IGL)
- Stop Loss Limits

iii. The Bank has the following policy paper in place, and approved by Board

- Market Risk Policy
- Investment and Trading Policy
- Asset-Liability Management (ALM) policy

Accounting Policy:

All outstanding derivatives transactions (forex forwards, currency swaps, interest rate swaps and options excluding spot for banking and Trading deals are considered as derivatives in the book of the Bank) are booked as off-balance sheet items. The trading positions are revalued on a marked to market basis whereas the funding/investment swaps follow the accrual basis of accounting.

2. Quantitative Disclosures

(₹ in Crore)

Sr. No.	Particulars	March 31, 2024			March 31, 2023		
		Currency Derivatives		Interest Rate Derivatives	Currency Derivatives		Interest Rate Derivatives
		FX Forwards	Cross currency swap		FX Forwards	Cross currency swap	
1	Derivatives notional Principal Amount	6,112.69	300.10	150.00	5,718.72		-
	(a) For hedging	1,546.52	-	-	1,997.80		-
	(b) For trading	4,566.17	300.10	150.00	3,720.92		-
2	Marked to Market position						
	(a) Asset (+)	96.95	6.28	0.45	75.04		-
	(b) Liability (-)	118.52	3.49	0.06	49.75		-
3	Credit Exposure	420.26	36.29	1.95	330.26		-
4	Likely impact of one percentage change in Interest Rate (100*PV01)*						
	(a) On hedging derivatives	13.70	-	-	7.73		-
	(b) On trading derivatives	(0.62)	(0.06)	0.84	(0.42)		-
5	Maximum and Minimum of 100*PV01 observed during the year						
	(a) On hedging	-	-	-	-		-
	Maximum	16.11	-	-	8.47		-
	Minimum	7.55	-	-	1.61		-
	(b) On trading	-	-	-	-		-
	Maximum	0.45	(0.02)	1.84	0.42		-
	Minimum	(0.64)	(0.06)	0.65	0.06		-

*Amounts represent the loss which the Bank may suffer on account of change in interest rate by 1%

d. Credit default swaps

The Bank has not dealt in any Credit Default Swaps during the financial year (Previous year: NIL).

8. Disclosures relating to securitisation

The Bank has not sponsored any SPVs for securitisation transactions during the year and there is no securitisation transaction outstanding as at March 31, 2024 (Previous Year: NIL)

9. Off-balance sheet SPVs sponsored

There have been no Off-balance sheet SPVs sponsored during the financial year. (Previous Year: NIL)

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

The details of amount transferred during the respective year to DEAF are as under

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Opening balance of amounts transferred to DEAF	0.80	0.79
Add : Amounts transferred to DEAF during the year	0.00	0.01
Less : Amounts reimbursed by DEAF towards claims	0.00	-
Closing balance of amounts transferred to DEAF	0.80	0.80

11. Disclosure of Complaints**a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman**

(₹ in Crore)

Sr. No.	Particulars	FY 2023-24	FY 2022-23
Complaints received by the bank from its customers			
1	Number of complaints pending at the beginning of the year	52	-
2	Number of complaints received during the year	3,552	3,576
3	Number of complaints disposed during the year	3,569	3,524
	3.1 - Of which, number of complaints rejected by the bank	-	-
4	Number of complaints pending at the end of the year	35	52
Maintainable complaints received by the bank from OBOs			
5	Number of maintainable complaints received by the bank from OBOs	839	1,117
	5.1 - Of 5, number of complaints resolved in favor of the bank by BOs	815	1,078
	5.2 - Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Bos	23	39
	5.3 - Of 5, number of complaints resolved after passing of awards by BOs against the bank	1	-
6	Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

b) Top five grounds of complaints received by the bank from customers**FY 2023-2024**

Grounds of complaints, i.e. (complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Internet Banking & Mobile Banking	1	1,496	878%	5	1
Account opening / difficulty in operation of accounts	29	1,241	(50%)	22	-
Credit Cards	5	617	192%	8	-
ATM / Debit Cards	7	80	(65%)	-	-
Recovery agent or DSA	-	56	(24%)	-	-
Others	10	62	(87%)	-	-
Total	52	3,552	(1%)	35	1

FY 2022-2023

Grounds of complaints, i.e. (complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Account opening / difficulty in operation of accounts	-	2,483	913 %	29	18
ATM / Debit Cards	-	227	2,170 %	7	5
Credit Cards	-	211	905 %	5	-
Internet / Mobile / Electronic Banking	-	153	410 %	1	-
Levy of charges without prior notice / excessive charges / foreclosure charges	-	34	3,300 %	0	-
Others	-	468	55 %	10	6
Total	-	3,576	487 %	52	29

12. Disclosure of Penalties imposed by RBI

There are no penalties imposed on our Bank by the Reserve Bank of India (RBI) during FY 2023-24. (Previous Year: During the FY 2022-23 Reserve Bank of India had imposed penalty of ₹ 5 (in thousand) on our Bank in one instance of non-submission of ATM cash out report).

Additional provision as advised by RBI for Non-compliance of automation of IRAC

As at March 31, 2024 the Bank has maintained provision of ₹ 4.17 Crore (Previous Year: ₹ 4.17 Crore) as advised by RBI vide its letter dated March 13, 2023 for non-compliance of guidelines of IRAC automation. Accordingly, no additional provision made during the FY 2023-24 (Previous Year: ₹ 2.97 Crore).

13. Disclosure on Remuneration

Qualitative disclosures	
(a) Information relating to the composition and mandate of the Nomination and Remuneration Committee.	<p>The Nomination and Remuneration Committee (NRC) is responsible for providing oversight of the appointment / re-appointment and remuneration of senior management and other key personnel and ensuring that their compensation is consistent with the legal and regulatory framework, Bank's culture, objectives, strategy and control environment. The NRC is also responsible for providing assessment of board effectiveness and directing the process of renewing and replacing board members. It is responsible for remuneration, succession planning and other board concerns.</p> <p>The members of the committee are given below:</p> <ol style="list-style-type: none"> 1. Mr. Shyam Sundar Barik 2. Mr. Ameet Patel 3. Mr. Umesh Jain 4. Mr. Raoul Gufflet

Qualitative disclosures	
<p>(b) Information relating to the design and structure of remuneration processes and the key features and objectives of Remuneration policy.</p>	<p>The Bank follows the following practices and principles in designing and structuring the remuneration process:-</p> <p>A focus on long-term, risk-adjusted performance and reward mechanism by focusing on performance of the individual employee, the relevant line of business or function and the Bank as a whole. It seeks to drive accountability, and co-relate risk, financial performance and compensation.</p> <p>Key features and objectives of Remuneration policy are: The Bank follows a Cash plus Benefits (Fixed Pay plus Benefits) approach in its Compensation framework by providing competitive level of compensation to attract and retain qualified and competent staff members.</p> <p>The compensation should be adjusted for all types of risk.</p> <p>The policy was last reviewed in February 2024. New benefits introduced by the Bank were included in the Compensation policy.</p> <p>In case of Risk and Compliance staff, the mix of fixed and variable compensation is weighted in favour of fixed compensation.</p>
<p>(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.</p>	<p>Bank has in place a robust risk and performance management system to capture, monitor, and control the risks created by its business activities. The goal is to not only manage the risks of the bank, but also to create a culture of risk awareness, risk quantification and measurement and personal accountability. It seeks to ensure that the potential for any risk-taking by any individual, group, or business is controlled.</p>
<p>(d) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration.</p>	<p>In determining total compensation, the bank considers the overall scope of an employee's responsibilities, the performance history of the individual with the Bank, comparisons with other staff within the bank, external market compensation, and the overall performance of the function and the Bank as whole.</p>
<p>(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.</p>	<p>The Bank is currently unlisted, with plans of listing at an appropriate time. Till that time, the long-term incentives (LTI) will be paid as a cash payout to a limited number of eligible employees (MRTs & WTD) as decided by the Board and the following RBI guideline will apply:</p> <p>In terms of RBI circular on Compensation dated November 4, 2019 Annex Clause B II. 2.1.2 (a) "only in cases where the compensation by way of share-linked instruments is not permitted by law/regulations, the</p>

Qualitative disclosures	
	<p>entire variable pay can be in cash"; and as per Clause B II. 2.1.2(b) (iii) "in the event that an executive is barred by statute or regulation from grant of share-linked instruments, his/her variable pay will be capped at 150% of the fixed p.a., but shall not be less than 50% of the fixed pay." The other relevant provisions in respect of variable pay such as deferral, vesting, malus/claw-back, etc. would be as per the RBI Guidelines. At least 50% of the cash variable will be deferred. The deferral period of variable pay will be decided based on evaluation at the end of Annual performance cycle each calendar year and will be between 3 to 5 years.</p> <p>Post-listing, in the eventuality of the Bank's equity shares being listed in the stock exchange(s), the Bank will use a Share-linked Long-term incentive to help drive a 'pay for performance' culture and link employees' individual wealth creation to the organisational success. In such case, the deferred pay due to the employee shall be converted to non-cash component with immediate effect.</p> <p>In the event of negative contributions of the bank in any year, the deferred compensation will be subject to malus arrangements which permits the Bank to prevent vesting of all or part of the amount of a deferred remuneration, but it does not reverse vesting after it has already occurred.</p>
<p>(f) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the Bank utilises and the rationale for using these different forms.</p>	<p>There will be a proper balance between the fixed and the variable pay. The proportion of variable pay will be higher at higher levels of responsibility and could be in cash, or stock linked instruments or mix of both.</p> <p>The variable remuneration includes short-term & long-term variable remuneration. The Short-term variable remuneration includes Annual bonus & Short-term incentives.</p> <p>Short-term Incentives (paid quarterly) - Sales incentive will be self-funded – i.e. it aims to carve out a portion of profits in excess of target level as profit sharing pool and divide among employees of the organisation. Funds earned through improved financial performance are available for payouts.</p>

Qualitative disclosures	
	<p>Annual Bonus - The Variable bonus will be paid out of a budgeted provision, but actual payouts will be determined on the basis of Bank's / Department's / Individual performance.</p> <p>The parameters for eligibility will be informed each year to the staff members. The plan will exclude those who are not on payrolls at the end of the year or in the notice period at the time of payment of Bonus.</p> <p>Long-term Incentive (LTI)</p> <p>The Company is currently unlisted, with plans of listing at an appropriate time. Till such that time, the LTI will be paid as a cash payout to a limited number of eligible employees (MRTs & WTD) as decided by the Board and the following RBI guidelines will apply:</p> <p>In terms of RBI circular on Compensation dated November 4, 2019 Annex Clause B II. 2.1.2 (a) "only in cases where the compensation by way of share-linked instruments is not permitted by law / regulations, the entire variable pay can be in cash"; and as per Clause B II. 2.1.2(b) (iii) "in the event that an executive is barred by statute or regulation from grant of share-linked instruments, his / her variable pay will be capped at 150% of the fixed p.a., but shall not be less than 50% of the fixed pay."</p> <p>The other relevant provisions in respect of variable pay such as deferral, vesting, malus / claw-back, etc. would be as per the RBI Guidelines. At least 50% of the cash variable will be deferred. The deferral period of variable pay will be decided based on evaluation at the end of Annual performance cycle each calendar year and will be between 3 to 5 years.</p> <p>In cases where the cash component of variable pay is under ₹25 lakh, deferral requirements would not be necessary.</p> <p>Post-listing, in the eventuality of the Bank's equity shares being listed in the stock exchange(s), the Bank will use a Share-linked Long-term incentive to help drive a 'pay for performance' culture and link employees' individual wealth creation to the organisational success. In such case, the deferred pay due to the employee shall be converted to non-cash component with immediate effect.</p>

			March 31, 2024	March 31, 2023																																										
Quantitative disclosures	(g)	Number of meetings held by the Nomination and Remuneration Committee during the financial year and remuneration paid to its members.	9 meetings held and ₹ 0.17 Crore remuneration paid.	3 meetings held and ₹ 0.05 Crore remuneration paid.																																										
	(h)	i) Number of employees having received a variable remuneration award during the financial year. (ii) Number and total amount of sign-on / joining bonus made during the financial year. (iii) Details of severance pay, in addition to accrued benefits, if any.	6 NIL NIL	4 NIL NIL																																										
	(i)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms. (ii) Total amount of deferred remuneration paid out in the financial year.	₹1.23 crore ₹0.68 crores	₹1.23 crore -																																										
	(j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred	MD & CEO Chief Operations Officer & CIO Head – Corporate Banking Head – Retail Banking Head – Treasury <table><tr><th>Particulars</th><th>Total</th></tr><tr><td>Pay</td><td>11.14</td></tr><tr><td>Variable</td><td>2.64</td></tr><tr><td>PF</td><td>0.42</td></tr><tr><td>NPS</td><td>0.07</td></tr><tr><td>Perquisites</td><td>0.04</td></tr><tr><td>PF Perk</td><td>0.11</td></tr><tr><td>PF Interest Perk</td><td>0.06</td></tr><tr><td>Gratuity</td><td>0.40</td></tr><tr><td>TOTAL</td><td>14.88</td></tr><tr><td>Deferred Pay - to be paid in Apr 2024, 2025 & 2026</td><td>1.23</td></tr></table>	Particulars	Total	Pay	11.14	Variable	2.64	PF	0.42	NPS	0.07	Perquisites	0.04	PF Perk	0.11	PF Interest Perk	0.06	Gratuity	0.40	TOTAL	14.88	Deferred Pay - to be paid in Apr 2024, 2025 & 2026	1.23	MD & CEO Chief Operations Officer & CIO Head – Corporate Banking Head – Retail Banking Head – Treasury <table><tr><th>Particulars</th><th>Total</th></tr><tr><td>Pay</td><td>8.17</td></tr><tr><td>Variable</td><td>1.45</td></tr><tr><td>PF</td><td>0.42</td></tr><tr><td>NPS</td><td>0.12</td></tr><tr><td>Perquisites</td><td>0.01</td></tr><tr><td>PF Perk</td><td>0.19</td></tr><tr><td>PF Interest Perk</td><td>0.02</td></tr><tr><td>TOTAL</td><td>10.38</td></tr><tr><td>Deferred Pay - to be paid in Apr 2023, 2024 & 2025</td><td>1.23</td></tr></table>	Particulars	Total	Pay	8.17	Variable	1.45	PF	0.42	NPS	0.12	Perquisites	0.01	PF Perk	0.19	PF Interest Perk	0.02	TOTAL	10.38	Deferred Pay - to be paid in Apr 2023, 2024 & 2025	1.23
Particulars	Total																																													
Pay	11.14																																													
Variable	2.64																																													
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PF Interest Perk	0.02																																													
TOTAL	10.38																																													
Deferred Pay - to be paid in Apr 2023, 2024 & 2025	1.23																																													

	(k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments. (ii) Total amount of reductions during the financial year due to ex post explicit adjustments. (iii) Total amount of reductions during the financial year due to ex post implicit adjustments	NIL NIL NIL	NIL NIL NIL		
	(l)	Number of Material Risk Takers (MRTs) identified.	6	6		
	(m)	(i) Number of cases where malus has been exercised. (ii) Number of cases where clawback has been exercised. (iii) Number of cases where both malus and clawback have been exercised.	NIL NIL -	NIL NIL -		
General Quantitative Disclosure	(n)	The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay	Particulars	₹ in Crore	Particulars	₹ in Crore
			Mean salary + Perk	0.22	Mean salary + Perk	0.22
			WTD's salary + Perk	3.68	WTD's salary + Perk	3.77
			Difference / deviation in ₹	3.46	Difference / deviation in ₹	3.55

14. Other disclosures

a. Business ratios

Particulars	March 31, 2024	March 31, 2023
Interest Income as a percentage to Working Funds*	8.57%	7.09%
Non-Interest Income as a percentage to Working Funds*	2.12%	2.14%
Cost of Deposits	6.59%	5.53%
Net Interest Margin##	2.76%	2.50%
Operating Profit as a percentage to Working Funds*	(0.19)%	0.40%
Return on Assets**	(0.49)%	0.22%
Business (Deposits plus Advances) per employee (₹ in Crore) #	17.01	23.94
Profit / (Loss) per employee (₹ in Crore)	(0.06)	0.04

* Working Funds represent monthly average of total assets (excluding accumulated losses) during the year as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949.

** Return on Assets is computed with reference to Average Working Funds (excluding accumulated losses).

Deposits exclude inter-bank deposits.

Net Interest Income / Average Earning Assets. Net Interest Income = Interest Income – Interest Expense

- All ratios are annualised

b. Bancassurance business

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

(₹ in Crore)

Sr. No.	Nature of Income	March 31, 2024	March 31, 2023
1	For selling life insurance policies	0.29	0.18
2	For selling non-life insurance policies	0.38	0.39
3	For selling mutual fund products	0.87	0.34
4	Others	-	-

c. Marketing and distribution

There are no fees / remuneration received in respect of marketing and distribution function during the financial year.

d. Disclosures regarding Priority Sector Lending Certificates (PSLCs)

The amount of PSLCs (category wise) sold and purchased during the year:

(₹ in Crore)

Sr. No.	Type of PSLCs	March 31, 2024		March 31, 2023	
		Purchase	Sale	Purchase	Sale
1	PSLC – Agriculture	250.00	-	-	-
2	PSLC – SF / MF	100.00	150.00	-	-
3	PSLC – Micro Enterprises	300.00	-	-	-
4	PSLC – General	-	-	-	-
	TOTAL	650.00	150.00	-	-

e. Provisions & Contingencies

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Provision towards Non-Performing Assets (including write-off and recoveries)	24.96	15.08
Provision for Standard Assets	(1.86)	3.92
Provision for Income Tax (including Deferred Tax)	3.33	-
Provisions for diminution in fair value Restructured Advances	-	-
Provision for Country Risk	-	-
Provisions for Non-Performing Investment (including write-off and recoveries)	-	(2.17)
Total	26.43	16.83

f. Implementation of IFRS converged Indian Accounting Standards (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 had to 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 or thereafter. However, necessary legislative amendments to make the format of financial statements, prescribed in the Third Schedule to Banking Regulation Act 1949, compatible with accounts under Ind AS are under consideration of the Government of India. Accordingly, the RBI, through its circular dated March 22, 2019, deferred the implementation of IND-AS until further notice. Progressing towards IND AS, the Bank has been submitting proforma financial to the RBI on half yearly basis as per extant regulatory guidelines.

g. Payment of DICGC Insurance Premium

(₹ in Crore)

Sr. No.	Particulars	March 31, 2024	March 31, 2023
i)	Payment of DICGC Insurance Premium	8.47	8.03
ii)	Arrears in payment of DICGC premium	-	-

h. Disclosure of Letters of Comforts (LoCs) issued by banks

The Bank has not issued any Letters of Comforts during the FY 2023-24 (PY:2022-23).

i. Portfolio-level information on the use of funds raised from green deposit

The Bank has not raised funds from green deposit in FY 2023-24 (PY:NIL).

15. Description of contingent liabilities

Sr. No.	Contingent Liabilities	Brief
1	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.
2	Liability on account of forward exchange and derivative contracts	The Bank enters into foreign exchange contracts, currency options, forward rate agreements, 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 recognised 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 favourable (assets) or unfavourable (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.
3	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial 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.
4	Other items for which the Bank is contingently liable	<ul style="list-style-type: none"> - Purchase of securities pending settlement - Capital Commitments - Amount deposited with RBI under Depositors Education and Awareness Fund - Others including regulatory notices

Refer Schedule 12 for amounts relating to contingent liability

16. Contingent Liabilities

Claims against the Bank not acknowledged as Debts' item of Contingent Liability includes Income Tax of ₹ 5.29 Crore (Previous Year: ₹ 8.69 Crore) and Service tax of ₹ 0.22 Crore (Previous Year: ₹ 0.22 Crore). The Bank has gone in appeal to Income Tax Appellate Tribunal (ITAT) and High Court against the income tax assessment order of the department for AY 1999-00 to 2008-09, AY 2012-13 and AY 2014-15 to 2017-18. The appeals are pending for the final outcome of the ITAT and high court and the Bank is expecting favourable judicial decisions. For Service tax, the Bank has filed responses to Custom, Excise & Service Tax Appellate Tribunal (CESTAT) on January 31, 2019, and the Bank is expecting favorable judicial order.

17. Provision for Long-term contracts

The Bank has assessed its long-term contracts (including Derivative Contracts) for material foreseeable losses and made adequate provisions in the books of accounts, under any law/accounting standards wherever applicable and disclosed the same under the relevant notes in the financial statements.

18. Deferred Tax

In accordance with AS-22 on "Accounting for Taxes on Income", the Bank has recognised Deferred Tax Assets on such timing differences where there is a reasonable certainty that such deferred tax assets can be reversed against the deferred tax liability. Deferred tax asset on accumulated carry forward business losses and depreciation is not recognised as there is no virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

The major composition of Deferred Tax Liabilities (DTL) & Deferred Tax Assets (DTA) is as under:

(₹ in Crore)

Sr. No.	Particulars	March 31, 2024	March 31, 2023
A.	DTA		
(i)	Provision for Loan Losses, Floating Provision and counter cyclical provision	6.17	5.59
(ii)	Provision for Standard Advances	1.55	1.78
(iii)	Provision for Funded Interest Term Loan	-	-
(iv)	Disallowed Expenses	0.74	1.43
(v)	Unabsorbed Losses	-	-
	Total DTA	8.46	8.80
B.	DTL		
(i)	Depreciation on Fixed Assets	(8.46)	(8.80)
	Total DTL	(8.46)	(8.80)
C.	NET DTL / (DTA)	-	-

19. Segment Reporting

Part A: Business Segments

In accordance with RBI guidelines, the Bank has identified the following three primary segments: Treasury, Corporate Banking and Retail Banking. These segments are identified based on nature of services provided, risk and returns, organisational structure of the Bank and the internal financial reporting system.

Treasury Operations:

Undertakes Derivative Trading, Money Market Operations and Investment in Bonds, Treasury Bills, Government Securities, CP, CD and Foreign Exchange Operations. The revenue of this segment consists of interest earned on funding, investment income and gains on Government Securities, CP, CDs and debentures/ bonds, profit/loss on exchange and derivative transactions. The principal expenses of this segment consist of cost of funds, personnel cost, other direct overheads and allocated expenses.

Corporate Banking:

Primarily comprises of funded advances to Corporate. Revenue of this segment consists of interest earned on loans made to corporate clients, interest earned on cash float and fees received from fee-based activities like letter of credit, guarantee etc. The principal expenses of this segment consist of interest cost on funds borrowed allocated based on personnel costs and allocated expenses.

Retail Banking:

Consists of revenue arising out of personal loan, housing loan and other retail products. This also includes revenue arising out of digital & payments services.

As per the RBI Circular DOR.AUT.REC.12/22.01.001/2022-23 dated April 07, 2022 on establishment of Digital Banking Unit (DBU), for the purpose of disclosure under 'Accounting Standard 17 - Segment Reporting', 'Digital Banking' has been identified as a sub-segment of the existing 'Retail Banking' segment by Reserve Bank of India (RBI). The Bank has not set up any Digital banking units (DBUs) as mentioned in the above referred RBI circular; hence NIL is reported as DBU. Accordingly, the Bank has only disclosed existing digital banking products, under the Digital Banking as a sub segment within Retail banking segment.

FY 2023-2024

(₹ in Crore)

Business Segments	Corporate	Treasury	Retail		Other Banking	Total
			Other Retail	Digital Banking		
Revenue	438.22	273.40	158.39	130.65	-	1000.66
Results	81.13	(14.95)	(38.81)	(78.20)	-	(50.83)
Unallocated Revenue / (Expenses)						10.92
Operating Profit						(39.91)
Income Taxes						3.34
Extraordinary Profit / Loss						-
Net profit / (Loss)						(43.25)
Other Information						-
Segment Assets	3,860.17	3,883.50	922.68	198.82	-	8,865.17
Unallocable Assets						80.71
Total Assets						8,945.88
Segment liabilities	3,949.53	466.42	2,757.20	864.19	-	8,037.34
Unallocable Liabilities						908.54
Total Liabilities						8,945.88
Capital expenditure during the year						39.61
Depreciation expenditure during the year						22.65

FY 2022-2023

(₹ in Crore)

Business Segments	Corporate	Treasury	Retail		Other Banking	Total
			Other Retail	Digital Banking		
Revenue	405.81	242.28	145.96	122.90	-	916.95
Results	84.78	13.97	(54.94)	(23.32)	-	20.49
Unallocated Revenue / (Expenses)						0.33
Operating Profit						20.82
Income Taxes						-
Extraordinary Profit / Loss						-
Net profit / (Loss)						20.82
Other Information						-
Segment Assets	3,915.92	4,896.35	868.16	374.22	-	10,054.65
Unallocable Assets						70.60
Total Assets						10,125.25
Segment liabilities	5,391.18	1,285.59	1,751.41	931.15	-	9,359.33
Unallocable Liabilities						765.92
Total Liabilities						10,125.25
Capital expenditure during the year						9.49
Depreciation expenditure during the year						14.83

Part B: Geographic Segments

The Bank operates as a single unit in India and as such has no identifiable geographical segments subject to dissimilar risks and returns. Hence, no information relating to geographical segments are presented.

Notes for segment reporting:

1. In computing the above information, certain estimates and assumptions have been made by the management and have been relied upon by the auditors.
2. Assets, liabilities, income and expenses which cannot be allocated to any segments have been classified as unallocated.

20. Disclosure under Employee Benefits – Revised Accounting Standard 15

- a) The contribution to employees Provident Fund amounted to ₹6.50 Crore for the year ended March 31, 2024. (Previous Year: ₹4.85 Crore).
- b) The Bank has a policy to pay leave encashment to employees either at the time of resignation or on their retirement.
- c) The Bank does not have pension scheme for its employees. However, the Bank contributes up to 10% of eligible employees' salary per annum, to the New Pension Fund administered by a Pension Fund Regulatory and Development Authority (PFRDA) appointed pension fund manager. The Bank recognises such contributions as an expense in the year when an employee renders the related service. Such contribution for the year is ₹0.77 Crore (Previous Year: ₹0.66 Crore).
- d) As per the actuarial valuation, the Bank expects to contribute ₹6.74 Crore to gratuity fund in financial year 2024-2025.

I) Change in the Present value of Projected Benefit Obligation:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Present Value of Benefit Obligation at the Beginning of the year	8.46	6.08
Interest Cost	0.63	0.43
Current Service Cost	3.54	2.32
(Benefit paid from the Fund)	(0.68)	(0.18)
Past Service Cost	-	-
Liability Transferred In / Acquisitions	-	-
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	0.27	(0.26)
Actuarial (Gains) / Losses on Obligations - Due to Experience	(0.59)	0.07
Present Value of Benefit Obligation at the End of the year	11.63	8.46

II) Change in the Fair Value of Plan Assets:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Fair Value of Plan Assets at the Beginning of the year	6.80	4.63
Expected Return on Plan Assets	0.51	0.33
Contributions by the Employer	2.64	1.96
Assets Transferred In / Acquisitions	-	-
(Benefit Paid from the Fund)	(0.68)	(0.18)
Actuarial Gains / (Losses) on Plan Assets - Due to Experience	(0.29)	0.06
Fair Value of Plan Assets at the End of the year	8.98	6.80

III) Actuarial (Gains) / Losses Recognised in the Profit and Loss Account:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Actuarial (Gains) / Losses on Obligation for the year	(0.32)	(0.19)
Actuarial (Gains) / Losses on Plan Asset for the year	0.29	(0.06)
Actuarial (Gains) / Losses Recognised in the Profit or Loss Account	(0.03)	(0.25)

IV) Actual Return on Plan Assets:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Expected Return on Plan Assets	0.51	0.33
Actuarial Gains / (Losses) on Plan Assets - Due to Experience	(0.29)	0.06
Actual Return on Plan Assets	0.22	0.39

V) Amount Recognised in the Balance Sheet:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
(Present Value of Benefit Obligation at the end of the year)	(11.63)	(8.46)
Fair Value of Plan Assets at the end of the year	8.98	6.80
Funded Status (Surplus / (Deficit))	(2.65)	(1.66)
Unrecognised Past Service Cost at the end of the year	-	-
Net (Liability) / Asset Recognised in the Balance Sheet	(2.65)	(1.66)

VI) Net Interest Cost:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Present Value of Benefit Obligation at the Beginning of the year	8.46	6.08
(Fair Value of Plan Assets at the Beginning of the year)	(6.81)	(4.63)
Net Liability / (Asset) at the Beginning	1.65	1.45
Interest Cost	0.63	0.43
(Expected Return on Plan Assets)	(0.51)	(0.33)
Net Interest Cost for Current Year	0.12	0.10

VII) Expenses Recognised in the Profit or Loss Account:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Current Service Cost	3.54	2.32
Net Interest Cost	0.13	0.10
Actuarial (Gains) / Losses	(0.03)	(0.25)
Past Service Cost - Vested Benefit Recognised During the year	-	-
Expenses Recognised in the Profit or Loss Account	3.64	2.17

VIII) Balance Sheet Reconciliation:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Opening Net Liability	1.66	1.45
Expense Recognised in Profit or Loss Account	3.64	2.17
Net Liability / (Asset) Transfer In	-	-
Net (Liability) / Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(2.64)	(1.96)
Net Liability / (Asset) Recognised in the Balance Sheet	2.66	1.66

IX) Category of Assets:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	8.98	6.80
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	8.98	6.80

Actuarial assumptions:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Expected Return on Plan Assets	7.23%	7.50%
Rate of Discounting	7.23%	7.50%
Rate of Salary Increase	6.88%	6.88%
Rate of Employee Turnover	6.00%	6.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)

Experience Adjustments:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Plan Assets	8.98	6.80
Defined Benefit Obligation	11.63	8.46
Surplus / (Deficit)	(2.65)	(1.66)
Experience adjustment gain / (loss) on plan assets	(0.29)	0.57
Experience adjustment (gain) / loss on plan liabilities	(0.59)	0.68

21. Related Party Transactions

Related Party Transactions in terms of AS-18 on "Related Party Disclosures" are disclosed below:

The below category includes only those related parties with whom transactions have occurred during the year and / or previous year.

1	Ultimate Parent	SBM Holdings Limited
2	Parent	SBM (Bank) Holdings Limited
3	Subsidiaries of Parent	SBM Bank (Mauritius) Limited SBM Bank (Kenya) Limited
4	Key Management Personnel	a. Board of Directors b. Managing Director & Chief Executive Officer – Mr. Sidharth Rath (resigned w.e.f. 16.11.2023) Mr. Deepak Agarwal (from 17.11.2023 to 16.02.2024); Mr. Ashish Vijayakar (from the closure of business hours on 16.02.2024) c. Chief Financial Officer – Mr. Saileshkumar Shah d. Company Secretary – Ms. Ruchi Sheth (from 29.05.2023 to 10.11.2023); Mr. Mehul Somaiya (From 22.03.2024) e. Head of Corporate Banking – Mr. Dipak Agarwal f. Head of Treasury – Mr. Mandar Pitale g. Head of Consumer & Retail Banking – Mr. Neeraj Sinha (resigned w.e.f. closing of business hours on 01.02.2024)

Transactions during the FY 2023-24 :

(₹ in Crore)

Particulars	Parent		Subsidiaries of the Parent		Key Management Personnel		Total	
	Outstanding	Maximum Balance	Outstanding	Maximum Balance	Outstanding	Maximum Balance	Outstanding	Maximum Balance
Liabilities								
Deposit	-	-	41.60	688.04	11.13	13.16	52.73	701.20
Borrowings	-	-	-	-	-	-	-	-
Interest payable	-	-	-	-	-	-	-	-
MTM loss on FX forwards	-	-	-	-	-	-	-	-
Other Payable	-	3.63	-	-	-	-	-	3.63
Total	-	3.63	41.60	688.04	11.13	13.16	52.73	704.83
Assets								
Lending	-	-	-	-	2.49	3.61	2.49	3.61
Balances with Bank	-	-	0.30	1.47	-	-	0.30	1.47
Interest receivable	-	-	-	-	0.26	0.26	0.26	0.26
MTM gain on FX forwards	-	-	-	-	-	-	-	-
Other Receivable	0.12	0.12	10.92	10.92	-	-	11.04	11.04
Total	0.12	0.12	11.22	12.39	2.75	3.87	14.09	16.38
Off-Balance Sheet items								
FX Forwards	-	-	0.11	228.25	-	-	0.11	228.25
Total	-	-	0.11	228.25	-	-	0.11	228.25

(₹ in Crore)

Particulars	Parent	Subsidiaries of the Parent	Key Management Personnel	Total
Profit & Loss Account Items				
Interest Received	-	-	0.14	0.14
Other Income	-	10.92	-	10.92
Interest Paid	-	-	0.18	0.18
Fees Paid	-	-	2.18	2.18
Salary Cost	-	-	10.54	10.54
Management and other reimbursement expenses	6.86	-	-	6.86

Transactions during the FY 2022-23:

(₹ in Crore)

Particulars	Parent		Subsidiaries of the Parent		Key Management Personnel		Total	
	Outstanding	Maximum Balance	Outstanding	Maximum Balance	Outstanding	Maximum Balance	Outstanding	Maximum Balance
Liabilities								
Deposit	-	-	41.56	274.14	3.87	3.87	45.43	278.01
Borrowings	-	-	-	160.00	-	-	-	160.00
Interest payable	-	-	-	0.23	-	-	-	0.23
MTM loss on FX forwards	-	-	-	-	-	-	-	-
Payable to group	0.39	0.39	-	-	-	-	0.39	0.39
Total	0.39	0.39	41.56	434.37	3.87	3.87	45.82	438.63
Assets								
Lending	-	-	-	-	3.62	3.78	3.62	3.78
Balances with Bank	-	-	0.50	3.25	-	-	0.50	3.25
Interest receivable	-	-	-	-	-	-	-	-
MTM gain on FX forwards	-	-	-	-	-	-	-	-
Total	-	-	0.50	3.25	3.62	3.78	4.12	7.03
Off-Balance Sheet items								
FX Forwards	0.16	-	-	-	-	-	0.16	-
Total	0.16	-	-	-	-	-	0.16	-

(₹ in Crore)

Particulars	Parent	Subsidiaries of the Parent	Key Management Personnel	Total
Profit & Loss Account Items				
Interest Received	-	-	0.07	0.07
Interest Paid	-	0.23	0.24	0.47
Fees Paid	-	-	1.00	1.00
Salary Cost	-	-	11.49	11.49
Management and other reimbursement expenses	9.73	-	-	9.73

22. Impairment of Assets

There is no impairment of any of the fixed assets and as such no provision is required as per AS-28 on "Impairment of Assets".

23. Earnings Per Share

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Net profit after tax	(43.25)	20.82
Weighted average number of equity shares outstanding (in absolute no.)	83,59,10,818	82,36,25,084
Basic and diluted earnings per share in ₹	(0.52)	0.25

24. Following disclosure is made as per the requirement of The Micro, Small and Medium Enterprises Development Act, 2006.

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
The principal amount remaining unpaid to any supplier	-	0.09
The interest due thereon (above principal amount) remaining unpaid to any supplier	-	-
The amount of interest paid by the buyer in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day for the year ended	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	-	-

25. Revaluation of Fixed Assets

The Bank computes depreciation on revalued premises over its estimated remaining useful life and accordingly an amount of ₹ 0.84 crores (PY: ₹ 0.67 crores) has been accounted as depreciation and reduced from the Revaluation Reserve during FY 2023-24.

Revaluation was done in the FY 2022-23 and accordingly there was upward valuation in revaluation account amounting to ₹ 5.49 crores.

26. Software capitalised under Fixed Assets

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Cost at beginning of the year (gross)	62.30	52.90
Additions during the year	16.09	9.40
Deductions during the year	0.00	0.00
Depreciation to date	57.31	44.64
Net Block	21.08	17.66

27. Disclosure on Remuneration to Non-executive Directors

The Non-Executive Independent Directors are paid remuneration by way of sitting fees for attending meetings of Board and its committees. An amount of ₹ 2.18 Crore (Previous Year: 1 Crore) was paid as sitting fees to the Non-Executive Independent Directors during the year.

28. Accounting for leases

(a) Financial lease

Bank has not entered into any financial lease in current year as well as previous year.

(b) Operating lease

The lease agreement entered pertains to use of premises by the Corporate Office and Branches. There is no sub lease arrangement.

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
1. Total future minimum lease payments as at year-end:	60.40	56.49
– Not later than one year	12.98	15.78
– Later than one year but not later than five years	27.71	29.67
– Later than five years	19.71	11.04
2. Lease payments recognised in the Profit and Loss Account in Schedule 16	17.91	15.35

29. Corporate Social Responsibility

Bank has constituted the Corporate Social Responsibility (CSR) Committee of the Board, in accordance with the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility) Rules, 2014, as amended.

The details of CSR expenditure are given below:

(₹ in Crore)

Particulars	March 31, 2024	March 31, 2023
Amount required to be spent by the company during the year	0.68	0.34
Amount of expenditure incurred	0.70	0.27
Shortfall at the end of the year	-	0.07
Total of previous years shortfall	-	-
Reason for shortfall	-	In line with the Bank's commitment to sustainable living, poverty alleviation and promotion of healthcare and sanitation, it is proposed to allocate the unspent funds of ₹0.73 million to the 'PM's National Relief Fund'.
Nature of CSR activities	Promotion of healthcare and medical research, education program for underprivileged children, skill development and livelihood training for farmers.	Promotion of healthcare and sanitation, poverty alleviation and measures to reduce inequalities, environmental sustainability and rural development.
Details of related party transactions in relation to CSR expenditure as per relevant accounting standard	-	-
Movements in the provision during the year with respect to liability incurred by entering into a contractual obligation	-	-

30. Capital Commitment

Capital Commitment outstanding as on March 31, 2024 amounts to ₹ 15.38 Crores. (Previous Year: ₹ 8.97 Crores).

31. Other expenditure:

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

FY 2023-24

(₹ in Crore)

Particulars	FY 2023-24
IT Expenses	62.75
Card Network Expense & ATM Charges	41.04
Referral Fees	12.95
Currency Note Handling Charges	9.62

FY 2022-23

(₹ in Crore)

Particulars	FY 2022-23
Debit card expense	15.87
IT Expenses	49.09
Referral Fees	10.24
Network Expenses	20.28
Currency Note Handling Charges	10.31

32. Other liabilities (including provisions)

As of March 31, 2024, there were no items under Schedule 5.5 which exceeded 1% of the total assets.
(Previous year NIL)

33. Other Assets

Details of others included in Other Assets in Schedule 11, exceeding 1% of the total asset are set out below:

FY 2023-24

(₹ in Crore)

Particulars	FY 2023-24
Unrealised gain on foreign exchange and derivative contract	101.42
Settlement & Receivable baances	100.73

FY 2022-23

(₹ in Crore)

Particulars	FY 2022-23
Settlement & Receivable balances	182.80

34. Other Income

Details of income included in under Schedule 14.8, exceeding 1% of the total income are set out below
(Previous year NIL):

FY 2023-24

(₹ in Crore)

Particulars	FY 2023-24
Insurance claim against Cyber Fraud	10.92

35. During the financial year ended March 31, 2024, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines and internal policies, as applicable.

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

36. Previous year's figures have been regrouped / reclassified, wherever considered necessary, in order to make them comparable with figures for the current year.

For K.S Aiyar & Co Chartered Accountants ICAI Firm Registration Number: 100186W	For SBM Bank (India) Limited	
Mr. Rajesh Joshi Partner ICAI Membership No. 038526	Mr. Ashish Vijayakar Managing Director & Chief Executive Officer	Mr. Ameet Patel Independent Director
Place: Mumbai Date: May 29, 2024	Mr. Saileshkumar Shah Chief Financial Officer	Mr. Mehul Somaiya Company Secretary



SBM Bank (India) Ltd.

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