SBM Bank (Mauritius) Limited Indian Operations*

Annual Report For Financial Year Ending 31st March 2016

*SBM Bank (Mauritius) Limited Indian Operation is now amalgamated with SBM Bank (India) Limited as per the Wholly Owned Subsidary Scheme of RBI with effect from December 1, 2018

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

Golf View Corporate Tower-B
Sector-42, Sector Road
Gurgaon-122 002, Haryana, India
Tel : +91 124 464 4000
Fax : +91 124 464 4050

INDEPENDENT AUDITORS' REPORT

To
The CEO India Operations,
SBM Bank (Mauritius) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of SBM Bank (Mauritius) Limited, India Operations (hereinafter referred to as the 'Bank'), which comprise the Balance Sheet as at 31 March, 2016, the Profit and Loss Account and the Cash Flow statement for the year then ended, and a summary of significant accounting policies and notes to the financial statements.

Management's Responsibility for the Financial Statements

The Bank's management is responsible for 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 provisions of Section 29 of the Banking Regulation Act, 1949, accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013 (the "Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, in so far as they apply to the Bank and with the guidelines issued by Reserve Bank of India and in conformity with Form A and B (revised) of the Third Schedule to the Banking Regulation Act, 1949, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Bank's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the

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circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank's management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with the notes thereon give the information required by the Banking Regulation Act, 1949 as well as the Act, in the manner so required for the banking companies and give a true and fair view of the state of affairs of the Bank as at 31 March 2016, its loss and its cash flows for the year ended on that date.

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 provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014

2. As required under sub section (3) of section 30 of the Banking Regulation Act, 1949 and the appointment letter dated 16 November 2015, we report that:

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

(c) the financial accounting systems of the Bank are centralised and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by branches; we have visited 3 branches for the purpose of our audit.

3. Further, as required by section 143(3) of the Act, we further report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;

(c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 in so far as they apply to the Bank;

(e) Reporting requirement pursuant to provision of Section 164 (2) of the Act, are not applicable considering this is a branch of SBM Bank (Mauritius) Limited;

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(f) With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer schedule 12.1 and Note 23 of Schedule 18 to the financial statements;

ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts - Refer Note 25 of Schedule 18 to the financial statements; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.

For S. R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

S.R. Batliboi & Associates LLP * Gurgaon *

per Amit Kabra
Partner
Membership Number: 094533
Place: Gurgaon
Date: 20 July 2016

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SBM BANK (MAURITIUS) LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SBM Bank (Mauritius) Limited, India Operations (the "Bank") as of 31 March 2016 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 management 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 issued by the Institute of Chartered Accountants of India (the "Guidance Note"). 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Bank's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately

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and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management of the Bank; and (3) 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 Over Financial Reporting

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

Opinion

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016 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.

For S. R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra
Partner
Membership Number: 094533
Place: Gurgaon
Date: 20 July 2016

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SBM Bank (Mauritius) Ltd.
(Incorporated in the Republic of Mauritius with Limited Liability)
INDIAN OPERATIONS

Balance Sheet

	Schedule	As at 31-Mar-2016 (Amount in ₹)	As at 31-Mar-2015 (Amount in ₹)
CAPITAL & LIABILITIES			
Capital	1	4,769,584,122	4,769,584,122
Reserves & Surplus	2	395,659,924	827,512,367
Deposits	3	9,706,462,394	7,649,687,938
Borrowings	4	199,855,447	887,192,505
Other Liabilities and Provisions	5	745,162,475	643,968,803
Total		**15,816,724,362**	**14,777,945,735**
ASSETS			
Cash and Balances with R B I	6	296,939,177	394,016,159
Balances with banks and Money at Call and Short Notice	7	807,333,516	723,172,944
Investments	8	7,003,561,500	5,477,012,085
Advances	9	6,280,737,627	6,613,941,642
Fixed Assets	10	704,316,911	696,313,925
Other Assets	11	723,835,631	873,488,980
Total		**15,816,724,362**	**14,777,945,735**
Contingent Liabilities	12	10,396,596,381	18,410,017,723
Bills for Collection		2,697,428,078	2,551,828,144
Accounting Policies & Notes on Accounts	18		

As per our attached Report of even date.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

per Amit Kabra
(Partner)
Membership No. 094533

Place: Gurgaon
Date : 20-07-2016

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For SBM Bank (Mauritius) Ltd.

C. Vasudevan
Acting CEO - Indian Operations

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SBM Bank (Mauritius) Ltd.
(Incorporated in the Republic of Mauritius with Limited Liability)
INDIAN OPERATIONS

Profit and Loss Account

		Schedule	Period Ended 31-Mar-2016 (Amount in ₹)	Period Ended 31-Mar-2015 (Amount in ₹)
I.	**INCOME**			
	Interest earned	13	1,290,054,655	1,467,107,675
	Other income	14	140,470,016	54,763,426
	Total		**1,430,524,671**	**1,521,871,101**
II.	**EXPENDITURE**			
	Interest expended	15	830,639,521	945,522,334
	Operating expenses	16	384,366,817	162,551,175
	Operating profit before provision and taxes		**215,518,333**	**413,797,592**
	Provisions & contingencies	17	644,816,771	397,528,986
	Provision for Advances		*262,235,954*	*396,929,143*
	Provision for Investments (M-T-M)		*(188,784)*	*(4,248,715)*
	Provision for Taxes		*382,769,601*	*4,848,558*
	Total		**1,859,823,109**	**1,505,602,495**
III.	**PROFIT/LOSS**			
	Net profit/loss (-) for the year		(429,298,438)	16,268,606
	Profit/Loss brought forward		(63,086,294)	(75,287,748)
	Total		**(492,384,732)**	**(59,019,142)**
IV.	**APPROPRIATIONS**			
	Transfer to Statutory Reserves		-	4,067,152
	Transfer to Capital Reserve			
	Transfer to Investment Fluctuation Reserve			
	Profit remitted to Head Office		-	-
	Balance carried over to Balance Sheet		(492,384,732)	(63,086,294)
	Total		**(492,384,732)**	**(59,019,142)**

As per our attached Report of even date.

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

per Amit Kabra
(Partner)
Membership No. 094533

Place: Gurgaon
Date : 20-07-2016

For SBM Bank (Mauritius) Ltd.

C. Vasudevan
Acting CEO - Indian Operations

S.R. Batliboi & Associates LLP * Gurgaon *

SBM BANK (MAURITIUS) LTD. SBM MUMBAI

Schedules forming part of the Balance Sheet

SCHEDULE 1 : CAPITAL

	31-Mar-2016 (Amount in ₹)	31-Mar-2015 (Amount in ₹)
Capital		
At the beginning of the year	4,769,584,122	4,769,584,122
Additions during the year	4,769,584,122	4,769,584,122
	-	-
Total	**4,769,584,122**	**4,769,584,122**

Notes:

1) Amount of deposit kept with RBI in the form of approved securities for March 2016 under section 11 2(b) of the Banking Regulation Act, 1949 is Rs. - Face value Rs 45,00,00,000.00 (Previous Year Rs 45,00,00,000.00)

SCHEDULE 2 : RESERVES AND SURPLUS

		31-Mar-2016 (Amount in ₹)	31-Mar-2015 (Amount in ₹)
I.	**Statutory Reserve**		
	Opening Balance	359,879,978	355,812,826
	Additions during the year	-	4,067,152
	Deductions during the year	-	-
	Sub Total	**359,879,978**	**359,879,978**
II.	**Capital Reserve**		
	Opening Balance	58,054,335	58,054,335
	Additions during the year	-	-
	Deductions during the year	-	-
	Sub Total	**58,054,335**	**58,054,335**
III.	**Retained Earnings**		
	Opening Balance	320,098,227	320,098,227
	Additions during the year	-	-
	Deductions during the year	-	-
	Sub Total	**320,098,227**	**320,098,227**
IV.	**Revaluation Reserve**		
	Opening Balance	152,566,121	162,714,041
	Additions during the year	-	-
	Deductions during the year	2,554,005	10,147,920
	Sub Total	**150,012,116**	**152,566,121**
V.	**Balance in Profit and Loss Account**	**(492,384,732)**	**(63,086,294)**
	Total (I + II + III + IV + V)	**395,659,924**	**827,512,367**

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SCHEDULE 3 : DEPOSITS

A.I. Demand Deposits		
(i) From Banks	17,495,125	7,372,973
(ii) From Others	344,912,928	451,124,540
A.II. Savings Bank Deposits	542,742,821	140,742,517
A.III. Term Deposits		
(i) From Banks	3,000,000	-
(ii) From Others	8,798,311,520	7,050,447,908
Total	**9,706,462,394**	**7,649,687,938**
B.I. Deposits of branches in India	9,706,462,394	7,649,687,938
B.II. Deposits of branches outside India	-	-
Total	**9,706,462,394**	**7,649,687,938**

SCHEDULE 4 : BORROWINGS

I. Borrowings in India		
(i) Reserve Bank of India	-	-
(ii) Other Banks	-	-
(iii) Other Institutions and Agencies	199,855,447	887,192,505
Sub Total		
II. Borrowings outside India	-	-
Total (I + II)	**199,855,447**	**887,192,505**
Secured Borrowings included in I & II above	199,855,447	887,192,505

SCHEDULE 5 : OTHER LIABILITIES AND PROVISIONS

I. Bills Payable	13,650,206	1,726,146
II Interest Accrued	568,084,148	411,883,529
III. Deferred Tax Liability (Net)	-	-
IV. Others (including Provisions)	163,428,121	230,359,128
Total	**745,162,475**	**643,968,803**

SCHEDULE 6 : CASH AND BALANCES WITH RBI

I. Cash in Hand (including Foreign Currency Notes - NIL)	3,108,596	3,189,333
II. Balances with Reserve Bank of India in Current Account	293,830,581	390,826,826
Total	**296,939,177**	**394,016,159**

SCHEDULE 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE

I. In India		
i) Balances with banks in		
(a) Current Accounts	4,889,419	9,364,499
(b) Other Deposit Accounts	-	-
ii) Money at call and short		
(a) with Banks	210,000,000	89,918,570
(b) with Other Institutions	-	-
Sub Total	**214,889,419**	**99,283,069**
II. Outside India		
i) in Current Accounts	128,659,097	311,389,875
ii) in Other Deposit Accounts	-	312,500,000
iii) in Money at Call and Short Notice	463,785,000	-
Sub Total	**592,444,097**	**623,889,875**
Total (I & II)	**807,333,516**	**723,172,944**

SCHEDULE 8 : INVESTMENTS

I. Investments in India in		
i) Government Securities	1,986,157,413	2,931,011,737
ii) Other Approved Securities	-	-
iii) Shares	6,970,490	6,180,701
iv) Debentures and Bonds	2,175,503,440	993,872,700
v) Subsidiaries and /or Joint Venture	-	-
vi) Others (CD, CP & SR)	2,834,930,157	1,546,135,732
Sub Total	**7,003,561,500**	**5,477,200,870**
Less : Provision for Depreciation	-	188,785
Sub Total	**7,003,561,500**	**5,477,012,085**
II. Investments outside India	-	-
Total (I & II)	**7,003,561,500**	**5,477,012,085**

SCHEDULE 9 : ADVANCES

A i) Bills Purchased and Discounted	249,120,332	193,826,364
ii) Cash Credits, Overdrafts and Loans repayable on Demand	2,712,906,842	3,682,507,326
iii) Term loans	3,318,710,453	2,737,607,952
Total	**6,280,737,627**	**6,613,941,642**
B i) Secured by Tangible Assets (includes advances against Book debts)	6,280,411,798	6,609,064,486
ii) Covered by Bank / Government Guarantees (includes Advance to Banks)	-	3,718,500
iii) Unsecured	325,829	1,158,656
Total	**6,280,737,627**	**6,613,941,642**

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C. I Advances in India		
i) Priority Sectors	2,930,075,491	2,755,434,102
ii) Public Sector		
iii) Banks		
iv) Others	3,350,662,136	3,858,507,540
Total	**6,280,737,627**	**6,613,941,642**
II Advances outside India	-	-
Total (CI & CII)	**6,280,737,627**	**6,613,941,642**

SCHEDULE 10 : FIXED ASSETS

I. Premises		
At Cost at beginning of year	390,006,490	390,006,490
Additions during the year	-	-
Deductions during the year	-	-
Depreciation to date	124,546,123	120,006,491
Sub Total	**265,460,367**	**269,999,999**
II. Other Fixed Assets (including Furniture & Fixtures)		
At Cost at beginning of year	101,492,310	97,177,146
Additions during the year	506,233	6,105,209
Deductions during the year	1,181,222	1,790,045
Depreciation to date	88,709,260	82,868,793
Sub Total	**12,108,061**	**18,623,517**
Capital Work in Progress	426,748,483	407,690,409
Total (I & II)	**704,316,911**	**696,313,925**

SCHEDULE 11 : OTHER ASSETS

I. Inter-Office Adjustment (Net)	-	-
II. Interest Accrued	177,956,404	213,382,501
III. Tax paid in Advance / Tax Deducted at Sources (Net of Provisions)	142,492,030	129,356,609
IV. Deferred Tax Assets (Net)	-	382,769,645
V. Stationery and Stamps	9,432	11,862
VI. Cash Margin Deposits with CCIL	61,190,450	58,975,000
VII. Others	342,187,315	88,993,363
Total	**723,835,631**	**873,488,980**

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SCHEDULE 12 : CONTINGENT LIABILITIES

I.	Claims against the Bank not acknowledged as Debts	-	-
II.	Liability for Partly Paid Investments	-	-
III.	Liability on account of outstanding Forward Exchange Contracts & Derivatives	9,466,643,947	17,582,410,760
IV.	Guarantees given on behalf of Constituents		
	a) In India	176,840,802	45,701,166
	b) Outside India	51,960,313	80,033,379
V.	Acceptances, Endorsements and Other Obligation	676,147,454	629,155,727
VI.	Other items for which the Bank is Contingently Liable	25,003,865	72,716,691
	Total	**10,396,596,381**	**18,410,017,723**

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SBM BANK (MAURITIUS) LTD. SBM MUMBAI *

Schedules forming part of the Profit and Loss Account

		Period Ended 31-Mar-2016 (Amount in ₹)	Period Ended 31-Mar-2015 (Amount in ₹)
	SCHEDULE 13 : INTEREST EARNED		
I.	Interest / Discount on Advances / Bills	606,891,094	540,085,614
II.	Income on Investments	482,275,502	464,761,233
III.	Interest on Balances with RBI and Other Inter-Bank Funds	35,620,018	15,053,894
IV.	Others	165,268,041	447,206,934
	Total	**1,290,054,655**	**1,467,107,675**
	SCHEDULE 14 : OTHER INCOME		
I.	Commission, Exchange and Brokerage	15,959,918	20,120,442
II.	Profit/Loss on sale of Investments	55,483,095	6,481,887
III.	Profit/Loss on Revaluation of Investments	-	-
IV.	Profit/Loss on sale of Land Building & Other Assets	(2,875)	200,600
V.	Profit on Exchange Transactions	13,375,639	24,245,084
VI.	Income eamed by way of Dividends etc. from Companies and / or Joint Ventures in India & Aboard	-	-
VII.	Profit/Loss on Derivative Trade	(803,816)	(888,223)
VIII.	Miscellaneous Income	56,458,055	4,603,636
	Total	**140,470,016**	**54,763,426**
	SCHEDULE 15 : INTEREST EXPENDED		
I.	Interest on Deposits	580,162,534	456,311,781
II.	Interest on Reserve Bank of India /Inter Bank Borrowings	10,429,371	49,355,550
III.	Others	240,047,616	439,855,003
	Total	**830,639,521**	**945,522,334**
	SCHEDULE 16 : OPERATING EXPENSES		
I.	Payments to and Provision for Employees	73,046,295	66,835,798
II.	Exchange Commission and Brokerage	9,500,736	10,651,462
III.	Rent, Taxes and Lighting	10,652,776	14,251,038
IV.	Printing and Stationery	1,102,026	958,237
V.	Advertisement and Publicity	254,600	239,961
VI.	Depreciation on Bank's Property	9,052,401	8,086,769
VII.	Auditors' Fee	1,721,992	884,272
VIII.	Law charges (incl.Professional Fees)	13,027,426	9,377,891
IX.	Postages, Telegrams, Telephones, etc.	4,708,803	3,923,789
X.	Repairs and Maintenance	7,046,949	7,109,325
XI.	Insurance	10,669,946	9,217,288
XII.	Other Expenditure	243,582,867	31,015,345
	Total	**384,366,817**	**162,551,175**

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SCHEDULE 17 : PROVISIONS & CONTINGENCIES

I.	Provision for Non performing advances	99,392,612	(17,532,921)
II.	Floating Provision on advances	-	-
III.	Provision for Depreciation on Investments	(188,784)	(4,248,715)
IV.	Provision for Income Tax	(44)	(847,780)
V.	Provision for Deferred Tax	382,769,645	5,696,338
VI.	Non performing Advances written off	172,142,231	438,628,294
VII.	Provision on Standard Advances	(10,000,000)	-
VIII.	Charge for Country Risk Provision	(890,932)	(3,200,000)
IX.	Diminuation in Fair value of NPA	-	(7,100,000)
X.	Provision for interest capitalised on restructured accounts	1,592,043	(13,866,230)
XI.	Non performing investments written off	-	-
	Total	**644,816,771**	**397,528,986**

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SBM BANK (MAURITIUS) LTD SBM MUMBAI *

SBM Bank (Mauritius) Ltd. - Indian Operations
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2016
(Amount in ₹)

	Particulars	As at March 31, 2016	As at March 31, 2015
A	**Cash Flow from Operatng Activities**		
	Net Profit after Taxes	(429,298,438)	16,268,606
	Adjustments to profit/(loss) from operations		
	Depreciation Charges on Fixed Assets	9,052,401	8,086,769
	Depreciation on Investment	(188,784)	(4,248,715)
	Loss/(Profit) from sale of fixed assets	2,875	(200,600)
	Specific Provision for NPA	99,392,612	(17,532,921)
	Non performing Advances / Investment written off	172,142,231	438,628,294
	Non performing investments written off	-	-
	Provision for Standard Advances	(10,000,000)	
	Provision for interest capitalised on restructured accounts	1,592,043	(13,866,230)
	Floating Provision	-	-
	Provision made for Deminision in fair value of restructured	-	(7,100,000)
	Reversal for country provision	(890,932)	(3,200,000)
	Other Provisions - Wealth tax		-
	Prior Period IT Provision	-	-
	Other Provisions - Deffered tax	382,769,645	5,696,338
	Direct Taxes	(44)	(847,780)
	Sub-Total	**224,573,609**	**421,683,761**
	Changes in working capital		
	(Increase)/Decrease in Investments	(1,526,360,630)	(682,180,455)
	(Increase)/Decrease in Advances	61,669,172	(1,257,958,506)
	(Increase)/Decrease in Other Assets	(324,780,303)	87,071,417
	Increase/(Decrease) in Deposits	2,056,774,456	119,732,496
	Increase/(Decrease) in Borrowings	(687,337,058)	268,043,147
	Increase/(Decrease) in Other Liabilities	217,256,613	86,612,495
	Net Cash from Operating Activites before Income Tax	**21,795,859**	**(956,995,645)**
	Advance Income tax paid	(15,100,000)	147,558,365
	Refund Recd from IT		
	Net Cash from Operating Activites after Income Tax	**6,695,859**	**(809,437,280)**
B	**Cash Flow from Investing Activites**		
	Purchase of Fixed Assets	(19,609,392)	(186,363,781)
	Proceeds from sale of fixed assets	(2,875)	200,600
	Net Cash from Investing Activites	**(19,612,267)**	**(186,163,181)**
C	**Cash Flow from Financing Activities**		
	Increase/(Decrease) in Capital	-	
	Issue of Subordinated Bond	-	
	Net Cash from Financing Activities	-	
D	**Cash and Cash Equivalent at the beginning of the year**		
	I. Cash in Hand (including foreign currency notes and gold)	3,189,333	3,075,294
	II Balances with Reserve Bank of India	390,826,826	280,624,634
	III Balances with Banks and Money at Call and Short Notice	723,172,944	1,829,789,637
		1,117,189,103	**2,113,489,565**
E	**Cash and Cash Equivalent at the end of the year**		
	I. Cash in Hand (including foreign currency notes and gold)	3,108,596	3,189,333
	II Balances with Reserve Bank of India	293,830,581	390,826,826
	III Balances with Bank and Money at Call and Short Notice	807,333,516	723,872,944
		1,104,272,693	**1,117,889,103**
A	Cash Flow from Operatng Activities	6,695,859	(809,437,280)
B	Cash Flow from Investing Activites	(19,612,267)	(186,163,181)
C	Cash Flow from Financing Activities	-	
	Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	**(12,916,408)**	**(995,600,461)**
D	Cash and Cash Equivalent at the beginning of the year	**1,117,189,103**	**2,113,489,565**
E	Cash and Cash Equivalent at the end of the year (A+B+C+D)	**1,104,272,693**	**1,117,889,103**

Note:- The cash flow statement is as per AS - 3 issued by ICAI

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E300004

per Amit Kabra
(Partner)
Membership No. 094533

Place : Gurgaon
Date : 20-07-2016

S.R. Batliboi & Associates LLP
Gurgaon

For SBM Bank (Mauritius) Ltd.

C. Vasudevan
Acting CEO - Indian Operations

SBM BANK (MAURITIUS) LTD.
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SBM BANK (MAURITIUS) LIMITED
(Incorporated in the Republic of Mauritius with Limited Liability)
INDIAN OPERATIONS

SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

SCHEDULE 18 – SIGNIFICANT ACCOUNTING POLICIES

a) Background
The financial statements for the year ended March 31, 2016 comprise the accounts of the Indian branches of SBM Bank (Mauritius) Ltd, ('the Bank') which is incorporated in the Republic of Mauritius, Mauritius with limited liability. The bank is engaged in providing banking and financial services and is a banking company governed by the Banking Regulation Act, 1949.

b) Basis of preparation
The financial statements are prepared and presented in accordance with historical cost convention on the accrual basis of accounting, unless otherwise stated, and comply with the generally accepted accounting principles in India and statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and the guidelines issued by the Reserve Bank of India ('RBI'), notified Accounting Standards ('AS') by companies (Accounting Standards) Rules, 2006 (as amended) to the extent applicable and current accounting practices prevailing within the Banking industry in India. The Accounting policies have been consistently applied and are consistent with those used in the previous year.

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 recognized prospectively in current or future periods.

d) Revenue recognition
Income and expenses are recognized on accrual basis except as otherwise stated. Interest income is recognized in the Profit and Loss account on accrual basis except in case of interest on non-performing asset which is recognized on receipt basis. Interest income on discounted instruments is recognized over the tenor of the instrument on a constant effective yield basis. In case of commission on letters of credit and locker fees income is recognized upfront on its becoming due. Commission on bank guarantees issued is amortised over the period of guarantees.

For all securities other than discounted instruments, weighted average cost after adjusting the depreciation booked is used to compute profit/loss on sale. In case of discounted instruments, the FIFO method is used for computing profit/loss on sale.

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.

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

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SBM BANK (MAURITIUS) LTD. SBM MUMBAI

SCHEDULE 18 – SIGNIFICANT ACCOUNTING POLICIES (continued.)

Trading derivatives are marked to market as per the generally accepted practices prevalent in the industry and the resultant unrealized gain or loss is recognized in the Profit and Loss Account, with the corresponding net unrealized amount reflected in Other Assets or Other Liabilities in the Balance Sheet. Forward Exchange contracts and other derivative contracts which have overdue receivables which have remained unpaid over 90 days or more are classified as non-performing assets and 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.

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.

Valuation

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

Investments categorized under AFS and HFT portfolio are marked to market on daily basis. Investments under AFS and HFT categories are valued as per rates declared by Primary Dealers Association of India (PDAI) jointly with Fixed Income Money Market and Derivatives Association of India (FIMMDA) 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 Certificate of Deposit are valued at carrying cost.

Non Performing Investments are identified and provision is made as per RBI guidelines.

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 FIMMDA.

Transfer of Securities between Categories

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 for as outright sale/ purchase respectively in accordance with the prescribed RBI guidelines. The difference between the clean price of the first leg and the second leg is recognized as interest income/expense over the period of the transaction in the Profit and Loss account.

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Others
Brokerage, fees, commission and broken period interest incurred at the time of acquisition of securities, including money market instruments, are recognized as expenses in Profit and Loss account.

h) Fixed Assets
Office Premises is stated at revalued amount less accumulated depreciation / amortization and all other Fixed Assets are stated at cost less accumulated depreciation / amortization.

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
Office Premises	60 years
Office equipment (including Air conditioner)	5 years
EDP Equipments, Computers	3 years
Software	3 years
Furniture & Fixtures	10 years
Motor Car	5 years

Depreciation on Purchase / Sale of Fixed Assets during the year is charged on a pro-rata basis.

Revaluation of Fixed Assets
Premises are revalued in every five 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
The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss in the Profit and Loss account.

i) Advances
a) The Bank follows prudential norms formulated by RBI for classifying the assets as Standard, Sub-Standard, Doubtful and Loss assets are stated net of the required provision made on such advances.
b) 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.

j) Retirement Benefits
Retirement benefit in the form of Provident fund is a defined contribution scheme and the contributions are charged to Profit & Loss account of the year when the contributions to the fund are due. There are no other obligations other than the contribution payable to the fund.

Provision in respect of future liability for payment of gratuity is made on the basis of actuarial valuation on projected unit credit method made at the end of the year. Gratuity fund is being managed by "LIC Group Gratuity Scheme" and any actuarial gain / loss contribution determined by the actuary are charged to Profit & Loss Account and are not deferred.

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SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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
Income tax comprises the current tax (i.e. amount of tax for the period, determined in accordance with the Income tax Act, 1961 and the rules framed there under) and deferred tax (reflecting the tax effects of timing differences between accounting income and taxable income for the year)

Provision for current tax is recognised in accordance with the provisions of Indian Income tax Act, 1961 and is made based on the tax liability after taking credit for tax allowances and exemptions.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted at the Balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. The bank assesses / re-assesses the unrecognized deferred tax assets at each balance sheet date.

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 in accordance with AS 19 – Leases issued by ICAI. 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
A provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non occurrence of one or more uncertain future events, not wholly within the control of the Bank, or where there is a present obligation arising from a past event which is not recognized as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are not recognized in the financial statements since these may result in the recognition of an income which may never be realised.

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o) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks / institutions and money at call and short notice (including effect of changes in exchange rates on cash and cash equivalents in foreign currency).

SCHEDULE 18:- NOTES TO THE FINANCIAL STATEMENTS

1. Capital to Risk Assets Ratio (CRAR)

I. The Banks are required to disclose capital adequacy ratio computed under Basel III capital guidelines of the RBI from the quarter ended June 30, 2013.

Sr. No.	CRAR ratio as per Basel III	March 31, 2016	March 31, 2015
i)	CRAR – Common Equity Tier I	40.95%	44.70%
ii)	CRAR – Tier I Capital	40.95%	44.70%
iii)	CRAR – Tier II Capital	0.93%	1.11%
iv)	Total Capital Ratio (CRAR) (%)	41.88%	45.81%
v)	Percentage of the shareholding of the Government of India in public sector banks	NIL	NIL
vi)	Amount of equity capital raised	NIL	NIL
vii)	Amount of Additional Tier 1 capital raised; *of which* *Perpetual Non Cumulative Preference Shares (PNCPS):* *Perpetual Debt Instruments (PDI)* :	NIL	NIL
viii)	Amount of Tier 2 capital raised; *of which* Debt capital instruments: Preference Share Capital Instruments: [*Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]*	NIL	NIL

2. Investments

(₹ in crores)

Particulars	March 31, 2016	March 31, 2015
1. Value of Investments:		
(i) Gross Value of Investments		
a. In India	700.36	547.72
b. Outside India	-	-
(ii) Provisions for Depreciation		
a. In India	-	0.02
- on transfer to securities from AFS to HTM portfolio	-	-
- on securities position	-	-
b. Outside India	-	-
(iii) Net Value of Investments		
a. In India	700.36	547.70
b. Outside India	-	-

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Particulars		March 31, 2016	March 31, 2015
2.	Movement of provision held towards depreciation on investments:		
(i)	Opening balance	0.02	0.44
(ii)	Add: Provision made during the year	-	-
(iii)	Less: Write-off/ write-back of excess provision during the year (including depreciation utilized on sale of securities)	0.02	0.42
(iv)	Closing balance	-	0.02

c. The net book value of investments held under the three categories, viz. Held to Maturity (HTM), Held for Trading (HFT) and Available for Sale (AFS) are as under:-

Category	As at March 31, 2016		As at March 31, 2015	
	Rs. in crores	%	Rs. in crores	%
Held to Maturity	129.91	18.55	130.26	23.78
Held for Trading	0.00	0.00	5.67	1.04
Available for Sale	570.45	81.45	411.77	75.18
Total	**700.36**	**100.00**	**547.70**	**100.00**

3. Repurchase & Reverse Repurchase Agreement Transactions

(₹ in crores)

Financial Year 2015 - 2016	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2016
Securities Sold under Repurchase Transactions *				
(i) Government Securities	1	1	0	0
(ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Reverse Repurchase Transactions *				
(i) Government Securities	1	118.00	6.60	21.00
(ii) Corporate Debt Securities	-	-	-	-

* consist of RBI LAF disclosed at face value.

(₹ in crores)

Financial Year 2014-2015	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2015
Securities Sold under Repurchase Transactions *				
(i) Government Securities	1.00	7.00	0.03	-

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Financial Year 2014-2015	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2015
(ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Reverse Repurchase Transactions *				
(i) Government Securities	2.00	176.00	4.02	-
(ii) Corporate Debt Securities	-	-	-	-

* consist of RBI LAF disclosed at face value.

4. Non-SLR Investments Portfolio - Issuer Composition of Non-SLR Investments
Balances as at March 31, 2016

(₹ in crores)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of below Investment grade securities	Extent of Unrated Securities	Extent of Unlisted Securities
1.	PSUs	151.04	Nil	Nil	Nil	Nil
2.	FIs	246.24	Nil	Nil	Nil	Nil
3.	Banks	47.89	Nil	Nil	Nil	Nil
4.	Private Corporates	38.21	Nil	Nil	Nil	Nil
5.	Subsidiaries/ Joint Ventures	0	Nil	Nil	Nil	Nil
6.	Others*	18.36	Nil	Nil	18.36	18.36
7.	Provision held towards Depreciation	0	Nil	Nil	Nil	Nil
	Total	**501.74**	**Nil**	**Nil**	**Nil**	**Nil**

*This is security receipt received on sale of assets to ARC.

Balances as at March 31, 2015

(₹ in crores)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of below Investment grade securities	Extent of Unrated Securities	Extent of Unlisted Securities
1.	PSUs	14.70	Nil	Nil	0.06	Nil
2.	FIs	122.82	Nil	Nil	Nil	Nil
3.	Banks	98.92	Nil	Nil	0.04	Nil
4.	Private Corporates	0.52	Nil	Nil	0.52	Nil
5.	Subsidiaries/ Joint Ventures	Nil	Nil	Nil	Nil	Nil

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Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of below Investment grade securities	Extent of Unrated Securities	Extent of Unlisted Securities
6.	Others	17.66	Nil	Nil	17.67	17.67
7.	Provision held towards Depreciation	(0.02)	Nil	Nil	(0.02)	Nil
	Total	**254.60**	**Nil**	**Nil**	**18.26**	**17.67**

5. Non Performing Non SLR Investments

There are no non performing non SLR Investments as at March 31, 2016. (P.Y. : Nil)

(₹ in crores)

Particulars	March 31, 2016	March 31, 2015
Opening Balance	Nil	Nil
Additions during the year since 1st April	Nil	Nil
Reductions on account of write off during the above period	Nil	Nil
Closing balance	Nil	Nil
Total Provision held	Nil	Nil

6. Sale and Transfers to/ from HTM Category

There are no sale and transfers to/ from HTM category during the FY 2015-16.

7. Forward Rate Agreement / Interest Rate Swap

(₹ in crores)

Particulars	March 31, 2016	March 31, 2015
The notional principal of swap agreements	Nil	Nil
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	Nil	Nil
Collateral required by the bank upon entering into swaps	Nil	Nil
Concentration of credit risk arising from the swaps (with Banks)	Nil	Nil
The fair value of the swap book [(Payable)/Receivable]	Nil	Nil

*The Interest Rate Swap is undertaken for Hedging Purpose.

8. Exchange Traded Interest Rate Derivatives

(₹ in crores)

Sr. No.	Particulars	March 31, 2016	March 31, 2015
i.	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	Nil	Nil
ii.	Notional principal amount of exchange traded interest rate derivatives outstanding (instrument-wise)	Nil	Nil

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Sr. No.	Particulars	March 31, 2016	March 31, 2015
iii.	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil
iv.	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil

9. Disclosures on risk exposure in derivatives:

a) Qualitative Disclosures

The bank's derivative policy (as a part of composite risk policy) was last revised in March 2015. The policy covers Forwards, Interest Rate Swaps (IRS) / Forward Rate Agreements (FRAs) and Options. The policy allowed the derivative products both for hedging as well as for trading purposes.

b) Quantitative Disclosures

(₹ in crores)

Sr. No	Particulars	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
		March 31, 2016	March 31,2016	March 31, 2015	March 31,2015
1.	Derivatives notional Principal Amount	83.16	Nil	74.77	Nil
	(a) For hedging	34.62	Nil	74.77	Nil
	(b) For trading	48.54	Nil	Nil	Nil
2.	Marked to Market position	0.02	Nil	0.10	Nil
	(a) Asset (+)	3.43	Nil	0.10	Nil
	(b) Liability (-)	-3.41	Nil	0.00	Nil
3.	Credit Exposure	8.21		7.57	
4.	Likely impact of one percentage change in Interest Rate (100*PV01)				
	(a) On hedging derivatives	0.00137		0.001	
	(b) On trading derivatives	-0.00086	Nil	Nil	Nil
5.	Maximum and Minimum of 100*PV01 observed during the year				
	(a) On hedging				
	Maximum	0.00248		0.002	
	Minimum	0.00111	Nil	0.001	Nil
	(b) On trading				

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SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Sr. No	Particulars	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
		March 31, 2016	March 31,2016	March 31, 2015	March 31,2015
	Maximum	0.00	Nil	Nil	Nil
	Minimum	0.00114	Nil	Nil	Nil

10. Non-Performing Assets (NPAs)

(₹ in crores)

Particulars	31-Mar-16	31-Mar-15
(i) Net NPAs to Net Advances (%)	**4.95%**	**7.36%**
(ii) Movement of Gross NPAs		
(a) Opening balance	**79.93**	**101.85**
(b) Additions during the year	9.61	22.21
(c) Recoveries / write off's / restructure	(17.26)	(44.14)
1. Recoveries / Write Off's	(17.26)	(44.14)
2. Restructure		
(d) Closing balance	**72.28**	**79.93**
(iii) Movement of Net NPAs		
(a) Opening balance	**53.67**	**73.84**
(b) Additions during the year	8.17	13.33
(d) Recoveries / write off's / restructure	(25.76)	(33.50)
1. Recoveries / Write Off's	(25.76)	(33.50)
2. Restructure		
(e) Closing balance	**36.08**	**53.67**
(iv) Movement of provisions for NPAs (excluding provision on Standard Assets)		
(a) Opening balance	**26.26**	**28.01**
(b) Provisions made during the year (Gross)	16.82	15.60
(c) Write-off / write-back of excess provisions	(6.89)	(17.35)
(d) Closing balance	**36.20**	**26.26**

Note :- Item (iii) & (iv) includes the impact of counter cyclical provision utilised amounting to Rs. 0.60 Crores in FY 2015-16 (P.Y. : 1.31 Crores) and floating provision utilised amounting to Rs. Nil in F.Y 2015-16 (P.Y. : 0.60 Crores)

11. Details of loan assets subjected to restructuring during the year

Year 2015-16

(₹ in crores)

		CDR Mechanism	SME Debt Restructuring	Others
Standard advances	Number of borrowers	Nil	Nil	Nil
	Amount outstanding	Nil	Nil	Nil

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		CDR Mechanism	SME Debt Restructuring	Others
restructured	Sacrifice (diminution in the fair value)	Nil	Nil	Nil
Sub Standard advances restructured	Number of borrowers	Nil	Nil	Nil
	Amount outstanding	Nil	Nil	Nil
	Sacrifice (diminution in the fair value)	Nil	Nil	Nil
Doubtful advances restructured	Number of borrowers	Nil	Nil	Nil
	Amount outstanding	Nil	Nil	Nil
	Sacrifice (diminution in the fair value)	Nil	Nil	Nil
Total	Number of borrowers	Nil	Nil	Nil
	Amount outstanding	Nil	Nil	Nil
	Sacrifice (diminution in the fair value)	Nil	Nil	Nil

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11. Details of loan assets subjected to restructuring during the year (Continued).

	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
Sr No.	Asset Classification →		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details ↓																					
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers	2	0	0	0	2	0	0	0	0	0	0	0	0	0	0	2	0	0	0	2
		Amount outstanding	35.07	0	0	0	35.07	0	0	0	0	0	0	0	0	0	0	35.07	0	0	0	35.07
		Provision thereon	2.40	0	0	0	2.40	0	0	0	0	0	0	0	0	0	0	2.40	0	0	0	2.40
2	Fresh restructuring during the year	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Amount outstanding	0.49	0	0	0	0.49	0	0	0	0	0	0	0	0	0	0	0.49	0	0	0	0.49
		Provision thereon	5.87	0	0	0	5.87	0	0	0	0	0	0	0	0	0	0	5.87	0	0	0	5.87
3	Upgradations to restructured standard category during the FY	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0
		Amount outstanding	0	0	0	0	0	0		0	0	0	0	0	0		0	0	0	0	0	0
		Provision thereon	0	0	0	0	0	0		0	0	0	0	0	0		0	0	0	0	0	0
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Amount outstanding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Provision thereon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Downgradations of restructured accounts during the FY	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0	0	0	0
		Amount outstanding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Provision thereon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Write-offs of restructured accounts during the FY	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Amount outstanding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Provision thereon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Restructured Accounts as on March 31 of theFY (closing figures*)	No. of borrowers	2	0	0	0	2	0	0	0	0	0	0	0	0	0	0	2	0	0	0	2
		Amount outstanding	35.56	0	0	0	35.56	0	0	0	0	0	0	0	0	0	0	35.56	0	0	0	35.56
		Provision thereon	8.27	0	0	0	8.27	0	0	0	0	0	0	0	0	0	0	8.27	0	0	0	8.27

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11. Details of loan assets subjected to restructuring during the year (Continued).

Year 2014-15

(₹ in crores)

		CDR Mechanism	SME Debt Restructuring	Others
Standard advances restructured	Number of borrowers	Nil	Nil	Nil
	Amount outstanding	Nil	Nil	Nil
	Sacrifice (diminution in the fair value)	Nil	Nil	Nil
Sub Standard advances restructured	Number of borrowers	Nil	Nil	Nil
	Amount outstanding	Nil	Nil	Nil
	Sacrifice (diminution in the fair value)	Nil	Nil	Nil
Doubtful advances restructured	Number of borrowers	Nil	Nil	Nil
	Amount outstanding	Nil	Nil	Nil
	Sacrifice (diminution in the fair value)	Nil	Nil	Nil
Total	Number of borrowers	**Nil**	**Nil**	**Nil**
	Amount outstanding	**Nil**	**Nil**	**Nil**
	Sacrifice (diminution in the fair value)	**Nil**	**Nil**	**Nil**

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Sr No.	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification →		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details ↓																					
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers	3	0	0	0	3	0	0	0	0	0	0	0	0	0	0	3	0	0	0	3
		Amount outstanding	58.06	0	0	0	58.06	0	0	0	0	0	0	0	0	0	0	58.06	0	0	0	58.06
		Provision thereon	3.11	0	0	0	3.11	0	0	0	0	0	0	0	0	0	0	3.11	0	0	0	3.11
2	Fresh restructuring during the year	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Amount outstanding	2.20	0	0	0	2.20	0	0	0	0	0	0	0	0	0	0	2.20	0	0	0	2.20
		Provision thereon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Upgradations to restructured standard category during the FY	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Amount outstanding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Provision thereon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Amount outstanding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Provision thereon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Downgradations of restructured accounts during the FY	No. of borrowers	1	0	0	0	1	0	0	0	0	0	0		0	0	0	1	0	0	0	1
		Amount outstanding	25.19	0	0	0	25.19	0	0	0	0	0	0		0	0	0	25.19	0	0	0	25.19
		Provision thereon	0.71	0	0	0	0.71	0	0	0	0	0	0		0	0	0	0.71	0	0	0	0.71
6	Write-offs of restructured accounts during the FY	No. of borrowers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Amount outstanding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Provision thereon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Restructured Accounts as on March 31 of theFY (closing figures*)	No. of borrowers	2	0	0	0	2	0	0	0	0	0	0	0	0	0	0	2	0	0	0	2
		Amount outstanding	35.07	0	0	0	35.07	0	0	0	0	0	0	0	0	0	0	35.07	0	0	0	35.07
		Provision thereon	2.40	0	0	0	2.40	0	0	0	0	0	0	0	0	0	0	2.40	0	0	0	2.40

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*This includes partial write-off of Rs 20 crores of Zylog systems Ltd.

12. Details of financial assets sold to Securitisation/ Reconstruction Company for Asset reconstruction

A. Details of Sales

(₹ In crores)

	Particulars	March 31, 2016	March 31, 2015
(i)	No. of accounts	NIL	NIL
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	NIL	NIL
(iii)	Aggregate consideration	NIL	NIL
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
(v)	Aggregate gain / loss over net book value	NIL	NIL

B. Details of Book Value of Investments in Security Receipts

Particulars	March 31, 2016	March 31, 2015
(i) Backed by NPAs sold by the bank as underlying	NIL	NIL
(ii) Backed by NPAs sold by other banks / financial institutions / non banking financial companies as underlying	NIL	NIL
Total	**NIL**	**NIL**

13. Details of non-performing financial assets purchased/sold

(₹ In crores)

Sr. No.		Particulars	March 31, 2016	March 31, 2015
A.		Details of non-performing financial assets purchased:	NIL	NIL
1	a	No. of accounts purchased during the year	NIL	NIL
	b	Aggregate outstanding	NIL	NIL
2	a	Of these, number of accounts restructured during the year	NIL	NIL
	b	Aggregate outstanding	NIL	NIL
B.		Details of non-performing financial assets sold:		
1		No. of accounts sold	NIL	NIL
2		Aggregate outstanding	NIL	NIL
3		Aggregate consideration received	NIL	NIL

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14. Provisions on Standard Assets

(₹ In crores)

Particulars	March 31, 2016	March 31, 2015
Provision on Standard Assets	4.57	5.56

Provision made for Standard advances as on 31st March 2016 is included under schedule 5 of Balance Sheet " Other Liabilities and provisions-Others." Provision held as on 31st March 2016 is equal to 0.76% (P.Y. : 0.90%) of Standard advances of Rs 599.41 crores

15. Important Financial Ratios

Particulars	March 31, 2016	March 31, 2015
Interest Income as a percentage to Working Funds (%)	8.00%	10.91%
Non-Interest Income as a percentage to Working Funds (%)	0.87%	0.41%
Operating Profit as a percentage to Working Funds (%)	1.34%	3.07%
Return on Assets (%)	(2.66)%	0.12%
Business (Deposits plus Advances) per employee (Rs. in crores)	28.84	26.44
Profit / (Loss) per employee (Rs. in crores)	(0.79)	0.03

16. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as of March 31, 2016

(₹ in Crores)

Particulars	Day1	2 to 7 days	8 to 14 days	15 to 28 days	29 days and upto 3 months	Over 3 month and upto 6 months	Over 6 month and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Advances	70.76	21.60	26.14	1.31	68.09	54.67	13.34	294.83	49.96	27.38	628.07
Investment in Securities	5.18	1.18	2.26	4.18	166.29	86.75	155.13	278.83	0.51	0.05	700.36
Deposits	4.37	5.59	11.39	20.58	64.79	44.87	318.95	497.37	2.40	0.34	970.65
Borrowings	19.99	-	-	-	-	-	-	-	-	-	19.99
Foreign Currency Assets	58.83	51.15	0.93	0.80	46.18	42.47	-	6.16	-	-	206.52
Foreign Currency Liabilities	5.90	0.20	-	1.13	0.60	1.21	202.74	337.44	-	-	549.22

Maturity pattern of certain items of assets and liabilities as of March 31, 2015

(₹ in Crores)

Particulars	Day1	2 to 7 days	8 to 14 days	15 to 28 days	29 days and upto 3 months	Over 3 month and upto 6 months	Over 6 month and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Advances	43.12	25.11	26.97	8.95	126.63	79.87	18.03	242.73	60.00	29.98	661.39
Investment in Securities	33.87	7.42	2.24	4.96	118.22	9.68	70.01	185.37	115.85	0.09	547.71
Deposits	7.14	21.22	6.34	14.10	25.73	28.17	90.79	280.07	291.06	0.34	764.96
Borrowings	88.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.72

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Particulars	Day1	2 to 7 days	8 to 14 days	15 to 28 days	29 days and upto 3 months	Over 3 month and upto 6 months	Over 6 month and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Foreign Currency Assets	44.24	1.91	4.80	4.80	82.17	69.08	28.25	0.00	7.82	0.00	243.07
Foreign Currency Liabilities	3.96	0.05	0.00	0.21	0.57	3.05	13.35	153.98	282.92	0.00	458.09

The information on maturity pattern has been compiled by the management based on the same estimate and assumptions as that for compiling the returns submitted to the RBI.

17. Exposure to Sensitive Sector

a. Exposure to Real Estate Sector

(₹ in crores)

Category	March 31, 2016	March 31, 2015
a) Direct Exposure		
(i) Residential Mortgages	6.00	6.00
- of which housing loan's upto Rs.15 Lakhs		
(ii) Commercial Real Estate	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized 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).	-	0.07
Total Exposure to Real Estate Sector	6.00	6.07

b. Exposure to Capital Market

(₹ in crores)

	Particulars	March 31, 2016	March 31, 2015
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;	Nil	0.62
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;	Nil	Nil
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;	Nil	Nil

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Particulars		March 31, 2016	March 31, 2015
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;	Nil	Nil
v.	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;(see * below)	Nil	Nil
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;	Nil	Nil
vii.	Bridge loans to companies against expected equity flows/issues;	Nil	Nil
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;	Nil	Nil
ix.	Financing to stockbrokers for margin trading;	Nil	Nil
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)	Nil	Nil
Total Exposure to Capital Market		**Nil**	**0.62**

18. Risk category-wise country exposure

Provision for Country Risk exposure in terms of RBI Circular DBOD.BP.BC.71/21.04.103/2002-03 dated February 19, 2013 is as follows:

(₹ in crores)

Risk Category	Exposure (net) as at March 31, 2016	Provision held as at March 31, 2016	Exposure (net) as at March 31, 2015	Provision held as at March 31, 2015
Insignificant	65.70	0.040	27.40	0.02
Low	1.80	0.001	46.90	0.11
Moderate	-	-	-	
High	-	-	-	
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	**67.50**	**0.041**	**74.30**	**0.13**

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

During the year, the Bank has not exceeded the single borrower limit.

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During the financial year ended March 31, 2016, the Bank did not exceed the group borrower limits in respect of any of its clients.

20. Unsecured Advances

Unsecured advances have been appropriately classified under 'Schedule 9 – Advances'. During the year ended March 31, 2015, the Bank has not given loans against intangible securities such as rights, licenses, authority etc., hence no disclosure is required for reporting advances against intangibles.

21. Disclosure of Penalties imposed by RBI

There are no penalties imposed on our bank by RBI for the F.Y. 2015-16.

22. Prior Period Items – Following Income and expenditure pertains to prior periods, the same has been affected to Profit and Loss account for the period 1st Apr 2015 to 31st Mar 2016.

(₹ in crores)

Sr. No.	Particulars	31-Mar-16	31-Mar-15
A	**Expenditure**		
(i)	Other IT Expenses	14.33	Nil
(iii)	Inland Travel-Accommodations & Registration Fees	0.01	Nil
(iv)	Professional fees to ARC	0.40	Nil
(v)	Depreciation on Office equipment and Computer	0.16	Nil
	TOTAL	**14.90**	**NIL**

23. 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 recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market rates or prices relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable and, thus the

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Sr. No.	Contingent Liabilities	Brief
		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	- Value dated purchase of securities -Capital Commitments -Amount deposited with RBI under Depositor Education Awareness Fund -Foreign Exchange contracts (Tom & Spot)

Refer Schedule 12 for amounts relating to contingent liability

24. Contingent Liabilities

a. Other Item of Contingent Liability includes, Income Tax of Rs. 1,97,06,394.00 being paid under protest. The Bank has gone in appeal to Income Tax Appellate Tribunal (ITAT) against the income tax assessment order of the department for AY 1996-97, 2000-01, 2001-02, 2002-03 and 2004-05. The appeals are pending for the final outcome of the ITAT and the Bank is expecting favorable judicial decisions.

b. Other Item of Contingent Liability includes, Service Tax of Rs. 35,35,732/- being paid under protest on account of deduction claimed in the Income tax return for the expenses incurred by our Head Office for administration. The amount includes duties, interest and penalty raised by the department for the period from October 2009 to March 14. In respect of these disputed issues, the Bank is expecting favorable judicial decisions.

25. 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.

26. Deferred Tax - In accordance with AS-22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India (ICAI), the Bank has recognized Deferred Tax Assets on such timing differences where there is a reasonable certainty that such deferred tax assets can be reversed.

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

(₹ in crores)

Sr. No.	Particulars	As on 31-Mar-16	As on 31-Mar-15
A.	**DTA :**		
(i)	Provision for Loan Losses, Floating Provision and counter cyclical provision	2.70	11.25
(ii)	Provision for Standard Advances	0.30	(0.71)
(iii)	Provision for Funded Interest Term Loan	0.27	1.74
(iv)	Disallowed Expenses	0.04	0.05

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Sr. No.	Particulars	As on 31-Mar-16	As on 31-Mar-15
(v)	Unabsorbed Losses	-	29.16
	Total DTA	**3.31**	**41.49**
B.	**DTL :**		
(i)	Depreciation on Fixed Assets	(3.31)	(3.21)
	Total DTL	**(3.31)**	**(3.21)**
C.	**NET DTL / (DTA)**	-	**38.28**

Net Increase/ (Decrease) in Assets of Rs. (38.28) crores (P.Y. : Rs. (0.57) crores) has been debited in Profit & Loss account.

27. Provisions & Contingencies

(₹ In Crores)

Particulars	March 31, 2016	March 31, 2015
Depreciation on Investments	(0.02)	(0.42)
Provision/write-off towards non-performing assets/Investment	27.15	42.11
Provision for Standard Assets	(1.00)	0
Provision for Income Tax (including Deferred Tax)	38.28	0.48
Provisions for diminution in fair value Restructured Advances	-	(0.71)
Provision for Country Risk	(0.09)	(0.32)
Provision for interest capitalised on restructured accounts	0.16	(1.39)
Floating Provision on advances	-	0
Total	**64.48**	**39.75**

28. There was no instance of SGL bouncing during the financial year ending 31st March, 2016. (P.Y. : Nil)

29. Letter of Comfort/ Undertaking (LOCs/ LOUs) issued
As of 31st March 2016, 14 LOUs, amounting to Rs Nil Crores (P.Y. : 7.67 Crores)

30. Draw down from Reserves
During the financial year ended March 31, 2016, there has been no drawdown from Reserves (P.Y. : Nil). Also Refer Schedule 2 – Reserves and Surplus.

31. Inter-Office Adjustments (Net)
Inter-office adjustment includes nostro/vostro account balances with head office/branches classified in accordance with the Guidance Note on Audit of Banks issued by the ICAI and RBI circular DBOD. No. BP.BC.91/C.686-91 dated February 28, 1991 on accounting policies – Need for disclosure in the financial statements of banks.

32. Disclosure of Complaints / Unimplemented awards of banking ombudsmen
In accordance with RBI circular DBOD. No. Leg. BC.9/09.07.006/2009-10 dated July 01, 2009 details of customer complaints and awards passed by Banking Ombudsman are as follows:

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a. Customer Complaints

	Particulars	March 31, 2016	March 31, 2015
(a)	No. of complaints pending at the beginning of the year	Nil	1
(b)	No. of complaints received during the year	Nil	Nil
(c)	No. of complaints redressed during the year	Nil	1
(d)	No. of complaints pending at the end of the year	Nil	Nil

b. Awards passed by the Banking Ombudsman

	Particulars	March 31, 2016	March 31, 2015
(a)	No. of unimplemented Awards at the beginning of the year	Nil	Nil
(b)	No. of Awards passed by Banking Ombudsman during the year	Nil	Nil
(c)	No. of Awards implemented during the year	Nil	Nil
(d)	No. of unimplemented Awards Pending at the end of the year	Nil	Nil

33. Segment Reporting

Part A: Business Segments
In accordance with RBI guidelines, the Bank has identified the following three primary segments: Treasury, Corporate Banking, Retail Banking and Other Banking. These segments are identified based on nature of services provided, risk and returns, organizational 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 consist of interest earned on funding, investment income and gains on Government Securities, CP, CD's and debenture / bonds, profits / 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. Revenues of this segment consist 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 expenses on funds borrowed allocated based on personnel costs and allocated expenses.
Retail Banking: Consists of revenue arising out of personal loan, housing loan, etc.
Other Banking Operations: Consist of fees based activities, lending, deposit taking and services offered to other than above corporate customer.

For the year ended March 2016 (₹ in crores)

Business Segments	Corporate	Treasury	Retail	Other Banking	Total
Revenue	61.69	74.68	6.24	-	142.61
Results	17.65	32.01	(0.66)	-	49.00
Un allocable Expense					27.45
Operating Profit					21.55
Total Provision					26.20
Income Taxes					38.28
Extraordinary Profit/Loss					-

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Business Segments	Corporate	Treasury	Retail	Other Banking	Total
Net profit/(Loss)					(42.93)
Other Information					
Segment Assets	631.13	879.75	53.90	-	1,564.78
Un allocable Assets					16.89
Total Assets					**1,581.67**
Segment liabilities	320.34	361.14	899.79	-	1,581.27
Un allocable Liabilities					0.40
Total Liabilities					**1,581.67**

For the year ended March 2015 (₹ in crores)

Business Segments	Corporate	Treasury	Retail	Other Banking	Total
Revenue	47.45	91.14	9.03	-	147.62
Results	7.88	36.92	(1.36)	-	43.44
Unallocable Expense					2.06
Operating Profit					41.38
Total Provision					39.27
Income Taxes					0.48
Extraordinary Profit/Loss					-
Net profit/(Loss)					1.63
Other Information					
Segment Assets	589.12	726.77	108.58	-	1,424.47
Unallocable Assets					53.32
Total Assets					**1,477.79**
Segment liabilities	326.09	396.63	754.36	-	1,477.08
Unallocable Liabilities					0.71
Total Liabilities					**1,477.79**

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.

34. Disclosure under Employee Benefits – Revised Accounting Standard 15

a. The Premium payable to Life Insurance Corporation of India towards "Group Gratuity Policy" has been charged to Profit & Loss Account Rs. 11.85 crores (PY 0.13 crores) and there is no unamortized liability held in the books.

b. The contribution to employees Provident Fund amounted to Rs. 0.32 crores for the year ended March 31, 2016 (P.Y. : Rs. 0.33 crores).

c. The Bank has a policy to pay leave encashment to employees only on their retirement or super-annuation and not on the intermediate separations. In the opinion of the management, there shall not be any significant liability towards leave encashment and as such, no provision has been made for the same.

d. The Bank do not have Pension Scheme for its employees.

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Table showing Change in the Present value of Projected Benefit Obligation

(` in crores)

Present Value of Benefit Obligation at the Beginning of the Period	0.79
Interest Cost	0.06
Current Service Cost	0.14
(Benefit paid from the Fund)	(0.10)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(0.00)
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.12)
Present Value of Benefit Obligation at the End of the Period	0.78

Table Showing Change in the Fair Value of Plan Assets

Fair Value of Plan Assets at the Beginning of the Period	0.79
Expected Return on Plan Assets	0.06
Contributions by the Employer	0.00
(Benefit Paid from the Fund)	(0.10)
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(0.00)
Fair Value of Plan Assets at the End of the Period	0.76

Actuarial (Gains)/Losses Recognized in the statement of Profit and Loss for the Current Period

Actuarial (Gains)/Losses on Obligation For the Period	(0.13)
Actuarial (Gains)/Losses on Plan Asset For the Period	0.00
Subtotal	(0.12)
Actuarial (Gains)/Losses Recognized in the Statement of Profit or Loss	(0.12)

Actual Return on Plan Assets

Expected Return on Plan Assets	0.06
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(0.00)
Actual Return on Plan Assets	0.06

Amount Recognized in the Balance Sheet

(Present Value of Benefit Obligation at the end of the Period)	(0.78)
Fair Value of Plan Assets at the end of the Period	0.76
Funded Status (Surplus/ (Deficit))	(0.02)
Unrecognized Past Service Cost at the end of the Period	-
Net (Liability)/Asset Recognized in the Balance Sheet	(0.02)

Net Interest Cost for Current Period

Present Value of Benefit Obligation at the Beginning of the Period	0.79
(Fair Value of Plan Assets at the Beginning of the Period)	(0.79)
Net Liability/(Asset) at the Beginning	-
Interest Cost	0.06
(Expected Return on Plan Assets)	(0.06)
Net Interest Cost for Current Period	-

Experience Adjustment

Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.12)
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(0.00)

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Expenses Recognized in the Statement of Profit or Loss for Current Period

Current Service Cost	0.14
Actuarial (Gains)/Losses	(0.12)
Expenses Recognized in the Statement of Profit or Loss	0.02

Balance Sheet Reconciliation

Opening Net Liability	-
Expense Recognized in Statement of Profit or Loss	0.02
Net Liability/(Asset) Transfer In	-
Net (Liability)/Asset Transfer Out	-
(Benefit Paid Directly by the Employer)	-
(Employer's Contribution)	(0.00)
Net Liability/(Asset) Recognized in the Balance Sheet	0.02

Category of Assets

Government of India Assets	-
State Government Securities	-
Special Deposits Scheme	-
Debt Instruments	-
Corporate Bonds	-
Cash And Cash Equivalents	-
Insurance fund	0.76
Asset-Backed Securities	-
Structured Debt	-
Other	-
Total	**0.76**

35. Related Party Transactions

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

a) **Head Office**
SBM Bank (Mauritius) Ltd, Mauritius Operations

b) **Key Management Personnel**
Mr C Vasudevan (From 08/12/2014) – Acting CEO Indian Operations
In relation with the RBI circular DBOD.No.BP.BC.89/21.04.018/2002-03 dated March 29 2003, this excludes transactions where there is only one related party (i.e. key management personnel and Head Office & its branches) and where the Branch has an obligation under law to maintain confidentiality in respect of their customer transactions.
Transactions with related parties are in the ordinary course of business.

36. 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" issued by the ICAI.

37. AS 20 – Earning per Share , AS 21 on 'Consolidated financial statements', AS-23 on 'Accounting for Investments in Associates in Consolidated Financial Statements', AS 24 on 'Discounting Operation' and AS 25 on 'Interim Financial Reporting' issued by ICAI are not applicable to bank.

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38. Counter Cyclical / Floating Provisions

(₹ in crores)

Particulars	March 31, 2016		March 31, 2015	
	Counter cyclical	Floating	Counter cyclical	Floating
Opening Balance in floating provision	2.50	0.60	3.81	1.20
Add- Provision made during the year	-	-	Nil	Nil
Less- Provision utilize during the year for specific provision	0.59	-	1.31	0.60
Closing balance in floating provision	1.91	0.60	2.50	0.60

39. Small and Micro Industries

Under the Micro, Small and Medium Enterprises Development Act 2006 which came into force from October 2, 2006 certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on information provided by the Bank which has been relied upon by the auditors.

40. The Bank has not undertaken bancassurance business in current year. (P.Y. : Nil).

41. Concentration of Deposits, Advances, Exposures and NPAs

I. Concentration of Deposits

(₹ in crores)

Particulars	March 31, 2016	March 31, 2015
Total deposits of twenty largest depositors	660.80	549.85
Percentage of Deposits to twenty largest depositors to total deposits of the Bank	68.08%	71.88%

Concentration of Advances

(₹ in crores)

Particulars	March 31, 2016	March 31, 2015
Total advances to twenty largest borrowers	535.82	493.96
Percentage of Advances to twenty largest borrowers to total advances of the Bank	79.77%	71.06%

Concentration of Exposures

(₹ in crores)

Particulars	March 31, 2016	March 31, 2015
Total Exposures to twenty largest borrowers / customers	613.29	567.64
Percentage of Exposures to twenty largest borrowers / Customers to Total Exposures of the bank on borrowers / Customers	91.31%	80.87%

Concentration of NPA

(₹ in crores)

Particulars	March 31, 2016	March 31, 2015
Total Exposure of top five NPA accounts (Only 5 (PY 6) NPA A/C's)	72.28	79.93

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II. **Sector wise NPA** (₹ in crores)

Sl. No.	Sector*	Current year			Previous year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	**Priority Sector**						
1	Agriculture and allied activities	15.00	15.00	100%	32.22	32.22	100.00%
2	Advances to industries sector eligible as priority sector lending	170.86	21.68	12.68%	165.80	0	0
3	Services	107.14	0.00		77.52	0	0
4	Personal loans	0.00	0.00		0	0	0
	Sub-total (A)	293.00	36.68	12.52%	275.54	32.22	11.69%
B	**Non Priority Sector**						
1	Agriculture and allied activities	0.00			0	0	0
2	Industry	111.47	19.62	17.60%	177.81	19.61	11.02%
3	Services	192.36	9.99	5.19%	115.31	22.10	19.15%
4	Personal loans	74.85	6.00	8.02%	126.40	6	4.75%
	Sub-total (B)	378.68	35.61	9.40%	419.52	47.71	11.37%
	Total (A+B)	671.68	72.29	10.76%	695.06	79.93	11.50%

III. **a) Movement of Gross NPAs** (₹ in crores)

Particulars	March 31, 2016	March 31, 2015
Opening balance of Gross NPAs	79.93	101.85
Additions during the year	9.61	22.21
Sub-total (A)	89.54	124.06
Less:		
i. Upgradations		0

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Particulars	March 31, 2016	March 31, 2015
ii. Recoveries (excluding recoveries made from upgraded accounts)	0.05	0.28
iii. Write-offs	17.21	43.86
Sub-total (B)	17.26	44.14
Closing balance of Gross NPAs (A-B)	**72.28**	**79.92**

b) (₹ in crores)

Particulars	March 31, 2016	March 31, 2015
Opening balance of Technical/ Prudential written-off accounts	155.32	111.72
Add: Technical/ Prudential write-offs during the year	17.21	43.86
Sub-total (A)	172.53	155.58
Less: Recoveries made from previously technical/ prudential written-off accounts during the year (B)	0	0.26
Closing balance as at March 31 (A-B)	172.53	155.32

IV. Overseas Assets, NPAs and Revenue

(₹ in crores)

Particulars	March 31, 2016	March 31, 2015
Total Assets	Nil	Nil
Total NPAs	Nil	Nil
Total Revenue for the year ended	Nil	Nil

V. Off-balance sheet SPVs sponsored - Nil (P.Y. : Nil)

42. Revaluation of Fixed Assets

The Bank revalued its owned premises as at March 2015 which resulted in a revaluation loss of Rs.0.46 crores which was debited to Revaluation Reserve as at that date. The Bank computes depreciation on such revalued premises over its estimated remaining useful life and accordingly an amount of Rs. 0.26 crores has been accounted as depreciation and reduced from the Revaluation Reserve for the year ended March 31, 2016 (previous year: Rs.0.55 crores).

43. Net overnight overbought open position outstanding as on March 31, 2016 is Rs. 0.41 crores (P.Y. : Rs. 6.10 crores).

44. Provision Coverage Ratio (PCR)

As on March 31, 2016, the Bank has achieved the PCR ratio of 57.02% with reference to Gross NPA as on March 31, 2016 (P.Y. : 39.12%).

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45. Disclosure on Remuneration

In line with bank's Compensation Guidelines, we hereby disclose the following information:

Qualitative disclosures	
(a) Information relating to the composition and mandate of the Remuneration Committee.	Not applicable as Remuneration & Nomination Committee is held at Head Office in Mauritius
(b) Information relating to the design and structure of remuneration processes and the key features and objectives of Remuneration policy.	The Bank follows the following practices and principles in designing and structuring the remuneration process:- 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. Key features and Objective of Remuneration policy are: The bank shall follow 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. The compensation should be adjusted for all types of risk.
(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.	SBM 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 Firm, 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.
(d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	In determining total compensation, it considers the overall scope of an employee's responsibilities, the performance history of the individual with the Bank, comparisons with other staff within the Firm, external market compensation, and the overall performance of the function and the Bank and Group as whole. The Bank looks at sustained superior performance achieved across multiple factors over multiple time periods.
(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.	The variable/performance pay shall not exceed 70% of the fixed pay for the year. In case where the variable pay constitutes a substantial portion of the fixed pay, i.e. 50% or more, then an appropriate portion of the variable pay, i.e. around 50% of the variable pay will be deferred over a minimum period of 3 years. 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.
(f) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.	There will be a proper balance between the fixed and the variable pay. The variable pay shall not exceed 70% of the fixed pay for the year. 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.
Quantitative disclosures (The quantitative disclosures should only cover Whole Time Directors / Chief Executive Officer/ Other Risk Takers)	
(g) Number of meetings held by the Remuneration Committee during the financial	Not applicable as Remuneration & Nomination Committee is held at Head Office in Mauritius

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Qualitative disclosures	
year and remuneration paid to its members.	
(h) (i) Number of employees having received a variable remuneration award during the financial year.	Nil
(ii) Number and total amount of sign-on awards made during the financial year.	Nil
(iii) Details of guaranteed bonus, if any, paid as joining / sign on bonus	Nil
(iv) Details of severance pay, in addition to accrued benefits, if any	Nil
(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Nil
(ii) Total amount of deferred remuneration paid out in the financial year.	Nil
(j) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	CEO IOPS Fixed (Pay & Perquisites) : INR 3,178,436/- Variable : 143,780/-
(k) (i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	Nil
(ii) Total amount of reductions during the financial year due to ex- post explicit adjustments.	Nil
(iii) Total amount of reductions during the financial year due to ex- post implicit adjustments.	Nil

46. Accounting for leases

1. Financial lease

Bank has not enter into any financial lease in current and previous year

2. Operating lease

The lease agreement entered into pertains to use of premises by the branch and residential house. There are no sub–lease arrangements.

(₹ in crores)

Particulars	March 31, 2016	March 31, 2015
1 Total future minimum lease payments as at year end:	1.02	0.50
– Not later than one year	0.33	0.09
– Later than one year but not later than five years	0.61	0.41
– Later than five years	0.08	-
2 Lease payments recognised in the Profit and Loss Account under Rents, taxes and lighting in Schedule 16.	0.36	0.09

47. Credit Default Swaps

The Bank does not have any Credit Default Swaps during the F.Y.2015-16. (P.Y. : NIL)

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48. Intra-Group Exposures

Since we are just a branch of State Bank of Mauritius Limited (Incorporated in the Republic of Mauritius with Limited Liability) hence we are not an entity having Intra-group exposures.

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

(₹ in crores)

Particulars	March 31, 2016	March 31, 2015
Opening balance of amounts transferred to DEAF	0.15	-
Add : Amounts transferred to DEAF during the year	0.03	0.15
Less : Amounts reimbursed by DEAF towards claims	0.00	0.002
Closing balance of amounts transferred to DEAF	0.18	0.15

50. The Bank is implementing Global Technology Transformation Project. As a part of this project, with the support of external expertise, the bank is deeply reviewing the existing policies and procedures on the Information Technology Governance, Information security, IT Operations, IT services outsourcing, IS Audit, Chances of cyber frauds and Business Continuity Planning to strengthen the IT infrastructure and address the gaps identified to achieve the compliance with the guidelines stated in RBI circular DBS.CO.ITC.BC No.6/31.02.008/2010-11 April 29, 2011.

51. 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.

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 31-March-2016 is as follows:

Incremental Capital maintained by the Bank on account of unhedged foreign currency exposure is: INR 0.20 Crores

Unhedged Foreign Currency Exposure provisions:

Incremental standard asset provision required as per RBI guideline	Outstanding as on 31st Mar 2016	Incremental standard advance provision as on 31st Mar 2016
0 bps	501.79	-
20 bps	9.00	0.02
40 bps	73.87	0.30
60 bps	-	-
80 bps	14.75	0.12

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52. Liquidity Coverage Ratio

(₹ in crores)

		31 March 2016		31 December 2015		30 September 2015		30 June 2015		31 March 2015	
		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)	Total Un weighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets											
1	Total High Quality Liquid Assets (HQLA)		117.32		141.05		178.37		181.21		98.61
Cash Outflows											
2	Retail deposits and deposits from small business customers, of which:										
(i)	Stable deposits	5.07	0.25	4.31	0.22	4.62	0.23	4.40	0.22	0.48	0.02
(ii)	Less stable deposits	474.55	47.45	299.40	29.93	375.11	37.51	311.63	31.16	13.16	1.32
3	Unsecured wholesale funding, of which:										
(i)	Operational deposits (all counterparties)			0.0	0.00						
(ii)	Non-operational deposits (all counterparties)	63.27	45.68	63.67	45.36	60.16	43.41	58.6	42.59	34.11	3.40
(iii)	Unsecured debt	0	0.00	0	0	0	0	0	0	0	0.00
4	Secured wholesale funding		0.00		0		0		0		0.00
5	Additional requirements, of which										
(i)	Outflows related to derivative exposures and other	8.59	8.59	0	0.00	0.26	0.26	0.56	0.30	6.48	6.48
(ii)	Outflows related to loss of funding on debt products	0	0.00	0	0	0	0	0	0	0	0.00
(iii)	Credit and liquidity facilities	147.89	23.88	104.86	17.83	77.44	13.29	82.00	21.90	46.48	10.57
6	Other contractual funding obligations	0.00	0.00	0.00	0.00	0.00	0.00	112.38	112.38	39.67	26.20
7	Other contingent funding obligations	92.14	3.37	91.82	4.59	91.01	4.55	87.80	4.39	77.75	3.89
8	**TOTAL CASH OUTFLOWS**		**120.77**		**108.22**		**99.26**		**212.90**		**40.99**
Cash Inflows											
9	Secured lending (e.g. reverse repos)	44.00	0.00	64.38	0	72.32	0	3.67	0	11.45	0.00
10	Inflows from fully performing exposures	102.26	51.25	140.33	28.36	66.17	33.08	79.90	41.11	15.68	7.84
11	Other cash inflows	49.57	24.83	40.64	19.98	37.98	19.12	153.79	91.83	30.12	30.12

S.R. Batliboi & Associates LLP * Gurgaon *

SBM BANK (MAURITIUS) LTD. SBM MUMBAI

SBM BANK (MAURITIUS) LIMITED
(Incorporated in the Republic of Mauritius with Limited Liability)
INDIAN OPERATIONS

SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

12	TOTAL CASH INFLOWS	252.58	132.70	197.46	84.73	209.35	85.09	228.77	122.05	57.25	37.96
13	TOTAL HQLA		117.32		114.78		178.37		181.21		98.61
14	TOTAL NET CASH OUTFLOWS		30.19		30.15		24.81		90.85		11.17
15	LIQUIDITY COVERAGE RATIO (%)		391.88		474.97		718.79		319.79		920.56

Note: LCR for the quarter end March 2015 had been computed based on the guidelines applicable at that point in time. Subsequently, there have been amendments in RBI guidelines w.e.f. April 2015. Hence, the previous year end numbers are not comparable with current financial year.

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 an acute stress scenario lasting for 30 days.

The LCR requirement has been introduced in a phased manner with banks required to maintain minimum LCR of 60% till Dec 2015 and the 70% from Jan 2016 onwards. The requirement will be increasing by 10% annually to 100% by Jan 2019.

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). 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.

53. Capital Commitment

Capital Commitment outstanding as on March 31, 2016 amounts to Rs. 0.10 crores.

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

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra
(Partner)
Membership No. 094533

Place: Gurgaon
Date: 20-07-2016

For SBM Bank (Mauritius) Ltd.

C. Vasudevan
Acting CEO – Indian Operations

Basel III – Pillar 3 disclosures for the year ended 31st March 2016

Scope of Application

Qualitative Disclosures:

(a) SBM Bank (Mauritius) Ltd was incorporated in Mauritius in 1973. The Indian Operations of the SBM Bank (Mauritius) Ltd ("hereinafter referred to as the 'Bank') operates in commercial banking and as a foreign branch of the SBM Bank (Mauritius) Ltd. The information provided in this statement is consolidated for the Bank's operations in India.

Quantitative Disclosures:

(b) The aggregate amount of capital deficiencies in subsidiaries:

Not Applicable.

(c) The aggregate amount of the bank's total interests in insurance entitles:

Not Applicable

Capital Structure:

Qualitative Disclosures:

(a) Summary information and main features of capital instruments are given below.

Tier I capital comprises of funds from Head Office for the purpose of meeting capital adequacy norms, statutory reserves, Capital Reserves and retained earnings. The deduction to the total capital pertains to deferred tax assets.

Tier II capital comprises of general loan loss provisions, country risk provision and revaluation reserve.

(b) The details of tier I capital with separate disclosures of each component is as follows:

The Composition of the Capital structure:

(Rs. in Crores)	Mar-16	Mar-15
Funds from Head Office	508.97	508.97
Statutory reserve	35.99	35.99
Capital Reserve	5.80	5.80
Deferred Tax assets	-	(38.28)
Intangible Assets	(49.24)	-
Total- Tier 1	501.52	512.48
Provision for Standard assets	4.56	5.56
Property Revaluation Reserve	6.75	6.87
Country risk provision	0.04	0.13
Total – Tier II	11.35	12.56
Total eligible capital	512.87	525.04

SBM BANK (MAURITIUS) LTD. SBM MUMBAI

Capital Adequacy:

Qualitative disclosures

(a) Bank's approach to assessing the adequacy:

The Bank's policy is to maintain a strong capital to maintain confidence of depositors and market and to sustain future business developments.

The bank is fully committed to implementing the Basel III as adopted by the Reserve Bank of India and currently follows Standardised approach for credit and market risk and Basic Indicator approach for operational risk.

Quantitative disclosures:

(a) to (e) Capital requirement for credit, market and operational risk and Tier I capital ratio.

The details of capital, risk weighted assets and capital adequacy ratio as at 31 March 2016 are as follows:

	(Rs. in Crores) PARTICULARS	Mar - 16 (As per Basel III) AMOUNT	Mar - 15 (As per Basel III) AMOUNT
A	Capital requirement for credit risk		
	- Portfolios subject to standardised approach & securitisation exposures	82.67	75.34
B	Capital requirement for market risk		
	Standardised duration approach		
	- Interest rate risk	9.85	9.43
	- Foreign exchange risk	3.05	4.05
	- Equity risk	2.38	2.50
C	Capital requirement for operational risk		
	-Basic indicator approach	9.20	10.60
D	Capital Adequacy ratio of the Bank (%)	41.88%	46.36%
E	Tier I CRAR (%)	40.95%	45.26%

Risk Exposure and Assessment

General qualitative disclosure on risk area, risk management objective policies and processes etc:

The Bank has identified the following risks as material to its nature of operations:

- Credit Risk
- Market Risk
- Operational Risk
- Liquidity Risk

SBM BANK (MAURITIUS) LTD. SBM MUMBAI

- Interest Rate Risk in the Banking Book

Risk Management framework

Overview

The Bank's risk management framework is embedded in the business through the different levels supported by an appropriate level of investment in information technology and its people.

Credit Risk

The Bank has a comprehensive credit risk framework to manage Credit Risk, in a uniform and consistent manner.

- To maintain independence and integrity of credit decision-making, credit under working function is segregated from loan origination.
- To adhere to the RBI prudential requirements with respect to lending norms.
- To maintain a diversified portfolio of assets and avoid undue concentration in exposure to a particular industry.
- All credit proposals are analysed through borrower's historical financial statements and projections, which includes a thorough review of traditional methods of ratio analysis, evaluation of asset conversion cycle, balance sheet structure (liquidity, capitalization, and maturity schedule of liabilities), cash flow and FX exposure.
- As a matter of policy, all credit facilities are reviewed / renewed annually. An account would be classified as NPA based on RBI guidelines.

Credit risk: General disclosures

Qualitative Disclosures

(a) Credit quality of Loans and Advances

All loans and advances in the Bank are classified according to asset quality, nature and number of days in arrears in accordance with RBI guidelines. For accounting purposes definition of RBI for past due and impaired assets are adopted. Standard accounts include all facilities which demonstrate good financial condition, minimum risk factors and capacity to repay in line with the original terms of sanction.

Non-Performing Assets

Non-performing assets are those loans for which the Bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms. During the financial year 2015 - 16 bank has non-performing assets amounting to Rs. 72.28 Crores (P.Y. Rs. 79.93 Crores).

The Bank has adopted the Standardised Approach under Basel III for credit risk for Financial Year 2015-16.

(b) Total Gross credit risk exposures including Geographic Distribution of Exposure

(Rs. in Crores)	Mar - 16	Mar – 16	Mar – 16	Mar - 15	Mar – 15	Mar – 15
Particulars	**Domestic**	**Overseas**	**Total**	**Domestic**	**Overseas**	**Total**
Fund Based	1,518.60	59.30	1,577.90	1457.44	62.91	1,520.34
Non Fund Based	528.34	1.57	529.91	130.43	7.64	138.08
Total	**2,046.94**	**60.87**	**2,107.81**	**1,587.87**	**70.55**	**1,658.42**

SBM BANK (MAURITIUS) LTD. SBM MUMBAI

Residual Contractual maturity break down of Assets

(Rs. in Crores)

MATURITY BUCKETS	Cash balances with RBI and other Banks	Investment Securities	Loans and Advances	Other Assets including fixed assets
Next Day	3.54	2.17	70.76	23.64
2 TO 7 Days	0.16	1.17	21.60	23.64
8 TO 14 Days	0.31	2.26	26.14	23.64
15 to 28 days	0.56	4.17	1.31	23.64
29 days to 3 months	1.79	166.27	68.09	0.00
Over 3 months upto 6 months	1.25	86.73	54.67	23.64
over 6 months upto 12 months	8.75	155.01	13.34	0.00
Over 1 year to 3 years	13.27	279.02	294.83	0.00
Over 3 years to 5 years	0.07	0.51	49.96	0.00
Over 5 years	0.01	0.05	27.38	39.40
Total	29.69	700.36	628.07	157.60

Movement of NPA's and Provision for NPA's

Gross NPAs in various categories (Sub-standard, doubtful, loss etc):

	(` in Crores)	Mar - 16	Mar - 15
A	Amount of NPA's (Gross)	72.28	79.93
B	Net NPA's	31.07	48.66
C	**NPA's ratios**		
	Gross NPAs to gross advances (%)	10.76	11.50
	Net NPAs to net advances (%)	4.95	7.36
D	Movement of NPA's		
	Opening Balance as on 1st Apr	79.93	101.85
	Additions	9.56	22.21
	Reductions	17.21	44.13
	Closing balance as on 31st Mar	72.28	79.93
E	Movement of Provision for NPA's		
	Opening Balance as on 1st Apr	26.26	28.01
	Provision made during the year	16.83	15.60
	Write offs	6.89	17.35
	Write back of excess provision		
	Closing balance as on 31st Mar	36.28	26.26

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Credit Risk: Portfolios under the standardised approach:

Qualitative Disclosures:

- The Bank is using Credit Risk Assessment of ICRA, CRISIL, FITCH and CARE for the purpose of arriving at risk weight age wherever available.
- Rating is accepted only if our exposure is included in the rating.

Quantitative Disclosures:

The exposure under each credit risk category is as follows:

(Rs. in Crores)	Mar - 16	Mar - 15
Risk Bucket	**Amount**	**Amount**
Below 100% Risk Weight	1316.92	964.22
100% risk weight	730.28	476.45
More than 100% risk weight	60.62	217.75
Total	**2107.81**	**1658.42**

Credit Risk Mitigation: Disclosures for standardised approaches

Qualitative Disclosures:

It is the policy of the bank to request for pari passu charge on current assets/movable fixed assets/immovable assets for corporate credits, unless the business case warrants unsecured lending. Security is recognized only as a fallback option and repayment of facilities are primarily sought from the cash flow of the borrower's business. Collateral security is an important comfort to mitigate risk. Bank insists on proper valuation of collateral security wherever stipulated.

Quantitative Disclosures

The total value of eligible Cash collateral (Fixed Deposits held under Lien) for credit risk portfolio is Rs. 116.56 Crores.

Securitisation: disclosure for standardised approach

Qualitative and Quantities disclosures:

The bank has securitized NPA asset (Marg Ltd) through Pegasus Assets Reconstruction Pvt. Ltd. and subscribed to Security Receipts to the tune of INR 17.66 crores issued by the Asset Reconstruction Company. Bank has not entered into any other securitisation activity during the Financial Year 2014 - 15.

Market risks in the trading book

Qualitative disclosures

Market Risk

It is the risk of losses arising from changes in market rates or prices that can affect the value of financial instruments. In the Bank all Market Risk is centralized in the dealing room. Market Risk is tracked and measured on a dynamic basis by a dedicated Market Risk desk and periodic reports are circulated to senior management.

Market Risk Organization Structure at the Bank

Bank's Risk Management is controlled at the Head Office in Mauritius. The Risk Management Committee at Head Office approves risk tolerance and appetite for market risk on the recommendation of Indian Operations. It also monitors and reviews significant risks and effectiveness of processes and sets out

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management responsibilities. Local Risk Management unit supports Risk Committee, which formulates and implements the market risk policies, and operational plans and recommends changes to policies, processes and parameters for approval of Risk Management Committee.

Market Risk Limit Structure at the Bank

Market Risk limits represents strategic restrictions, reflecting the risk tolerance of the Bank, the nature of the trading activities and the perceived trading and management skills. The limit setting is to prevent the accumulation of Market Risk beyond the Bank's risk tolerance level, as determined by the Bank's top management, and to reflect mandates of individual trading units. Market Risk limits are set in a top-down process and organized in a certain hierarchy.

The Bank calculates the risk charge on market risk on the basis of standardized approach as prescribed by RBI. The portfolio contains foreign exchange and interest rate risk only. The interest rate general risk is computed on the basis of duration based approach.

The capital requirements for market risk are as follows:

(Rs. in Crores)	Mar-16	Mar-15
Interest Rate Risk	9.85	9.43
Equity position risk	2.38	2.50
Foreign Exchange risk	3.05	4.05
Total	**15.28**	**15.98**

Operational Risk:

Qualitative disclosures: The approaches for operational risk capital assessment

The Bank's Operational Risk Management framework includes the identification, assessment, measurement and monitoring & oversight of operational risks within the Bank.

Indian Operations currently follow Head Office policies for Operational Risk Management..

The Bank has a commitment to meeting high ethical and Operational Risk Management standards in the way it conducts its business. The governing principles and fundamental components of the Bank's operational risk management approach include accountability in the individual business lines for management and control of the significant operational risks to which they are exposed.

An effective organization structure through which operational risk is managed including:

- A Board of Directors responsible for sound corporate governance.
- Separation of duties between key functions.
- An independent internal audit department responsible for verifying that significant risks are identified and assessed and for determining whether appropriate controls are in place to ensure that overall risks are at an acceptable level.
- Risk mitigation programs, which use insurance policies to transfer the risk of high severity losses e.g. cash, where feasible and appropriate
- Business Continuity Plan Business Disruption of key business services for an extended period of time can affect the Bank's image/downfall, unless appropriate emergency response and business resumption strategies are maintained.

As permitted by RBI, the Bank presently follows the Basic Indicator Approach for assessing the capital requirement for computing capital charge for Operational Risk.

SBM BANK (MAURITIUS) LTD. SBM MUMBAI

Liquidity Risk

Liquidity Risk is the risk that the Bank is not able to fulfil its actual and potential financial obligations as and when they are due without incurring unacceptable losses. The Different dimensions of liquidity risks are (i) Funding risk – need to replace net outflows due to unanticipated withdrawal/non-renewal of deposits (wholesale / retail) (ii) Time risk – need to compensate for non-receipt of expected inflows of funds, for example, performing assets turning into non-performing assets and (iii) Call Risk – due to crystallization of contingent liabilities and unable to undertake profitable business opportunities when desirable. The Bank has a liquidity risk management policy in place, which acts as the principal document for management of liquidity risk.

Liquidity Risk Organization Structure

The ultimate responsibility for the Liquidity Risk of the Bank lies with the Asset & Liability Committee (ALCO). ALCO meets monthly and monitors the funding and liquidity position of the Bank and provides structural guidance and oversight. The bank prepares and analyzes the structural liquidity statement reports as per RBI defined time buckets. The Bank has put in place liquidity mitigants such as call borrowings.

Interest rate risk in the banking book (IRRBB)

Qualitative Disclosures

Interest Rate Risk in the Banking Book

Interest Rate risk in Banking Book (IRRBB) refers to the risk of loss in earnings or economic value of the Bank's Banking Book as a consequence of movement in interest rates. Interest rate risk arises from holding assets/liabilities and Off-Balance Sheet [OBS] items with different principal amount, maturity dates or re-pricing dates thereby creating exposure to changes in levels of interest rates.

IRRBB Organization Structure

Asset and Liability Committee (ALCO) ensures compliance with regulatory and internal policies related to IRRBB and provides strategic direction, for achieving IRRBB management objectives. The ALCO focuses on building strong interest rate indicators, which positively contributes to optimizing the balance sheet structure and maximizes NII over time, while minimizing susceptibility to interest changes. The ALCO is convened regularly to review interest rate risk in the Bank's balance sheet and to assess the market condition.

Quantitative Disclosures

The impact of an incremental 200 basis points parallel fall or rise in all yield curves at the beginning of the year on net interest income for the next 12 months amounts to Rs. 2.56 Crores.

For SBM Bank (Mauritius) Ltd

C. Vasudevan
Acting CEO – India Operations

Mumbai
Date:

Table DF-11 : Composition of Capital

Part II : Template to be used before March 31, 2017

(i.e. during the transition period of Basel III regulatory adjustments)

(Rs. in million)

	Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from April 1, 2013 to December 31, 2017)		Amounts Subject to Pre-Basel III Treatment	Ref No.
Common Equity Tier 1 capital: instruments and reserves				
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	4769.58		
2	Retained earnings	320.10		
3	Accumulated other comprehensive income (and other reserves)	417.93		
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies1)	-		
	Public sector capital injections grandfathered until January 1, 2018			
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)			
6	Common Equity Tier 1 capital before regulatory adjustments	5507.61		
Common Equity Tier 1 capital : regulatory adjustments				
7	Prudential valuation adjustments			
8	Goodwill (net of related tax liability)			
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	492.39		
10	Deferred tax assets2			
11	Cash-flow hedge reserve			
12	Shortfall of provisions to expected losses			
13	Securitisation gain on sale			
14	Gains and losses due to changes in own credit risk on fair valued liabilities			
15	Defined-benefit pension fund net assets			
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)			
17	Reciprocal cross-holdings in common equity			
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)			
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)3			

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20	Mortgage servicing rights4(amount above 10% threshold)	Not relevant		
21	Deferred tax assets arising from temporary differences5(amount above 10% threshold, net of related tax liability)			
22	Amount exceeding the 15% threshold6			
23	of which : significant investments in the common stock of financial entities			
24	of which : mortgage servicing rights			
25	of which : deferred tax assets arising from temporary differences			
26	National specific regulatory adjustments7 (26a+26b+26c+26d)	-		
26a	of which : Investments in the equity capital of unconsolidated insurance subsidiaries			
26b	of which : Investments in the equity capital of unconsolidated non-financial subsidiaries8			
26c	of which : Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank9			
26d	of which : Unamortised pension funds expenditures			
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment			
	of which : [INSERT TYPE OF ADJUSTMENT] For example: filtering out of unrealised losses on AFS debt securities (not relevant in Indian context)			
	of which : [INSERT TYPE OF ADJUSTMENT]			
	of which : [INSERT TYPE OF ADJUSTMENT]			
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions			
28	**Total regulatory adjustments to Common equity Tier 1**	492.39		
29	**Common Equity Tier 1 capital (CET1)**	5015.22		
Additional Tier 1 capital : instruments				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)			
31	of which : classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)			
32	of which : classified as liabilities under applicable accounting standards (Perpetual debt Instruments)			
33	Directly issued capital instruments subject to phase out from Additional Tier 1			
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)			
35	of which : instruments issued by subsidiaries subject to phase out			
36	**Additional Tier 1 capital before regulatory adjustments**	-		
Additional Tier 1 capital: regulatory adjustments				
37	Investments in own Additional Tier 1 instruments			
38	Reciprocal cross-holdings in Additional Tier 1 instruments			

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39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)			
40	<u>Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)10</u>			
41	National specific regulatory adjustments (41a+41b)	-		
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries			
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank			
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment			
	of which : [INSERT TYPE OF ADJUSTMENT e.g. DTAs]			
	of which : [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 1 at 50%]			
	of which : [INSERT TYPE OF ADJUSTMENT]			
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions			
43	**Total regulatory adjustments to Additional Tier 1 capital**	-		
44	**Additional Tier 1 capital (AT1)**	-		
44a	<u>Additional Tier 1 capital reckoned for capital adequacy11</u>	-		
45	**Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44a)**	5,015.22		
Tier 2 capital : instruments and provisions				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus			
47	Directly issued capital instruments subject to phase out from Tier 2			
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)			
49	of which : instruments issued by subsidiaries subject to phase out			
50	<u>Provisions12</u>	113.514		
51	**Tier 2 capital before regulatory adjustments**	113.514		
Tier 2 capital: regulatory adjustments				
52	Investments in own Tier 2 instruments			
53	Reciprocal cross-holdings in Tier 2 instruments			
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)			
55	<u>Significant investments13in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)</u>			
56	National specific regulatory adjustments (56a+56b)	-		

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56a	of which : Investments in the Tier 2 capital of unconsolidated insurance subsidiaries			
56b	of which : Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank			
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment			
	of which : [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]			
	of which : [INSERT TYPE OF ADJUSTMENT			
57	**Total regulatory adjustments to Tier 2 capital**	-		
58	**Tier 2 capital (T2)**	113.514		
58a	Tier 2 capital reckoned for capital adequacy14	113.514		
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**			
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	113.514		
59	**Total capital (TC = T1 + Admissible T2) (45 + 58c)**	5,128.73		
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment			
	of which : [INSERT TYPE OF ADJUSTMENT]			
	of which : ...			
60	**Total risk weighted assets (60a + 60b + 60c)**	12,246.58		
60a	of which : total credit risk weighted assets	9,185.58		
60b	of which : total market risk weighted assets	1911.04		
60c	of which : total operational risk weighted assets	1149.96		
Capital ratios				
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	40.95%		
62	Tier 1 (as a percentage of risk weighted assets)	40.95%		
63	Total capital (as a percentage of risk weighted assets)	41.88%		
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)			
65	of which : capital conservation buffer requirement			
66	of which : bank specific countercyclical buffer requirement			
67	of which : G-SIB buffer requirement			
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)			
National minima (if different from Basel III)				
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%		
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%		
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%		
Amounts below the thresholds for deduction (before risk weighting)				

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72	Non-significant investments in the capital of other financial entities			
73	Significant investments in the common stock of financial entities			
74	Mortgage servicing rights (net of related tax liability)	NA		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	NA		
Applicable caps on the inclusion of provisions in Tier 2				
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)			
77	Cap on inclusion of provisions in Tier 2 under standardised approach			
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)			
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach			
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements	NA		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	NA		
82	Current cap on AT1 instruments subject to phase out arrangements			
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
84	Current cap on T2 instruments subject to phase out arrangements			
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)			

Note to the template

No. of the templ	Particular	(Rs.in million)
10	Deferred tax assets associated with accumulated losses	
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	0
	Total as indicated in row 10	
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	
	of which : Increase in Common Equity Tier 1 capital	
	of which : Increase in Additional Tier 1 capital	
	of which : Increase in Tier 2 capital	
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then :	

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26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then :		
	(i)	Increase in Common Equity Tier 1 capital	
	(ii)	Increase in risk weighted assets	
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)		
	of which : Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b		
50	Eligible Provisions included in Tier 2 capital		
	Eligible Revaluation Reserves included in Tier 2 capital		46.01
	Total of row 50		67.51
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)		113.514

For SBM BANK (MAURITIUS) LTD.

C Vasudevan

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Acting CEO - Indian Operations

SBM BANK (MAURITIUS) LTD. SBM MUMBAI

Place Mumbai
Date :

Table DF-12 : Composition of Capital- Reconciliation Requirements				
				(Rs. in million)
			Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
			As on 31-03-2016	As on 31-03-2016
A	Capital & Liabilities			
	i.	Paid-up Capital	4,769.58	4,769.58
		Reserves & Surplus	395.66	395.66
		Minority Interest	0.00	0.00
		Total Capital	5,165.24	5,165.24
	ii.	**Deposits**	9,706.46	9,706.46
		of which : Deposits from banks	20.50	20.50
		of which : Customer deposits	9,685.97	9,685.97
		of which : Other deposits (pl. specify)	0.00	0.00
	iii.	**Borrowings**	199.86	199.86
		of which : From RBI	0.00	0.00
		of which : From banks	0.00	0.00
		of which : From other institutions & agencies	199.86	199.86
		of which : Others (pl. specify) **(Borrowings outside India)**	0.00	0.00
		of which : Capital instruments	0.00	0.00
	iv.	**Other liabilities & provisions**	745.16	745.16
		Total Liabilities	**15,816.72**	**15,816.72**
B	**Assets**			
	i.	Cash and balances with Reserve Bank of India	296.94	296.94
		Balance with banks and money at call and short notice	807.33	807.33
	ii.	**Investments :**	7,003.56	7,003.56
		of which : Government securities	1,986.16	1,986.16
		of which : Other approved securities	0.00	0.00
		of which : Shares	6.97	6.97
		of which : Debentures & Bonds	2,175.50	2,175.50
		of which : Subsidiaries / Joint Ventures / Associates	0.00	0.00
		of which : Others (Commercial Papers, Mutual Funds etc.)	2,834.93	2,834.93
	iii.	**Loans and advances**	6,280.74	6,280.74
		of which : Loans and advances to banks	0.00	0.00
		of which : Loans and advances to customers	6,280.74	6,280.74
	iv.	**Fixed assets**	704.32	704.32
	v.	**Other assets**	723.84	723.84
		of which : Goodwill and intangible assets		
		of which : Deferred tax assets	0.00	0.00
	vi.	**Goodwill on consolidation**		
	vii.	**Debit balance in Profit & Loss account**	0.00	0.00
		Total Assets	**15,816.72**	**15,816.72**

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