



SBM Bank (Mauritius) Limited Indian Operations*

Annual Report For Financial Year Ending 31st March 2017

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

SBM BANK (MAURITIUS) LTD

(Incorporated in the Republic of Mauritius with Limited Liability)

SBM/MUM/FIN/2017/323

June 30, 2017

The Assistant General Manager
Department of Banking Supervision,
Reserve Bank of India
OSMOS Division, Central Office,
3rd Floor, Centre 1, Cuffe Parade,
Mumbai - 400005.

Dear Sir

Sub : Annual Report for financial year ending 31st March 2017.

We are pleased to enclose One Original and 2 copies of our Annual report for the financial year ending 31st March 2017.

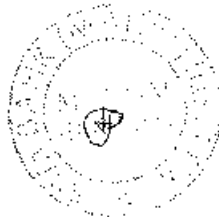
Annual report contains following:-

1. Balance Sheet, Profit and Loss Account and Schedules forming part of Balance Sheet.
2. Notes to Accounts.
3. Cash Flow Statement.
4. Statutory Auditor's report.
5. Basel III Disclosures

Thanking you,
Yours Faithfully,



Siby Sebastian
Chief Executive Officer – Indian Operations
Encl: a/a



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

1. We have audited the accompanying financial statements of SBM Bank (Mauritius) Limited Indian Operations ("the Bank"), which comprise the Balance Sheet as at 31 March 2017, the Profit and Loss Account and the Cash Flow Statement for the period then ended and a summary of significant accounting policies and notes to the financial statements.

Management's Responsibility for the Financial Statements

2. The Management of the Bank 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 Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 in so far as they apply to the Bank and the guidelines issued by the 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

3. Our responsibility is to express an opinion on these standalone 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.
4. 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 control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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.

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**SBM Bank (Mauritius) Limited Indian Operations
Auditor's report for the year ended March 31, 2017**

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013, in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Bank as at March 31, 2017, its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Matters

6. 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 Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
7. As required sub section (3) of section 30 of the Banking Regulation Act, 1949 and the appointment letter dated 31 March 2017, 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.
8. Further, as required by section 143(3) of the Companies Act, 2013, 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 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) Reporting requirement pursuant to Section 164 (2) of the Companies Act 2013, are not applicable considering this is a branch of SBM Bank (Mauritius) Limited;
 - (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, as amended, 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 24 of Schedule 17 to the financial statements;

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S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

SBM Bank (Mauritius) Limited Indian Operations
Auditor's report for the year ended March 31, 2017

- 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 26 of Schedule 17 to the financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank; and
- iv. The disclosure requirement as envisaged in Notification G.S.R 308(E) dated 30th March 2017 is not applicable to the Bank - Refer Note 56 of Schedule 17 to the financial statements.

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

Sarvesh Warty.

per Sarvesh Warty
Partner
Membership Number: 121411
Place of Signature: Mumbai
Date: 30 June 2017

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

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

To the CEO Indian Operations - SBM Bank (Mauritius) Limited Indian Operations

We have audited the internal financial controls over financial reporting of SBM Bank (Mauritius) Limited Indian Operations ("the Bank") as of 31 March, 2017 in conjunction with our audit of the financial statements of the Bank for the period 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. 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 on Audit of Internal Financial Controls Over Financial Reporting (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 company'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 company'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 and fairly reflect the transactions and dispositions of the assets of the company; (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 company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

SBM Bank (Mauritius) Limited Indian Operations

Auditor's report on Internal Controls Over Financial Reporting for the year ended 31 March 2017

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, 2017, 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.

Explanatory paragraph

We also have audited, 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, the financial statements of the Bank, which comprise the Balance Sheet as at 31 March, 2017, and the related Profit and Loss Account and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and notes to the financial statements, and our report dated 30 June 2017 expressed an unqualified opinion thereon.

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sarvesh Warty

per Sarvesh Warty

Partner

Membership Number: 121411

Place of Signature: Mumbai

Date: 30 June 2017

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

Balance Sheet

	Schedule	Audited As at 31-Mar-2017 (Amount in ₹)	Audited As at 31-Mar-2016 (Amount in ₹)
CAPITAL & LIABILITIES			
Capital	1	4,769,584,122	4,769,584,122
Reserves & Surplus	2	47,178,359	995,059,824
Deposits	3	12,182,545,429	9,700,402,394
Borrowings	4		109,855,447
Other Liabilities and Provisions	5	608,997,247	745,162,475
Total		17,608,305,157	15,816,724,362
ASSETS			
Cash and Balances with Reserve Bank of India	6	282,303,057	296,930,177
Balances with banks and Money at Call and Short Notice	7	4,379,320,950	807,333,516
Investments	8	4,304,612,863	7,063,561,500
Advances	9	7,309,179,610	6,280,737,527
Fixed Assets	10	294,594,511	301,617,991
Other Assets	11	1,058,244,146	1,126,534,561
Total		17,608,305,157	15,816,724,362
Contingent Liabilities	12	11,911,598,053	10,396,596,381
Bills for Collection		1,774,742,321	2,697,428,078
Accounting Policies & Notes on Accounts	13		

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

As per our attached Report of even date.

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

Sarvesh Warty.
per Sarvesh Warty
Partner
Membership No. 121411

For SBM Bank (Mauritius) Ltd.

Mr. Siby Sebastian
Mr. Siby Sebastian
CEO - Indian Operations

Place : Mumbai
Date : June 30, 2017



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

Profit and Loss Account

	<u>Schedule</u>	<u>Year Ended</u> <u>31-Mar-2017</u> (Amount in ₹)	<u>Year Ended</u> <u>31-Mar-2016</u> (Amount in ₹)
I. INCOME			
Interest earned	13	1,066,640,510	1,290,054,055
Other income	14	115,280,355	140,470,016
Total		1,181,926,865	1,430,524,071
II. EXPENDITURE			
Interest expended	15	746,996,057	830,030,521
Operating expenses	16	245,192,225	384,366,817
Provisions & contingencies (Refer Note 28 - Schedule 17)		534,405,888	644,816,771
Total		1,526,594,170	1,859,213,109
III. PROFIT/LOSS			
Net profit/(loss) for the year		(344,667,305)	(429,298,436)
Profit/(loss) brought forward		(492,384,732)	(63,050,294)
Total		(837,052,037)	(492,384,732)
IV. APPROPRIATIONS			
Transfer to Statutory Reserves		-	-
Transfer to Capital Reserve		-	-
Transfer to Investment Fluctuation Reserve		-	-
Profit remitted to Head Office		-	-
Balance carried over to Balance Sheet		(837,052,037)	(492,384,732)
Total		(837,052,037)	(492,384,732)

The Schedules referred to above form an integral part of the Profit & Loss Account.

As per our attached Report of even date.

For S. R. Batliboi & Associates LLP
Chartered Accountants

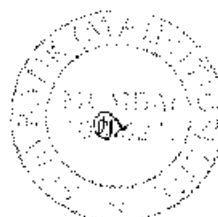
Sarvesh Warty.

per Sarvesh Warty
Partner
Membership No. 121411

Place : Mumbai
Date : June 30, 2017

For SBM Bank (Mauritius) Ltd.

Mr. Siby Sebastian
Mr. Siby Sebastian
CEO - Indian Operations



SBM Bank (Mauritius) Ltd. - Indian Operations
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2017

		(Amount in ₹)	
Particulars	As at March 31, 2017	As at March 31, 2016	
A Cash Flow from Operating Activities			
Net Profit after Taxes	(344,667,305)	(429,298,438)	
Adjustments to profit/(loss) from operations			
Depreciation on Fixed Assets	6,847,288	9,052,401	
Diminution on Investment	6,970,409	(188,784)	
Loss/(Profit) from sale of fixed assets	111	2,870	
Specific Provision for NPA	476,282,890	98,392,612	
Non performing Advances / Investment written off	129,974,280	172,142,231	
Provision for Standard Advances	(13,728,403)	(10,000,000)	
Provision for interest capitalised on restructured accounts	(41,853,419)	1,592,043	
Provision for Diminution in fair value of restructured accounts	(24,000,000)	-	
Provision for country exposure	760,053	(890,932)	
Other Provisions - Deferred tax	-	382,760,645	
Direct Taxes	-	(44)	
Sub-Total	196,585,982	224,573,609	
Changes in working capital			
(Increase)/Decrease in Investments	2,891,978,128	(1,526,360,630)	
(Increase)/Decrease in Advances	(1,610,699,153)	61,689,172	
(Increase)/Decrease in Other Assets	94,654,670	(324,760,303)	
Increase/(Decrease) in Deposits	2,476,083,035	2,086,774,456	
Increase/(Decrease) in Borrowings	(190,855,447)	(987,337,058)	
Increase/(Decrease) in Other Liabilities	(81,343,459)	217,256,613	
Net Cash from Operating Activities before Income Tax	3,587,403,764	21,796,859	
Advance Income tax paid	(44,900,000)	(15,100,000)	
Refund received from Income Tax	18,535,728	-	
Net Cash from Operating Activities after Income Tax	3,541,039,492	6,696,859	
B Cash Flow from Investing Activities			
Purchase of Fixed Assets	(3,642,179)	(19,609,392)	
Proceeds from sale of fixed assets	14,000	(2,875)	
Net Cash from Investing Activities	(3,628,179)	(19,612,267)	
C Cash Flow from Financing Activities			
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)	3,108,596	3,189,333	
ii Balances with Reserve Bank of India	293,830,581	390,820,826	
iii Balances with Banks and Money at Call and Short Notice	607,333,516	723,172,944	
	1,104,272,693	1,117,183,103	



Particulars	As at March 31, 2017	As at March 31, 2016
E Cash and Cash Equivalent at the end of the year		
I. Cash in Hand (including foreign currency notes and gold)	3,352,930	3,108,596
II Balances with Reserve Bank of India	259,010,121	293,830,581
III Balances with Bank and Money at Call and Short Notice	4,379,320,950	807,333,516
	4,641,684,007	1,104,272,693
A Cash Flow from Operating Activities	3,541,039,492	6,695,859
B Cash Flow from Investing Activities	(3,628,179)	(19,612,267)
C Cash Flow from Financing Activities	-	-
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	3,537,411,313	(12,916,408)
D Cash and Cash Equivalent at the beginning of the year	1,104,272,693	1,117,189,103
E Cash and Cash Equivalent at the end of the year (A+B+C+D)	4,641,684,007	1,104,272,693

For S. R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W/E-300004

Sarvesh Warty.

per Sarvesh Warty
Partner
Membership No. 121411

For SBM Bank (Mauritius) Ltd.

Mr. Siby Sebastian

Mr. Siby Sebastian
CEO - Indian Operations

Place : Mumbai
Date : June 30, 2017



Schedules forming part of the Balance Sheet

	<u>31-Mar-2017</u> (Amount in ₹)	<u>31-Mar-2016</u> (Amount in ₹)
SCHEDULE 1 : CAPITAL		
Capital	4,769,584,122	4,700,584,122
At the beginning of the year	4,769,584,122	4,769,584,122
Additions during the year	-	-
Total	<u>4,769,584,122</u>	<u>4,769,584,122</u>

Notes:

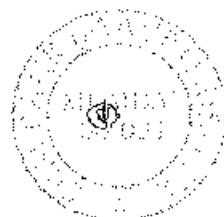
1) Amount of deposit kept with RBI in the form of approved securities for March 2017 under section 11 2(b) of the Banking Regulation Act, 1949 Face value Rs 45,00,00,000 (Previous Year Rs 45,00,00,000)

SCHEDULE 2 : RESERVES AND SURPLUS

I. Statutory Reserve		
Opening Balance	359,879,978	359,879,978
Additions during the year	-	-
Deductions during the year	-	-
Sub Total	<u>359,879,978</u>	<u>359,879,978</u>
II. Capital Reserve		
Opening Balance	58,054,335	58,054,335
Additions during the year	-	-
Deductions during the year	-	-
Sub Total	<u>58,054,335</u>	<u>58,054,335</u>
III. Retained Earnings		
Opening Balance	320,098,227	320,098,227
Additions during the year	-	-
Deductions during the year	-	-
Sub Total	<u>320,098,227</u>	<u>320,098,227</u>
IV. Revaluation Reserve		
Opening Balance	150,012,116	152,566,121
Additions during the year	-	-
Deductions during the year	3,814,260	2,564,005
Sub Total	<u>146,197,856</u>	<u>150,012,116</u>
V. Balance in Profit and Loss Account		
Opening Balance	(492,384,732)	(63,088,294)
Less Appropriations	-	-
Add profit/(loss) for the year brought from the Profit and loss account	(344,067,305)	(429,298,438)
Sub Total	<u>(837,052,037)</u>	<u>(492,384,732)</u>
Total (I + II + III + IV + V)	<u>47,178,359</u>	<u>395,659,924</u>

SCHEDULE 3 : DEPOSITS

A.I. Demand Deposits		
(i) From Banks	32,603,881	17,495,125
(ii) From Others	1,952,646,935	344,912,929
A.II. Savings Bank Deposits	655,023,856	542,742,821



A.III. Term Deposits

- (i) From Banks
(ii) From Others

9,773,732 3,000,000
9,531,297.025 8,798,311,520

Total

12,182,545,429 9,798,462,394

B.I. Deposits of branches in India

12,182,545,429 9,798,462,394

B.II. Deposits of branches outside India**Total**

12,182,545,429 9,798,462,394

SCHEDULE 4 : BORROWINGS**I. Borrowings in India**

- (i) Reserve Bank of India
(ii) Other Banks
(iii) Other Institutions and Agencies
Sub Total

199,855,447

II. Borrowings outside India**Total (I + II)**

- 199,855,447

Secured Borrowings included in I & II above

- 199,855,447

SCHEDULE 5 : OTHER LIABILITIES AND PROVISIONS

- I. Bills Payable
II. Interest Accrued
III. Deferred Tax Liability (Net)
IV. Provision for standard advances
V. Others (including Provisions)

6,264,612 13,650,206
498,303,088 568,004,148
.. ..
31,871,804 45,600,207
72,557,733 117,827,914

Total

608,997,247 745,162,475

SCHEDULE 6 : CASH AND BALANCES WITH RBI

- I. Cash in Hand
(including Foreign Currency Notes - Nil)

3,352,936 3,108,696

- II. Balances with Reserve Bank of India
in Current Account

259,010,121 293,830,581

Total

262,363,057 296,939,177

SCHEDULE 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE**I. In India**

- (i) Balances with banks in
(a) Current Accounts
(b) Other Deposit Accounts
(ii) Money at call and short
(a) with Banks
(b) with Other Institutions

10,338,023 4,888,419
1,280,000,000 210,000,000

Sub Total

1,290,338,023 214,888,419



II. Outside India

i) in Current Accounts	2,181,082,927	128,659,097
ii) in Other Deposit Accounts	259,400,000	-
iii) in Money at Call and Short Notice	648,500,000	463,785,000

Sub Total

3,088,982,927	592,444,097
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Total (I & II)

4,379,320,950	807,333,516
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SCHEDULE 8 : INVESTMENTS**I. Investments in India in**

i) Government Securities	1,947,242,627	1,966,157,413
ii) Other Approved Securities	-	-
iii) Shares	6,970,490	6,970,490
iv) Debentures and Bonds	1,333,029,490	2,175,503,440
v) Subsidiaries and/or Joint Venture	-	-
vi) Others (CD, GP & SR)	1,024,340,765	2,834,930,167
Sub Total	4,311,583,372	7,003,561,500
Less : Provision for Diminution	6,970,489	-
Sub Total	4,304,612,883	7,003,561,500

II. Investments outside India**Total (I & II)**

4,304,612,883	7,003,561,500
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SCHEDULE 9 : ADVANCES**A. i) Bills Purchased and Discounted**

ii) Cash Credits, Overdrafts and Loans repayable on Demand	525,442,091	249,120,332
iii) Term loans	2,042,081,190	2,712,906,842
	4,741,656,329	3,318,710,453

Total

7,309,179,610	6,280,737,627
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B. i) Secured by Tangible Assets (includes advances against Book debts)

ii) Covered by Bank / Government Guarantees (includes advance against standby letter of credit)	6,447,264,201	8,168,223,580
iii) Unsecured	68,641,631	92,179,603
	793,273,778	334,444

Total

7,309,179,610	6,280,737,627
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C. I. Advances in India

i) Priority Sectors	3,121,405,855	2,930,075,491
ii) Public Sector	-	-
iii) Banks	-	-
iv) Others	4,187,773,754	3,350,662,136

Total

7,309,179,610	6,280,737,627
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II. Advances outside India**Total (CI & CII)**

7,309,179,610	6,280,737,627
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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	131,290,500	124,546,123
Sub Total	258,715,990	265,460,367
II. Other Fixed Assets (including Furniture & Fixtures)		
At Cost at beginning of year	101,482,310	101,482,310
Additions during the year	369,775	506,233
Deductions during the year	5,436,076	1,181,222
Depreciation to date	57,294,464	88,709,260
Sub Total	8,546,556	12,108,061
III. Capital Work in Progress	27,321,965	24,049,663
Total (I, II & III)	294,584,511	301,617,991

SCHEDULE 11 : OTHER ASSETS

I. Inter Office Adjustment (Net)	-	-
II. Interest Accrued	-	-
III. Tax paid in Advance / Tax Deducted at Sources (Net of Provisions)	112,044,946	177,956,404
IV. Deferred Tax Assets (Net)	169,757,300	142,492,030
V. Stationery and Stamps	16,322	9,432
VI. Others	776,425,578	806,076,686
Total	1,058,244,146	1,126,534,551

SCHEDULE 12 : CONTINGENT LIABILITIES

I. Claims against the Bank not acknowledged as Debts	61,143,429	23,242,126
II. Liability for Partly Paid Investments	-	-
III. Liability on account of outstanding Forward Exchange Contracts & Derivatives	9,831,685,982	9,466,843,947
IV. Guarantees given on behalf of Constituents		
a) In India	11,503,821	176,840,802
b) Outside India	33,855,785	51,960,313
V. Acceptances, Indorsements and Other Obligation	670,100,000	676,147,451
VI. Other items for which the Bank is Contingently Liable	1,282,007,026	1,761,730
Total	11,911,596,053	10,396,596,381



Schedules forming part of the Profit and Loss Account

SCHEDULE 13 : INTEREST EARNED

	Year Ended 31-Mar-2017 (Amount in ₹)	Year Ended 31-Mar-2016 (Amount in ₹)
I. Interest / Discount on Advances / Bills	451,837,409	606,891,094
II. Income on Investments	460,516,733	482,275,502
III. Interest on Balances with RBI and Other Inter-Bank Funds	64,878,032	35,620,018
IV. Others	89,378,336	165,288,041
Total	<u>1,066,640,510</u>	<u>1,290,051,655</u>

SCHEDULE 14 : OTHER INCOME

I. Commission, Exchange and Brokerage	24,615,697	15,959,918
II. Profit/(loss) on sale of Investments	36,516,408	55,483,005
III. Profit/(loss) on Revaluation of Investments	-	-
IV. Profit/(loss) on sale of Land Building & Other Assets	-	-
V. Profit on Exchange Transactions	(111)	(2,875)
VI. Income earned by way of Dividends etc. from Companies and / or Joint Ventures in India & Abroad	33,788,938	13,375,639
VII. Profit/(loss) on Derivative Trade	(189,219)	(803,816)
VIII. Miscellaneous Income	20,534,644	56,458,055
Total	<u>115,286,355</u>	<u>140,470,016</u>

SCHEDULE 15 : INTEREST EXPENDED

I. Interest on Deposits	591,729,900	580,162,534
II. Interest on Reserve Bank of India / Inter Bank Borrowings	1,456,298	10,429,371
III. Others	153,810,899	240,047,610
Total	<u>746,996,057</u>	<u>830,639,521</u>

SCHEDULE 16 : OPERATING EXPENSES

I. Payments to and Provision for Employees	87,706,942	73,046,295
II. Exchange Commission and Brokerage	5,687,652	9,500,736
III. Rent, Taxes and Lighting	9,335,455	10,652,776
IV. Printing and Stationery	927,645	1,102,026
V. Advertisement and Publicity	243,960	254,600
VI. Depreciation on Bank's Property	6,847,288	9,052,401
VII. Auditors' Fee	3,062,677	1,721,992
VIII. Law charges (incl. Professional Fees)	12,052,204	13,027,426
IX. Postages, Telegrams, Telephones, etc.	3,509,980	4,708,803
X. Repairs and Maintenance	7,994,773	7,046,949
XI. Insurance	11,323,312	10,669,946
XII. Other Expenditure	96,701,378	243,587,867
Total	<u>245,197,225</u>	<u>384,366,817</u>



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SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES

a) Background

The financial statements for the year ended March 31, 2017 comprise the accounts of the Indian Operations 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 have been prepared in accordance with requirements prescribed under the Third schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by the Reserve Bank of India (RBI) from time to time, the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and other relevant provisions of the Companies Act, 2013 ("the Act") and the Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and practices generally prevalent in the banking industry in India. The Bank follows the accrual method of accounting and the historical cost convention.

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 straight line 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 First in first out (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 as notified by FEDAI.



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SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES (continued.)

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.

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



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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.

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
ITP Equipments, Computers	3 years
Software	3 years
Furniture & Fixtures	10 years
Motor Car	8 years

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 and employee benefits

i) Leave salary - The employees of the Bank are entitled to carry forward a part of their unavailed/unutilized leave subject to a maximum limit. The employees cannot encash unavailed/unutilized leave. Hence, The Bank has not computed the compensated absence provision as per revised AS 15 - Employee Benefits.

ii) Gratuity - The Bank provides for gratuity, a defined benefit retirement plan, covering eligible employees. The plan provides for lump sum payments to vested employees at retirement or upon death while in employment or on termination of employment for an amount equivalent to 15 days' eligible salary payable for each completed year of service if the service is more than 5 years. The Bank accounts for the liability for future gratuity benefits using the projected unit cost method based on annual actuarial valuation. Gratuity fund is being managed by "LC Group



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Gratuity Scheme" and any actuarial gain / loss contribution determined by the actuary are charged to Profit and Loss account and are not deferred.

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

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.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the bank will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the bank

m) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Lease transactions are accounted 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.



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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.

o) Floating and countercyclical provision

Countercyclical provisioning buffers and floating provisions is the specific amount that Bank has set aside in good times. These are used only in contingencies or extraordinary times of economic or system-wide downturns. RBI had allowed to utilise up to 33 percent and 50 percent of countercyclical provisioning buffer/floating provisions held by them as on March 31, 2013 and December 31, 2014 respectively. These are considered as part of NPA provisions for the purpose of compliance with the minimum RBI provisioning requirement.

p) 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).



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SCHEDULE 17:- NOTES TO THE FINANCIAL STATEMENTS

1. Capital to Risk Assets Ratio (CRAR)

1. 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, 2017	March 31, 2016
i)	CRAR – Common Equity Tier I	33.14%	40.95%
ii)	CRAR – Tier I Capital	33.14%	40.95%
iii)	CRAR – Tier II Capital	0.70%	0.93%
iv)	Total Capital Ratio (CRAR) (%)	33.84%	41.88%
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, 2017	March 31, 2016	
1. Value of Investments:			
(i) Gross Value of Investments			
a. In India	431.16	700.36	
b. Outside India	-	-	
(ii) Provisions for Depreciation			
a. In India			
- on transfer to securities from AFS to ITM portfolio			
- on securities position	0.70	-	
b. Outside India	-	-	
(iii) Net Value of Investments			
a. In India	430.46	700.36	
b. Outside India			
2. Movement of provision held towards depreciation on investments:			
(i) Opening balance	0.00	0.02	
(ii) Add: Provision made during the year	0.70	-	



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(iii) Less: Write-off/ write-back of excess provision during the year (including depreciation utilized on sale of securities)	--	0.02
(iv) Closing balance	0.70	-

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, 2017		As at March 31, 2016	
	Rs. in crores	%	Rs. in crores	%
Held to Maturity	109.56	25.45	129.91	18.53
Held for Trading	--	--	--	--
Available for Sale	320.90	74.55	570.45	81.45
Total	430.46	100.00	700.36	100.00

3. Repurchase & Reverse Repurchase Agreement Transactions

(₹ in crores)

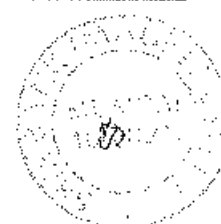
Financial Year 2016 - 2017	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2017
Securities Sold under Repurchase Transactions *				
(i) Government Securities	1.00 ^a	18.00	0.16	Nil
(ii) Corporate Debt Securities	Nil	Nil	Nil	Nil
Securities purchased under Reverse Repurchase Transactions *				
(i) Government Securities	1.00 ^b	265.00	40.16	128.00
(ii) Corporate Debt Securities	Nil	Nil	Nil	Nil

* consist of RBI LAP disclosed at face value.

^a Nil outstanding on any day is ignored for reckoning minimum outstanding.

(₹ 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 ^a	1	0	0
(ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Reverse Repurchase Transactions *				



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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
(i) Government Securities	1#	118.00	6.60	21.00
(ii) Corporate Debt Securities	-	-	-	-

* consist of RBI LAF disclosed at face value.

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

4. Non-SLR Investments Portfolio - Issuer Composition of Non-SLR Investments

Balances as at March 31, 2017

(₹ 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	0.00	Nil	Nil	Nil	Nil
2.	FIs	136.65	100.00	Nil	Nil	53.33
3.	Banks	0.00	Nil	Nil	Nil	Nil
4.	Private Corporates	29.00	Nil	Nil	Nil	29.00
5.	Subsidiaries/ Joint Ventures		Nil	Nil	Nil	Nil
6.	Others*	20.79	Nil	Nil	20.79	20.79
7.	Provision held towards Depreciation	(0.70)	Nil	Nil	(0.70)	(0.70)
	Total	235.74	100.00	Nil	20.09	102.42

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

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



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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
	Total	501.74	Nil	Nil	18.36	18.36

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

5. Non Performing Non SLR Investments

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

(₹ in crores)		
Particulars	March 31, 2017	March 31, 2016
Opening Balance	Nil	Nil
Additions during the year since 1 st April	0.70	Nil
Reductions on account of write off during the above period	Nil	Nil
Closing balance	0.70	Nil
Total Provision held	0.70	Nil

6. Sale and Transfers to/ from HTM Category

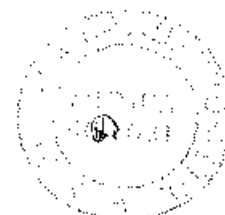
There are no sale and transfers to/ from HTM category during the FY 2016-17 (PY: Nil).

7. Forward Rate Agreement / Interest Rate Swap

(₹ in crores)		
Particulars	March 31, 2017	March 31, 2016
The notional principal of swap agreements	Nil	Nil
Losses which would be incurred if counterparties failed to fulfil 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

8. Exchange Traded Interest Rate Derivatives

			(₹ in crores)
Sr. No.	Particulars	March 31, 2017	March 31, 2016
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
iii.	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil



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Sr. No.	Particulars	March 31, 2017	March 31, 2016
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 structure and organization for management of risk in derivatives trading:

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

The Bank has in place policies and procedures, which have been approved at various levels including Board, Executive Forum & Asset Liability Committee (ALCO) in India to ensure adherence to various risk parameters and prudential limits.

The scope and nature of risk measurement, risk reporting and risk monitoring systems:

a. Risk Measurement

For foreign exchange contracts, risk is measured through a daily report called Value at Risk (VAR), which computes VAR on the forex gaps using FEDAI VAR factors.

b. Risk Reporting and Risk monitoring systems:

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

1. VAR
2. Net Open Position
3. Aggregate Gap Limit (AGL)/Individual Gap Limit (IGL)
4. Stop loss limits

c. The Bank has the following policy paper in place, and approved by its Head Office;

1. Treasury Manual
2. Asset-Liability Management (ALM) policy

Accounting Policy:

All outstanding derivatives transactions (including forex forwards) are booked as off-balance sheet items. The trading positions are revalued on a marked to market basis whereas the funding/investment swaps follow the accrual basis of accounting.

b) Quantitative Disclosures

(₹ in crores)					
Sr. No.	Particulars	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
		March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
1.	Derivatives notional Principal Amount	801.44	Nil	03.16	Nil



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Sr. No	Particulars	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
		March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
	(a) For hedging	546.68	Nil	34.62	Nil
	(b) For trading	254.76	Nil	48.54	Nil
2.	Marked To Market position				
	(a) Asset (+)	3.82	Nil	3.43	Nil
	(b) Liability (-)	3.56	Nil	(3.41)	Nil
3.	Credit Exposure	13.32	Nil	8.21	Nil
4.	Likely impact of one percentage change in Interest Rate (100*PV01)		Nil		Nil
	(a) On hedging derivatives	(0.00334)	Nil	0.00137	Nil
	(b) On trading derivatives	0.00339	Nil	(0.00086)	Nil
5.	Maximum and Minimum of 100*PV01 observed during the year				
	(a) On hedging				
	Maximum	0.00263	Nil	0.00248	Nil
	Minimum	(0.00597)	Nil	0.00111	Nil
	(b) On trading				
	Maximum	0.00668	Nil	0.00	Nil
	Minimum	(0.00329)	Nil	0.00114	Nil

10. Non-Performing Assets (NPAs)

Particulars	(₹ in crores)	
	March 31, 2017	March 31, 2016
(i) Net NPAs to Net Advances (%)	5.92%	4.95%
(ii) Movement of Gross NPAs		
(a) Opening balance	72.28	79.93
(b) Additions during the year	75.71	9.61
(c) Recoveries / write offs / restructure	(15.85)	(17.26)
(d) Closing balance	132.14	72.28
(iii) Movement of Net NPAs		
(a) Opening balance	31.07	48.66
(b) Additions during the year	48.34	6.12
(c) Recoveries / write offs / restructure	(36.11)	(25.71)
(d) Closing balance	43.30	31.07



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Particulars	March 31, 2017	March 31, 2016
(iv) Movement of provisions for NPAs (excluding provision on Standard Assets)		
(a) Opening balance	41.21	31.27
(b) Provisions made during the year (Gross)	54.70	16.83
(c) Write-off / write-back of excess provisions	(7.07)	(6.89)
(d) Closing balance	88.84	41.21

Note :- Item (iii) & (iv) includes the impact of counter cyclical provision utilised amounting to Nil in FY 2016-17 (P.Y. : 0.60 Crores) and floating provision utilised amounting to Nil in FY 2016-17 (P.Y. : Nil)

11. Details of loan assets subjected to restructuring during the year 2016-17

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

Sr. No.	Type of Restructuring & Asset Classification		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Details of Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers Amount outstanding Provision thereon	2 35.56 8.27	-	-	-	2 35.56 8.27	-	-	-	-	-	-	-	-	-	2 35.56 8.27	-	-	-	-	2 35.56 8.27
2	Fresh restructuring during the year	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers Amount outstanding Provision thereon	2 35.56 8.27	-	-	-	2 35.56 8.27	-	-	-	-	-	-	-	-	-	2 35.56 8.27	-	-	-	-	2 35.56 8.27
6	Write offs of restructured accounts during the FY	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



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11. Details of loan assets subjected to restructuring during the year 2015-16.

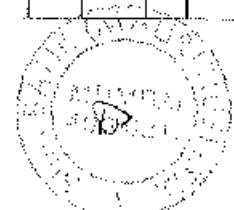
		(₹ in crores)		
		CDR Mechanism	SME Debt Restructuring	Others
Standard advances restructured	Number of borrowers	Nil	Nil	Nil
	Amount outstanding	Nil	Nil	Nil
	Sacrifice (diminution in the fair value)	Nil	Nil	Nil
Sub Standard advances restructured	Number of borrowers	Nil	Nil	Nil
	Amount outstanding	Nil	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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S. No.	Type of Restructuring Asset Classification		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Details of Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers Amount outstanding ₹ Provision thereon	2	-	-	-	2	-	-	-	-	-	-	-	-	-	-	2	-	-	-	2
			35.07	-	-	-	35.07	-	-	-	-	-	-	-	-	-	-	35.07	-	-	-	35.07
			2.40	-	-	-	2.40	-	-	-	-	-	-	-	-	-	-	2.40	-	-	-	2.40
2	Fresh restructuring during the year	No. of borrowers Amount outstanding ₹ Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			0.49	-	-	-	0.49	-	-	-	-	-	-	-	-	-	-	0.49	-	-	-	0.49
			5.87	-	-	-	5.87	-	-	-	-	-	-	-	-	-	-	5.87	-	-	-	5.87
3	Upgradations to restructured standard category during the FY	No. of borrowers Amount outstanding ₹ Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 Amount outstanding ₹ Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers Amount outstanding ₹ Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No. of borrowers Amount outstanding ₹ Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers Amount outstanding ₹ Provision thereon	2	-	-	-	2	-	-	-	-	-	-	-	-	-	-	2	-	-	-	2
			35.56	-	-	-	35.56	-	-	-	-	-	-	-	-	-	-	35.56	-	-	-	35.56
			8.27	-	-	-	8.27	-	-	-	-	-	-	-	-	-	-	8.27	-	-	-	8.27



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12. During the year the Bank had not entered in the Scheme for Sustainable Structuring of Stressed Assets (S4A).

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

A. Details of Sales

		(₹ in crores)	
Particulars		March 31, 2017	March 31, 2016
(i)	No. of accounts	1	NIL
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	8.78	NIL
(iii)	Aggregate consideration	2.85	NIL
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	NIL
(v)	Aggregate gain / loss over net book value	5.93	NIL

B. Details of Book Value of Investments in Security Receipts

		(₹ in crores)	
Particulars		March 31, 2017	March 31, 2016
(i)	Backed by NPAs sold by the bank as underlying	20.09	17.67
(ii)	Backed by NPAs sold by other banks / financial institutions / non banking financial companies as underlying	NIL	NIL
Total		20.09	17.67

Current year :-

		(₹ In crores)		
Particulars		SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
(i)	Book value of SRs backed by NPAs sold by the bank as underlying	20.09	-	-
	Provision held against (i)	-	-	-
(ii)	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	-
	Provision held against (ii)	-	-	-
Total (i) + (ii)		20.09	-	-



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

		(₹ In crores)	
Sr. No.	Particulars	March 31, 2017	March 31, 2016
A.	Details of non-performing financial assets purchased:		
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

15. Provisions on Standard Assets

		(₹ In crores)	
Particulars		March 31, 2017	March 31, 2016
Provision on Standard Assets		3.19	4.57

Provision made for Standard advances as on 31st March 2017 is included under schedule 5 of Balance Sheet "Other Liabilities and provisions-Others." Provision held as on 31st March 2017 is equal to 0.46% (P.Y. : 0.76%) of Standard advances of Rs 687.62 crores (P.Y. : 599.41 crores).

16. Important Financial Ratios

Particulars	March 31, 2017	March 31, 2016
Interest Income as a percentage to Working Funds (%)	6.32%	0.00%
Non-Interest Income as a percentage to Working Funds (%)	0.68%	0.07%
Operating Profit as a percentage to Working Funds (%)	1.12%	1.34%
Return on Assets (%)	(2.04)%	(2.66)%
Business (Deposits plus Advances) per employee (Rs. in crores)	32.96	29.57
Profit / (Loss) per employee (Rs. in crores)	(0.59)	(0.79)

17. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as of March 31, 2017



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Particulars	(₹ in Crores)										
	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	29.83	23.51	12.26	2.07	25.40	87.92	76.08	308.62	151.89	13.34	730.92
Investment in Securities	2.33	2.63	3.37	12.46	26.94	57.55	102.58	219.79	2.75	0.06	430.46
Deposits	14.50	16.43	21.09	12.96	78.71	117.98	303.32	650.78	2.03	0.37	1,218.25
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	768.04	117.81	-	40.79	31.97	114.46	69.71	289.36	-	-	1,432.15
Foreign Currency Liabilities	2.66	369.64	0.06	22.64	13.56	69.32	77.04	345.33	-	-	900.25

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

Particulars	(₹ in Crores)										
	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	13.33	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

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.



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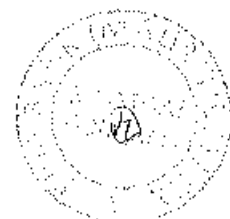
18. Exposure to Sensitive Sector

a. Exposure to Real Estate Sector

(₹ in crores)		
Category	March 31, 2017	March 31, 2016
a) Direct Exposure		
(i) Residential Mortgages	6.00	6.00
- of which housing loan's upto Rs.15 Lakhs		
(ii) Commercial Real Estate	50.00	-
(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).	62.60	-
Total Exposure to Real Estate Sector	118.60	6.00

b. Exposure to Capital Market

(₹ in crores)		
Particulars	March 31, 2017	March 31, 2016
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;	0.70	Nil
ii. Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/RSOs), 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
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



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Particulars	March 31, 2017	March 31, 2016
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	0.70	Nil

Provision amounting to Rs. 0.70 crores has been made for the above exposure

19. 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, 2017	Provision held as at March 31, 2017	Exposure (net) as at March 31, 2016	Provision held as at March 31, 2016
Insignificant	88.65	0.05	65.70	0.040
Low	25.98	0.06	1.80	0.001
Moderate			-	-
High			-	-
Very High			-	-
Restricted			-	-
Off-credit			-	-
Total	114.63	0.11	67.50	0.041

20. 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 (PY: Nil).

During the financial year ended March 31, 2017, the Bank did not exceed the group borrower limits in respect of any of its clients (PY: Nil).

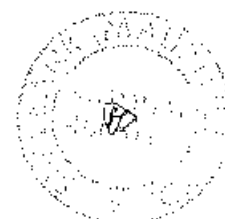
21. Unsecured Advances

Unsecured advances have been appropriately classified under 'Schedule 9 - Advances'. During the year ended March 31, 2017, 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.

22. Disclosure of Penalties imposed by RBI

There are no penalties imposed on our bank by RBI for the FY. 2016-17 (PY: Nil).

23. 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 2016 to 31st Mar 2017.



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		(₹ in crores)	
Sr. No.	Particulars	March 31, 2017	March 31, 2016
A	Expenditure		
(i)	Other IT Expenses	Nil	14.33
(ii)	Inland Travel-Accommodations & Registration Fees	Nil	0.01
(iv)	Professional fees to ARC	Nil	0.40
(v)	Depreciation on Office equipment and Computer	Nil	0.16
(vi)	Staff Expenses	0.01	Nil
	TOTAL	0.01	14.90

24. 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 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



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25. Contingent Liabilities

a. Other Item of Contingent Liability includes, Income Tax of Rs. 8.02 crores. The Bank has gone in appeal to Income Tax Appellate Tribunal (ITAT) and High Court against the income tax assessment order of the department for AY 1996-97, 1997-98, 1999-00 to 2008-09, 2012-13 and 2013-14. The appeals are pending for the final outcome of the ITAT and high court and the Bank is expecting favorable judicial decisions.

b. Other Item of Contingent Liability includes, Service Tax of Rs. 0.09 crores. The bank has gone in appeal to Commissioner Appeals with respect to SCN cum demand notice issued towards wrong availment and utilisation of Cenvat Credit in respect of Service Tax paid on deposit insurance service provided by DICGC. The appeals are pending for the final outcome of the Commissioner Appeals and the Bank is expecting favorable judicial decisions.

26. 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.

27. 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	March 31, 2017	March 31, 2016
A.	DTA:		
(i)	Provision for Loan Losses, Floating Provision and counter cyclical provision	9.67	2.70
(ii)	Provision for Standard Advances	0.34	0.30
(iii)	Provision for Funded Interest Term Loan	-	0.27
(iv)	Disallowed Expenses	0.14	0.04
(v)	Unabsorbed Losses	-	-
	Total DTA	10.15	3.31
B.	DTL:		
(i)	Depreciation on Fixed Assets	(10.15)	(3.31)
	Total DTL	(10.15)	(3.31)
C.	NET DTL / (DTA)	-	-

There is no debit or credit to Profit & Loss account.



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28. Provisions & Contingencies

(₹ In Crores)		
Particulars	March 31, 2017	March 31, 2016
Depreciation on Investments	0.70	(0.02)
Provision/write-off towards non-performing assets/Investment	60.63	27.15
Provision for Standard Assets	(1.37)	(1.00)
Provision for Income Tax (including Deferred Tax)		38.28
Provisions for diminution in fair value Restructured Advances	(2.40)	-
Provision for Country Risk	0.08	(0.09)
Provision for interest capitalised on restructured accounts	(4.20)	0.16
Total	53.44	64.48

29. There was no instance of SGL bouncing during the financial year ending 31st March, 2017. (P.Y. : Nil)

30. Letter of Comfort/ Undertaking (LOCs/ LOUs) issued

As of 31st March 2017, LOUs, amounting to Rs Nil Crores (P.Y. : Nil Crores)

31. Draw down from Reserves

During the financial year ended March 31, 2017, there has been no drawdown from Reserves (P.Y. : Nil). Also Refer Schedule 2 – Reserves and Surplus.

32. 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.

33. Disclosure of Complaints / Unimplemented awards of banking ombudsman

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:

a. Customer Complaints

	Particulars	March 31, 2017	March 31, 2016
(a)	No. of complaints pending at the beginning of the year	Nil	Nil
(b)	No. of complaints received during the year	Nil	Nil
(c)	No. of complaints redressed during the year	Nil	Nil
(d)	No. of complaints pending at the end of the year	Nil	Nil



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b. Awards passed by the Banking Ombudsman

Particulars	March 31, 2017	March 31, 2016
(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

34. Segment Reporting

Part A: Business Segments

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

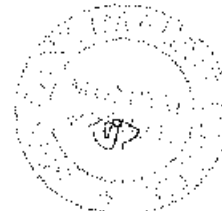
Treasury Operations: Undertakes Derivative Trading, Money Market Operations, and Investment in Bonds, Treasury Bills, Government Securities, CP, CD and Foreign Exchange Operations. The revenue of this segment consist of interest earned on funding, investment income and gains on Government Securities, 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.

For the year ended March 2017

Business Segments	Corporate	Treasury	Retail	Total
Revenue	48.93	68.23	0.81	117.97
Results	(46.92)	28.44	(3.63)	(22.11)
Un allocable Expense				12.35
Operating Profit				(34.47)
Income Taxes				
Extraordinary Profit/Loss				
Net profit/(Loss)				(34.47)
Other Information				
Segment Assets	793.31	931.72	15.55	1,740.58
Un allocable Assets				20.25
Total Assets				1,760.83
Segment liabilities	725.22	297.52	737.91	1,760.65
Un allocable Liabilities				0.18
Total Liabilities				1,760.83
Unallocable Capital expenditure during the year				0.04
Unallocable depreciation expenditure during the year				0.68



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For the year ended March 2016

	(₹ in crores)			
Business Segments	Corporate	Treasury	Retail	Total
Revenue	61.69	74.68	6.24	142.61
Results	(8.54)	32.00	(0.66)	22.80
Unallocable Expense				27.45
Operating Profit				(4.65)
Income Taxes				38.28
Extraordinary Profit/Loss				-
Net profit/(Loss)				(42.93)
Other Information				
Segment Assets	631.13	879.75	53.90	1,564.78
Unallocable Assets				16.89
Total Assets				1,581.67
Segment Liabilities	320.34	361.14	899.79	1,581.27
Unallocable Liabilities				0.40
Total Liabilities				1,581.67
Unallocable Capital expenditure during the year				0.05
Unallocable depreciation expenditure during the year				0.91

Part B: Geographic Segments

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

Notes for segment reporting:

1. In computing the above information, certain estimates and assumptions have been made by the Management and have been relied upon by the auditors.
2. Inter-segment transactions have been generally based on transfer pricing measures as determined by the Management.
3. Assets, liabilities, income and expenses which cannot be allocated to any segments have been classified as unallocated. The unallocated liabilities include 'Share Capital' and 'Reserves and Surplus', TDS, vendor provision, capital and reserves. The unallocated assets include taxes, Fixed Assets net of depreciation. The unallocated expenses includes IT expenses, repairs and maintenance, rent, conveyance, etc.

35. 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 is Nil (PY 11.85 crores) and there is no unamortized liability held in the books.
- b) The contribution to employees Provident Fund amounted to Rs. 0.41 crores for the year ended March 31, 2017 (P.Y. : Rs. 0.32 crores).
- c) The Bank has a policy to pay leave encashment to employees only on their retirement or superannuation 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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I) Change in the Present value of Projected Benefit Obligation :

	(₹ in crores)	
	March 31, 2017	March 31, 2016
Present Value of Benefit Obligation at the Beginning of the Period	0.78	0.79
Interest Cost	0.06	0.06
Current Service Cost	0.15	0.14
(Benefit paid from the Fund)	(0.03)	(0.10)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.21	(0.00)
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.01	(0.12)
Present Value of Benefit Obligation at the End of the Period	1.17	0.78

II) Change in the Fair Value of Plan Assets :

	(₹ in crores)	
	March 31, 2017	March 31, 2016
Fair Value of Plan Assets at the Beginning of the Period	0.76	0.79
Expected Return on Plan Assets	0.06	0.06
Contributions by the Employer	0.12	0.00
(Benefit Paid from the Fund)	(0.03)	(0.10)
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	-	(0.00)
Fair Value of Plan Assets at the End of the Period	0.91	0.76

III) Actuarial (Gains)/Losses Recognized in the statement of Profit and Loss :

	(₹ in crores)	
	March 31, 2017	March 31, 2016
Actuarial (Gains)/Losses on Obligation For the Period	0.22	(0.13)
Actuarial (Gains)/Losses on Plan Asset For the Period	-	0.00
Actuarial (Gains)/Losses Recognized in the Statement of Profit or Loss	0.22	(0.12)

IV) Actual Return on Plan Assets :

	(₹ in crores)	
	March 31, 2017	March 31, 2016
Expected Return on Plan Assets	0.06	0.06
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	-	(0.00)
Actual Return on Plan Assets	0.06	0.06

V) Amount Recognized in the Balance Sheet :

	(₹ in crores)	
	March 31, 2017	March 31, 2016
(Present Value of Benefit Obligation at the end of the Period)	(1.17)	(0.78)
Fair Value of Plan Assets at the end of the Period	0.91	0.76
Funded Status (Surplus/ (Deficit))	(0.27)	(0.02)
Unrecognized Past Service Cost at the end of the Period	-	-
Net (Liability)/Asset Recognized in the Balance Sheet	(0.27)	(0.02)



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VI) Net Interest Cost :

	(₹ in crores)	
	March 31, 2017	March 31, 2016
Present Value of Benefit Obligation at the Beginning of the Period	0.78	0.79
(Fair Value of Plan Assets at the Beginning of the Period)	(0.76)	(0.79)
Net Liability/(Asset) at the Beginning	0.02	-
Interest Cost	0.06	0.06
(Expected Return on Plan Assets)	(0.06)	(0.06)
Net Interest Cost for Current Period	-	-

VII) Expenses Recognized in the Statement of Profit or Loss :

	(₹ in crores)	
	March 31, 2017	March 31, 2016
Current Service Cost	0.15	0.14
Actuarial (Gains)/Losses	0.22	(0.12)
Expenses Recognized in the Statement of Profit or Loss	0.37	0.02

VIII) Balance Sheet Reconciliation :

	(₹ in crores)	
	March 31, 2017	March 31, 2016
Opening Net Liability	0.02	-
Expense Recognized in Statement of Profit or Loss	0.37	0.02
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(0.12)	(0.09)
Net Liability/(Asset) Recognized in the Balance Sheet	0.27	0.02

IX) Category of Assets :

	(₹ in crores)	
	March 31, 2017	March 31, 2016
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance Fund	0.91	0.76
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	0.91	0.76



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Actuarial assumptions:

	March 31, 2017	March 31, 2016
Expected Return on Plan Assets	7.29%	8.04%
Rate of Discounting	7.29%	8.04%
Rate of Salary Increase	7.00%	4.00%
Rate of Employee Turnover	3.00%	3.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

36. Related Party Transactions

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

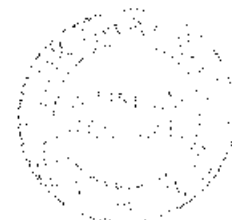
- a) **Head Office**
SBM Bank (Mauritius) Ltd, Mauritius Operations
- b) **Key Management Personnel**
 1. Mr. C Vasudevan (From 08/12/2014 to 30/10/2016) – Acting CEO Indian Operations
 2. Mr. Silvy Sebastian (From 01/11/2016 till date) – CEO Indian Operations

Remuneration for FY2016-17 is ₹ 0.80 crore.

Transactions with related parties are in the ordinary course of business.

Transactions during FY2016-17:

Particulars	Head office	Key Management Personnel		Relative of Key Management Personnel
		C Vasudevan	Silvy Sebastian	
Liabilities				
Deposit	3.27	0.31	-	0.01
Interest payable	-	-	-	-
Borrowing	-	-	-	-
Total	3.27	0.31		0.01
Asset				
Lending	25.94	-	-	-
Balances with Bank	0.01	-	-	-
Interest receivable	0.14	-	-	-
Reimbursement from HIO	0.10	-	-	-
Total	26.19			



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Particulars	Head office	Key Management Personnel		Relative of Key Management Personnel
		C Vasudevan	Siby Sebastian	
Deposit				
Total Balance	3.27	0.32	-	0.01
Maximum Balance	52.39	0.32	-	0.01
Lending				
Total Balance	25.94	-	-	-
Maximum Balance	64.91	-	-	-
Balances with Bank				
Total Balance	0.01	-	-	-
Maximum Balance	0.04	-	-	-
Borrowings				
Total Balance	-	-	-	-
Maximum Balance	46.81	-	-	-
Interest Received*				
Total Balance	0.04	-	-	-
Maximum Balance	0.04	-	-	-

*The interest paid on deposits of KMP & relative of KMP have not been disclosed as the same is miniscule.

Transactions during FY2016-17:

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. Accordingly, disclosure for related party of previous year is not disclosed.

37. 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.

38. 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.

39. Counter Cyclical / Floating Provisions

Particulars	March 31, 2017		March 31, 2016	
	Counter cyclical	Floating	Counter cyclical	Floating
Opening Balance in floating provision	1.91	0.60	2.50	0.60
Add: Provision made during the year	-	-	-	-
Less: Provision utilize during the year for specific provision	-	-	0.59	-



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Particulars	March 31, 2017		March 31, 2016	
	Counter cyclical	Floating	Counter cyclical	Floating
Closing balance in floating provision	1.91	0.60	1.91	0.60

40. 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.

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

42. Concentration of Deposits, Advances, Exposures and NPAs

I. Concentration of Deposits

Particulars	(₹ in crores)	
	March 31, 2017	March 31, 2016
Total deposits of twenty largest depositors	794.11	660.80
Percentage of Deposits to twenty largest depositors to total deposits of the Bank	65.18 %	68.08%

Concentration of Advances

Particulars	(₹ in crores)	
	March 31, 2017	March 31, 2016
Total advances to twenty largest borrowers	643.90	535.82
Percentage of Advances to twenty largest borrowers to total advances of the Bank	72.02%	79.77%

Concentration of Exposures

Particulars	(₹ in crores)	
	March 31, 2017	March 31, 2016
Total Exposures to twenty largest borrowers / customers	724.57	613.29
Percentage of Exposures to twenty largest borrowers / Customers to Total Exposures of the bank on borrowers / Customers	64.07%	91.31%

Concentration of NPA

Particulars	(₹ in crores)	
	March 31, 2017	March 31, 2016
Total Exposure of top Four NPA accounts	102.29	61.27

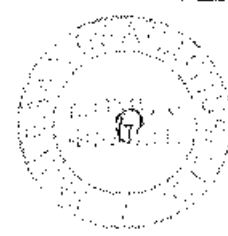
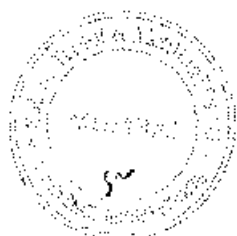


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II. Sector wise NPA		(₹ in crores)					
Sl. No.	Sector ^a	Current year			Previous year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	15.00	15.00	100%	15.00	15.00	100%
2	Advances to industries sector eligible as priority sector lending	155.83	54.44	35.00%	170.86	21.68	12.68%
3	Services	184.62	12.12	6.57%	107.14	-	-
4	Personal loans	-	-	-	-	-	-
	Sub-total (A)	355.45	81.56	22.96%	293.00	36.68	12.52%
B	Non Priority Sector						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Industry	155.54	34.61	22.26%	111.47	19.62	17.60%
3	Services	269.66	9.98	3.70%	192.36	9.99	5.19%
4	Personal loans	39.41	5.99	15.19%	74.85	6.00	8.02%
	Sub-total (B)	464.61	50.58	10.89%	378.68	35.61	9.40%
	Total (A+B)	819.76	132.14	16.12%	671.68	72.29	10.76%

III. a) Movement of Gross NPAs		(₹ in crores)	
Particulars		March 31, 2017	March 31, 2016
Opening balance of Gross NPAs		72.28	79.93
Additions during the year		75.71	9.61
Sub-total (A)		147.99	89.54
Less:			
i. Upgradations			
ii. Recoveries (excluding recoveries made from upgraded accounts)		2.85	0.05
iii. Write-offs		13.00	17.21



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Particulars	March 31, 2017	March 31, 2016
Sub-total (B)	15.85	17.26
Closing balance of Gross NPAs (A-B)	132.14	72.28

b)

(₹ in crores)

Particulars	March 31, 2017	March 31, 2016
Opening balance of Technical/ Prudential written-off accounts	172.53	155.92
Add: Technical/ Prudential write-offs during the year	13.00	17.21
Sub-total (A)	185.53	172.53
Less: Recoveries made from previously technical/ prudential written-off accounts during the year (B)	1.18	-
Closing balance as at March 31 (A-B)	184.35	172.53

IV. Overseas Assets, NPAs and Revenue

(₹ in crores)

Particulars	March 31, 2017	March 31, 2016
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)

43. Revaluation of Fixed Assets

The Bank computes depreciation on revalued premises over its estimated remaining useful life and accordingly an amount of Rs. 0.38 crores has been accounted as depreciation and reduced from the Revaluation Reserve for the year ended March 31, 2017 (previous year: Rs.0.26 crores).

44. Fixed Assets

No software has been capitalized under fixed assets during the current and previous year.

(₹ in crores)

Particulars	March 31, 2017	March 31, 2016
Cost at March 31 st of preceding year	3.45	3.45
Additions during the year	-	-
Deductions during the year	-	-
Depreciation to date	3.41	3.27
Net Block	0.04	0.18

45. Provision Coverage Ratio (PCR)

As on March 31, 2017, the Bank has achieved the PCR ratio of 67.23% with reference to Gross NPA as on March 31, 2017 (P.Y. : 57.02%).



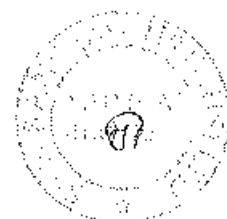
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46. Disclosure on Remuneration

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 year and remuneration paid to its members.	Not applicable as Remuneration & Nomination Committee is held at Head Office in Mauritius



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Qualitative disclosures											
(i)											
(i) Number of employees having received a variable remuneration award during the financial year.	41										
(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										
(j)											
(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										
(k) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	<p>CEO ROPS for Apr 16 to Mar 2017</p> <table> <tr> <th>Particulars</th><th>Amount in Rs</th></tr> <tr> <td>CEO Pay</td><td>7,574,613.00</td></tr> <tr> <td>CEO Variable</td><td>126,824.00</td></tr> <tr> <td>CEO Perquisites</td><td>282,945.00</td></tr> <tr> <td>TOTAL</td><td>7,984,382.00</td></tr> </table>	Particulars	Amount in Rs	CEO Pay	7,574,613.00	CEO Variable	126,824.00	CEO Perquisites	282,945.00	TOTAL	7,984,382.00
Particulars	Amount in Rs										
CEO Pay	7,574,613.00										
CEO Variable	126,824.00										
CEO Perquisites	282,945.00										
TOTAL	7,984,382.00										
(l)											
(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										

47. 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.

Particulars	(₹ in crores)	
	March 31, 2017	March 31, 2016
1 Total future minimum lease payments as at year end;		
- Not later than one year	0.53	1.02
- Later than one year but not later than five years	0.10	0.33
	0.43	0.61



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Later than five years	-	0.08
2. Lease payments recognised in the Profit and Loss Account in Schedule 16.	0.24	0.36

48. Credit Default Swaps

The Bank does not have any Credit Default Swaps during the P.Y.2016-17. (P.Y. : NIL)

49. Intra-Group Exposures

In terms of RBI circular DBOD.No.BP.BC.96/21.06.102/2013-14 dated 11 February 2014, the disclosures on intra-group exposures are as below:

		(₹ in crores)	
Sr. No.	Particulars	March 31, 2017	March 31, 2016
1	Total amount of intra-group exposures	Nil	Nil
2	Total amount of top-20 intra-group exposures	Nil	Nil
3	Percentage of intra-group exposures to total exposure of the bank on borrowers/customers	Nil	Nil
4	Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	Nil	Nil

During the year ended 31 March, 2017 and 31 March, 2016, the intra-group exposures were within the limits specified by RBI.

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

In terms of RBI circular DBOD.No.BP.BC.No.8/21.04.018/2014-15 dated 1 July 2014 on disclosures on DEAF are as below:

		(₹ in crores)	
Particulars	March 31, 2017	March 31, 2016	
Opening balance of amounts transferred to DEAF	0.18	0.15	
Add : Amounts transferred to DEAF during the year	0.12	0.03	
Less : Amounts reimbursed by DEAF towards claims	0.01	0.00	
Closing balance of amounts transferred to DEAF	0.29	0.18	

51. The Bank is initiating the Global Technology Transformation Project with rollout of latest version of Finacle core banking solution including Internet/Mobile Banking and Card Services. Bank has baselined an IT Security Strategy document to ensure defence, resilience and assurance of systems to customers and stakeholders. Bank also periodically reviews and enforces the policies related to Information Technology Governance, Information security, IT Operations, IT services outsourcing, IS Audit, Cyber Security controls for frauds and Business Continuity Planning to strengthen the IT infrastructure. This is to address the gaps identified for achieving compliance as per the guidelines stated in RBI circular DBS.CO.ITC.BC No.6/31.02.008/2010-11 April 29, 2011.

52. 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.



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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-2017 is as follows:

Incremental Capital maintained by the Bank on account of unhedged foreign currency exposure is Nil (P.V.: INR 0.20 Crores)

Unhedged Foreign Currency Exposure provisions for current year:

Incremental standard asset provision required as per RBI guideline	Outstanding	Incremental standard advance provision as on March 31, 2017
0 bps	687.62	-
20 bps	-	-
40 bps	-	-
60 bps	-	-
80 bps	-	-

Unhedged Foreign Currency Exposure provisions for previous year:

Incremental standard asset provision required as per RBI guideline	Outstanding as on March 31, 2016	Incremental standard advance provision as on March 31, 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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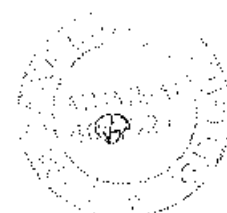
SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

53. Liquidity Coverage Ratio

FY. 2016-17

(₹ in crores)

		31 March 2017		31 December 2016		30 September 2016		30 June 2016	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		237.05		142.09		126.58		145.44
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:								
(i)	Stable deposits	5.81	0.29	5.46	0.27	5.09	0.25	5.93	0.26
(ii)	Less stable deposits	336.56	33.86	256.87	35.48	311.27	31.12	339.67	33.91
3	Unsecured wholesale funding, of which:								
(i)	Operational deposits (all counterparties)								
(ii)	Non-operational deposits (all counterparties)	84.61	33.85	73.01	29.20	43.51	17.41	42.15	16.86
(iii)	Unsecured debt	88.06	88.96	81.57	81.57	49.78	49.78	45.03	45.03
4	Secured wholesale funding								0
5	Additional requirements, of which:								
(i)	Outflows related to derivative exposures and other							0.15	0.15
(ii)	Outflows related to loss of funding on debt products								
(iii)	Credit and liquidity facilities	116.29	14.50	95.98	21.54	83.71	13.65	163.98	10.18
6	Other contractual funding obligations	36.12	36.12	34.55	34.55	68.63	68.63	22.97	22.97
7	Other contingent funding obligations	75.97	3.25	83.07	2.49	84.55	2.53	61.15	1.89
8	TOTAL CASH OUTFLOWS		211.33		215.10		183.36		138.29
Cash Inflows									
9	Secured lending (e.g. reverse repos)	161.36	0	124.33	0	80.67	0	24.00	0
10	Inflows from fully performing exposures	108.67	73.56	57.93	36.94	39.67	27.34	39.95	19.52
11	Other cash inflows	64.39	48.88	139.53	85.66	181.82	109.87	147.32	107.14
12	TOTAL CASH INFLOWS	334.42	124.44	321.79	124.60	302.16	137.21	210.37	126.66
13	TOTAL HQLA		237.05		142.09		126.58		145.44
14	TOTAL NET CASH OUTFLOWS		86.89		90.50		46.15		34.57
15	LIQUIDITY COVERAGE RATIO (%)		272.82		156.99		274.28		420.73



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PY. 2015-16

(₹ in crores)

		31 March 2016		31 December 2015		30 September 2015		30 June 2015	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		117.32		141.05		178.37		181.21
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
(ii)	Less stable deposits	474.55	47.45	299.40	29.93	325.11	37.51	311.63	31.16
3	Unsecured wholesale funding, of which:								
(i)	Operational deposits (all counterparties)			0.0	0.00				
(ii)	Non-operational deposits (all counterparties)	63.27	45.60	63.67	45.36	60.16	43.41	58.6	42.59
(iii)	Unsecured debt	0	0.00	0	0	0	0	0	0
4	Secured wholesale funding		0.00		0		0		0
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
(ii)	Outflows related to loss of funding on debt products	0	0.00	0	0	0	0	0	0
(iii)	Credit and liquidity facilities	147.89	23.08	104.86	17.83	77.44	13.29	02.60	21.90
6	Other contractual funding obligations	0.00	0.00	0.00	0.00	0.00	0.00	112.38	112.38
7	Other contingent funding obligations	92.14	3.37	91.82	4.59	91.01	4.55	87.80	4.39
8	TOTAL CASH OUTFLOWS		120.77		108.22		99.26		212.90
Cash Inflows									
9	Secured lending (e.g. reverse repos)	44.00	6.00	64.10	0	72.32	0	3.67	0
10	Inflows from fully performing exposures	102.26	51.25	140.73	20.36	66.17	33.08	79.90	41.11
11	Other cash inflows	49.57	24.83	43.64	19.20	37.98	19.12	153.79	91.83
12	TOTAL CASH INFLOWS	257.58	132.70	197.46	84.73	209.35	85.09	228.77	122.05
13	TOTAL HQLA		117.32		144.78		170.37		181.21
14	TOTAL NET CASH OUTFLOWS		36.19		30.15		24.81		90.45
15	LIQUIDITY COVERAGE RATIO (%)		391.88		474.97		718.79		319.79



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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 70% till Dec 2016 and the 80% from Jan 2017 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 MSP 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.

54. Capital Commitment

Capital Commitment outstanding as on March 31, 2017 amounts to Rs. 0.08 crores. (P.Y.: Rs. 0.10)

55. RBI vide its circular dated 18th April 2017, has directed banks shall make suitable disclosures, wherever either (a) the additional provisioning requirements assessed by RBI exceed 15 percent of the published net profits after tax for the reference period or (b) the additional Gross NPAs identified by RBI exceed 15 percent of the published incremental Gross NPAs for the reference period, or both. There has been no divergence as there was no RBI inspection held for the financial year 2015-16 in respect of the Bank's asset classification and provisioning under the extant prudential norms on income recognition asset classification and provisioning (IRACP) which require such disclosures.

56. Disclosure of Specified Bank Notes (SBNs):

As per the clarification from RBI, the provisions of the MCA Notification dated 30th March 2017 requiring companies to disclose details of the SBNs held and transacted during the notified period is not applicable to banks.

57. Priority sector lending certificates

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

(₹ in crores)			
Sr. No.	Type of PSLCs	Purchase	Sale
1	PSLC - Agriculture	Nil	Nil
2	PSLC - SF / MF	Nil	Nil
3	PSLC - Micro Enterprises	Nil	Nil
4	PSLC - General	Nil	85.00
	TOTAL	Nil	85.00

58. There was no cases of fraud reported during the current year (P.Y.: Nil).



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59. 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. Balliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sarvesh Warty.

per Sarvesh Warty
Partner
Membership No. 121411

Place: Mumbai
Date : June 30, 2017



For SBM Bank (Mauritius) Ltd.

Siby Sebastian

Siby Sebastian
CEO – Indian Operations

