



SBM Bank (Mauritius) Limited Indian Operations^{*}

Period ended November 30, 2018

^{*}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) LIMITED
(Incorporated in the Republic of Mauritius with Limited Liability)
INDIAN OPERATIONS

SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD APRIL 1, 2018 TO NOVEMBER 30, 2018

SCHEDULE 17.A – SIGNIFICANT ACCOUNTING POLICIES

a) Background

The financial statements for the period April 1, 2018 to November 30, 2018 comprise the accounts of the Indian Operations of SBM Bank (Mauritius) Ltd, ('the Bank') which is incorporated in the Republic of 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. The India branches of the Bank as at 30 November 2018 are located at Mumbai, Chennai and Hyderabad. On 30 October 2018, the Reserve Bank of India has approved the Scheme of Amalgamation under section 44A of the Banking Regulations Act, 1949 of the entire undertaking of the Bank with SBM Bank (India) Limited, a wholly owned subsidiary (WOS) of SBM (Bank) Holdings Limited. Accordingly, all the branches of the Bank in India will function as branches of SBM Bank (India) Limited to carry on business of banking through WOS mode under section 22(1) of the Banking Regulations Act, 1949 with effect from 1 December 2018. These financial statements are prepared to facilitate amalgamation of the Bank with SBM Bank (India) Limited.

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 with the Companies (Accounts) Rules 2014 and other relevant provisions of the Companies Act, 2013 ("the Act") and the Companies (Accounting Standards) Rules, 2006 (as amended) 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. Processing Fees, Commission on Letters of Credit and Locker Fees income are recognized upfront on becoming due. Commission on bank guarantees issued is amortized over the period of guarantees.

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 / period 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 / period end closing rate as notified by FEDAI.

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f) Derivatives

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

Trading derivatives are marked to market as per the generally accepted practices prevalent in the industry and the resultant 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 remaining unpaid for over 90 days or more are classified as non-performing assets and are provided as prescribed by RBI.

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

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

g) Investments

Classification

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

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 remaining tenor of the investments.

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

Treasury Bills, Commercial Paper and 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 FBIL.

Transfer of Securities between Classifications

Reclassification of investments from one classification 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.

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Repurchase transactions

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

Others

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

* As per RBI guidelines

Revaluation of Fixed Assets

Premises are revalued 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).

i) Advances

a) The Bank follows prudential norms formulated by RBI for classifying the assets as Standard, Sub-Standard, Doubtful and Loss assets and are stated at net of the required provision made on 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 not entitled to carry forward any leave balance to the subsequent years. Hence, the Bank has not computed the compensated absence provision.

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

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year of service if the service is more than 5 years. The Bank accounts for the liability for future gratuity benefits using the projected unit cost method based on annual actuarial valuation. Gratuity fund is being managed by "LIC Group Gratuity Scheme" and any actuarial gain / loss contribution determined by the actuary are charged to Profit and Loss account and are not deferred.

iii) Provident fund - In accordance with law, all employees of the Bank are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Bank contribute monthly at a pre-determined rate. Contribution to provident fund 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 period 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 recognized 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 recognized using the tax rates that have been enacted or substantively enacted at the Balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized 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 recognized 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 recognized as an expense in the statement of Profit and Loss account on a straight-line basis over the lease term.

n) Accounting for Provisions, Contingent Liabilities and contingent Assets

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

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

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 utilize 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).

SCHEDULE 17.B: - NOTES TO THE FINANCIAL STATEMENTS

1. Capital to Risk Assets Ratio (CRAR)

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

Sr. No.	CRAR ratio as per Basel III	November 30, 2018	March 31, 2018
i)	CRAR – Common Equity Tier I	36.66%	24.00%
ii)	CRAR – Tier I Capital	36.66%	24.00%
iii)	CRAR – Tier II Capital	0.77%	0.72%
iv)	Total Capital Ratio (CRAR) (%)	37.43%	24.72%
v)	Percentage of the shareholding of the Government of India in public sector banks	-	-
vi)	Amount of equity capital raised	-	-
vii)	Amount of Additional Tier 1 capital raised; <i>of which</i> <i>Perpetual Non- Cumulative Preference Shares (PNCPS):</i> <i>Perpetual Debt Instruments (PDI) :</i>	-	-
viii)	Amount of Tier 2 capital raised; <i>of which</i> Debt capital instruments: Preference Share Capital Instruments: [<i>Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)</i>]	-	-

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2. Investments

<i>(Rs. in Crores)</i>		
Particulars	November 30, 2018	March 31, 2018
1. Value of Investments:		
(i) Gross Value of Investments		
a. In India	330.63	466.85
b. Outside India	-	-
(ii) Provisions for Depreciation	-	-
a. In India	-	-
- on transfer to securities from AFS to HTM portfolio	-	-
- on securities position	1.71	0.74
b. Outside India	-	-
(iii) Net Value of Investments		
a. In India	328.92	466.11
b. Outside India	-	-
2. Movement of provision held towards depreciation on investments:		
(i) Opening balance	0.74	0.70
(ii) Add: Provision made during the period / year	0.97	0.04
(iii) Less: Write-off/ write-back of excess provision during the period / year (including depreciation utilized on sale of securities)	-	-
(iv) Closing balance	1.71	0.74

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:-

<i>(Rs. in Crores)</i>				
Category	As at November 30, 2018		As at March 31, 2018	
	Rs. in crores	%	Rs. in crores	%
Held to Maturity	112.33	34.15	98.60	21.15
Held for Trading	-	-	-	-
Available for Sale	216.59	65.85	367.51	78.85
Total	328.92	100.00	466.11	100.00

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3. Repurchase & Reverse Repurchase Agreement Transactions

(Rs. in Crores)

FY 2018 – 2019[^]	Minimum outstanding during the period	Maximum outstanding during the period	Daily Average outstanding during the period	Balance as at November 30, 2018
Securities Sold under Repurchase Transactions *				
(i) Government Securities	-	-	-	-
(ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Reverse Repurchase Transactions *				
(i) Government Securities	8.00 [#]	478.00	157.82	249.00
(ii) Corporate Debt Securities	-	-	-	-

* consist of RBI LAF disclosed at face value.

[#] Nil outstanding on any day is ignored for reckoning minimum outstanding.

(Rs. in Crores)

FY 2017 - 2018	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2018
Securities Sold under Repurchase Transactions *				
(i) Government Securities	1.00 [#]	1.00	0.003	-
(ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Reverse Repurchase Transactions *				
(i) Government Securities	14.00 [#]	439.00	152.91	143.00
(ii) Corporate Debt Securities	-	-	-	-

* consist of RBI LAF disclosed at face value.

[#] Nil outstanding on any day is ignored for reckoning minimum outstanding.

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4. Non-SLR Investments Portfolio - Issuer Composition of Non-SLR Investments
Balances as at November 30, 2018

(Rs. 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	-	-	-	-	-
2.	FIs	15.07	15.07	-	-	-
3.	Banks	-	-	-	-	-
4.	Private Corporates	-	-	-	-	-
5.	Subsidiaries/ Joint Ventures	-	-	-	-	-
6.	Others*	23.03	-	-	22.34	-
7.	Provision held towards Depreciation	(1.60)	(0.12)	-	(0.79)	-
	Total	36.50	14.95	-	21.55	-

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

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

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

Balances as at March 31, 2018

(Rs. 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	-	-	-	-	-
2.	FIs	63.08	63.08	-	-	30.00
3.	Banks	-	-	-	-	-
4.	Private Corporates	19.94	19.94	-	-	-
5.	Subsidiaries/ Joint Ventures	-	-	-	-	-
6.	Others*	23.04	-	-	22.34	-
7.	Provision held towards Depreciation	(0.70)	-	-	-	-
	Total	105.36	83.02	-	22.34	30.00

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

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

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

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5. Non-Performing Non SLR Investments

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

(Rs. in Crores)

Particulars	November 30, 2018	March 31, 2018
Opening Balance	0.70	0.70
Additions during the period / year since 1 st April	0.00	-
Reductions on account of write off during the above period	-	-
Closing balance	0.70	0.70
Total Provision held	0.70	0.70

6. Sale and Transfers to/ from HTM Category

During the FY 2018-2019[^], the Bank has not transferred any securities classified under Held to Maturity Category to Available for Sale Category, at the beginning of the year, in excess of 5% of book value of investments held at the beginning of the year under HTM category. In accordance with the Master Circular, issued by the Reserve Bank of India, on "Disclosures in Financial Statements", the excess of Book Value over Market Value of the Securities classified under HTM category at the end of the period amounts to Rs. Nil (PY: 1.26 crores)

7. Forward Rate Agreement / Interest Rate Swap

(Rs. in Crores)

Particulars	November 30, 2018	March 31, 2018
The notional principal of swap agreements	-	16.29
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	0.04
Collateral required by the bank upon entering into swaps	-	-
Concentration of credit risk arising from the swaps (with Banks)	-	0.08
The fair value of the swap book [(Payable)/Receivable]	-	-

8. Exchange Traded Interest Rate Derivatives

(Rs. in Crores)

Sr. No.	Particulars	November 30, 2018	March 31, 2018
i.	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	-	-
ii.	Notional principal amount of exchange traded interest rate derivatives outstanding (instrument-wise)	-	-
iii.	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-	-
iv.	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	-	-

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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. Market Risk Policy
3. 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.

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b) Quantitative Disclosures

(Rs. in Crores)

Sr. No	Particulars	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
		November 30, 2018	November 30, 2018	March 31, 2018	March 31, 2018
1.	Derivatives notional Principal Amount	343.74	-	1,742.69	-
	(a) For hedging	166.96	-	692.53	-
	(b) For trading	176.78	-	1,050.16	16.29
2.	Marked to Market position				
	(a) Asset (+)	2.78	-	9.15	0.040
	(b) Liability (-)	4.07	-	4.60	0.04
3.	Credit Exposure	9.66	-	37.47	0.12
4.	Likely impact of one percentage change in Interest Rate (100*PV01)				
	(a) On hedging derivatives	(0.02)	-	(0.02)	-
	(b) On trading derivatives	-	-	0.001	(0.0008)
5.	Maximum and Minimum of 100*PV01 observed during the year				
	(a) On hedging				
	Maximum	-	-	0.001	-
	Minimum	(0.02)	-	(0.02)	-
	(b) On trading		-		
	Maximum	0.01	-	0.05	-
	Minimum	(0.01)	-	(0.05)	(0.0008)

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10. Non-Performing Assets (NPAs)

		<i>(Rs. in Crores)</i>	
Particulars		November 30, 2018	March 31, 2018
(i)	Net NPAs to Net Advances	0.79%	1.05%
(ii)	Movement of Gross NPAs		
(a)	Opening balance	178.33	132.14
(b)	Additions during the period / year	4.51	105.87
(c)	Reductions during the period / year	(93.53)	(59.68)
(d)	Closing balance	89.31	178.33
(iii)	Movement of Net NPAs		
(a)	Opening balance	10.73	43.30
(b)	Additions during the period / year	-	6.58
(c)	Reductions during the period / year	(4.75)	(39.15)
(d)	Closing balance	5.98	10.73
(iv)	Movement of provisions for NPAs (excluding provision on Standard Assets)		
(a)	Opening balance	167.60	88.84
(b)	Provisions made during the period / year (Gross)	8.63	135.83
(c)	Write-off / write-back of excess provisions	(92.89)	(57.07)
(d)	Closing balance	83.34	167.60

Note :- Item (iii) & (iv) includes the impact of counter cyclical provision and floating provision utilized amounting to Nil during FY 2018-2019[^] (P.Y. : Nil).

11. Details of loan assets subjected to restructuring.

There was no restructuring during FY 2018-2019[^] (PY – Nil).

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

A. Details of Sales

		<i>(Rs. in Crores)</i>	
Particulars		November 30, 2018	March 31, 2018
(i)	No. of accounts	-	1
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii)	Aggregate consideration	-	3.00
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	3.00

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B. Details of Book Value of Investments in Security Receipts

<i>(Rs. in Crores)</i>		
Particulars	November 30, 2018	March 31, 2018
(i) Backed by NPAs sold by the bank as underlying	22.34	22.34
(ii) Backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-
Total	22.34	22.34

FY 2018-2019[^]:

<i>(Rs. in Crores)</i>				
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	22.34	-	-
	Provision held against (i)	0.79	-	-
(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)		22.34	-	-

FY 2017-2018:

<i>(Rs. in Crores)</i>				
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	22.34	-	-
	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)		22.34	-	-

[^]FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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

(Rs. in Crores)

Sr. No.	Particulars	November 30, 2018	March 31, 2018
A.	Details of non-performing financial assets purchased:	-	-
1	a No. of accounts purchased during the period / year	-	-
	b Aggregate outstanding	-	-
2	a Of these, number of accounts restructured during the period / year	-	-
	b Aggregate outstanding	-	-
B.	Details of non-performing financial assets sold:		
1	No. of accounts sold	-	-
2	Aggregate outstanding	-	-
3	Aggregate consideration received	-	-

14. Provisions on Standard Assets

(Rs. in Crores)

Particulars	November 30, 2018	March 31, 2018
Provision on Standard Assets (Includes Contingency Provision for a Standard Advance INR 14.83 crores)	18.70	4.45

15. Important Financial Ratios

Particulars	November 30, 2018	March 31, 2018
Interest Income as a percentage to Working Funds*	6.92%	7.01%
Non-Interest Income as a percentage to Working Funds*	0.39%	0.76%
Operating Profit as a percentage to Working Funds*	(1.16)%	1.69%
Return on Assets**	(3.16)%	(5.54) %
Business (Deposits plus Advances) per employee (Rs. in crores) #	21.94	33.12
Profit / (Loss) per employee (Rs. in crores)	(0.85)	(1.56)

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

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

Deposits exclude inter-bank deposits.

- All ratios are annualized

^FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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16. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as of November 30, 2018

(Rs. in Crores)

Particulars	Day1	2 to 7 days	8 to 14 Days	15 to 28 Days	29 days and upto 3 months	Over 3 month and upto 6 months	Over 6 month and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Advances	4.19	9.19	12.47	29.44	66.84	3.01	22.19	364.91	120.97	124.37	757.58
Investment in Securities	113.77	-	14.15	-	38.02	-	24.28	14.02	35.11	89.59	328.94
Deposits	12.12	20.52	39.93	9.82	98.60	181.42	218.69	123.79	11.07	-	715.96
Borrowings	-	-	10.00	50.00	278.11	-	-	-	-	-	338.11
Foreign Currency Assets	109.08	368.01	0.93	-	75.11	-	53.59	-	-	-	606.72
Foreign Currency Liabilities	6.84	445.65	-	0.05	209.34	23.46	92.25	3.84	-	-	781.43

Interest receivable on corporate term loans is adjusted under bucket 15 to 28 days

Maturity pattern of certain items of assets and liabilities as of March 31, 2018

(Rs. in Crores)

Particulars	Day1	2 to 7 days	8 to 14 days	15 to 28 days	29 days and upto 3 months	Over 3 month and upto 6 months	Over 6 month and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Advances	5.96	12.79	8.88	58.57	48.79	51.47	182.25	436.07	105.61	106.08	1,016.47
Investment in Securities	49.73	-	19.94	-	18.01	78.02	160.77	25.28	34.09	80.26	466.10
Deposits	20.95	20.66	33.92	14.25	195.49	150.15	640.15	120.96	9.24	-	1,205.77
Borrowings	-	-	-	-	130.35	-	-	-	-	-	130.35
Foreign Currency Assets	346.63	231.98	22.41	30.83	380.00	207.66	396.65	-	-	-	1,616.16
Foreign Currency Liabilities	4.84	176.32	17.83	20.69	367.11	205.49	490.56	2.99	-	-	1,285.83

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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17. Exposure to Sensitive Sector

a. Exposure to Real Estate Sector

(Rs. in Crores)

Category	November 30, 2018	March 31, 2018
a) Direct Exposure		
(i) Residential Mortgages	52.56	65.75
- of which housing loans up to Rs.15 Lakhs	0.24	0.08
(ii) Commercial Real Estate	50.00	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).	48.20	53.60
Total Exposure to Real Estate Sector	150.76	169.35

b. Exposure to Capital Market

(Rs. in Crores)

Particulars	November 30, 2018	March 31, 2018
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	0.70
ii. Advances against shares/bonds/ debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii. Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv. Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-
v. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;(see * below)	-	-

^FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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Particulars	November 30, 2018	March 31, 2018
vi. Loans sanctioned to corporates against the security of shares / bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii. Bridge loans to companies against expected equity flows/issues;	-	-
viii. Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
ix. Financing to stockbrokers for margin trading;	-	-
x. All exposures to Venture Capital Funds (both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with the capital market exposure ceilings (both direct and indirect)	-	-
Total Exposure to Capital Market	0.70	0.70

18. Risk category-wise country exposure

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

(Rs. in Crores)

Risk Category	Exposure (net) as at November 30, 2018	Provision held as at November 30, 2018	Exposure (net) as at March 31, 2018	Provision held as at March 31, 2018
Insignificant	153.48	0.16	30.49	-
Low	10.98	-	9.01	-
Moderate	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	164.46	0.16	39.50	-

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

During FY 2018-2019[^], the Bank has exceeded the single borrower limit for Gitanjali Gems Limited, Shriram City Union Finance Limited, IL and FS Tamil Nadu, Asahi India Glass Limited and Shapoorji Pallonji. During FY 2018-2019[^], the Bank did not exceed the group borrower limits in respect of any of its clients (PY: The Bank had exceeded the single borrower limit for Gitanjali Gems Limited, Bharat Financial Inclusion Limited and Shriram City Union Limited).

20. Unsecured Advances

Unsecured advances have been appropriately classified under 'Schedule 9 – Advances'. During FY 2018-19[^], 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.

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21. Disclosure of Penalties imposed by RBI

There are no penalties imposed on our bank by RBI for the period April 1, 2018 to November 30, 2018 (PY: NIL).

22. Prior Period Items

Following Income and expenditure pertains to prior periods, the same has been affected to Profit and Loss account for the FY 2018-2019[^].

<i>(Rs. in Crores)</i>			
Sr. No.	Particulars	November 30, 2018	March 31, 2018
A	Expenditure		
(i)	Staff Expenses	-	-
(ii)	Other professional fees	-	0.41
(iii)	Depreciation Expense	(1.32)	-
	TOTAL	(1.32)	0.41

23. Description of contingent liabilities

Sr. No.	Contingent Liabilities	Brief
1.	Claims against the Bank not acknowledged as debts	The bank is a party to various legal and tax proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.
2.	Liability on account of forward exchange and derivative contracts	The Bank enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps and interest rate swaps with interbank participants and customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts of financial instruments of such foreign exchange contracts and derivatives provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market rates or prices relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable and, thus the 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

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Sr. No.	Contingent Liabilities	Brief
		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

Refer Schedule 12 for amounts relating to contingent liability

24. Contingent Liabilities

- a. Other Item of Contingent Liability includes, Income Tax of Rs. 8.18 crores (PY: 8.18 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 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. Nil. (PY: 0.38 crores).

25. Provision for Long Term contracts

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

26. Deferred Tax

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

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

			<i>(Rs. in Crores)</i>	
Sr. No.	Particulars	November 30, 2018	March 31, 2018	
A.	DTA :			
(i)	Provision for Loan Losses, Floating Provision and counter cyclical provision	10.48	9.62	
(ii)	Provision for Standard Advances	2.35	0.27	
(iii)	Provision for Funded Interest Term Loan	-	-	
(iv)	Disallowed Expenses	0.17	0.16	
(v)	Unabsorbed Losses	-	-	
	Total DTA	13.00	10.05	
B.	DTL :			
(i)	Depreciation on Fixed Assets	(13.00)	(10.05)	
	Total DTL	(13.00)	(10.05)	
C.	NET DTL / (DTA)	-	-	

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

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27. Provisions & Contingencies

(Rs. in Crores)

Particulars	November 30, 2018	March 31, 2018
Depreciation on Investments	0.97	0.05
Provision towards Non-Performing Assets / Investment (net of write-backs)	8.63	135.47
Provision for Standard Assets	14.25	1.26
Provision for Income Tax (including Deferred Tax)	-	-
Provisions for diminution in fair value Restructured Advances	-	-
Provision for Country Risk	0.16	(0.12)
Provision for interest capitalized on restructured accounts	-	-
Total	24.01	136.66

28. There was no instance of SGL bouncing during FY 2018-2019[^] (P.Y. : NIL).

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

There were NIL LOUs outstanding as of November 30, 2018 (P.Y.: Rs 111.67 crores).

30. Draw down from Reserves

During FY 2018-2019[^], there has been no drawdown from Reserves (P.Y.: NIL). Also Refer Schedule 2 – Reserves and Surplus.

31. Disclosure of Complaints / Unimplemented awards of banking ombudsmen

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

a. Customer Complaints

	Particulars	November 30, 2018	March 31, 2018
(a)	No. of complaints pending at the beginning of the year	-	-
(b)	No. of complaints received during FY 2018-2019 [^]	-	-
(c)	No. of complaints redressed during FY 2018-2019 [^]	-	-
(d)	No. of complaints pending as at November 30, 2018	-	-

b. Awards passed by the Banking Ombudsman

	Particulars	November 30, 2018	March 31, 2018
(a)	No. of unimplemented Awards at the beginning of the year	-	-
(b)	No. of Awards passed by Banking Ombudsman during FY 2018-2019 [^]	-	-
(c)	No. of Awards implemented during FY 2018-2019 [^]	-	-
(d)	No. of unimplemented Awards Pending as at November 30, 2018	-	-

[^]FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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32. 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 FY 2018-2019 [^]	(Rs. in Crores)			
Business Segments	Corporate	Treasury	Retail	Total
Revenue	50.80	32.84	4.28	87.92
Results	0.97	(13.27)	(0.10)	(12.40)
Un-allocable Expense**				(25.62)
Operating Profit				(38.02)
Income Taxes				-
Extraordinary Profit/Loss				-
Net profit/(Loss)				(38.02)
Other Information				
Segment Assets	794.44	798.48	58.37	1,651.29
Un-allocable Assets				16.64
Total Assets				1,667.93
Segment Liabilities	286.11	642.82	738.61	1,667.54
Un-allocable Liabilities				0.39
Total Liabilities				1,667.93
Capital expenditure during FY 2018-2019 [^]				23.84
Depreciation expenditure during FY 2018-2019 [^]				3.69

** includes provision for Cyber Fraud Rs. 19.50 crores

[^]FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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For FY 2017-2018	(Rs. in Crores)			
Business Segments	Corporate	Treasury	Retail	Total
Revenue	86.85	55.51	3.44	145.80
Results	(104.91)	25.12	(15.97)	(95.76)
Un-allocable Expense				8.98
Operating Profit				(104.74)
Income Taxes				-
Extraordinary Profit/Loss				-
Net profit/(Loss)				(104.74)
Other Information				
Segment Assets	987.05	736.92	54.93	1,778.90
Un-allocable Assets				16.27
Total Assets				1,795.17
Segment liabilities	613.42	336.53	844.62	1,794.57
Un-allocable Liabilities				0.60
Total Liabilities				1,795.17
Un-allocable Capital expenditure during the year				1.11
Depreciation expenditure during the year				0.73

Part B: Geographic Segments

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

Notes for segment reporting:

1. In computing the above information, certain estimates and assumptions have been made by the Management and have been relied upon by the auditors.
2. Assets, liabilities, income and expenses which cannot be allocated to any segments have been classified as unallocated. The unallocated liabilities include TDS on vendor payments and service tax payable. The unallocated assets include taxes and capital work in progress. The unallocated expenses include IT expenses, repairs and maintenance, rent, conveyance, etc.

33. 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 0.67 crores (PY: 0.20 crores) and there is no unamortized liability held in the books.
- b) The contribution to employees Provident Fund amounted to Rs. 0.42 crores for the period April 1, 2018 to November 30, 2018 (PY: Rs. 0.58 crores).
- c) The Bank has a policy to pay leave encashment to employees only on their retirement or super-annuation and not on the intermediate separations. In the opinion of the management, there shall not be any significant liability towards leave encashment and as such, no provision has been made for the same.
- d) The Bank does not have pension scheme for its employees. However, the Bank contributes up to 10% of eligible employees’ salary per annum, to the New Pension Fund administered by a Pension Fund Regulatory and Development Authority (PFRDA) appointed pension fund manager. The Bank recognizes such contributions as an expense in the year when an employee renders the related service. Such contribution for the period April 1, 2018 to November 30, 2018 is Rs. 0.06 crores (PY: Rs. 0.03 crores).
- e) The Bank expects to contribute Rs. 1.10 crore to gratuity fund in financial year 2019-2020.

[^]FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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

(Rs. in Crores)

	November 30, 2018	March 31, 2018
Present Value of Benefit Obligation at the Beginning of the Period	2.03	1.17
Interest Cost	0.11	0.09
Current Service Cost	0.31	0.24
(Benefit paid from the Fund)	(0.05)	(0.12)
Past Service Cost	0.00	0.48
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	0.00	0.01
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.07	0.15
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.02)	0.01
Present Value of Benefit Obligation at the End of the Period	2.45	2.03

II) Change in the Fair Value of Plan Assets:

(Rs. in Crores)

	November 30, 2018	March 31, 2018
Fair Value of Plan Assets at the Beginning of the Period	1.05	0.91
Expected Return on Plan Assets	0.06	0.07
Contributions by the Employer	0.67	0.20
(Benefit Paid from the Fund)	(0.05)	(0.12)
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(0.01)	-
Fair Value of Plan Assets at the End of the Period	1.72	1.06

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

(Rs. in Crores)

	November 30, 2018	March 31, 2018
Actuarial (Gains)/Losses on Obligation for the Period	0.05	0.17
Actuarial (Gains)/Losses on Plan Asset for the Period	0.01	(0.01)
Actuarial (Gains)/Losses Recognized in the Profit or Loss Account	0.06	0.16

IV) Actual Return on Plan Assets:

(Rs. in Crores)

	November 30, 2018	March 31, 2018
Expected Return on Plan Assets	0.05	0.07
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(0.01)	-
Actual Return on Plan Assets	0.04	0.07

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V) Amount Recognized in the Balance Sheet:

(Rs. in Crores)

	November 30, 2018	March 31, 2018
(Present Value of Benefit Obligation at the end of the Period)	(2.45)	(2.03)
Fair Value of Plan Assets at the end of the Period	1.72	1.06
Funded Status (Surplus/ (Deficit))	(0.73)	(0.97)
Unrecognized Past Service Cost at the end of the Period	-	-
Net (Liability)/Asset Recognized in the Balance Sheet	(0.73)	(0.97)

VI) Net Interest Cost:

(Rs. in Crores)

	November 30, 2018	March 31, 2018
Present Value of Benefit Obligation at the Beginning of the Period	2.03	1.17
(Fair Value of Plan Assets at the Beginning of the Period)	(1.06)	(0.91)
Net Liability/(Asset) at the Beginning	0.97	0.26
Interest Cost	0.11	0.09
(Expected Return on Plan Assets)	(0.05)	(0.07)
Net Interest Cost for Current Period	0.06	0.02

VII) Expenses Recognized in the Profit or Loss Account:

(Rs. in Crores)

	November 30, 2018	March 31, 2018
Current Service Cost	0.31	0.24
Net Interest Cost	0.05	0.02
Actuarial (Gains)/Losses	0.06	0.17
Past Service Cost - Vested Benefit Recognized During the Period	-	0.48
Expenses Recognized in the Profit or Loss Account	0.42	0.91

VIII) Balance Sheet Reconciliation:

(Rs. in Crores)

	November 30, 2018	March 31, 2018
Opening Net Liability	0.97	0.27
Expense Recognized in Profit or Loss Account	0.42	0.91
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(0.66)	(0.21)
Net Liability/(Asset) Recognized in the Balance Sheet	0.73	0.97

^FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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IX) Category of Assets:

	<i>(Rs. in Crores)</i>	
	November 30, 2018	March 31, 2018
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	1.72	1.05
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	1.72	1.05

Actuarial assumptions:

	November 30, 2018	March 31, 2018
Expected Return on Plan Assets	7.87%	7.82%
Rate of Discounting	7.87%	7.82%
Rate of Salary Increase	9.85%	9.11%
Rate of Employee Turnover	6.00%	6.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Experience Adjustments:

Particulars	Years ended March 31,			
	2018*	2018	2017	2016
Plan Assets	1.72	1.06	0.91	0.76
Defined Benefit Obligation	2.45	2.03	1.17	0.78
Surplus / (Deficit)	(0.73)	(0.97)	(0.26)	(0.02)
Experience adjustment gain / (loss) on plan assets	(0.01)	0.00#	(0.00)#	(0.00)#
Experience adjustment (gain) / loss on plan liabilities	(0.02)	0.01	0.01	(0.12)

*For the period from April 1, 2018 to November 30, 2018

#Represents amounts less than Rs. 50,000

34. Related Party Transactions

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

Relationship during FY 2018-19^:

1	Parent	SBM Holdings Ltd
		State Bank of Mauritius Ltd
2	Subsidiaries of Head office	SBM Bank Kenya Ltd
3	Key Management Personnel	The Chief Executive Officer (CEO) - Mr. Siby Sebastian

^FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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Transactions during the FY 2018-19[^]:

(Rs. in Crores)

Particulars	Parent		Subsidiaries of the Parent		Key Management Personnel [#]		Total	
	Outstandi ng	Maximu m Balance	Outstandi ng	Maximu m Balance	Outstandi ng	Maximum Balance	Outstandi ng	Maximu m Balance
Liabilities								
Deposit	8.64	169.13	0.11	0.25	-	-	8.75	169.38
Borrowings	153.11	153.11	-	-	-	-	153.11	153.11
Interest payable	0.63	0.63	-	-	-	-	0.63	0.63
MTM loss on FX forwards	-	-	-	-	-	-	-	-
Total	162.38	322.87	0.11	0.25	-	-	162.49	323.12
Asset								
Lending	-	-	-	10.44	-	-	-	10.44
Balances with Bank	0.37	10.28	-	-	-	-	0.37	10.28
Interest receivable	-	-	-	-	-	-	-	-
Reimbursem ent from HO	0.10	-	-	-	-	-	0.10	-
MTM gain on FX forwards	-	-	-	0.01	-	-	-	0.01
Total	0.47	10.28	-	10.45	-	-	0.47	20.73
Interest paid	1.05	-	-	-	-	-	1.05	-
Interest Received	-	-	0.01	-	-	-	0.01	-
Off Balance sheet items								
FX Forwards	-	2.42	-	4.07	-	-	-	6.49
Total	-	2.42	-	4.07	-	-	-	6.49

[#]In FY 2018-19[^], there was only one related party in the said category, hence the Bank has not disclosed the details of transactions in accordance with circular issued by the RBI on March 29, 2003 "Guidance on compliance with the accounting standards by the Bank".

[^]FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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Transactions during FY 2017-18:

(Rs in Crores)

Particulars	Parent		Subsidiaries of the Parent		Key Management Personnel [#]		Total	
	Outstandi ng	Maxim um Balance	Outsta nding	Maximum Balance	Outstan ding	Maximu m Balance	Outstandi ng	Maximu m Balance
Liabilities								
Deposit	13.58	691.94	0.09	0.24	-	-	13.67	692.18
Borrowings	130.35	159.80	-	-	-	-	130.35	159.80
Interest payable	0.49	-	-	-	-	-	0.49	-
MTM loss on FX forwards	-	0.002	-	0.05	-	-	-	0.05
Total	144.42	851.74	0.09	0.29	-	-	144.51	852.03
Asset								
Lending	-	25.94	12.82	12.82	-	-	12.82	38.76
Balances with Bank	0.26	-	-	-	-	-	0.26	-
Interest receivable	-	-	-	-	-	-	-	-
Reimbursement from HO	0.86	-	-	-	-	-	0.86	-
MTM gain on FX forwards	-	0.07	-	0.01	-	-	-	0.08
Total	1.12	26.01	12.82	12.83	-	-	13.94	38.84
Interest paid	0.11	-	-	-	-	-	0.11	-
Interest Received	0.43	-	0.11	-	-	-	0.54	-
Off Balance sheet items								
FX Forwards	-	1.60	-	13.58	-	-	-	15.18
Total	-	1.60	-	13.58	-	-	-	15.18

[#]In FY 2017-18, there was only one related party in the said category, hence the Bank has not disclosed the details of transactions in accordance with circular issued by the RBI on March 29, 2003 "Guidance on compliance with the accounting standards by the Bank".

[^]FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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35. 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.

36. 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.

37. Counter Cyclical / Floating Provisions

(Rs. in Crores)

Particulars	November 30, 2018		March 31, 2018	
	Counter cyclical	Floating	Counter cyclical	Floating
Opening Balance in floating provision	1.91	0.60	1.91	0.60
Add- Provision made during the period / year	-	-	-	-
Less- Provision utilize during the period / year for specific provision	-	-	-	-
Closing balance in floating provision	1.91	0.60	1.91	0.60

38. 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.

39. The Bank has not undertaken bancassurance business during FY 2018-19[^]. (P.Y. : NIL).

40. Concentration of Deposits, Advances, Exposures and NPAs

I. Concentration of Deposits

(Rs. in Crores)

Particulars	November 30, 2018	March 31, 2018
Total deposits of twenty largest depositors	460.36	743.03
Percentage of Deposits to twenty largest depositors to total deposits of the Bank	64.30%	61.62 %

Concentration of Advances*

(Rs. in Crores)

Particulars	November 30, 2018	March 31, 2018
Total advances to twenty largest borrowers	605.80	966.02
Percentage of Advances to twenty largest borrowers to total advances of the Bank	79.47%	72.72%

[^]FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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Concentration of Exposures* *(Rs. in Crores)*

Particulars	November 30, 2018	March 31, 2018
Total Exposures to twenty largest borrowers / customers	612.76	966.13
Percentage of Exposures to twenty largest borrowers / Customers to Total Exposures of the bank on borrowers / Customers	76.62%	67.35%

*Excluding banking exposures

Concentration of NPA *(Rs. in Crores)*

Particulars	November 30, 2018	March 31, 2018
Total Exposure of top Four NPA accounts	86.36	155.56

II. Sector wise Advances *(Rs. in Crores)*

Sl. No	Sector	FY 2018-19 [^]			FY 2017-18		
		Outstanding Total Gross Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Gross Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Advances to industries sector eligible as priority sector lending	76.45	76.45	100.00%	157.22	146.29	93.05%
3	Services	75.84	-	0.00%	113.24	-	0.00%
4	Personal loans	-	-	-	-	-	-
	Sub-total (A)	152.29	76.45	50.20%	270.46	146.29	54.09%

[^]FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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Sl. No	Sector	FY 2018-19 [^]			FY 2017-18		
		Outstanding Total Gross Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Gross Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
B	Non-Priority Sector						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Industry	255.04	11.48	4.50%	311.90	26.55	8.51%
3	Services	287.45	-	0.00%	410.06	-	0.00%
4	Personal loans	146.12	1.38	0.94%	191.65	5.50	2.87%
	Sub-total (B)	688.61	12.86	1.87%	913.61	32.05	3.51%
	Total (A+B)	840.90	89.31	10.62%	1,184.07	178.34	15.06%

III. a) Movement of Gross NPAs

(Rs. in Crores)

Particulars	November 30, 2018	March 31, 2018
Opening balance of Gross NPAs	178.33	132.14
Additions during the period / year	4.51	105.87
Sub-total (A)	182.84	238.01
Less:		
i. Upgradations	-	2.40
ii. Recoveries (excluding recoveries made from upgraded accounts)	0.64	0.56
iii. Write-offs	92.89	56.72
Sub-total (B)	93.53	59.68
Closing balance of Gross NPAs (A-B)	89.31	178.33

b)

(Rs. in Crores)

Particulars	November 30, 2018	March 31, 2018
Opening balance of Technical/ Prudential written-off accounts	236.61	184.35
Add: Technical/ Prudential write-offs during the period / year	92.89	56.71
Sub-total (A)	329.50	241.06
Less: Recoveries made from previously technical/ prudential written-off accounts during the period / year (B)	-	4.45
Closing balance as at end of the period / year (A-B)	329.50	236.61

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IV. Overseas Assets, NPAs and Revenue

(Rs. in Crores)

Particulars	November 30, 2018	March 31, 2018
Total Assets	-	-
Total NPAs	-	-
Total Revenue for the period / year ended	-	-

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

41. Revaluation of Fixed Assets

The Bank computes depreciation on revalued premises over its estimated remaining useful life and accordingly an amount of Rs. (0.25) crores have been accounted as depreciation and reduced from the Revaluation Reserve during FY 2018-19[^] (PY: Rs.0.38 crores). Addition to Revaluation Reserve of Rs. 0.66 has been made during FY 2018-19[^] as an adjustment on account of prior year adjustment.

42. Software capitalized under Fixed Assets

(Rs. in Crores)

Particulars	November 30, 2018	March 31, 2018
Cost at March 31 st of preceding year	4.04	3.45
Additions during the period / year	19.24	0.59
Deductions during the period / year	-	-
Depreciation to date	7.45	3.54
Net Block	15.83	0.50

43. Provision Coverage Ratio (PCR)

As on November 30, 2018, the Bank has achieved the PCR ratio of 93.30% with reference to Gross NPA as on November 30, 2018 (P.Y. : 93.98%).

[^]FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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44. Disclosure on Remuneration

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.	<p>The Bank follows the following practices and principles in designing and structuring the remuneration process:-</p> <p>A focus on long-term, risk-adjusted performance and reward mechanism by focusing on performance of the individual employee, the relevant line of business or function and the Bank as a whole. It seeks to drive accountability, and co-relate risk, financial performance and compensation.</p> <p>Key features and 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.</p>
(c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	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.

[^]FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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Qualitative disclosures											
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										
(h) (i) Number of employees having received a variable remuneration award during the financial year. (ii) Number and total amount of sign-on awards made during the financial year. (iii) Details of guaranteed bonus, if any, paid as joining / sign on bonus (iv) Details of severance pay, in addition to accrued benefits, if any	03 during FY 2018-19^ - - -										
(i) (i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. (ii) Total amount of deferred remuneration paid out in the financial year.	- -										
(j) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	CEO IOPS during FY 2018-19^ Head - Corporate Banking Head - Treasury <table border="1"> <thead> <tr> <th>Particulars</th><th>(Rs. in Crores)</th></tr> </thead> <tbody> <tr> <td>Pay</td><td>1.68</td></tr> <tr> <td>Variable</td><td>0.31</td></tr> <tr> <td>Perquisites</td><td>0.04</td></tr> <tr> <td>TOTAL</td><td>2.03</td></tr> </tbody> </table>	Particulars	(Rs. in Crores)	Pay	1.68	Variable	0.31	Perquisites	0.04	TOTAL	2.03
Particulars	(Rs. in Crores)										
Pay	1.68										
Variable	0.31										
Perquisites	0.04										
TOTAL	2.03										
(k) (i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments. (ii) Total amount of reductions during the financial year due to ex- post explicit adjustments. (iii) Total amount of reductions during the financial year due to ex- post implicit adjustments.	- - -										

^FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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45. Accounting for leases

1. Financial lease

Bank has not entered into any financial lease in current period 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.

<i>(Rs. in Crores)</i>		
Particulars	November 30, 2018	March 31, 2018
1. Total future minimum lease payments as at year end:	0.59	0.78
– Not later than one year	0.30	0.29
– Later than one year but not later than five years	0.29	0.49
– Later than five years	-	-
2. Lease payments recognized in the Profit and Loss Account in Schedule 16	0.20	0.12

46. Credit Default Swaps

The Bank does not have any Credit Default Swaps during FY 2018-19[^]. (P.Y. : NIL)

47. 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:

<i>(Rs. in Crores)</i>			
Sr. No.	Particulars	November 30, 2018	March 31, 2018
1	Total amount of intra-group exposures	-	-
2	Total amount of top-20 intra-group exposures	-	-
3	Percentage of intra-group exposures to total exposure of the bank on borrowers/customers	-	-
4	Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	-	-

48. 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:

<i>(Rs. in Crores)</i>		
Particulars	November 30, 2018	March 31, 2018
Opening balance of amounts transferred to DEAF	0.30	0.29
Add : Amounts transferred to DEAF during the period / year	0.05	0.01
Less : Amounts reimbursed by DEAF towards claims	0.00	0.00
Closing balance of amounts transferred to DEAF	0.35	0.30

[^]FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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49. Unhedged Foreign Currency Exposure

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

The Bank addresses the currency induced credit risk in a comprehensive manner and the incremental provisioning and capital held by the Bank on account of the same as on 30th November 2018 is as follows:

Incremental Capital maintained by the Bank on account of unhedged foreign currency exposure is INR 0.70 crores (P.Y.: NIL)

Unhedged Foreign Currency Exposure provisions for current period:

(Rs. in Crores)

Incremental standard asset provision required as per RBI guideline	Outstanding as on November 30, 2018	Incremental standard advance provision as on November 30, 2018
0 bps	664.66	-
20 bps	-	-
40 bps	-	-
60 bps	-	-
80 bps	86.92	0.70

Unhedged Foreign Currency Exposure provisions for previous year:

(Rs. in Crores)

Incremental standard asset provision required as per RBI guideline	Outstanding as on March 31, 2018	Incremental standard advance provision as on March 31, 2018
0 bps	1,005.74	-
20 bps	-	-
40 bps	-	-
60 bps	-	-
80 bps	-	-

^FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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50. Liquidity Coverage Ratio

April 1, 2018 to November 30, 2018

(Rs. in Crores)

		30 November 2018		30 September 2018		30 June 2018	
		Total Un weighted Value (average)	Total Weighted Value (average)	Total Un weighted Value (average)	Total Weighted Value (average)	Total Un weighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets							
1	Total High Quality Liquid Assets (HQLA)		652.59		463.60		434.77
Cash Outflows							
2	Retail deposits and deposits from small business customers, of which:						
(i)	Stable deposits**	-	-	-	-	-	-
(ii)	Less stable deposits	676.96	67.70	722.65	72.26	458.97	45.90
3	Unsecured wholesale funding, of which:						
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	494.47	467.45	220.56	198.92	270.92	235.32
(iii)	Unsecured debt	-	-	-	-	-	-
4	Secured wholesale funding						
5	Additional requirements, of which						
(i)	Outflows related to derivative exposures and other	25.40	25.40	17.77	17.77	10.35	10.35
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	79.79	14.96	120.33	25.88	131.49	30.01
6	Other contractual funding obligations	96.51	96.51	13.27	13.27	87.11	87.11
7	Other contingent funding obligations	124.14	3.72	124.81	3.74	179.49	5.38
8	TOTAL CASH OUTFLOWS		675.74		331.84		414.07
Cash Inflows							
9	Secured lending (e.g. reverse repos)	290.44	-	79.77	-	278.81	-
10	Inflows from fully performing exposures	6.77	3.38	15.72	7.86	92.28	46.14
11	Other cash inflows	167.75	149.74	84.57	60.92	54.07	20.16
12	TOTAL CASH INFLOWS	464.96	153.12	180.06	68.78	425.16	66.30
13	TOTAL HQLA		652.59		463.60		434.77
14	TOTAL NET CASH OUTFLOWS		522.62		263.06		347.77
15	LIQUIDITY COVERAGE RATIO (%)		124.87		176.23		125.02

** The Bank has considered the entire Retail Deposits under Less Stable w.e.f. 1st October 2017 as per RBI's Risk Assessment Report (RAR) conducted for FY 2016-17.

PY. 2017-18

(Rs. in Crores)

^FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD APRIL 1, 2018 TO NOVEMBER 30, 2018

		31 March 2018		31 December 2017		30 September 2017		30 June 2017	
		Total Un weighted Value (average)	Total Weighted Value (average)	Total Un weighted Value (average)	Total Weighted Value (average)	Total Un weighted Value (average)	Total Weighted Value (average)	Total Un weighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		402.25		321.79		381.00		335.77
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:								
(i)	Stable deposits**	-	-	-	-	2.01	0.10	5.79	0.29
(ii)	Less stable deposits	314.11	31.41	344.91	34.49	434.87	43.49	301.13	30.11
3	Unsecured wholesale funding, of which:								
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	314.4	275.45	229.83	183.39	242.10	195.75	184.80	114.67
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding								
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other	17.69	17.69	5.37	5.37	4.81	4.81	2.46	2.46
(ii)	Outflows related to loss of funding on debt products	125.31	19.91	111.23	22.37	179.70	42.65	151.22	18.79
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	80.49	80.49	76.02	76.02	72.28	72.28	70.34	70.34
7	Other contingent funding obligations	210.32	6.31	189.18	5.68	150.15	4.50	72.04	2.16
8	TOTAL CASH OUTFLOWS		431.26		327.32		363.58		238.82
Cash Inflows									
9	Secured lending (e.g. reverse repos)	155.95	-	99.81	-	241.45	-	212.02	-
10	Inflows from fully performing exposures	24.37	24.37	7.26	7.26	5.01	5.01	0.07	0.07
11	Other cash inflows*	132.24	72.21	133.30	74.49	138.40	82.05	125.66	79.28
12	TOTAL CASH INFLOWS	312.56	96.58	240.37	81.75	384.86	87.06	337.75	79.35
13	TOTAL HQLA		402.25		321.79		381.00		335.77
14	TOTAL NET CASH OUTFLOWS		334.68		245.57		276.52		159.48
15	LIQUIDITY COVERAGE RATIO (%)		120.19		131.04		137.78		210.54

*In Other Cash Inflow at 100% run off factor, Bank has included inflows by Retail and small business counterparties which is coming under 50% run off factor as there is no heading available for the same in the format of Notes to Accounts.

** The Bank has considered the entire Retail deposit and deposit from small business customer under Less Stable w.e.f 1st October 2017 as per RBI's Risk Assessment Report (RAR) conducted for FY 2016-17.

Qualitative disclosure

^FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

SBM BANK (MAURITIUS) LIMITED
(Incorporated in the Republic of Mauritius with Limited Liability)
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SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD APRIL 1, 2018 TO NOVEMBER 30, 2018

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 December 2016, 80% from January 2017, 90% from January 2018 onwards. The requirement will be increasing by 10% annually to 100% by Jan 2019.

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

For classification of deposits, the Bank segregates its deposits into various customer segments, viz Retail (which includes deposits from individuals), Corporate (which includes deposits from corporates) and Others (which includes all other residuary deposits) The Bank has included deposits from NBFCs as corporate deposits.

The Bank has suffered a cyber fraud during the FY2018-19[^], for which an ad-hoc adjustment of INR 25 Cr is made in the cash inflows for computing the LCR.

The Bank has considered the mark-to-market amounts for computing the net cash flows from derivative transactions including the CCIL deals in the LCR computation.

51. Capital Commitment

Capital Commitment outstanding as on November 30, 2018 amounts to Rs. 2.27 crores. (P.Y.: Rs. 0.30)

52. 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 2017-18 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.

53. Other expenditure:

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

	FY 2018-19[^]	FY 2017-18
Loss on account of cyber fraud	19.50	-
Other IT expenses	1.69	4.82

54. Priority sector lending certificates

[^]FY 2018-2019 represents the period April 1, 2018 to November 30, 2018.

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

SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD APRIL 1, 2018 TO NOVEMBER 30, 2018

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

<i>(Rs. in Crores)</i>			
Sr. No.	Type of PSLCs	Purchase	Sale
1	PSLC – Agriculture	-	-
2	PSLC - SF / MF	-	-
3	PSLC - Micro Enterprises	-	-
4	PSLC – General	-	-
	TOTAL	-	-

55. Fraud:

<i>(Rs. in Crores)</i>		
Particulars	November 30, 2018	March 31, 2018
Number of frauds reported	2	3
Amount involved in frauds	217.34	83.92
Provision made	19.50	-
Unamortised provision debited from 'other reserves'	-	-

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

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

For SBM Bank (Mauritius) Ltd. – Indian Operations

per Sarvesh Warty
Partner
Membership No. 121411

Siby Sebastian
CEO – Indian Operations

Place: Mumbai
Date : July 29, 2019

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

Balance Sheet

	<u>Schedule</u>	<u>As at</u> <u>30-Nov-2018</u> (Amount in Rs. 000)	<u>As at</u> <u>31-Mar-2018</u> (Amount in Rs. 000)
<u>CAPITAL & LIABILITIES</u>			
Capital	1	6,569,584	4,769,584
Reserves & Surplus	2	(1,380,178)	(1,003,986)
Deposits	3	7,159,582	12,057,665
Borrowings	4	3,381,090	1,303,500
Other Liabilities and Provisions	5	949,199	824,966
Total		16,679,277	17,951,729
<u>ASSETS</u>			
Cash and Balances with Reserve Bank of India	6	416,583	534,832
Balances with banks and Money at Call and Short Notice	7	3,522,934	1,668,371
Investments	8	3,289,210	4,661,045
Advances	9	7,575,700	10,164,759
Fixed Assets	10	486,917	305,859
Other Assets	11	1,387,933	616,863
Total		16,679,277	17,951,729
Contingent Liabilities	12	13,597,561	23,405,266
Bills for Collection		1,910,556	2,852,654
Accounting Policies & Notes on Accounts	17		

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

As per our attached Report of even date.

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

For SBM Bank (Mauritius) Ltd. - Indian Operations

per Sarvesh Warty
Partner
Membership No. 121411

Mr. Siby Sebastian
CEO - Indian Operations

Place : Mumbai
Date : July 29, 2019

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

Profit and Loss Account

	<u>Schedule</u>	<u>Period Ended</u> <u>30-Nov-2018</u> <u>(Amount in Rs. 000)</u>	<u>Year Ended</u> <u>31-Mar-2018</u> <u>(Amount in Rs. 000)</u>
I. INCOME			
Interest earned	13	832,281	1,325,512
Other income	14	46,875	143,038
Total		879,156	1,468,550
II. EXPENDITURE			
Interest expended	15	599,772	865,008
Operating expenses	16	419,546	284,255
Provisions & contingencies (Refer Note 27 - Schedule 17.B)		240,077	1,366,637
Total		1,259,395	2,515,900
III. PROFIT/LOSS			
Net profit/(loss) for the period / year		(380,239)	(1,047,350)
Profit/(loss) brought forward		(1,884,402)	(837,052)
Total		(2,264,641)	(1,884,402)
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		(2,264,641)	(1,884,402)
Total		(2,264,641)	(1,884,402)

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
ICAI Firm Registration No.: 101049W/E300004

For SBM Bank (Mauritius) Ltd. - Indian Operations

per Sarvesh Warty
Partner
Membership No. 121411

Mr. Siby Sebastian
CEO - Indian Operations

Place : Mumbai
Date : July 29, 2019

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

Schedules forming part of the Balance Sheet

	30-Nov-2018 (Amount in Rs. 000)	31-Mar-2018 (Amount in Rs. 000)
<u>SCHEDULE 1 : CAPITAL</u>		
Capital		
At the beginning of the year	4,769,584	4,769,584
Additions during the year	1,800,000	-
Total	6,569,584	4,769,584
Notes:		
Amount of deposit kept with RBI in the form of approved securities for November 2018 under section 11(2)(b) of the Banking Regulation Act, 1949 Face value Rs 480,000 (Rs. 000) (Previous Year Rs 470,000 (Rs. 000))		
<u>SCHEDULE 2 : RESERVES AND SURPLUS</u>		
I. Statutory Reserve		
Opening Balance	359,880	359,880
Additions during the period / year	-	-
Deductions during the year	-	-
Sub Total	359,880	359,880
II. Capital Reserve		
Opening Balance	58,054	58,054
Additions during the period / year	-	-
Deductions during the period / year	-	-
Sub Total	58,054	58,054
III. Retained Earnings		
Opening Balance	320,098	320,098
Additions during the period / year	-	-
Deductions during the period / year	-	-
Sub Total	320,098	320,098
IV. Revaluation Reserve		
Opening Balance	142,384	146,198
Additions during the period / year	6,586	-
Deductions during the period / year	2,539	3,814
Sub Total	146,431	142,384
V. Balance in Profit and Loss Account		
Opening Balance	(1,884,402)	(837,052)
Less Appropriations	-	-
Add profit/(loss) for the period / year brought from the Profit and loss account	(380,239)	(1,047,350)
Sub Total	(2,264,641)	(1,884,402)
Total (I + II + III + IV + V)	(1,380,178)	(1,003,986)

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

Schedules forming part of the Balance Sheet

	<u>30-Nov-2018</u> <u>(Amount in Rs. 000)</u>	<u>31-Mar-2018</u> <u>(Amount in Rs. 000)</u>
<u>SCHEDULE 3 : DEPOSITS</u>		
A.I. Demand Deposits		
(i) From Banks	26,879	23,771
(ii) From Others	493,456	825,126
A.II. Savings Bank Deposits	725,442	475,902
A.III. Term Deposits		
(i) From Banks	10,737	10,245
(ii) From Others	5,903,068	10,722,621
Total	<u>7,159,582</u>	<u>12,057,665</u>
B.I. Deposits of branches in India	7,159,582	12,057,665
B.II. Deposits of branches outside India	-	-
Total	<u>7,159,582</u>	<u>12,057,665</u>
<u>SCHEDULE 4 : BORROWINGS</u>		
I. Borrowings in India		
i) Reserve Bank of India	-	-
ii) Other Banks	1,850,000	-
iii) Other Institutions and Agencies	-	-
Sub Total	<u>1,850,000</u>	<u>-</u>
II. Borrowings outside India	1,531,090	1,303,500
Total (I + II)	<u>3,381,090</u>	<u>1,303,500</u>
Secured Borrowings included in I & II above	-	-
<u>SCHEDULE 5 : OTHER LIABILITIES AND PROVISIONS</u>		
I. Bills Payable	1,912	1,586
II Interest Accrued	98,759	638,555
III. Deferred Tax Liability (Net)	-	-
IV. Provision for standard advances (Refer Note 14 - Schedule 17.B)	187,036	44,500
V. Others (including Provisions)	661,492	140,325
Total	<u>949,199</u>	<u>824,966</u>
<u>SCHEDULE 6 : CASH AND BALANCES WITH RBI</u>		
I. Cash in Hand (including Foreign Currency Notes - NIL)	5,743	2,696
II. Balances with Reserve Bank of India		
in Current Account	410,840	532,136
in Other Accounts	-	-
Total	<u>416,583</u>	<u>534,832</u>

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

Schedules forming part of the Balance Sheet

	30-Nov-2018 (Amount in Rs. 000)	31-Mar-2018 (Amount in Rs. 000)
<u>SCHEDULE 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE</u>		
I. In India		
i) Balances with banks in		
(a) Current Accounts	3,614	5,075
(b) Other Deposit Accounts	-	-
ii) Money at call and short notice		
(a) with Banks	2,490,000	1,430,000
(b) with Other Institutions	-	-
Sub Total	2,493,614	1,435,075
II. Outside India		
i) in Current Accounts	333,370	135,533
ii) in Other Deposit Accounts	-	-
iii) in Money at Call and Short Notice	695,950	97,763
Sub Total	1,029,320	233,296
Total (I & II)	3,522,934	1,668,371
<u>SCHEDULE 8 : INVESTMENTS</u>		
I. Investments in India in		
i) Government Securities	2,925,306	3,607,886
ii) Other Approved Securities	-	-
iii) Shares	6,970	6,970
iv) Debentures and Bonds	150,662	630,795
v) Subsidiaries and /or Joint Venture	-	-
vi) Others	223,377	422,826
Sub Total	3,306,315	4,668,477
Less: Provision for Diminution	17,105	7,432
Sub Total	3,289,210	4,661,045
II. Investments outside India	-	-
Total (I & II)	3,289,210	4,661,045
<u>SCHEDULE 9 : ADVANCES</u>		
A i) Bills Purchased and Discounted	1,041,847	1,296,713
ii) Cash Credits, Overdrafts and Loans repayable on Demand	1,346,972	2,496,624
iii) Term loans	5,186,881	6,371,422
Total	7,575,700	10,164,759
B i) Secured by Tangible Assets (includes advances against Book debts)	6,087,078	8,201,769
ii) Covered by Bank / Government Guarantees (includes advance against standby letter of credit)	1,184,317	1,440,284
iii) Unsecured	304,305	522,706
Total	7,575,700	10,164,759
C. I Advances in India		
i) Priority Sectors	792,426	1,328,458
ii) Public Sector	-	-
iii) Banks	1,323,494	1,794,520
iv) Others	5,459,780	7,041,781
Total	7,575,700	10,164,759
II Advances outside India	-	-
Total (CI & CII)	7,575,700	10,164,759

SBM Bank (Mauritius) Ltd.
(Incorporated in the Republic of Mauritius with Limited Liability)
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Schedules forming part of the Balance Sheet

	30-Nov-2018 (Amount in Rs. 000)	31-Mar-2018 (Amount in Rs. 000)
<u>SCHEDULE 10 : FIXED ASSETS</u>		
I. Premises		
At Cost at beginning of year	390,006	390,006
Additions during the period / year	-	-
Deductions during the period / year	-	-
Depreciation to date	122,923	138,035
Sub Total	267,083	251,971
II. Other Fixed Assets (including Furniture & Fixtures)		
At Cost at beginning of year	106,802	95,751
Additions during the period / year	238,423	11,051
Deductions during the period / year	35	-
Depreciation to date	139,498	91,605
Sub Total	205,692	15,197
III. Capital Work in Progress	14,142	38,691
Total (I, II & III)	486,917	305,859
<u>SCHEDULE 11 : OTHER ASSETS</u>		
I. Inter-Office Adjustment (Net)	-	-
II. Interest Accrued	89,952	87,461
III. Tax paid in Advance / Tax Deducted at Sources (Net of Provisions)	111,215	111,215
IV. Deferred Tax Assets (Net)	-	-
V. Stationery and Stamps	12	14
VI. Others	1,186,754	418,173
Total	1,387,933	616,863
<u>SCHEDULE 12 : CONTINGENT LIABILITIES</u>		
I. Claims against the Bank not acknowledged as Debts	81,818	85,653
II. Liability for Partly Paid Investments	-	-
III. Liability on account of outstanding Forward Exchange Contracts & Derivatives	10,945,668	19,713,655
IV. Guarantees given on behalf of Constituents		
a) In India	95,338	10,428
b) Outside India	3,444	1,116,655
V. Acceptances, Endorsements and Other Obligation	7,473	1,082,318
VI. Other items for which the Bank is Contingently Liable	2,463,820	1,396,557
Total	13,597,561	23,405,266

SBM Bank (Mauritius) Ltd.
(Incorporated in the Republic of Mauritius with Limited Liability)
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Schedules forming part of the Profit and Loss Account

	Period Ended 30-Nov-2018 (Amount in Rs. 000)	Year Ended 31-Mar-2018 (Amount in Rs. 000)
<u>SCHEDULE 13 : INTEREST EARNED</u>		
I. Interest / Discount on Advances / Bills	541,049	823,879
II. Income on Investments	222,539	353,847
III. Interest on Balances with RBI and Other Inter-Bank Funds	67,905	112,694
IV. Others*	788	35,092
Total	832,281	1,325,512
*includes Swap Gain on Funding Swaps		
<u>SCHEDULE 14 : OTHER INCOME</u>		
I. Commission, Exchange and Brokerage	9,176	30,271
II. Profit/(loss) on sale of Investments	(4,254)	34,312
III. Profit/(loss) on Revaluation of Investments	-	-
IV. Profit/(loss) on sale of Land Building & Other Assets	3	-
V. Profit on Exchange Transactions	26,449	31,526
VI. Income earned by way of Dividends etc. from Companies and / or Joint Ventures in India & Aboard	-	-
VII. Profit/(loss) on Derivative Trade	14,970	-
VIII. Miscellaneous Income	531	46,929
Total	46,875	143,038
<u>SCHEDULE 15 : INTEREST EXPENDED</u>		
I. Interest on Deposits	448,373	743,298
II. Interest on Reserve Bank of India /Inter Bank Borrowings	49,317	14,780
III. Others*	102,082	106,930
Total	599,772	865,008
*includes Swap Cost on Funding Swaps		
<u>SCHEDULE 16 : OPERATING EXPENSES</u>		
I. Payments to and Provision for Employees	92,778	139,962
II. Exchange Commission and Brokerage	-	-
III. Rent, Taxes and Lighting	6,737	7,302
IV. Printing and Stationery	422	1,093
V. Advertisement and Publicity	312	1,488
VI. Depreciation on Bank's Property	36,863	7,331
VII. Auditors' Fee	1,809	3,000
VIII. Law charges (incl. Professional Fees)	26,185	16,356
IX. Postages, Telegrams, Telephones, etc.	2,671	4,837
X. Repairs and Maintenance	2,269	6,252
XI. Insurance	9,631	16,336
XII. Other Expenditure	239,869	80,298
Total	419,546	284,255

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

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30TH NOVEMBER 2018

	Particulars	As at November 30, 2018 (Amount in Rs. 000)	As at March 31, 2018 (Amount in Rs. 000)
A	Cash Flow from Operating Activities		
	Net Profit after Taxes	(380,239)	(1,047,350)
	Adjustments to profit/(loss) from operations		
	Loss/(Profit) from sale of fixed assets	(3)	-
	Depreciation on Fixed Assets	36,863	7,331
	Specific Provision for NPA	(842,648)	787,567
	Diminution on Investment	9,673	461
	Direct Taxes	-	-
	Other Provisions - Deferred tax	-	-
	Non performing Advances / Investment written off	928,915	567,150
	Non performing investments written off	-	-
	Provision for Standard Advances	142,536	12,628
	Provision for country exposure	1,601	(1,169)
	Provision for Diminution in fair value of restructured accounts	-	-
	Provision for interest capitalised on restructured accounts	-	-
	Floating Provision	-	-
	Sub-Total	(103,302)	326,618
	Changes in working capital		
	(Increase)/Decrease in Investments	1,362,162	(356,892)
	(Increase)/Decrease in Advances	2,502,792	(4,210,296)
	(Increase)/Decrease in Other Assets	(771,070)	382,724
	Increase/(Decrease) in Deposits	(4,898,083)	(124,880)
	Increase/(Decrease) in Borrowings	2,077,590	1,303,500
	Increase/(Decrease) in Other Liabilities	(19,904)	204,509
	Net Cash from Operating Activities before Income Tax	150,185	(2,474,717)
	Advance Income tax paid	-	-
	Refund received from Income Tax	-	58,543
	Net Cash from Operating Activities after Income Tax	150,185	(2,416,174)
B	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	(213,874)	(22,420)
	Proceeds from sale of fixed assets	3	-
	Net Cash from Investing Activities	(213,871)	(22,420)
C	Cash Flow from Financing Activities		
	Increase/(Decrease) in Capital	1,800,000	-
	Issue of Subordinated Bond	-	-
	Net Cash from Financing Activities	1,800,000	-

SBM Bank (Mauritius) Ltd.
(Incorporated in the Republic of Mauritius with Limited Liability)
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STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30TH NOVEMBER 2018

	Particulars	As at November 30, 2018 (Amount in Rs. 000)	As at March 31, 2018 (Amount in Rs. 000)
D	Cash and Cash Equivalent at the beginning of the year		
	I. Cash in Hand (including foreign currency notes and gold)	2,696	3,353
	II Balances with Reserve Bank of India	532,136	259,010
	III Balances with Banks and Money at Call and Short Notice	1,668,371	4,379,434
		2,203,203	4,641,797
E	Cash and Cash Equivalent at the end of the year		
	I. Cash in Hand (including foreign currency notes and gold)	5,743	2,696
	II Balances with Reserve Bank of India	410,840	532,136
	III Balances with Bank and Money at Call and Short Notice	3,522,934	1,668,371
		3,939,517	2,203,203
A	Cash Flow from Operatng Activities	150,185	(2,416,174)
B	Cash Flow from Investing Activites	(213,871)	(22,420)
C	Cash Flow from Financing Activities	1,800,000	-
	Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	1,736,314	(2,438,594)
D	Cash and Cash Equivalent at the begininning of the year	2,203,203	4,641,797
E	Cash and Cash Equivalent at the end of the year (A+B+C+D)	3,939,517	2,203,203

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

For SBM Bank (Mauritius) Ltd. - Indian Operations

per Sarvesh Warty
Partner
Membership No. 121411

Mr. Siby Sebastian
CEO - Indian Operations

Place : Mumbai
Date : July 29, 2019