

BALANCE SHEET

	<u>Schedule</u>	<u>Audited As at 31-Mar-2021 (Amount in Rs.'000)</u>	<u>Audited As at 31-Mar-2020 (Amount in Rs.'000)</u>
<u>CAPITAL & LIABILITIES</u>			
Capital	1	75,69,584	75,69,584
Reserves & Surplus	2	(15,79,703)	(17,59,408)
Deposits	3	3,85,51,831	1,83,00,372
Borrowings	4	16,89,837	1,50,000
Other Liabilities and Provisions	5	11,61,494	4,82,021
Total		4,73,93,043	2,47,42,569
<u>ASSETS</u>			
Cash and Balances with Reserve Bank of India	6	10,84,214	7,76,735
Balances with banks and Money at Call and Short Notice	7	31,48,117	43,46,867
Investments	8	1,22,65,178	56,78,006
Advances	9	2,91,73,284	1,26,62,501
Fixed Assets	10	5,77,756	6,15,017
Other Assets	11	11,44,494	6,63,443
Total		4,73,93,043	2,47,42,569
Contingent Liabilities	12	5,69,60,426	2,23,88,896
Bills for Collection		27,43,873	22,13,829
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 M. P. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No.: 101851W



Mrs. Shraddha Jathar
Partner
ICAI Membership No. 136908



For SBM Bank (India) Limited



Mr. Sidharth Rath
Managing Director &
Chief Executive Officer



Mr. Ameet Patel
Independent Director



Mr. Saileshkumar Shah
Chief Financial Officer



Mrs. Bhavana Shinde
Company Secretary

Place : Mumbai
Date : June 16, 2021



PROFIT AND LOSS ACCOUNT

	<u>Schedule</u>	<u>Year Ended</u> <u>31-Mar-2021</u> <u>(Amount in Rs.'000)</u>	<u>Year Ended</u> <u>31-Mar-2020</u> <u>(Amount in Rs. 000)</u>
I. INCOME			
Interest earned	13	23,31,909	12,67,044
Other income	14	8,20,583	6,83,310
Total		31,52,492	19,50,354
II. EXPENDITURE			
Interest expended	15	15,50,196	7,85,184
Operating expenses	16	12,56,741	8,78,257
Provisions & contingencies	17B - (27)	1,59,111	2,67,877
Total		29,66,048	19,31,318
III. PROFIT/LOSS			
Net profit/(loss) for the year		1,86,444	19,036
Profit/(loss) brought forward		(27,55,330)	(27,55,330)
Total		(25,68,886)	(27,36,294)
IV. APPROPRIATIONS			
Transfer to Statutory Reserves		46,611	4,759
Transfer to Capital Reserve		32,613	7,854
Transfer to Investment Fluctuation Reserve		1,05,407	6,423
Balance carried over to Balance Sheet		(27,53,517)	(27,55,330)
Total		(25,68,886)	(27,36,294)
V. BASIC AND DILUTED EARNING PER SHARE (INR)	17B - {36}	0.25	0.03

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

As per our attached Report of even date.

For M. P. Chitale & Co.
Chartered Accountants
ICAI Firm Registration No.: 101851W



Mrs. Shraddha Jathar
Partner
ICAI Membership No. 136908

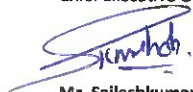


Place : Mumbai
Date : June 16, 2021

For SBM Bank (India) Limited



Mr. Sidharth Rath
Managing Director &
Chief Executive Officer



Mr. Saileshkumar Shah
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Mr. Ameet Patel
Independent Director



Mrs. Bhavana Shinde
Company Secretary



STATEMENT OF CASH FLOW

Particulars	Year Ended March 31, 2021 (Amount in Rs.'000)	Year Ended March 31, 2020 (Amount in Rs.'000)
A Cash Flow from Operating Activities		
Net Profit after Taxes	1,86,444	19,036
Adjustments to profit/(loss) from operations		
Loss/(Profit) from sale of fixed assets	846	(203)
Depreciation on Fixed Assets	1,47,847	1,20,198
Amortization of premium on investments	22,240	6,057
Specific Provision for NPA	(1,66,036)	(1,98,413)
Diminution on Investment	1,10,026	29,638
Direct Taxes	100	-
Other Provisions - Deferred tax	-	-
Non performing Advances written off	1,16,974	4,48,597
Non performing Investments written off	-	-
Provision for Standard Advances	92,455	(11,783)
Provision for country exposure	1,176	(162)
Provision for Diminution in fair value of restructured accounts	4,416	-
Provision for interest capitalised on restructured accounts	-	-
Sub-Total	5,16,488	4,12,965
Changes in working capital		
(Increase)/Decrease in Investments	(24,19,282)	(5,74,774)
(Increase)/Decrease in Advances	(1,64,61,721)	(71,64,556)
(Increase)/Decrease in Other Assets	(4,81,151)	(48,217)
Increase/(Decrease) in Deposits	2,02,51,459	84,59,198
Increase/(Decrease) in Other Liabilities	5,81,426	(98,522)
Net Cash from Operating Activities before Income Tax	19,87,219	9,86,094
Advance Income tax paid	-	-
Refund received from Income Tax	-	-
Net Cash from Operating Activities after Income Tax	19,87,219	9,86,094
B Cash Flow from Investing Activities		
(Increase)/Decrease in Held To Maturity (HTM) securities	(43,00,156)	(11,15,166)
Purchase of Fixed Assets	(1,18,572)	(1,19,816)
Proceeds from sale of Fixed Assets	401	203
Net Cash from Investing Activities	(44,18,327)	(12,34,779)
C Cash Flow from Financing Activities		
Additional capital infused	-	5,20,000
Increase/(Decrease) in Borrowings	15,39,837	1,50,000
Net Cash from Financing Activities	15,39,837	6,70,000



STATEMENT OF CASH FLOW

Particulars	Year Ended March 31, 2021 (Amount in Rs.'000)	Year Ended March 31, 2020 (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)	24,784	2,252
II Balances with Reserve Bank of India	7,51,951	2,97,952
III Balances with Banks and Money at Call and Short Notice	43,46,867	44,02,083
	51,23,602	47,02,287
E Cash and Cash Equivalent at the end of the year		
I. Cash in Hand (including foreign currency notes and gold)	19,231	24,784
II Balances with Reserve Bank of India	10,64,983	7,51,951
III Balances with Bank and Money at Call and Short Notice	31,48,117	43,46,867
	42,32,331	51,23,602
A Cash Flow from Operating Activities	19,87,219	9,86,094
B Cash Flow from Investing Activities	(44,18,327)	(12,34,779)
C Cash Flow from Financing Activities	15,39,837	6,70,000
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	(8,91,271)	4,21,315
D Cash and Cash Equivalent at the beginning of the year	51,23,602	47,02,287
E Cash and Cash Equivalent at the end of the year (A+B+C+D)	42,32,331	51,23,602

Notes on Cash Flow Statement

Cash Flow Statement is prepared under Indirect Method as set out in Accounting Standard 3 - Cash Flow Statements, specified under Section 133 of Companies Act, 2013

As per our attached Report of even date.

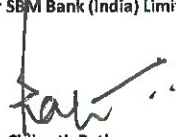
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Mrs. Bhavana Shinde
Company Secretary

Place : Mumbai
Date : June 16, 2021



SCHEDULES FORMING PART OF THE BALANCE SHEET

	31-Mar-2021 (Amount in Rs. '000)	31-Mar-2020 (Amount in Rs. 000)
<u>SCHEDULE 1 : CAPITAL</u>		
Authorised Capital :		
1,000,000,000 equity shares of Rs. 10 each (P.Y. 1,000,000,000)	1,00,00,000	1,00,00,000
Issued, subscribed and paid-up capital :		
756,958,418 equity shares of Rs. 10 each (P.Y. 756,958,418)	75,69,584	75,69,584
Total	75,69,584	75,69,584
<u>SCHEDULE 2 : RESERVES AND SURPLUS</u>		
I. Statutory Reserve		
Opening Balance	3,64,639	3,59,880
Additions during the year	46,611	4,759
Deductions during the year	-	-
Sub Total	4,11,250	3,64,639
II. Capital Reserve		
Opening Balance	65,908	58,054
Additions during the year	32,613	7,854
Deductions during the year	-	-
Sub Total	98,521	65,908
III. Retained Earnings		
Opening Balance	3,20,098	3,20,098
Additions during the year	-	-
Deductions during the year	-	-
Sub Total	3,20,098	3,20,098
IV. Investment Fluctuation Reserve		
Opening Balance	6,423	-
Additions during the year	1,05,407	6,423
Deductions during the year	-	-
Sub Total	1,11,830	6,423
V. Revaluation Reserve		
Opening Balance	2,38,854	2,45,593
Additions during the year	-	-
Deductions during the year	6,739	6,739
Sub Total	2,32,115	2,38,854
VI. Balance in Profit and Loss Account	(27,53,517)	(27,55,330)
Total (I + II + III + IV + V)	(15,79,703)	(17,59,408)



SCHEDULES FORMING PART OF THE BALANCE SHEET

	<u>31-Mar-2021</u> (Amount in Rs.'000)	<u>31-Mar-2020</u> (Amount in Rs. 000)
<u>SCHEDULE 3 : DEPOSITS</u>		
A.I. Demand Deposits		
(i) From Banks	1,20,081	13,121
(ii) From Others	57,30,999	15,28,034
A.II. Savings Bank Deposits	23,70,849	9,44,322
A.III. Term Deposits		
(i) From Banks	8,65,493	2,66,511
(ii) From Others	2,94,64,409	1,55,48,384
Total	3,85,51,831	1,83,00,372
B.I. Deposits of branches in India	3,85,51,831	1,83,00,372
B.II. Deposits of branches outside India	-	-
Total	3,85,51,831	1,83,00,372
<u>SCHEDULE 4 : BORROWINGS</u>		
I. Borrowings in India		
i) Reserve Bank of India	1,90,000	1,50,000
ii) Other Banks	-	-
iii) Other Institutions and Agencies	14,99,837	-
Sub Total	16,89,837	1,50,000
II. Borrowings outside India	-	-
Total (I + II)	16,89,837	1,50,000
Secured Borrowings included in I & II above	16,89,837	1,50,000
<u>SCHEDULE 5 : OTHER LIABILITIES AND PROVISIONS</u>		
I. Bills Payable	44,728	9,868
II. Interest Accrued	1,69,489	1,00,863
III. Deferred Tax Liability (Net)	-	-
IV. Provision for standard advances (Refer Note 14 - Schedule 17.B)	1,52,492	55,621
V. Others (including Provisions)	7,94,785	3,15,669
Total	11,61,494	4,82,021
<u>SCHEDULE 6 : CASH AND BALANCES WITH RBI</u>		
I. Cash in Hand (including Foreign Currency Notes - NIL)	19,231	24,784
II. Balances with Reserve Bank of India		
in Current Account	10,64,983	7,51,951
in Other Accounts	-	-
Total	10,84,214	7,76,735



SCHEDULES FORMING PART OF THE BALANCE SHEET

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

	31-Mar-2021 (Amount in Rs.'000)	31-Mar-2020 (Amount in Rs.'000)
I. In India		
i) Balances with banks in		
(a) Current Accounts	10,675	83,398
(b) Other Deposit Accounts	-	-
ii) Money at call and short notice		
(a) with Banks	29,60,000	41,60,000
(b) with Other Institutions	-	-
Sub Total	29,70,675	42,43,398
II. Outside India		
i) in Current Accounts	1,77,442	1,03,469
ii) in Other Deposit Accounts	-	-
iii) in Money at Call and Short Notice	-	-
Sub Total	1,77,442	1,03,469
Total (I & II)	31,48,117	43,46,867

SCHEDULE 8 : INVESTMENTS

I. Investments in India in		
i) Government Securities	1,18,46,905	53,42,571
ii) Other Approved Securities	-	-
iii) Shares	17,059	6,970
iv) Debentures and Bonds	3,32,734	1,49,959
v) Subsidiaries and /or Joint Venture	-	-
vi) Others	2,23,377	2,23,377
Sub Total	1,24,20,075	57,22,877
Less: Provision for Diminution	1,54,897	44,871
Sub Total	1,22,65,178	56,78,006
II. Investments outside India	-	-
Total (I & II)	1,22,65,178	56,78,006

SCHEDULE 9 : ADVANCES

A i) Bills Purchased and Discounted	16,54,448	2,26,441
ii) Cash Credits, Overdrafts and Loans repayable on Demand	60,21,849	23,73,010
iii) Term loans	2,14,96,987	1,00,63,050
Total	2,91,73,284	1,26,62,501
B i) Secured by Tangible Assets (includes advances against Book debts)	2,79,89,642	1,23,17,770
ii) Covered by Bank / Government Guarantees (includes advance against standby letter of credit)	2,26,495	98,769
iii) Unsecured	9,57,147	2,45,962
Total	2,91,73,284	1,26,62,501
C. I Advances in India		
i) Priority Sectors	34,53,641	17,44,015
ii) Public Sector	-	-
iii) Banks	99,281	37,833
iv) Others	2,56,20,362	1,08,80,653
Total	2,91,73,284	1,26,62,501
II Advances outside India	-	-
Total (CI & CII)	2,91,73,284	1,26,62,501



SCHEDULES FORMING PART OF THE BALANCE SHEET

	<u>31-Mar-2021</u> <u>(Amount in Rs.'000)</u>	<u>31-Mar-2020</u> <u>(Amount in Rs.'000)</u>
<u>SCHEDULE 10 : FIXED ASSETS</u>		
I. Premises		
At Cost at beginning of year	4,90,739	4,90,739
Additions during the year	-	-
Deductions during the year	-	-
Depreciation to date	1,45,519	1,35,539
Sub Total	<u>3,45,220</u>	<u>3,55,200</u>
II. Other Fixed Assets (including Furniture & Fixtures)		
At Cost at beginning of year	5,04,081	3,70,226
Additions during the year	1,42,012	1,36,257
Deductions during the year	44,397	2,402
Depreciation to date	3,84,445	2,82,989
Sub Total	<u>2,17,251</u>	<u>2,21,092</u>
III. Capital Work in Progress	15,285	38,725
Total (I, II & III)	<u>5,77,756</u>	<u>6,15,017</u>
<u>SCHEDULE 11 : OTHER ASSETS</u>		
I. Inter-Office Adjustment (Net)	-	-
II. Interest Accrued	2,56,864	1,17,792
III. Tax paid in Advance / Tax Deducted at Sources (Net of Provisions)	96,838	1,16,363
IV. Deferred Tax Assets (Net)	-	-
V. Stationery and Stamps	15	9
VI. Others	7,90,777	4,29,279
Total	<u>11,44,494</u>	<u>6,63,443</u>
<u>SCHEDULE 12 : CONTINGENT LIABILITIES</u>		
I. Claims against the Bank not acknowledged as Debts	92,521	92,051
II. Liability for Partly Paid Investments	-	-
III. Liability on account of outstanding Forward Exchange Contracts & Derivatives	4,46,44,603	1,45,12,891
IV. Guarantees given on behalf of Constituents		
a) In India	33,94,913	17,06,476
b) Outside India	16,55,787	7,88,379
V. Acceptances, Endorsements and Other Obligation	24,12,868	7,61,605
VI. Other items for which the Bank is Contingently Liable	47,59,734	45,27,494
Total	<u>5,69,60,426</u>	<u>2,23,88,896</u>



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	<u>Year Ended</u> <u>31-Mar-2021</u> <u>(Amount in Rs.'000)</u>	<u>Year Ended</u> <u>31-Mar-2020</u> <u>(Amount in Rs.'000)</u>
<u>SCHEDULE 13 : INTEREST EARNED</u>		
I. Interest / Discount on Advances / Bills	16,78,077	7,81,763
II. Income on Investments	4,43,181	3,15,767
III. Interest on Balances with RBI and Other Inter-Bank Funds	1,39,702	1,27,277
IV. Others*	70,949	42,237
Total	23,31,909	12,67,044
*Includes Swap Gain on Funding Swaps		
<u>SCHEDULE 14 : OTHER INCOME</u>		
I. Commission, Exchange and Brokerage	3,24,707	1,55,992
II. Profit/(loss) on sale of Investments	1,02,323	30,688
III. Profit/(loss) on Revaluation of Investments	-	-
IV. Profit/(loss) on sale of Land Building & Other Assets	(846)	203
V. Profit on Exchange Transactions	2,26,202	33,397
VI. Income earned by way of Dividends etc. from Companies and / or Joint Ventures in India & Aboard	-	-
VII. Profit/(loss) on Derivative Trade	-	-
VIII. Miscellaneous Income	1,68,197	4,63,030
Total	8,20,583	6,83,310
<u>SCHEDULE 15 : INTEREST EXPENDED</u>		
I. Interest on Deposits	12,54,519	6,38,876
II. Interest on Reserve Bank of India /Inter Bank Borrowings	14,344	2,319
III. Others*	2,81,333	1,43,989
Total	15,50,196	7,85,184
*includes Swap Cost on Funding Swaps		
<u>SCHEDULE 16 : OPERATING EXPENSES</u>		
I. Payments to and Provision for Employees	5,54,418	3,93,970
II. Exchange Commission and Brokerage	42,337	-
III. Rent, Taxes and Lighting	84,805	57,709
IV. Printing and Stationery	4,137	2,680
V. Advertisement and Publicity	20,488	15,404
VI. Depreciation on Bank's Property	1,47,847	1,20,198
VII. Directors' fees, allowances and expenses	9,643	6,699
VIII. Auditors' Fee	1,635	1,635
IX. Law charges (incl. Professional Fees)	78,092	81,791
X. Postages, Telegrams, Telephones, etc.	7,949	12,775
XI. Repairs and Maintenance	5,042	5,425
XII. Insurance	40,471	17,538
XIII. Other Expenditure	2,59,877	1,62,433
Total	12,56,741	8,78,257



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

SCHEDULE 17.A – SIGNIFICANT ACCOUNTING POLICIES

a) Background

The financial statements for the year comprise the accounts of the SBM Bank (India) Limited, ('the Bank') which is incorporated in the India and is a wholly owned subsidiary of SBM (Bank) Holdings Limited, Mauritius ('the Parent'). The Bank is engaged in providing banking and financial services as a banking company governed by the Banking Regulation Act, 1949. The branches of the Bank as at March 31, 2021 are located at Mumbai, Chennai, Hyderabad, Ramachandrapuram, Delhi, Bengaluru, Palghar and Ahmedabad.

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) Amendment Rules, 2016, in so far as they apply to banks and practices generally prevalent in the banking industry in India. The financial statements are prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency and accrual, unless otherwise stated.

c) Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is 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 assets 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. Dividend income is recognized when the right to receive the dividend is established. The Bank derecognizes its financial assets when it sells to Securitization Company (SC)/ Reconstruction Company (RC), and accounts for as under:

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

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

e) Foreign Exchange Transactions

Income and expenditure items are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities denominated in foreign currencies as at the Balance Sheet date are revalued at the year-



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

end rates as notified by Foreign Exchange Dealers Association of India (FEDAI). Net exchange differences arising on the settlement of transactions and on account of assets and liabilities are charged or credited to the Profit and Loss account as prescribed by RBI.

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

f) Derivatives

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

Trading derivatives are marked to market as per the generally accepted practices prevalent in the industry and the resultant 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.

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

Valuation

Investments held under HTM category are carried at acquisition cost. If the acquisition cost is more than the face value, the premium is 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. Limited (FBIL) and in accordance with the RBI guidelines. Consequently, net depreciation, if any, under these classifications mentioned in Schedule 8 is provided for in the Profit and Loss account. The net appreciation, if any, under any classification is ignored, except to the extent of depreciation previously provided. The book value of the individual securities is not changed consequent to periodic valuation of investments.

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

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



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Security Receipts are valued as per the net asset value provided by the issuing Asset Reconstruction Company from time to time.

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

Broken period interest is accounted as per the RBI guidelines.

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

Unquoted equity shares are valued at the break-up value if the latest Balance Sheet is available or at `1 as per the RBI guidelines.

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

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

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

Investment Fluctuation Reserve

In accordance with the RBI Circular DBR.No.BP.BC.102/21.04.048/2017-18, an Investment Fluctuation Reserve was created to protect against systemic impact of sharp increase in the yields on Government Securities. As required by the aforesaid circular the transfer to this reserve shall be lower of the following – i) net profit on sale of investments during the year; ii) net profit for the year less mandatory appropriations, until the amount of the reserve is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.

Transfer of Securities between Classifications

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

Repurchase transactions

Repurchase and reverse repurchase transactions (if any) are accounted in accordance with the prescribed RBI guidelines. The difference between the clean price of the first leg and the second leg is 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) Advances

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



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

i) Fixed Assets

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

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

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

* As per RBI guidelines

Revaluation of Fixed Assets

Premises are revalued 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

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

j) Retirement and employee benefits

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

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

SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

iii) Provident fund - In accordance with law, all employees of the Bank are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and the Bank contribute monthly at a pre-determined rate. Contribution to provident fund is 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.

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

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

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

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

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. 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

SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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.

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. The floating provisions can be used only for contingencies under extraordinary circumstances for making specific provisions in impaired accounts after obtaining board's approval and with prior permission of RBI. The Bank has utilized up to 33 percent and 50 percent of countercyclical provisioning buffer / floating provisions held as on March 31, 2013 and December 31, 2014 respectively, in accordance with RBI Notification dated March 30, 2015. These provisions are considered as part of NPA provisions for the purpose of compliance with the minimum RBI provisioning requirement.

p) Cash Flow Statement

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

q) Earning per share

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

r) Segment Information

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



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
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.

		(Rs. in thousand)	
Sr. No.	CRAR ratio as per Basel III	March 31, 2021	March 31, 2020
i)	CRAR – Common Equity Tier I	19.46%	31.48%
ii)	CRAR – Tier I Capital	19.46%	31.48%
iii)	CRAR – Tier II Capital	1.26%	0.96%
iv)	Total Capital Ratio (CRAR) (%)	20.72%	32.44%
v)	Percentage of the shareholding of the Government of India in public sector banks	-	-
vi)	Amount of equity capital raised	-	520,000
vii)	Amount of Additional Tier 1 capital raised; of which <i>Perpetual Non- Cumulative Preference Shares (PNCPS):</i> <i>Perpetual Debt Instruments (PDI) :</i>	-	-
viii)	Amount of Tier 2 capital raised; of which 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>]	-	-

2. Investments

		(Rs. in thousand)	
Particulars	March 31, 2021	March 31, 2020	
1. Value of Investments:			
(i) Gross Value of Investments			
a. In India	12,420,075	5,722,877	
b. Outside India	-	-	
(ii) Provisions for Depreciation			
a. In India	-	-	
- on transfer to securities from AFS to HTM portfolio	-	-	
- on securities position	154,897	44,871	
b. Outside India	-	-	
(iii) Net Value of Investments			
a. In India	12,265,178	5,678,006	
b. Outside India	-	-	
2. Movement of provision held towards depreciation on investments:			
(i) Opening balance	44,871	15,233	
(ii) Add: Provision made during the year	110,026	29,638	
(iii) Less: Write-off/ write-back of excess provision during the year (including depreciation utilized on sale of securities)	-	-	
(iv) Closing balance	154,897	44,871	

SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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:-

(Rs. in thousand)

Category	As at March 31, 2021		As at March 31, 2020	
	Rs. in thousand	%	Rs. in thousand	%
Held to Maturity	6,673,687	54.41	2,395,770	42.19
Held for Trading	-	-	103,830	1.83
Available for Sale	5,591,491	45.59	3,178,406	55.98
Total	12,265,178	100.00	5,678,006	100.00

3. Repurchase & Reverse Repurchase Agreement Transactions

(Rs. in thousand)

FY 2020-21	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2021
Securities Sold under Repurchase Transactions *				
(i) Government Securities	150,000 [#]	4,939,575	329,058	1,689,837
(ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Reverse Repurchase Transactions *				
(i) Government Securities	710,000 [#]	28,710,000	3,909,086	2,960,000
(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 thousand)

FY 2019-20	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2020
Securities Sold under Repurchase Transactions *				
(i) Government Securities	30,000 [#]	150,000	12,486	150,000
(ii) Corporate Debt Securities	-	-	-	-
Securities purchased under Reverse Repurchase Transactions *				
(i) Government Securities	139,922 [#]	4,530,000	2,138,696	4,160,000
(ii) Corporate Debt Securities	-	-	-	-

* consist of RBI LAF disclosed at face value.

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



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
4. Non-SLR Investments Portfolio - Issuer Composition of Non-SLR Investments

Balances as at March 31, 2021

(Rs. in thousand)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of below Investment grade securities	Extent of Unrated Securities**	Extent of Unlisted Securities#
1.	PSUs	60,000	-	-	-	-
2.	FIs	4,468	-	-	-	-
3.	Banks	-	-	-	-	-
4.	Private Corporates	285,325	-	-	21,700	-
5.	Subsidiaries/ Joint Ventures	-	-	-	-	-
6.	Others*	223,377	-	-	223,377	-
7.	Provision held towards Depreciation	(154,897)	-	-	-	-
	Total	418,273	-	-	245,077	-

*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, 2020

(Rs. in thousand)

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	149,959	-	-	-	-
3.	Banks	-	-	-	-	-
4.	Private Corporates	-	-	-	-	-
5.	Subsidiaries/ Joint Ventures	-	-	-	-	-
6.	Others*	230,347	-	-	223,377	-
7.	Provision held towards Depreciation	(44,871)	-	-	-	-
	Total	335,435	-	-	223,377	-

*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.



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
5. Non-Performing Non SLR Investments

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

(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Opening Balance	6,970	6,970
Additions during the year since 1 st April	21,700	-
Reductions on account of write off during the year	-	-
Closing balance	28,670	6,970
Total Provision held	28,670	6,970

6. Sale and Transfers to/ from HTM Category

During the FY 2020-2021, Bank transferred securities having book value of Rs. 1,567,456 thousand during the beginning of the financial year from HTM to AFS as per the extant guideline. The Bank had also offered Rs. 2,714,870 thousand face value securities from HTM in OMO auction conducted by the Reserve Bank of India during the year under review. The excess of book value over market value of the securities classified under HTM category at the end of the period March 31, 2021 amounts to Nil.

7. Forward Rate Agreement / Interest Rate Swap

(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
The notional principal of swap agreements	-	-
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
Collateral required by the Bank upon entering into swaps	-	-
Concentration of credit risk arising from the swaps (with Banks)	-	-
The fair value of the swap book [(Payable)/Receivable]	-	-

8. Exchange Traded Interest Rate Derivatives

(Rs. in thousand)

Sr. No.	Particulars	March 31, 2021	March 31, 2020
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)	-	-



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
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 by Board of Directors, to ensure adherence to various risk parameters and prudential limits.

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

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

ii. Risk Reporting and Risk monitoring systems:

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

- VAR
- Net Open Position
- Aggregate Gap Limit (AGL)/Individual Gap Limit (IGL)
- Stop loss limits

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

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

Accounting Policy:

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

b) Quantitative Disclosures

(Rs. in thousand)

Sr. No.	Particulars	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
		March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
1.	Derivatives notional Principal Amount	28,107,462	-	10,282,422	-
	(a) For hedging	11,532,755	-	7,215,225	-
	(b) For trading	16,574,707	-	3,067,197	-
2.	Marked to Market position				



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Sr. No.	Particulars	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
		March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
	(a) Asset (+)	221,846	-	252,816	-
	(b) Liability (-)	331,648	-	63,400	-
3.	Credit Exposure	908,673	-	236,884	-
4.	Likely impact of one percentage change in Interest Rate (100*PV01)				
	(a) On hedging derivatives	27,094	-	32,498	-
	(b) On trading derivatives	1,763	-	363	-
5.	Maximum and Minimum of 100*PV01 observed during the year				
	(a) On hedging				
	Maximum	43,485	-	34,460	-
	Minimum	17,441	-	10,922	-
	(b) On trading				
	Maximum	2,986	-	920	-
	Minimum	22	-	1	-

10. Non-Performing Assets (NPAs)
(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
(i) Net NPAs to Net Advances	0.90%	2.90%
(ii) Movement of Gross NPAs		
(a) Opening balance	1,155,766	1,493,059
(b) Additions during the year	7,396	211,500
(c) Reductions during the year	(278,865)	(5,48,793)
(d) Closing balance	884,297	1,155,766
(iii) Movement of Net NPAs		
(a) Opening balance	367,814	506,694
(b) Additions during the year	-	-
(c) Reductions during the year (Net)	(105,433)	(138,880)
(d) Closing balance	262,381	367,814
(iv) Movement of provisions for NPAs (excluding provision on Standard Assets)		
(a) Opening balance	787,952	986,365
(b) Provisions made during the year (Gross)	16,175	279,301
(c) Write-off / write-back of excess provisions	(182,212)	(477,714)
(d) Closing balance	621,915	787,952

Note: - Item (iii) & (iv) include the impact of counter cyclical provision and floating provision utilized amounting to Nil during FY 2020-2021 (Previous Year: NIL).

11. Details of loan assets subjected to restructuring

There was no restructuring during FY 2020-21 (Previous Year: NIL). Details of loans restructured under COVID have been provided under Note 37.



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
12. Details of financial assets sold to Securitization/ Reconstruction Company for Asset reconstruction
A. Details of Sales
(Rs. in thousand)

Particulars		March 31, 2021	March 31, 2020
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / loss over net book value	-	-

B. Details of Book Value of Investments in Security Receipts
(Rs. in thousand)

Particulars		March 31, 2021	March 31, 2020
(i)	Backed by NPAs sold by the Bank as underlying	223,377	223,377
(ii)	Backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-
Total		223,377	223,377

FY 2020-2021:
(Rs. in thousand)

Sr. No.	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	46,725	176,652	-
(ii)	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	-
Total (i) + (ii)		46,725	176,652	-

FY 2019-2020:
(Rs. in thousand)

Sr. No.	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	46,725	176,652	-
(ii)	Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	-
Total (i) + (ii)		46,725	176,652	-



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
13. Details of non-performing financial assets purchased/sold
(Rs. in thousand)

Sr. No.	Particulars	March 31, 2021	March 31, 2020
A.	Details of non-performing financial assets purchased:	-	-
1 a	No. of accounts purchased during the year	-	-
b	Aggregate outstanding	-	-
2 a	Of these, number of accounts restructured during the 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 thousand)

Particulars	March 31, 2021	March 31, 2020
Provision on Standard Assets	152,492	55,621

15. Important Financial Ratios

Particulars	March 31, 2021	March 31, 2020
Interest Income as a percentage to Working Funds*	7.01%	6.68%
Non-Interest Income as a percentage to Working Funds*	2.47%	3.71%
Operating Profit as a percentage to Working Funds*	1.04%	1.56%
Return on Assets**	0.56%	0.10%
Business (Deposits plus Advances) per employee (Rs. in thousand) #	319,328	229,837
Profit / (Loss) per employee (Rs. in thousand)	892	143

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

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

Deposits exclude inter-bank deposits.

- All ratios are annualized



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
16. Asset Liability Management

The following table presents the maturity pattern of Assets and Liability pattern as on 31st March 2021

(Rs. in thousand)

Particulars	Day1	2 to 7 days	8 to 14 Days	15 to 30 Days	31 days and upto 2 months	Over 2 months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Advances	132,554	896,525	334,979	1,162,446	2,266,181	728,907	1,574,651	1,315,263	10,137,271	6,777,081	3,847,426	29,173,284
Investment in Securities	6,107,736	5,044	-	-	50,103	50,137	983,848	1,990,554	2,399,445	63,683	614,728	12,265,178
Deposits	1,885,130	1,877,109	1,825,739	1,629,018	3,175,404	2,592,031	3,998,316	8,886,287	12,211,196	469,007	1,994	38,551,831
Borrowings	-	1,499,837	-	-	-	-	-	-	190,000	-	-	1,689,837
Foreign Currency Assets	177,442	-	-	106,375	200,108	414,247	292,079	-	46,250	-	181,465	1,417,966
Foreign Currency Liabilities	710,289	2,343	24,386	14,170	394,435	77,656	442,820	3,186,285	911,522	439,073	1,460	6,204,439

The following table presents the maturity pattern of Assets and Liability pattern as on 31st March 2020

(Rs. in thousand)

Particulars	Day1	2 to 7 days	8 to 14 Days	15 to 30 Days	31 days and upto 2 months	Over 2 months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Advances	9,836	-	16,126	-	11,870	-	2,791,630	65,909	5,411,918	1,984,520	2,370,692	12,662,501
Investment in Securities	2,241,551	-	-	-	-	1,876	829,860	1,020,424	1,269,873	4,496	309,926	5,678,006
Deposits	505,671	896,238	280,383	339,131	658,095	762,730	1,869,112	5,469,450	7,442,851	76,710	1	18,300,372
Borrowings	-	-	-	-	-	-	-	20,000	130,000	-	-	150,000
Foreign Currency Assets	113,305	-	16,126	-	13,339	-	988,011	-	-	-	188,840	1,319,621
Foreign Currency Liabilities	138,801	81,042	4,051	14,150	717	36,535	59,244	3,025,426	3,425,296	51,142	36	6,836,440

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

17. Exposure to Sensitive Sector
a. Exposure to Real Estate Sector

(Rs. in thousand)

Category	March 31, 2021	March 31, 2020
a) Direct Exposure		
(i) Residential Mortgages	1,715,159	8,88,924
(ii) Commercial Real Estate	2,707,217	8,12,915
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
(a) Residential		
(b) Commercial Real Estate		



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Category	March 31, 2021	March 31, 2020
b) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).*	622,500	1,72,469
Total Exposure to Real Estate Sector	5,044,876	1,874,308

*includes investment exposure

b. Exposure to Capital Market

(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
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;	17,059	6,970
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;	1,650,000	517,250
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;	120,000	150,000
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	1,787,059	674,220



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
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 thousand)

Risk Category	Exposure (net) as at March 31, 2021	Provision held as at March 31, 2021	Exposure (net) as at March 31, 2020	Provision held as at March 31, 2020
Insignificant	165,502	-	97,129	-
Low	479,708	1,176	179,471	-
Moderate	-	-	65,333	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	6,45,210	1,176	341,933	-

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

During FY 2020-2021, the Bank has not exceeded the single borrower limit or group borrower limit. (Previous Year: NIL).

20. Unsecured Advances

Unsecured advances have been appropriately classified under 'Schedule 9 – Advances'. During FY 2020-21, the Bank has not given loans against intangible securities such as rights, licenses, authority etc., hence no disclosure is required for reporting advances against intangibles.

21. Disclosure of Penalties imposed by RBI

There are no penalties imposed on our bank by the Reserve Bank of India (RBI) during FY 2020-21. (Previous Year: 30,000 thousand)

22. Prior Period Items

There are no prior period items during the FY 2020-2021. (Previous Year: NIL).

23. Description of contingent liabilities

Sr. No.	Contingent Liabilities	Brief
1.	Claims against the Bank not acknowledged as debts	The Bank is a party to various legal and tax proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.
2.	Liability on account of forward exchange and derivative contracts	The Bank enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps and interest rate swaps with interbank participants and customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows.

SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Sr. No.	Contingent Liabilities	Brief
		The notional amounts of financial instruments of such foreign exchange contracts and derivatives provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market rates or prices relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly.
3.	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.
4.	Other items for which the Bank is contingently liable	<ul style="list-style-type: none"> - Purchase of securities pending settlement -Capital Commitments -Amount deposited with RBI under Depositor Education Awareness Fund

Refer Schedule 12 for amounts relating to contingent liability

24. Contingent Liabilities

'Claims against the Bank not acknowledged as Debts' item of Contingent Liability includes Income Tax of Rs. 87,430 thousand (Previous Year: 86,960 thousand) and Service tax of Rs. 5,091 thousand (Previous Year: 5,091 thousand). The Bank has gone in appeal to Income Tax Appellate Tribunal (ITAT) and High Court against the income tax assessment order of the department for AY 1996-97, 1997-98, 1999-00 to 2008-09, 2012-13 and 2013-14. The appeals are pending for the final outcome of the ITAT and high court and the Bank is expecting favorable judicial decisions.

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", 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:

		(Rs. in thousand)	
Sr. No.	Particulars	March 31, 2021	March 31, 2020
A.	DTA		
(i)	Provision for Loan Losses, Floating Provision and counter cyclical provision	54,095	104,868
(ii)	Provision for Standard Advances	13,264	7,403
(iii)	Provision for Funded Interest Term Loan		-



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Sr. No.	Particulars	March 31, 2021	March 31, 2020
(iv)	Disallowed Expenses	9,358	8,687
(v)	Unabsorbed Losses	-	-
	Total DTA	76,717	120,958
B.	DTL		
(i)	Depreciation on Fixed Assets	(76,717)	(120,958)
	Total DTL	(76,717)	(120,958)
C.	NET DTL / (DTA)	-	-

27. Provisions & Contingencies
(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Depreciation on Investments	110,026	29,638
Provision towards Non-Performing Assets / Investment (net off write-backs)	(49,062)	250,184
Provision for Standard Assets	92,455	(11,783)
Provision for Income Tax (including Deferred Tax)	100	-
Provisions for diminution in fair value Restructured Advances	4,416	-
Provision for Country Risk	1,176	(162)
Provision for interest capitalized on restructured accounts	-	-
Total	159,111	267,877

28. There was no instance of SGL bouncing during FY 2020-2021. (Previous Year: NIL).

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

There were NIL LOCs/LOUs outstanding as of March 31, 2021. (Previous Year: NIL).

30. Draw down from Reserves

During FY 2020-2021, there has been no drawdown from Reserves. Also Refer Schedule 2 – Reserves and Surplus. (Previous Year: NIL).

31. Disclosure of Complaints

Enhanced disclosures to be made by banks on complaints and grievance redress

Sr. No.	Particulars	FY 2020-21	FY 2019-20
Complaints received by the bank from its customers			
1	Number of complaints pending at the beginning of the year	2	-
2	Number of complaints received during the year	162	74
3	Number of complaints disposed during the year	162	72
	3.1 - Of which, number of complaints rejected by the bank	-	-
4	Number of complaints pending at the end of the year	2	2
Maintainable complaints received by the bank from OBOs			
5	Number of maintainable complaints received by the bank from OBOs	9	-
	5.1 - Of 5, number of complaints resolved in favor of the bank by BOs	9	-



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

	5.2 - Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs	-	-
	5.3 - Of 5, number of complaints resolved after passing of awards by BOs against the bank	-	-
6	Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

FY 2020-2021

Grounds of complaints, i.e. (complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Internet Banking	-	61	126%	-	-
Debit Card/PIN not received	-	19	90%	-	-
RTGS/NEFT	-	19	171%	-	-
ECS	-	0	-100%	-	-
ATM Cash Withdrawal/Debit Card issue	-	9	50%	-	-
Others	2	54	218%	2	-
Total	2	162	119%	2	-

FY 2019-2020

Grounds of complaints, i.e. (complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Internet Banking	-	27	100%	-	-
Debit Card/PIN not received	-	10	100%	-	-
RTGS/NEFT	-	7	100%	-	-
ECS	-	7	100%	-	-
ATM Cash Withdrawal/Debit Card issue	-	6	100%	-	-
Others	-	17	100%	2	-
Total	-	74	100%	2	-



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
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 consists of interest earned on funding, investment income and gains on Government Securities, CP, CD's and debentures/bonds, profit/loss on exchange and derivative transactions. The principal expenses of this segment consist of cost of funds, personnel cost, other direct overheads and allocated expenses.

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

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

FY 2020-2021

<i>(Rs. in thousand)</i>				
Business Segments	Corporate	Treasury	Retail	Total
Revenue	1,767,456	1,004,991	221,908	2,994,355
Results	561,321	100,736	(47,776)	614,281
Un-allocable Expense				(427,737)
Operating Profit				186,544
Income Taxes				100
Extraordinary Profit/Loss				-
Net profit/(Loss)				186,444
Other Information				
Segment Assets	27,365,561	17,520,692	2,334,329	47,220,582
Un-allocable Assets				172,461
Total Assets				47,393,043
Segment Liabilities	28,189,325	6,492,556	12,589,915	47,271,796
Un-allocable Liabilities				121,247
Total Liabilities				47,393,043
Capital expenditure during FY 2020-2021				15,285
Depreciation expenditure during FY 2020-2021				147,847

FY 2019-2020

<i>(Rs. in thousand)</i>				
Business Segments	Corporate	Treasury	Retail	Total
Revenue	970,535	549,367	73,640	1,593,542
Results	34,766	116,112	(76,866)	74,012
Un-allocable Expense**				(54,976)
Operating Profit				19,036



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Business Segments	Corporate	Treasury	Retail	Total
Income Taxes				-
Extraordinary Profit/Loss				-
Net profit/(Loss)				19,036
Other Information				
Segment Assets	12,242,724	11,413,047	1,127,856	24,783,627
Un-allocable Assets				230,655
Total Assets				25,014,282
Segment Liabilities	11,143,357	3,742,203	10,097,169	24,982,729
Un-allocable Liabilities				31,553
Total Liabilities				25,014,282
Capital expenditure during FY 2019-2020				38,725
Depreciation expenditure during FY 2019-2020				120,198

** includes regulatory penalty of Rs. 30,000 thousand.

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 expenses, GST output liability. The unallocated assets include taxes and capital work in progress. The unallocated expenses include IT expenses, repairs and maintenance, rent, conveyance, etc.

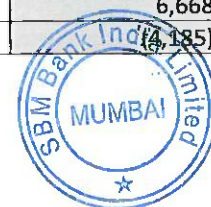
33. Disclosure under Employee Benefits – Revised Accounting Standard 15

- a) The contribution to employees Provident Fund amounted to Rs. 50,148 thousand for the year ended March 31, 2021. (Previous Year: Rs. 34,122 thousand).
- b) The Bank has a policy to pay leave encashment to employees either at the time of resignation or on their retirement.
- c) The Bank does not have pension scheme for its employees. However, the Bank contributes up to 10% of eligible employees' salary per annum, to the New Pension Fund administered by a Pension Fund Regulatory and Development Authority (PFRDA) appointed pension fund manager. The Bank recognizes such contributions as an expense in the year when an employee renders the related service. Such contribution for the year is Rs. 3,848 thousand (Previous Year: Rs. 2,759 thousand).
- d) As per the actuarial valuation, the Bank expects to contribute Rs. 1.45 crore to gratuity fund in financial year 2021-2022.

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

(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Present Value of Benefit Obligation at the Beginning of the year	30,288	26,145
Interest Cost	2,072	1,971
Current Service Cost	13,777	6,668
(Benefit paid from the Fund)	(1,698)	(4,185)



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	March 31, 2021	March 31, 2020
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(85)	(3,946)
Actuarial (Gains)/Losses on Obligations - Due to Experience	2,480	3,635
Present Value of Benefit Obligation at the End of the year	46,834	30,288

II) Change in the Fair Value of Plan Assets:
(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Fair Value of Plan Assets at the Beginning of the year	19,079	17,660
Expected Return on Plan Assets	1,305	1,332
Contributions by the Employer	14,368	4,454
Assets Transferred In/Acquisitions	-	-
(Benefit Paid from the Fund)	(1,698)	(4,186)
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(108)	(181)
Fair Value of Plan Assets at the End of the year	32,946	19,079

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

Particulars	March 31, 2021	March 31, 2020
Actuarial (Gains)/Losses on Obligation for the year	2,395	(311)
Actuarial (Gains)/Losses on Plan Asset for the year	108	181
Actuarial (Gains)/Losses Recognized in the Profit or Loss Account	2,503	(129)

IV) Actual Return on Plan Assets:
(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Expected Return on Plan Assets	1,305	1,332
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(108)	(181)
Actual Return on Plan Assets	1197	1,151

V) Amount Recognized in the Balance Sheet:
(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
(Present Value of Benefit Obligation at the end of the year)	(46,834)	(30,288)
Fair Value of Plan Assets at the end of the year	32,947	19,079
Funded Status (Surplus/ (Deficit))	(13,888)	(11,209)
Unrecognized Past Service Cost at the end of the year	-	-
Net (Liability)/Asset Recognized in the Balance Sheet	(13,888)	(11,209)

VI) Net Interest Cost:
(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Present Value of Benefit Obligation at the Beginning of the year	30,288	26,145
(Fair Value of Plan Assets at the Beginning of the year)	(19,079)	(17,660)
Net Liability/(Asset) at the Beginning	11,209	8,485
Interest Cost	2,072	1,971



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	March 31, 2021	March 31, 2020
(Expected Return on Plan Assets)	(1,305)	(1,332)
Net Interest Cost for Current Year	767	639

VII) Expenses Recognized in the Profit or Loss Account:
(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Current Service Cost	13,777	6,668
Net Interest Cost	767	639
Actuarial (Gains)/Losses	2,503	(129)
Past Service Cost - Vested Benefit Recognized During the year	-	-
Expenses Recognized in the Profit or Loss Account	17,047	7,178

VIII) Balance Sheet Reconciliation:
(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Opening Net Liability	11,209	8,485
Expense Recognized in Profit or Loss Account	17,047	7,178
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(14,368)	(4,454)
Net Liability/(Asset) Recognized in the Balance Sheet	13,888	11,209

IX) Category of Assets:
(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	32,947	19,079
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	32,947	19,079

Actuarial assumptions:

Particulars	March 31, 2021	March 31, 2020
Expected Return on Plan Assets	6.86%	6.84%
Rate of Discounting	6.86%	6.84%
Rate of Salary Increase	6.88%	6.88%
Rate of Employee Turnover	6%	6%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Experience Adjustments:
(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Plan Assets	32,947	19,079
Defined Benefit Obligation	46,834	30,288
Surplus / (Deficit)	13,888	11,209
Experience adjustment gain / (loss) on plan assets	(108)	(181)
Experience adjustment (gain) / loss on plan liabilities	2,480	3,635

34. Related Party Transactions

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

Relationship during FY 2020-21:

1	Ultimate Parent	SBM Holdings Limited
2	Parent	SBM (Bank) Holdings Limited
3	Subsidiaries of Parent	SBM Bank (Mauritius) Limited SBM Bank (Kenya) Limited
4	Key Management Personnel	a. Board of Directors b. Managing Director & Chief Executive Officer – Mr. Sidharth Rath c. Chief Financial Officer – Mr. Talib Lokhandwala (till 30.06.2020) – Mr. Saileshkumar Shah (from 01.07.2020) d. Company Secretary – Mrs. Mugdha Merchant (till 14.10.2020) – Mrs. Bhavana Shinde (from 15.10.2020) e. Chief Information Officer / Chief Operations Officer – Mr. Rajeev Panikath f. Head of Corporate Banking – Mr. Dipak Agarwal g. Head of Treasury – Mr. Mandar Pitale h. Head of Consumer & Retail Banking – Mr. Neeraj Sinha

Transactions during the FY 2020-21:
(Rs. in thousand)

Particulars	Parent		Subsidiaries of the Parent		Key Management Personnel		Total	
	Outstan- -ding	Maximum Balance	Outstan- -ding	Maximum Balance	Outstan- -ding	Maximum Balance	Outstan- -ding	Maximum Balance
Liabilities								
Deposit	-	-	67,648	2,118,701	54,179	60,066	121,827	2,178,767
Borrowings	-	-	-	-	-	-	-	-
Interest payable	-	-	-	-	-	-	-	-
MTM loss on FX forwards	-	-	-	-	-	-	-	-
Payable to group	1,759	1,759	-	-	-	-	1,759	1,759
Total	1,759	1,759	67,648	2,118,701	54,179	60,066	123,586	2,180,526



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Parent		Subsidiaries of the Parent		Key Management Personnel		Total	
	Outstan- -ding	Maximum Balance	Outstan- -ding	Maximum Balance	Outstan- -ding	Maximum Balance	Outstan- -ding	Maximum Balance
Assets								
Lending	-	-	-	-	14,633	15,452	14,633	15,452
Balances with Bank	-	-	10,507	25,342	-	-	10,507	25,342
Interest receivable	-	-	-	-	32	32	32	32
MTM gain on FX forwards	-	-	-	-	-	-	-	-
Total	-	-	10,507	25,342	14,665	15,484	25,172	40,826
Off Balance Sheet items								
FX Forwards	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

Particulars	Parent	Subsidiaries of the Parent	Key Management Personnel	Total
Profit & Loss Account Items				
Interest Received	-	-	983	983
Interest Paid	-	-	2,050	2,050
Fees Paid	-	-	8,847	8,847
Salary Cost	-	-	82,927	82,927

Transactions during the FY 2019-20:
(Rs. in thousand)

Particulars	Parent		Subsidiaries of the Parent		Key Management Personnel		Total	
	Outstan- -ding	Maximum Balance	Outstan- -ding	Maximum Balance	Outstan- -ding	Maximum Balance	Outstan- -ding	Maximum Balance
Liabilities								
Deposit	-	-	60,309	658,855	14,275	14,275	74,584	673,130
Borrowings	-	-	-	493,850	-	-	-	493,850
Interest payable	-	-	-	-	-	-	-	-
MTM loss on FX forwards	-	-	-	-	-	-	-	-
Payable to group	240,424	240,424	-	-	-	-	240,424	240,424
Total	240,424	240,424	60,309	1,152,705	14,275	14,275	315,008	1,407,404
Assets								
Lending	-	-	-	-	7,377	7,377	7,377	7,377
Balances with Bank	-	-	4,218	6,906	-	-	4,218	6,906
Interest receivable	-	-	-	-	38	38	38	38



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Parent		Subsidiaries of the Parent		Key Management Personnel		Total	
	Outstan- -ding	Maximum Balance	Outstan- -ding	Maximum Balance	Outstan- -ding	Maximum Balance	Outstan- -ding	Maximum Balance
MTM gain on FX forwards	-	-	-	-	-	-	-	-
Total	-	-	4,218	6,906	7,415	7,415	11,633	14,321
Off Balance Sheet items								
FX Forwards	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

Particulars	Parent	Subsidiaries of the Parent	Key Management Personnel	Total
Profit & Loss Account Items				
Interest Received	-	-	264	264
Interest Paid	-	89	550	539
Fees Paid	-	-	6,150	6,150
Salary Cost	-	-	60,191	60,191

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".

36. Earnings Per Share

Particulars	March 31, 2021	March 31, 2020
Net profit after tax	186,444	19,036
Weighted average number of equity shares outstanding	756,958,418	735,931,096
Basic and diluted earnings per share in INR	0.25	0.03

37. COVID -19

The SARS-CoV2 virus responsible for Covid-19 continues to spread across the globe and India. This has resulted in a significant decline and volatility in global and Indian markets and economic activity. Implementation of lockdown and extensions has resulted in disruptions of business and common life. With situation still unfolding, it is difficult to predict time horizons to gauge the impact.

While Bank is continuously engaged and taking updates from all the borrowers on a frequent basis irrespective of the sectors they are operating in, companies categorized in the high-risk segment are being monitored closely. Subsequently, based on updated RBI guidelines on COVID from time to time, respective amounts in Special Mention Account (SMA) / overdue categories, where the moratorium / deferment was extended, in terms of paragraph 2 and 3, in accordance with the regulatory package announced by the Reserve Bank of India, the Bank has extended the option of moratorium to its borrowers for their instalments.



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Classification and provisioning under RBI COVID -19 Regulatory Package

Disclosure as per RBI circular No. RBI/2019-20/220 DOR.No.BP.BC.63/ 21.04.048 / 2019-20 dated April 17,2020 on Covid-19 Regulatory package - Asset classification and provisioning:

The disclosures as required under RBI circular dated April 17, 2020, for the year ended March 31, 2021 is given below:

<i>(Rs. in thousand)</i>		
Sr. No.	Particulars	Amount
(i)	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 (As on March 31, 2020)	21,420
(ii)	Respective amount where asset classification benefits is extended	21,420
(iii)	Provisions made as on March 31, 2020	1,073
(iv)	Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	1,073
(v)	Residual provisions as of March 31,2021 in terms of paragraph 6 of the circular	-

Disclosures as per the RBI circular DOR. No.BP.BC.62/21.04.048/2019-20 dated April 17, 2020 as on March 31, 2021

<i>(Rs. in thousand)</i>		
Sr. No.	Particulars	Amount
(i)	No. of accounts in which resolution period was extended	-
(ii)	Respective amount where asset classification benefits is extended	-
(iii)	Fund Based Amount outstanding	-

Disclosure as per RBI circular DOR. No. BP.BC/3/21.04.048/2020-21 dated 6th August 2020 on 'Resolution Framework for COVID-19 related stress'

The detailed requirement as per Resolution Framework for COVID-19 related Stress during the year is :

<i>(Rs. in thousand)</i>					
Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate Persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	3	29,438	-	-	2,944
Total	3	29,438	-	-	2,944

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



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Disclosure as per RBI circular No. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2020 on 'Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package'

In accordance with the RBI notification DOR.STR.REC.4/21.04.048 /2021-22 dated April 7, 2021, the Bank is required to refund / adjust 'interest on interest' to borrowers. The methodology for calculation of such interest on interest has been recently circulated by Indian Banks' Association. As at March 31, 2021 the Bank has created liability of Rs. 813 thousand towards estimated interest refund and reduced same from interest income.

38. Counter Cyclical / Floating Provisions
(Rs. in thousand)

Particulars	March 31, 2021		March 31, 2020	
	Counter cyclical	Floating	Counter cyclical	Floating
Opening Balance in floating provision	19,068	6,007	19,068	6,007
Add- Provision made during the year	-	-	-	-
Less- Provision utilize during the year for specific provision	-	-	-	-
Closing balance in floating provision	19,068	6,007	19,068	6,007

39. Following disclosure is made as per the requirement of The Micro, Small and Medium Enterprises Development Act, 2006.
(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
The principal amount remaining unpaid to any supplier	224	-
The interest due thereon (above principal amount) remaining unpaid to any supplier	-	-
The amount of interest paid by the buyer in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day for the year ended	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	-	-



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

(Rs. in thousand)

Sr. No.	Nature of Income	March 31, 2021	March 31, 2020
1.	For selling life insurance policies	1,190	-
2.	For selling non-life insurance policies	793	-
3.	For selling mutual fund products	131	-
4.	Others	-	-

41. Concentration of Deposits, Advances, Exposures and NPAs
1. Concentration of Deposits

(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Total deposits of twenty largest depositors	14,631,153	7,871,213
Percentage of Deposits to twenty largest depositors to total deposits of the Bank	37.95%	43.01%

Concentration of Advances*

(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Total advances to twenty largest borrowers	10,374,331	8,407,751
Percentage of Advances to twenty largest borrowers to total advances of the Bank	28.18%	51.44%

Concentration of Exposures*

(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Total Exposures to twenty largest borrowers / customers	10,374,331	8,407,751
Percentage of Exposures to twenty largest borrowers / Customers to Total Exposures of the Bank on borrowers / Customers	27.75%	50.27%

*Excluding banking exposures

Concentration of NPA

(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Total Exposure of top Four NPA accounts	865,667	1,048,097



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
II. Sector wise Advances
(Rs. in thousand)

Sr. No.	Sector	FY 2020-21			FY 2019-20		
		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	954,540			1,014,015	-	0%
2	Advances to industries sector eligible as priority sector lending	689,207	179,394	26.03%	245,883	245,883	100%
3	Services	725,092			730,000	-	0%
4	Personal loans	1,264,196			2,225	-	0%
	Sub-total (A)	3,633,035	179,394	4.94%	1,992,123	245,883	12.34%
B	Non-Priority Sector						
1	Agriculture and allied activities	-	-	0%	-	-	0%
2	Industry	14,237,585	686,913	4.82%	7,172,860	897,862	12.52%
3	Services	7,836,612	-	-	3,074,434	-	0%
4	Personal loans	4,087,967	17,990	0.44%	1,211,036	12,021	0.99%
	Sub-total (B)	26,162,164	704,903	2.69%	11,458,330	909,883	7.94%
	Total (A+B)	29,795,199	884,297	2.97%	13,450,453	1,155,766	8.59%

III. a) Movement of Gross NPAs
(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Opening balance of Gross NPAs	1,155,766	1,493,059
Add: Additions during the year	7,396	211,500
Sub-total (A)	1,163,162	1,704,599
Less:		
i. Upgradations	-	-
ii. Recoveries (excluding recoveries made from upgraded accounts)	(161,891)	(100,196)
iii. Write-offs	(116,974)	(448,597)
Sub-total (B)	(278,865)	(548,793)
Closing balance of Gross NPAs (A-B)	884,297	1,155,766



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
b)
(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Opening balance of Technical/ Prudential written-off accounts	3,637,384	3,290,111
Add: Technical/ Prudential write-offs during the year	116,974	448,597
Sub-total (A)	3,754,358	3,738,708
Less: Recoveries made from previously technical/ prudential written-off accounts during the year (B)	(7,353)	(101,324)
Closing balance as at end of the year (A-B)	3,747,005	3,637,384

IV. Overseas Assets, NPAs and Revenue
(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Total Assets	-	-
Total NPAs	-	-
Total Revenue for the year ended	-	-

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

42. Revaluation of Fixed Assets

As at the end of FY 2018-19 the bank had revalued its Freehold Land buildings based on valuations made by independent valuers. The Bank computes depreciation on revalued premises over its estimated remaining useful life and accordingly an amount of Rs. 6,739 thousand (Previous Year: Rs.6,739 thousand) has been accounted as depreciation and reduced from the Revaluation Reserve during FY 2020-21.

43. Software capitalized under Fixed Assets
(Rs. in thousand)

Particulars	March 31, 2021	March 31, 2020
Cost at beginning of the year (gross)	334,565	261,238
Additions during the year	100,334	73,327
Deductions during the year	18,948	-
Depreciation to date	294,842	193,539
Net Block	121,109	141,026

44. Provision Coverage Ratio (PCR)

As on March 31, 2021, the Bank has achieved the PCR ratio of 70.33% with reference to Gross NPA as on that day. (Previous Year: 68.18%).



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
45. Disclosure on Remuneration

Qualitative disclosures	
(a) Information relating to the composition and mandate of the Remuneration Committee.	<p>The Nomination and Remuneration Committee (NRC) is constituted to oversee the framing, review and implementation of compensation policy of the Bank on behalf of the Board. The members of the committee are given below</p> <ol style="list-style-type: none"> 1. Mr. Sanjay Kumar Bhattacharya 2. Mr. Andrew Bainbridge 3. Mr. Shyam Sundar Barik 4. Mr. Umesh Jain
(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:- 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.	<p>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.</p>
(d) Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration.	<p>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.</p>
(e) A discussion of the Bank's policy on deferral and vesting of variable remuneration and a discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.	<p>The variable/performance pay will be fixed at maximum of 50% of the annual fixed pay for all employees except the MD & CEO/WTDs/MRTs. The percentage will be based on the grade of the employee. For the MD & CEO/WTDs/MRTs, 50% of fixed compensation will be target variable and paid on the basis of individual, business-unit and firm-wide performance measures. The total variable pay shall be limited to 300% of fixed pay (for the performance period).</p> <p>Further, 50% of the variable pay shall 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</p>

SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Qualitative disclosures	
	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 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. If by statute, stock linked instruments cannot be issued, then it will be cash variable pay.

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.	Total 5 Nomination and Remuneration Committee meetings were held during FY 2020-21, members were paid remuneration of Rs. 850 thousand (Previous Year: Rs. 450 thousand) for attending the same.										
(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	NIL during FY 2020-21(Previous Year: Nil) NIL during FY 2020-21(Previous Year: Rs. 2700 thousand) - -										
(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.	Managing Director and Chief Executive Officer (MD & CEO) Chief Operating Officer (COO) Head – Corporate Banking Head – Retail Banking Head – Treasury <table border="1"> <thead> <tr> <th>Particulars</th><th>(Rs. in thousand)</th></tr> </thead> <tbody> <tr> <td>Fixed</td><td>74,316</td></tr> <tr> <td>Variable</td><td>-</td></tr> <tr> <td>Perquisites</td><td>40</td></tr> <tr> <td>Total</td><td>74,356</td></tr> </tbody> </table>	Particulars	(Rs. in thousand)	Fixed	74,316	Variable	-	Perquisites	40	Total	74,356
Particulars	(Rs. in thousand)										
Fixed	74,316										
Variable	-										
Perquisites	40										
Total	74,356										
(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.	- -										



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(iii) Total amount of reductions during the financial year due to ex- post implicit adjustments.	-
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46. Disclosure on Remuneration to Non-executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees for attending meetings of Board and its committees. An amount of Rs. 8,847 thousand (Previous Year: 6,150 thousand) was paid as sitting fees to the Non-Executive Directors during the year.

47. Accounting for leases
1. Financial lease

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

2. Operating lease

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

<i>(Rs. in thousand)</i>		
Particulars	March 31, 2021	March 31, 2020
1. Total future minimum lease payments as at year end:	231,896	286,839
– Not later than one year	73,460	67,114
– Later than one year but not later than five years	144,084	219,725
– Later than five years	14,352	-
2. Lease payments recognized in the Profit and Loss Account in Schedule 16	74,833	45,464

48. Credit Default Swaps

The Bank does not have any Credit Default Swaps during FY 2020-21. (Previous Year: NIL).

49. Intra-Group Exposures

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

<i>(Rs. in thousand)</i>			
Sr. No.	Particulars	March 31, 2021	March 31, 2020
1	Total amount of intra-group exposures	477,507	205,152
2	Total amount of top-20 intra-group exposures	477,507	205,152
3	Percentage of intra-group exposures to total exposure of the Bank on borrowers/customers*	1.26%	1.22%
4	Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	-	-

*includes bank exposure



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
50. Transfers to Depositor Education and Awareness Fund (DEAF)

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

<i>(Rs. in thousand)</i>		
Particulars	March 31, 2021	March 31, 2020
Opening balance of amounts transferred to DEAF	5,445	4,180
Add : Amounts transferred to DEAF during the year	1,173	1,265
Less : Amounts reimbursed by DEAF towards claims	41	-
Closing balance of amounts transferred to DEAF	6,577	5,445

51. Unhedged Foreign Currency Exposure

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

The Bank addresses the currency induced credit risk in a comprehensive manner and the incremental provisioning and capital held by the Bank on account of the same as on 31st March 2021 is as follows:

Incremental Capital maintained by the Bank on account of unhedged foreign currency exposure is Rs 5,155 thousand. (Previous Year: Nil).

Unhedged Foreign Currency Exposure provisions for current year:

<i>(Rs. in thousand)</i>		
Incremental standard asset provision required as per RBI guideline	Outstanding as on March 31, 2021	Incremental standard advance provision as on March 31, 2021
0 bps	26,935,696	-
20 bps	1,558,901	3,118
40 bps	260,372	1,041
60 bps	125,895	755
80 bps	30,038	240

Unhedged Foreign Currency Exposure provisions for previous year:

<i>(Rs. in thousand)</i>		
Incremental standard asset provision required as per RBI guideline	Outstanding as on March 31, 2020	Incremental standard advance provision as on March 31, 2020
0 bps	12,294,687	-
20 bps	-	-
40 bps	-	-
60 bps	-	-
80 bps	-	-



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
52. Corporate Social Responsibility

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

Bank has incurred average net loss during three immediately preceding financial years therefore provision of CSR relating to spending is not applicable.

The details of CSR expenditure are given below:

Gross amount required to be spent by the company during the year: NIL (Previous Year: NIL)

However, the Bank has spent towards CSR during the year and recognized as expense in the statement of profit and loss on CSR related activities Rs. 1,130 thousand (Previous Year: NIL), which comprise of following

(Rs. in thousand)

Sr. No.	Particulars	March 31, 2021			March 31, 2020		
		Amount spent	Amount unpaid/provision	Total Amount	Amount spent	Amount unpaid/provision	Total Amount
(i)	Construction/acquisition of any asset	-	-	-	-	-	-
(ii)	On purpose other than (i) above	1,130	-	1,130	-	-	-

53. Liquidity Coverage Ratio

The Basel Committee for Banking Supervision (BCBS) had introduced the Liquidity Coverage Ratio (LCR) in order to ensure that a bank has an adequate stock of unencumbered High Quality Liquid Assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. The applicable minimum LCR required to be maintained by banks is 90% as on 31st March 2021.



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
FY 2020-21
(Rs. in thousand)

		30 June 2020		30 September 2020		31 December 2020		31 March 2021	
		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)		9,406,294		10,510,384		9,779,840		12,198,334
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	3,172,516	317,252	3,803,809	380,381	5,138,336	513,834	6,163,322	616,332
(i)	Stable deposits	-	-	-	-	-	-	-	-
(ii)	Less stable deposits	3,172,516	317,252	3,803,809	380,381	5,138,336	513,834	6,163,322	616,332
3	Unsecured wholesale funding, of which:	5,012,889	3,609,769	7,038,591	4,681,408	8,127,942	5,231,712	10,889,412	7,410,196
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	5,012,889	3,609,769	7,038,591	4,681,408	8,127,942	5,231,712	10,889,412	7,410,196
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding		-		-		-		-
5	Additional requirements, of which	1,455,588	258,640	2,180,795	467,319	2,139,927	475,743	3,029,305	597,969
(i)	Outflows related to derivative exposures and other	21,994	21,994	15,525	15,525	24,638	24,638	49,326	49,326
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	1,433,594	236,646	2,165,270	451,794	2,115,288	451,104	2,979,979	548,643
6	Other contractual funding obligations	455,365	455,365	651,344	651,344	785,900	785,900	922,817	922,817
7	Other contingent funding obligations	3,224,211	96,726	4,390,237	131,707	5,623,971	168,719	6,982,737	209,482
8	TOTAL CASH OUTFLOWS		4,737,753		6,312,159		7,175,907		9,756,976
Cash Inflows									
9	Secured lending (e.g. reverse repos)	3,474,286	-	4,671,957	-	3,113,696	-	4,189,222	-
10	Inflows from fully performing exposures	1,196,833	1,196,833	1,617,802	1,419,510	1,714,358	1,339,483	2,263,907	1,767,067
11	Other cash inflows	212,055	117,247	148,784	89,822	377,664	207,059	506,788	268,285
12	TOTAL CASH INFLOWS	4,883,174	1,314,080	6,438,443	1,509,332	5,205,718	1,546,542	6,959,917	2,035,352
13	TOTAL HQLA		9,406,294		10,510,384		9,779,840		12,198,334
14	TOTAL NET CASH OUTFLOWS		3,423,673		4,802,827		5,629,365		7,721,368
15	LIQUIDITY COVERAGE RATIO (%)		274.74%		218.84%		173.73%		157.98%



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
FY 2019-20
(Rs. in thousand)

		30 June 2019		30 September 2019		31 December 2019		31 March 2020	
		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)		5,977,062		6,356,323		5,800,731		5,975,835
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-	-	-
(i)	Stable deposits	-	-	-	-	-	-	-	-
(ii)	Less stable deposits	4,664,813	466,481	1,940,562	194,056	3,020,939	302,094	3,042,029	304,203
3	Unsecured wholesale funding, of which:	-	-	-	-	-	-	-	-
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	3,405,116	2,871,827	2,808,377	2,084,789	1,897,117	1,345,321	2,792,305	2,048,169
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other	92,796	92,796	36,087	36,087	1,193	1,193	21,278	21,278
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	4,218,907	67,421	1,622,875	49,582	570,259	58,537	1,039,268	136,491
6	Other contractual funding obligations	7,796	7,796	11,712	11,712	659,462	659,462	769,068	769,068
7	Other contingent funding obligations	182,431	5,473	393,314	11,799	1,116,023	33,481	1,894,472	56,834
8	TOTAL CASH OUTFLOWS		3,511,794		2,388,025		2,400,088		3,336,043
Cash Inflows									
9	Secured lending (e.g. reverse repos)	2,491,903	-	2,337,372	-	2,109,339	-	1,569,377	-
10	Inflows from fully performing exposures	559,783	477,418	470,550	418,259	550,483	434,295	653,977	518,089
11	Other cash inflows	1,819,022	1,269,907	939,789	566,390	132,048	68,927	98,498	61,574
12	TOTAL CASH INFLOWS	4,870,708	1,747,325	3,747,711	984,649	2,791,870	503,222	2,321,852	579,663
13	TOTAL HQLA		5,977,062		6,356,323		5,800,731		5,975,835
14	TOTAL NET CASH OUTFLOWS		1,764,469		1,403,376		1,896,866		2,756,380
15	LIQUIDITY COVERAGE RATIO (%)		338.75%		452.93%		305.81%		216.80%



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
Qualitative disclosure

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

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

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

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.

54. Capital Commitment

Capital Commitment outstanding as on March 31, 2021 amounts to Rs. 35,744 thousand. (Previous Year: Rs. 24,705 thousand).

55. Provisioning pertaining to fraud accounts reported as at the end of the year

Particulars	<i>(Rs. in thousand)</i>	
	March 31, 2021	March 31, 2020
Number of frauds reported*	3	-
Amount involved in fraud	559,231	-
Amount involved in fraud net of recoveries/charge-offs as at the end of the year	-	-
Provisions held as at the end of the year	-	-
Un-amortized provision debited from 'other reserves'	-	-

*Fraud accounts mentioned above are written off in the books as at 31st March 2021.

56. Other expenditure:

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

Particulars	<i>(Rs. in thousand)</i>	
	FY 2020-21	FY 2019-20
IT expenses	181,038	92,241
Regulatory Penalty	-	30,000



SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
57. Priority sector lending certificates

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

(Rs. in thousand)

Sr. No.	Type of PSLCs	Purchase	Sale
1	PSLC – Agriculture	-	-
2	PSLC - SF / MF	-	-
3	PSLC - Micro Enterprises	-	-
4	PSLC – General	-	-
	TOTAL	-	-

58. RBI vide its circular dated 18th April 2017, has directed that 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. RBI inspection was held for the Financial Year 2019-20 and no divergence was noted 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.

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

For M. P. Chitale & Co.

Chartered Accountants

ICAI Firm Registration Number: 101851W



Mrs. Shraddha Jathar

Partner

ICAI Membership No. 136908

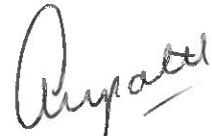


For SBM Bank (India) Limited



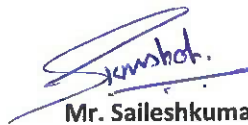
Mr. Sidharth Rath

Managing Director &
Chief Executive Officer



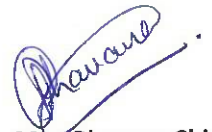
Mr. Ameet Patel

Independent Director



Mr. Saileshkumar Shah

Chief Financial Officer



Mrs. Bhavana Shinde

Company Secretary

Place: Mumbai

Date : June 16, 2021

