

**BALANCE SHEET**

	<u>Schedule</u>	Audited As at <u>31-Mar-2020</u> (Amount in Rs.'000)	Audited As at <u>31-Mar-2019</u> (Amount in Rs.'000)
<b><u>CAPITAL &amp; LIABILITIES</u></b>			
Capital	1	7,569,584	7,049,584
Reserves & Surplus	2	(1,759,408)	(1,771,705)
Deposits	3	18,300,372	9,841,174
Borrowings	4	150,000	-
Other Liabilities and Provisions	5	753,734	864,201
<b>Total</b>		<b>25,014,282</b>	<b>15,983,254</b>
<b><u>ASSETS</u></b>			
Cash and Balances with Reserve Bank of India	6	776,735	300,204
Balances with banks and Money at Call and Short Notice	7	4,346,867	4,402,083
Investments	8	5,678,006	4,023,761
Advances	9	12,662,501	5,748,129
Fixed Assets	10	615,017	622,138
Other Assets	11	935,156	886,939
<b>Total</b>		<b>25,014,282</b>	<b>15,983,254</b>
Contingent Liabilities	12	22,388,896	9,969,649
Bills for Collection		2,213,829	1,871,220
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

*Ashutosh Pednekar*  
Ashutosh Pednekar  
Partner  
ICAI Membership No. 041037



Place : Mumbai  
Date : June 29, 2020

For SBM Bank (India) Limited

*Sidharth Rath*  
Mr. Sidharth Rath  
Managing Director &  
Chief Executive Officer

*Talib Lokhandwala*  
Mr. Talib Lokhandwala  
Chief Financial Officer

*Ameet Patel*  
Mr. Ameet Patel  
Independent Director

*M.V. Merchant*  
Mrs. Mugdha Merchant  
Company Secretary



**PROFIT AND LOSS ACCOUNT**

	<u>Schedule</u>	<u>Year Ended</u> <u>31-Mar-2020</u> <u>(Amount in Rs.'000)</u>	<u>Year Ended</u> <u>31-Mar-2019</u> <u>(Amount in Rs.'000)</u>
<b>I. INCOME</b>			
Interest earned	13	1,267,044	324,093
Other income	14	683,364	35,792
<b>Total</b>		<b>1,950,408</b>	<b>359,885</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	785,184	191,423
Operating expenses	16	878,311	598,807
Provisions & contingencies	17B - (27)	267,877	39,456
<b>Total</b>		<b>1,931,372</b>	<b>829,686</b>
<b>III. PROFIT/LOSS</b>			
Net profit/(loss) for the year		19,036	(469,801)
Profit/(loss) brought forward from previous year		(2,755,330)	(20,888)
Profit/(loss) brought forward on amalgamation by conversion into WOS		-	(2,264,641)
<b>Total</b>		<b>(2,736,294)</b>	<b>(2,755,330)</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserves		4,759	-
Transfer to Capital Reserve		7,854	-
Transfer to Investment Fluctuation Reserve		6,423	-
Profit remitted to Head Office		-	-
Balance carried over to Balance Sheet		(2,755,330)	(2,755,330)
<b>Total</b>		<b>(2,736,294)</b>	<b>(2,755,330)</b>
<b>V. BASIC AND DILUTED EARNING PER SHARE (INR)</b>	<b>17B - (36)</b>	<b>0.03</b>	<b>(2.15)</b>

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.: 101851  
  
Ashutosh Pednekar  
Partner  
ICAI Membership No. 041037



Place : Mumbai  
Date : June 29, 2020

For SBM Bank (India) Limited

  
Mr. Sidharth Rath  
Managing Director &  
Chief Executive Officer

  
Mr. Talib Lokhandwala  
Chief Financial Officer

  
Mr. Ambet Patel  
Independent Director

  
Mrs. Mugdha Merchant  
Company Secretary



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	<b>31-Mar-2020</b> <b>(Amount in Rs.'000)</b>	<b>31-Mar-2019</b> <b>(Amount in Rs.'000)</b>
<b><u>SCHEDULE 1 : CAPITAL</u></b>		
<b>Authorised Capital :</b>		
1,000,000,000 equity shares of Rs. 10 each (P.Y. 1,000,000,000)	10,000,000	10,000,000
<b>Issued, subscribed and paid-up capital :</b>		
756,958,418 equity shares of Rs. 10 each (P.Y. 704,958,418)	7,569,584	7,049,584
	<b>7,569,584</b>	<b>7,049,584</b>
<b>Total</b>	<b>7,569,584</b>	<b>7,049,584</b>
<b><u>SCHEDULE 2 : RESERVES AND SURPLUS</u></b>		
<b>I. Statutory Reserve</b>		
Opening Balance	359,880	-
Additions on amalgamation by conversion into WOS	-	359,880
Additions during the year	4,759	-
Deductions during the year	-	-
<b>Sub Total</b>	<b>364,639</b>	<b>359,880</b>
<b>II. Capital Reserve</b>		
Opening Balance	58,054	-
Additions on amalgamation by conversion into WOS	-	58,054
Additions during the year	7,854	-
Deductions during the year	-	-
<b>Sub Total</b>	<b>65,908</b>	<b>58,054</b>
<b>III. Retained Earnings</b>		
Opening Balance	320,098	-
Additions on amalgamation by conversion into WOS	-	320,098
Additions during the year	-	-
Deductions during the year	-	-
<b>Sub Total</b>	<b>320,098</b>	<b>320,098</b>
<b>IV. Investment Fluctuation Reserve</b>		
Opening Balance	-	-
Additions on amalgamation by conversion into WOS	-	-
Additions during the year	6,423	-
Deductions during the year	-	-
<b>Sub Total</b>	<b>6,423</b>	<b>-</b>
<b>V. Revaluation Reserve</b>		
Opening Balance	245,593	-
Additions on amalgamation by conversion into WOS	-	146,431
Additions during the year	-	100,733
Deductions during the year	6,739	1,571
<b>Sub Total</b>	<b>238,854</b>	<b>245,593</b>
<b>VI. Balance in Profit and Loss Account</b>	<b>(2,755,330)</b>	<b>(2,755,330)</b>
<b>Total ( I + II + III + IV + V )</b>	<b>(1,759,408)</b>	<b>(1,771,705)</b>



**SCHEDULES FORMING PART OF THE BALANCE SHEET**
**SCHEDULE 3 : DEPOSITS**

	31-Mar-2020 (Amount in Rs.'000)	31-Mar-2019 (Amount in Rs.'000)
<b>A.I. Demand Deposits</b>		
(i) From Banks	13,121	193,627
(ii) From Others	15,28,034	665,204
<b>A.II. Savings Bank Deposits</b>	944,322	493,413
<b>A.III. Term Deposits</b>		
(i) From Banks	266,511	11,112
(ii) From Others	15,548,384	8,477,818
<b>Total</b>	<b>18,300,372</b>	<b>9,841,174</b>
<b>B.I. Deposits of branches in India</b>	18,300,372	9,841,174
<b>B.II. Deposits of branches outside India</b>	-	-
<b>Total</b>	<b>18,300,372</b>	<b>9,841,174</b>

**SCHEDULE 4 : BORROWINGS**

<b>I. Borrowings in India</b>		
i) Reserve Bank of India	150,000	-
ii) Other Banks	-	-
iii) Other Institutions and Agencies	-	-
<b>Sub Total</b>	<b>150,000</b>	<b>-</b>
<b>II. Borrowings outside India</b>	-	-
<b>Total (I + II)</b>	<b>150,000</b>	<b>-</b>
<b>Secured Borrowings included in I &amp; II above</b>	150,000	-

**SCHEDULE 5 : OTHER LIABILITIES AND PROVISIONS**

<b>I. Bills Payable</b>	9,868	9,142
<b>II Interest Accrued</b>	100,863	6,708
<b>III. Deferred Tax Liability (Net)</b>	-	-
<b>IV. Provision for standard advances (Refer Note 14 - Schedule 17.B)</b>	55,621	67,405
<b>V. Others (including Provisions)</b>	587,382	780,946
<b>Total</b>	<b>753,734</b>	<b>864,201</b>

**SCHEDULE 6 : CASH AND BALANCES WITH RBI**

<b>I. Cash in Hand</b> (including Foreign Currency Notes - NIL)	24,784	2,252
<b>II. Balances with Reserve Bank of India</b>		
in Current Account	751,951	297,952
in Other Accounts	-	-
<b>Total</b>	<b>776,735</b>	<b>300,204</b>



**SCHEDULES FORMING PART OF THE BALANCE SHEET**
**SCHEDULE 7 : BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE**

	<b>31-Mar-2020</b> <b>(Amount in Rs.'000)</b>	<b>31-Mar-2019</b> <b>(Amount in Rs.'000)</b>
<b>I. In India</b>		
i) Balances with banks in		
(a) Current Accounts	83,398	3,817
(b) Other Deposit Accounts	-	-
ii) Money at call and short notice		
(a) with Banks	4,160,000	3,491,550
(b) with Other Institutions	-	622,395
<b>Sub Total</b>	<b>4,243,398</b>	<b>4,117,762</b>
<b>II. Outside India</b>		
i) in Current Accounts	103,469	284,321
ii) in Other Deposit Accounts	-	-
iii) in Money at Call and Short Notice	-	-
<b>Sub Total</b>	<b>103,469</b>	<b>284,321</b>
<b>Total ( I &amp; II )</b>	<b>4,346,867</b>	<b>4,402,083</b>

**SCHEDULE 8 : INVESTMENTS**

<b>I. Investments in India in</b>		
i) Government Securities	5,342,571	3,657,985
ii) Other Approved Securities	-	-
iii) Shares	6,970	6,970
iv) Debentures and Bonds	149,959	150,662
v) Subsidiaries and /or Joint Venture	-	-
vi) Others	223,377	223,377
<b>Sub Total</b>	<b>5,722,877</b>	<b>4,038,994</b>
Less: Provision for Diminution	44,871	15,233
<b>Sub Total</b>	<b>5,678,006</b>	<b>4,023,761</b>
<b>II. Investments outside India</b>	-	-
<b>Total ( I &amp; II )</b>	<b>5,678,006</b>	<b>4,023,761</b>

**SCHEDULE 9 : ADVANCES**

<b>A i) Bills Purchased and Discounted</b>	226,441	35,647
<b>ii) Cash Credits, Overdrafts and Loans repayable on Demand</b>	2,373,010	1,295,045
<b>iii) Term loans</b>	10,063,050	4,417,437
<b>Total</b>	<b>12,662,501</b>	<b>5,748,129</b>
<b>B i) Secured by Tangible Assets (includes advances against Book debts)</b>	12,317,770	5,360,834
<b>ii) Covered by Bank / Government Guarantees (includes advance against standby letter of credit )</b>	98,768	159,550
<b>iii) Unsecured</b>	245,963	227,745
<b>Total</b>	<b>12,662,501</b>	<b>5,748,129</b>
<b>C. I Advances in India</b>		
i) Priority Sectors	1,744,015	443,790
ii) Public Sector	-	-
iii) Banks	37,833	223,007
iv) Others	10,880,653	5,081,332
<b>Total</b>	<b>12,662,501</b>	<b>5,748,129</b>
<b>II Advances outside India</b>	-	-
<b>Total (CI &amp; CII)</b>	<b>12,662,501</b>	<b>5,748,129</b>



**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	<b>31-Mar-2020</b> <b>(Amount in Rs.'000)</b>	<b>31-Mar-2019</b> <b>(Amount in Rs.'000)</b>
<b><u>SCHEDULE 10 : FIXED ASSETS</u></b>		
<b>I. Premises</b>		
At Cost at beginning of year	490,739	-
Additions on amalgamation by conversion into WOS	-	390,006
Additions during the year	-	100,733
Deductions during the year	-	-
Depreciation to date	135,539	125,559
<b>Sub Total</b>	<b>355,200</b>	<b>365,180</b>
<b>II. Other Fixed Assets (including Furniture &amp; Fixtures)</b>		
At Cost at beginning of year	370,226	-
Additions on amalgamation by conversion into WOS	-	345,190
Additions during the year	136,257	25,036
Deductions during the year	2,402	-
Depreciation to date	282,989	168,434
<b>Sub Total</b>	<b>221,092</b>	<b>201,792</b>
<b>III. Capital Work in Progress</b>	<b>38,725</b>	<b>55,166</b>
<b>Total ( I, II &amp; III)</b>	<b>615,017</b>	<b>622,138</b>
<b><u>SCHEDULE 11 : OTHER ASSETS</u></b>		
I. Inter-Office Adjustment (Net)	-	-
II. Interest Accrued	117,792	44,881
III. Tax paid in Advance / Tax Deducted at Sources (Net of Provisions)	116,363	111,215
IV. Deferred Tax Assets (Net)	-	-
V. Stationery and Stamps	9	13
VI. Others	700,992	730,830
<b>Total</b>	<b>935,156</b>	<b>886,939</b>
<b><u>SCHEDULE 12 : CONTINGENT LIABILITIES</u></b>		
I. Claims against the Bank not acknowledged as Debts	92,051	81,818
II. Liability for Partly Paid Investments	-	-
III. Liability on account of outstanding Forward Exchange Contracts & Derivatives	14,512,891	6,931,710
IV. Guarantees given on behalf of Constituents		
a) In India	1,706,476	174,338
b) Outside India	788,379	4,356
V. Acceptances, Endorsements and Other Obligation	761,605	7,332
VI. Other items for which the Bank is Contingently Liable	4,527,494	2,770,095
<b>Total</b>	<b>22,388,896</b>	<b>9,969,649</b>



**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

	<u>Year Ended</u> <u>31-Mar-2020</u> (Amount in Rs.'000)	<u>Year Ended</u> <u>31-Mar-2019</u> (Amount in Rs.'000)
<b><u>SCHEDULE 13 : INTEREST EARNED</u></b>		
I. Interest / Discount on Advances / Bills	781,763	188,731
II. Income on Investments	315,767	91,582
III. Interest on Balances with RBI and Other Inter-Bank Funds	127,277	32,528
IV. Others*	42,237	11,252
<b>Total</b>	<b>1,267,044</b>	<b>324,093</b>
*includes Swap Gain on Funding Swaps		
<b><u>SCHEDULE 14 : OTHER INCOME</u></b>		
I. Commission, Exchange and Brokerage	154,946	3,407
II. Profit/(loss) on sale of Investments	30,688	8,821
III. Profit/(loss) on Revaluation of Investments	-	-
IV. Profit/(loss) on sale of Land Building & Other Assets	203	-
V. Profit on Exchange Transactions	33,397	16,300
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	464,130	7,264
<b>Total</b>	<b>683,364</b>	<b>35,792</b>
<b><u>SCHEDULE 15 : INTEREST EXPENDED</u></b>		
I. Interest on Deposits	638,876	157,933
II. Interest on Reserve Bank of India /Inter Bank Borrowings	2,319	20,838
III. Others*	143,989	12,652
<b>Total</b>	<b>785,184</b>	<b>191,423</b>
*includes Swap Cost on Funding Swaps		
<b><u>SCHEDULE 16 : OPERATING EXPENSES</u></b>		
I. Payments to and Provision for Employees	393,970	85,108
II. Exchange Commission and Brokerage	-	-
III. Rent, Taxes and Lighting	57,709	14,022
IV. Printing and Stationery	2,680	568
V. Advertisement and Publicity	15,404	6,125
VI. Depreciation on Bank's Property	120,198	30,001
VII. Auditors' Fee	1,635	5,141
VIII. Law charges (incl. Professional Fees)	88,490	19,007
IX. Postages, Telegrams, Telephones, etc.	12,775	957
X. Repairs and Maintenance	5,425	1,070
XI. Insurance	17,538	4,807
XII. Other Expenditure	162,487	432,001
<b>Total</b>	<b>878,311</b>	<b>598,807</b>





SBM Bank (India) Ltd.

STATEMENT OF CASH FLOW

	Particulars	Year Ended March 31, 2020 (Amount in Rs.'000)	Year Ended March 31, 2019 (Amount in Rs.'000)
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit after Taxes	19,036	(469,801)
	<b>Adjustments to profit/(loss) from operations</b>		
	Loss/(Profit) from sale of fixed assets	(203)	-
	Depreciation on Fixed Assets	120,198	30,001
	Specific Provision for NPA	(198,413)	153,057
	Depreciation on Investment	29,638	(1,872)
	Direct Taxes	-	-
	Other Provisions - Deferred tax	-	9,341
	Non performing Advances written off	448,597	-
	Non performing Investments written off	-	-
	Provision for Standard Advances	(11,783)	(119,631)
	Provision for country exposure	(162)	(1,439)
	Provision for Diminution in fair value of restructured accounts	-	-
	Provision for interest capitalised on restructured accounts	-	-
	<b>Sub-Total</b>	<b>406,908</b>	<b>(400,344)</b>
	<b>Changes in working capital</b>		
	(Increase)/Decrease in Investments	(1,683,883)	(732,679)
	(Increase)/Decrease in Advances	(7,164,556)	1,674,514
	(Increase)/Decrease in Other Assets	(48,217)	500,994
	Increase/(Decrease) in Deposits	8,459,198	2,681,592
	Increase/(Decrease) in Borrowings	150,000	(3,381,090)
	Increase/(Decrease) in Other Liabilities	(98,522)	5,843
	<b>Net Cash from Operating Activities before Income Tax</b>	<b>20,928</b>	<b>348,830</b>
	Advance Income tax paid	-	-
	Refund received from Income Tax	-	-
	<b>Net Cash from Operating Activities after Income Tax</b>	<b>20,928</b>	<b>348,830</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Fixed Assets	(119,816)	(66,060)
	Proceeds from sale of Fixed Assets	203	-
	<b>Net Cash used in Investing Activities</b>	<b>(119,613)</b>	<b>(66,060)</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Additional capital infused	520,000	480,000
	<b>Net Cash from Financing Activities</b>	<b>520,000</b>	<b>480,000</b>







SBM Bank (India) Ltd.

STATEMENT OF CASH FLOW

	Particulars	Year Ended March 31, 2020 (Amount in Rs.'000)	Year Ended March 31, 2019 (Amount in Rs.'000)
D	Cash and Cash Equivalent at the beginning of the year		
	I. Cash in Hand (including foreign currency notes and gold)	2,252	-
	II Balances with Reserve Bank of India	297,952	-
	III Balances with Banks and Money at Call and Short Notice	4,402,083	-
		<b>4,702,287</b>	<b>-</b>
E	Cash and Cash Equivalent on amalgamation by conversion into WOS		
	I. Cash in Hand (including foreign currency notes and gold)	-	5,743
	II Balances with Reserve Bank of India	-	410,840
	III Balances with Banks and Money at Call and Short Notice	-	3,522,934
		<b>-</b>	<b>3,939,517</b>
F	Cash and Cash Equivalent at the end of the year		
	I. Cash in Hand (including foreign currency notes and gold)	24,784	2,252
	II Balances with Reserve Bank of India	751,951	297,952
	III Balances with Bank and Money at Call and Short Notice	4,346,867	4,402,083
		<b>5,123,602</b>	<b>4,702,287</b>
A	Cash Flow from Operating Activities	20,928	348,830
B	Cash Flow used in Investing Activities	(119,613)	(66,060)
C	Cash Flow from Financing Activities	520,000	480,000
	Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	<b>421,315</b>	<b>762,770</b>
D	Cash and Cash Equivalent at the beginning of the year	4,702,287	-
E	Cash and Cash Equivalent on amalgamation by conversion into WOS	-	3,939,517
F	Cash and Cash Equivalent at the end of the year (A+B+C+D)	<b>5,123,602</b>	<b>4,702,287</b>

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.

For M. P. Chitale & Co.  
Chartered Accountants

ICAI Firm Registration No.: 101851W

*Ashutosh Pednekar*  
Ashutosh Pednekar

Partner

ICAI Membership No. 041037



For SBM Bank (India) Limited

*Mr. Sidharth Rath*  
Mr. Sidharth Rath

Managing Director &  
Chief Executive Officer

*Mr. Talib Lokhandwala*  
Mr. Talib Lokhandwala

Chief Financial Officer

*Mr. Ameet Patel*  
Mr. Ameet Patel

Independent Director

*M.V. Merchant*  
Mrs. Mugdha Merchant

Company Secretary

Place : Mumbai

Date : June 29, 2020



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****SCHEDULE 17.A – SIGNIFICANT ACCOUNTING POLICIES****a) Background**

The financial statements for the year ended 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, 2020 are located at Mumbai, Chennai, Hyderabad, Ramachandrapuram, Delhi and Bengaluru.

**b) Basis of preparation**

The financial statements have been prepared in accordance with requirements prescribed under the Third schedule (Form A and Form B) of the Banking Regulation Act, 1949. The accounting and reporting policies of the Bank used in the preparation of these financial statements conform to Generally Accepted Accounting Principles in India (Indian GAAP), the guidelines issued by the Reserve Bank of India ("RBI") from time to time, the accounting standards notified under section 133 of the Companies Act 2013, read with the Companies (Accounts) Rules 2014 and other relevant provisions of the Companies Act, 2013 ("the Act") and the Companies (Accounting Standards) Rules, 2006 (as amended) to the extent applicable and practices generally prevalent in the banking industry in India. The Bank follows the accrual method of accounting and the historical cost convention.

**c) Use of Estimates**

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

**d) Revenue recognition**

Income and expenses are recognized on accrual basis except as otherwise stated. Interest income is recognized in the Profit and Loss account on accrual basis except in case of interest on non-performing asset which is recognized on receipt basis. Interest income on discounted instruments is recognized over the tenor of the instrument on a straight line basis. Processing Fees, Commission on Letters of Credit and Locker Fees income are recognized upfront on becoming due. Commission on bank guarantees issued is amortized over the period of guarantees.

**e) Foreign Exchange Transactions**

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



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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

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

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

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

**g) Investments**

***Classification***

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

***Valuation***

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

Investments classified under AFS and HFT portfolio are marked to market on daily basis. Investments under AFS and HFT classification are valued as per rates declared by Financial Benchmarks India Pvt. 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.

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

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

***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.



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**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) 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.

**i) 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 such advances.
- Provision for advances classified as Standard, Sub-Standard, Doubtful & Loss assets are made based on management's assessment, subject to minimum provisions as per RBI guidelines.

**j) Retirement and employee benefits**

- 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.





**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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

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

**k) Net Profit / Loss**

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

**l) Taxation**

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 issued by ICAI. For operating leases, lease payments are recognized as an expense in the statement of Profit and Loss account on a straight-line basis over the lease term.

**n) Accounting for Provisions, Contingent Liabilities and contingent Assets**

The Bank has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long-term contracts. In accordance with Accounting Standard - 29 on 'Provisions, Contingent Liabilities and Contingent Assets', the Bank recognizes a provision for material foreseeable losses when it has a present obligation as a result of a past



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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.



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**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, 2020	March 31, 2019
i)	CRAR – Common Equity Tier I	31.48%	47.17%
ii)	CRAR – Tier I Capital	31.48%	47.17%
iii)	CRAR – Tier II Capital	0.96%	1.67%
iv)	Total Capital Ratio (CRAR) (%)	32.44%	48.84%
v)	Percentage of the shareholding of the Government of India in public sector banks	-	-
vi)	Amount of equity capital raised	520,000	7,049,584
vii)	Amount of Additional Tier 1 capital raised; of which Perpetual Non- Cumulative Preference Shares (PNCPS): Perpetual Debt Instruments (PDI) :	-	-
viii)	Amount of Tier 2 capital raised; of which Debt capital instruments: Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]	-	-

**2. Investments**

(Rs. in thousand)		
Particulars	March 31, 2020	March 31, 2019
1. Value of Investments:		
(i) Gross Value of Investments		
a. In India	5,722,877	4,038,994
b. Outside India	-	-
(ii) Provisions for Depreciation		
a. In India	-	-
- on transfer to securities from AFS to HTM portfolio	-	-
- on securities position	44,871	15,233
b. Outside India	-	-
(iii) Net Value of Investments		
a. In India	5,678,006	4,023,761
b. Outside India	-	-
2. Movement of provision held towards depreciation on investments:		
(i) Opening balance	15,233	-
(ii) Add: Additions on amalgamation by conversion into WOS	-	17,105
(iii) Add: Provision made during the year	29,638	-
(iv) Less: Write-off/ write-back of excess provision during the year (including depreciation utilized on sale of securities)	-	1,872
(v) Closing balance	44,871	15,233



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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, 2020		As at March 31, 2019	
	Rs. in thousand	%	Rs. in thousand	%
Held to Maturity	2,395,770	42.19	1,292,718	32.13
Held for Trading	103,830	1.83	-	-
Available for Sale	3,178,406	55.98	2,731,043	67.87
<b>Total</b>	<b>5,678,006</b>	<b>100.00</b>	<b>4,023,761</b>	<b>100.00</b>

**3. Repurchase & Reverse Repurchase Agreement Transactions**

(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
<b>Securities Sold under Repurchase Transactions *</b>				
(i) Government Securities	30,000 <sup>#</sup>	150,000	12,486	150,000
(ii) Corporate Debt Securities	-	-	-	-
<b>Securities purchased under Reverse Repurchase Transactions *</b>				
(i) Government Securities	139,922 <sup>#</sup>	4,530,000	2,138,696	4,160,000
(ii) Corporate Debt Securities	-	-	-	-

\* consist of RBI LAF disclosed at face value.

<sup>#</sup> Nil outstanding on any day is ignored for reckoning minimum outstanding.

(Rs. in thousand)

FY 2018-19	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Balance as at March 31, 2019
<b>Securities Sold under Repurchase Transactions *</b>				
(i) Government Securities	-	-	-	-
(ii) Corporate Debt Securities	-	-	-	-
<b>Securities purchased under Reverse Repurchase Transactions *</b>				
(i) Government Securities	47,750 <sup>#</sup>	3,420,390	1,420,505	2,610,360
(ii) Corporate Debt Securities	-	-	-	-

\* consist of RBI LAF disclosed at face value.

<sup>#</sup> Nil outstanding on any day is ignored for reckoning minimum outstanding.





**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**4. Non-SLR Investments Portfolio - Issuer Composition of Non-SLR Investments**  
**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)	-	-	-	-
	<b>Total</b>	<b>335,435</b>	<b>-</b>	<b>-</b>	<b>223,377</b>	<b>-</b>

\*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, 2019**
*(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	150,662	150,662	-	-	-
3.	Banks	-	-	-	-	-
4.	Private Corporates	-	-	-	-	-
5.	Subsidiaries/ Joint Ventures	-	-	-	-	-
6.	Others*	230,347	-	-	223,377	-
7.	Provision held towards Depreciation	(15,233)	-	-	-	-
	<b>Total</b>	<b>365,776</b>	<b>150,662</b>	<b>-</b>	<b>223,377</b>	<b>-</b>

\*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, 2020**
**5. Non-Performing Non SLR Investments**

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

(Rs. in thousand)

Particulars	March 31, 2020	March 31, 2019
Opening Balance	6,970	-
Additions on amalgamation by conversion into WOS		6,970
Additions during the year since 1 <sup>st</sup> April	-	-
Reductions on account of write off during the year	-	-
Closing balance	6,970	6,970
<b>Total Provision held</b>	<b>6,970</b>	<b>6,970</b>

**6. Sale and Transfers to/ from HTM Category**

During the FY 2019-2020, the Bank has not sold / transferred from HTM book to AFS book / HFT book in excess of 5% of book value of investments held at the beginning of the year under HTM category, excluding one-time transfer at the beginning of the year and sale under OMO. Bank has transferred from AFS Book to HTM Book to the extent of Face Value of INR 200,000 thousand during the year (PY: NIL).

**7. Forward Rate Agreement / Interest Rate Swap**

(Rs. in thousand)

Particulars	March 31, 2020	March 31, 2019
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, 2020	March 31, 2019
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, 2020**
**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.

**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, 2020	March 31, 2020	March 31, 2019	March 31, 2019
1.	Derivatives notional Principal Amount	10,282,422	-	2,497,316	-
	(a) For hedging	7,215,225	-	1,436,479	-
	(b) For trading	3,067,197	-	1,060,837	-
2.	Marked to Market position				
	(a) Asset (+)	252,816	-	17,881	-
	(b) Liability (-)	63,400	-	26,353	-



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

Sr. No	Particulars	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
		March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019
3.	Credit Exposure	236,884	-	67,827	-
4.	Likely impact of one percentage change in Interest Rate (100*PV01)				
	(a) On hedging derivatives	32,498	-	(11,929)	-
	(b) On trading derivatives	363	-	(14,428)	-
5.	Maximum and Minimum of 100*PV01 observed during the year				
	(a) On hedging				
	Maximum	920	-	-	-
	Minimum	1	-	(11,929)	-
	(b) On trading				
	Maximum	34,460	-	18,067	-
	Minimum	10,922	-	(32,495)	-

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

Particulars	March 31, 2020	March 31, 2019
(i) Net NPAs to Net Advances	2.90%	8.81%
(ii) Movement of Gross NPAs		
(a) Opening balance	1,493,059	-
(b) Additions on amalgamation by conversion into WOS	-	893,128
(c) Additions during the year	211,500	604,323
(d) Reductions during the year	(548,793)	(4,392)
(e) Closing balance	1,155,766	1,493,059
(iii) Movement of Net NPAs		
(a) Opening balance	506,694	-
(b) Additions on amalgamation by conversion into WOS	-	59,820
(c) Additions during the year	-	446,874
(d) Reductions during the year	(138,880)	-
(e) Closing balance	367,814	506,694
(iv) Movement of provisions for NPAs (excluding provision on Standard Assets)		
(a) Opening balance	986,365	-
(b) Additions on amalgamation by conversion into WOS	-	833,308
(c) Provisions made during the year (Gross)	279,301	174,109
(d) Write-off / write-back of excess provisions	(477,714)	(21,052)
(e) Closing balance	787,952	986,365

Note :- Item (iii) & (iv) include the impact of counter cyclical provision and floating provision utilized amounting to Nil during FY 2019-2020 (PY: NIL).

**11. Details of loan assets subjected to restructuring.**

There was no restructuring during FY 2019-2020 (PY: NIL).



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**12. Details of financial assets sold to Securitization/ Reconstruction Company for Asset reconstruction**
**A. Details of Sales**

*(Rs. in thousand)*

Particulars		March 31, 2020	March 31, 2019
(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, 2020	March 31, 2019
(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	-	-
<b>Total</b>	<b>223,377</b>	<b>223,377</b>

**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	-	-	-
<b>Total (i) + (ii)</b>		<b>46,725</b>	<b>176,652</b>	<b>-</b>

**FY 2018-2019:**

*(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	-	-	-
<b>Total (i) + (ii)</b>		<b>46,725</b>	<b>176,652</b>	<b>-</b>





**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**13. Details of non-performing financial assets purchased/sold**
*(Rs. in thousand)*

Sr. No.	Particulars	March 31, 2020	March 31, 2019
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, 2020	March 31, 2019
Provision on Standard Assets	55,621	67,405

**15. Important Financial Ratios**

Particulars	March 31, 2020	March 31, 2019
Interest Income as a percentage to Working Funds*	6.88%	6.63%
Non-Interest Income as a percentage to Working Funds*	3.71%	0.73%
Operating Profit as a percentage to Working Funds*	1.56%	(8.81)%
Return on Assets**	0.10%	(9.62)%
Business (Deposits plus Advances) per employee (Rs. in thousand) #	229,837	189,933
Profit / (Loss) per employee (Rs. in thousand)	143	(17,400)

\* 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

**16. Asset Liability Management**
**Maturity pattern of certain items of assets and liabilities as of March 31, 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



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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

**Maturity pattern of certain items of assets and liabilities as of March 31, 2019**
*(Rs. in thousand)*

Particulars	Day1	2 to 7 days	8 to 14 Days	15 to 28 Days	29 days and upto 3 months	Over 3 month and upto 6 months	Over 6 month and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Advances	25,808	60,218	17,205	29,675	21,557	36,797	458,060	2,651,296	783,073	1,664,440	5,748,129
Investment in Securities	2,837,350	-	-	-	-	250,907	550,852	333,154	44,528	6,970	4,023,761
Deposits	212,035	362,197	233,973	90,350	1,592,003	1,245,231	2,861,571	3,129,387	114,427	-	9,841,174
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	296,356	1,596,789	-	-	670,520	242,043	864,438	622,395	-	-	4,292,541
Foreign Currency Liabilities	120,496	2,835,616	-	12,429	370,363	274,762	411,084	2,113,992	-	-	6,138,742

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, 2020	March 31, 2019
a) Direct Exposure		
(i) Residential Mortgages	1,081,296	512,071
- of which housing loans up to Rs.15 Lakhs	7,627	1,413
(ii) Commercial Real Estate	620,543	500,000
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
(a) Residential	-	-
(b) Commercial Real Estate	-	-
b) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	172,469	431,386
<b>Total Exposure to Real Estate Sector</b>	<b>1,874,308</b>	<b>1,443,457</b>



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**b. Exposure to Capital Market**
*(Rs. in thousand)*

Particulars	March 31, 2020	March 31, 2019
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;	6,970	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;	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;	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)	-	-
<b>Total Exposure to Capital Market</b>	<b>674,220</b>	<b>6,970</b>

**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, 2020	Provision held as at March 31, 2020	Exposure (net) as at March 31, 2019	Provision held as at March 31, 2019
Insignificant	97,129	-	310,105	162
Low	179,471	-	105,664	-
Moderate	65,333	-	-	-





**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
<b>Total</b>	<b>341,933</b>	<b>-</b>	<b>415,769</b>	

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

During FY 2019-2020, the Bank has not exceeded the single borrower limit or group borrower limit. (PY: NIL).

**20. Unsecured Advances**

Unsecured advances have been appropriately classified under 'Schedule 9 – Advances'. During FY 2019-20, 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**

The Reserve Bank of India (RBI) has, by an order dated October 15, 2019, imposed a monetary penalty of Rs. 30,000 thousand on SBM Bank (India) Limited for non-compliance by SBM Bank (Mauritius) Limited (amalgamated with SBM Bank (India) Limited on November 30, 2018) with certain provisions of directions issued by RBI on "Time-bound implementation and strengthening of SWIFT - related operational controls" and "Cyber Security Framework in Banks". This penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Banking Regulation Act, 1949, taking into account the failure to adhere to the aforesaid directions issued by RBI. The Bank has paid the said penalty to RBI on October 29, 2019. (PY: NIL).

**22. Prior Period Items**

There are no prior period items during the FY 2019-2020. (PY: NIL).

**23. Description of contingent liabilities**

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

**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

Sr. No.	Contingent Liabilities	Brief
		on hand, the extent to which instruments are favorable or unfavorable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly.
3.	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.
4.	Other items for which the Bank is contingently liable	- Value dated purchase of securities - Capital Commitments - Amount deposited with RBI under Depositor Education Awareness Fund

Refer Schedule 12 for amounts relating to contingent liability

**24. Contingent Liabilities**

Other Item of Contingent Liability includes, Income Tax of Rs. 86,960 thousand (PY: 81,818 thousand) and Service tax of Rs. 5,091 thousand (PY: Nil). 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 favourable judicial decisions.

**25. Provision for Long Term contracts**

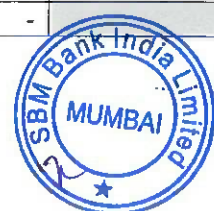
The Bank has assessed its long-term contracts (including Derivative Contracts) for material foreseeable losses and made adequate provisions in the books of accounts, under any law/accounting standards wherever applicable and disclosed the same under the relevant notes in the financial statements.

**26. Deferred Tax**

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

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

<i>(Rs. in thousand)</i>			
Sr. No.	Particulars	March 31, 2020	March 31, 2019
A.	<b>DTA :</b>		
(i)	Provision for Loan Losses, Floating Provision and counter cyclical provision	104,868	117,115
(ii)	Provision for Standard Advances	7,403	8,003
(iii)	Provision for Funded Interest Term Loan	-	-
(iv)	Disallowed Expenses	8,687	5,398
(v)	Unabsorbed Losses	-	-
	<b>Total DTA</b>	<b>120,958</b>	<b>130,516</b>
B.	<b>DTL :</b>		
(i)	Depreciation on Fixed Assets	(120,958)	(130,516)
	<b>Total DTL</b>	<b>(120,958)</b>	<b>(130,516)</b>
C.	<b>NET DTL / (DTA)</b>	<b>-</b>	<b>-</b>



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**27. Provisions & Contingencies**
*(Rs. in thousand)*

Particulars	March 31, 2020	March 31, 2019
Depreciation on Investments	29,638	(1,872)
Provision towards Non-Performing Assets / Investment (net of write-backs)	250,184	153,057
Provision for Standard Assets	(11,783)	(119,631)
Provision for Income Tax (including Deferred Tax)	-	9,341
Provisions for diminution in fair value Restructured Advances	-	-
Provision for Country Risk	(162)	(1,439)
Provision for interest capitalized on restructured accounts	-	-
<b>Total</b>	<b>267,877</b>	<b>39,456</b>

28. There was no instance of SGL bouncing during FY 2019-2020. (PY: NIL).

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

There were NIL LOCs/LOUs outstanding as of March 31, 2020. (PY: NIL).

**30. Draw down from Reserves**

During FY 2019-2020, there has been no drawdown from Reserves. Also Refer Schedule 2 – Reserves and Surplus. (PY: NIL).

**31. Disclosure of Complaints / Unimplemented awards of banking ombudsmen**

In accordance with RBI circular DBOD. No. Leg. BC.9/09.076/2009-10 dated July 01, 2009 details of customer complaints and awards passed by Banking Ombudsman are as follows:

**a. Customer Complaints**

	Particulars	March 31, 2020	March 31, 2019
(a)	No. of complaints pending at the beginning of the year	-	-
(b)	No. of complaints received during the year	74	-
(c)	No. of complaints redressed during the year	72	-
(d)	No. of complaints pending as at the end of the year	2	-

**b. Awards passed by the Banking Ombudsman**

	Particulars	March 31, 2020	March 31, 2019
(a)	No. of unimplemented Awards at the beginning of the year	-	-
(b)	No. of Awards passed by Banking Ombudsman during the year	-	-
(c)	No. of Awards implemented during the year	-	-
(d)	No. of unimplemented Awards Pending as at the end of the year	-	-



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**32. Segment Reporting**
**Part A: Business Segments**

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

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

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

**Retail Banking:** Consists of revenue arising out of personal loan, housing loan, etc.

**FY 2019-2020**
*(Rs. in thousand)*

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)
<b>Operating Profit</b>				19,036
Income Taxes				-
Extraordinary Profit/Loss				-
<b>Net profit/(Loss)</b>				19,036
Other Information				
Segment Assets	12,242,724	11,413,047	1,127,856	24,783,627
Un-allocable Assets				230,655
<b>Total Assets</b>				25,014,282
Segment Liabilities	11,143,357	3,742,203	10,097,169	24,982,729
Un-allocable Liabilities				31,553
<b>Total Liabilities</b>				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.

**FY 2018-2019**
*(Rs. in thousand)*

Business Segments	Corporate	Treasury	Retail	Total
Revenue	185,509	160,483	13,892	359,884
Results	77,131	(31,813)	(38,824)	6,494
Un-allocable Expense**				(476,295)
<b>Operating Profit</b>				(469,801)
Income Taxes				-
Extraordinary Profit/Loss				-
<b>Net profit/(Loss)</b>				(469,801)





**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

Business Segments	Corporate	Treasury	Retail	Total
Other Information				
Segment Assets	5,472,080	9,704,995	599,672	15,776,747
Un-allocable Assets				206,507
<b>Total Assets</b>				<b>15,983,254</b>
Segment Liabilities	2,615,475	3,484,983	9,876,023	15,976,481
Un-allocable Liabilities				6,773
<b>Total Liabilities</b>				<b>15,983,254</b>
Capital expenditure during FY 2018-2019				55,166
Depreciation expenditure during FY 2018-2019				30,001

\*\* includes provision for Cyber Fraud Rs. 396,653 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:**

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

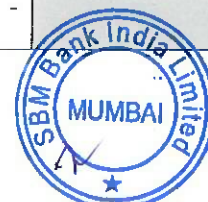
**33. Disclosure under Employee Benefits – Revised Accounting Standard 15**

- The contribution to employees Provident Fund amounted to Rs. 34,122 thousand for the year ended March 31, 2020. (PY: Rs. 6,259 thousand for the period December 1, 2018 to March 31, 2019).
- The Bank has a policy to pay leave encashment to employees either at the time of resignation or on their retirement.
- 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. 2,759 thousand. (PY: Rs. 291.37 thousand for the period December 1, 2018 to March 31, 2019).
- The Bank expects to contribute Rs. 1.45 crore to gratuity fund in financial year 2020-2021.

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

(Rs. in thousand)

	March 31, 2020	March 31, 2019
Present Value of Benefit Obligation at the Beginning of the year	26,145	-
Interest Cost	1,971	642
Current Service Cost	6,668	1,617
(Benefit paid from the Fund)	(4,185)	-
Past Service Cost	-	-
Liability Transferred In/ Acquisitions	-	24,451
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

	March 31, 2020	March 31, 2019
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(3,946)	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	3,635	(565)
Present Value of Benefit Obligation at the End of the year	<b>30,288</b>	<b>26,145</b>

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

	March 31, 2020	March 31, 2019
Fair Value of Plan Assets at the Beginning of the year	17,660	-
Expected Return on Plan Assets	1,332	450
Contributions by the Employer	-	17,161
Assets Transferred In/Acquisitions	4,454	-
(Benefit Paid from the Fund)	(4,186)	-
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(181)	49
Fair Value of Plan Assets at the End of the year	<b>19,079</b>	<b>17,660</b>

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

	March 31, 2020	March 31, 2019
Actuarial (Gains)/Losses on Obligation for the year	(311)	(565)
Actuarial (Gains)/Losses on Plan Asset for the year	181	(49)
Actuarial (Gains)/Losses Recognized in the Profit or Loss Account	<b>(129)</b>	<b>(614)</b>

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

	March 31, 2020	March 31, 2019
Expected Return on Plan Assets	1,332	450
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(181)	49
Actual Return on Plan Assets	<b>1,151</b>	<b>499</b>

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

	March 31, 2020	March 31, 2019
(Present Value of Benefit Obligation at the end of the year)	(30,288)	(26,145)
Fair Value of Plan Assets at the end of the year	19,079	17,660
Funded Status (Surplus/ (Deficit))	(11,209)	(8,485)
Unrecognized Past Service Cost at the end of the year	-	-
Net (Liability)/Asset Recognized in the Balance Sheet	<b>(11,209)</b>	<b>(8,485)</b>

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

	March 31, 2020	March 31, 2019
Present Value of Benefit Obligation at the Beginning of the year	26,145	-
(Fair Value of Plan Assets at the Beginning of the year)	(17,660)	-
Net Liability/(Asset) at the Beginning	<b>8,485</b>	-
Interest Cost	1,971	642
(Expected Return on Plan Assets)	(1,332)	(450)
Net Interest Cost for Current Year	<b>639</b>	<b>192</b>



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**VII) Expenses Recognized in the Profit or Loss Account:**
*(Rs. in thousand)*

	March 31, 2020	March 31, 2019
Current Service Cost	6,668	1,617
Net Interest Cost	639	192
Actuarial (Gains)/Losses	(129)	(614)
Past Service Cost - Vested Benefit Recognized During the year	-	-
Expenses Recognized in the Profit or Loss Account	<b>7,178</b>	<b>1,195</b>

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

	March 31, 2020	March 31, 2019
Opening Net Liability	8,485	-
Expense Recognized in Profit or Loss Account	7,178	1,195
Net Liability/(Asset) Transfer In	-	7,290
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(4,454)	-
Net Liability/(Asset) Recognized in the Balance Sheet	<b>11,209</b>	<b>8,485</b>

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

	March 31, 2020	March 31, 2019
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	19,079	17,660
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
<b>Total</b>	<b>19,079</b>	<b>17,660</b>

**Actuarial assumptions:**

	March 31, 2020	March 31, 2019
Expected Return on Plan Assets	6.84%	7.54%
Rate of Discounting	6.84%	7.54%
Rate of Salary Increase	6.88%	9.85%
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, 2020**
**Experience Adjustments:**
*(Rs. in thousand)*

Particulars	March 31, 2020	March 31, 2019
Plan Assets	19,079	17,660
Defined Benefit Obligation	30,288	26,145
Surplus / (Deficit)	11,209	8,485
Experience adjustment gain / (loss) on plan assets	(181)	49
Experience adjustment (gain) / loss on plan liabilities	3,635	(565)

**34. Related Party Transactions**

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

**Relationship during FY 2019-20:**

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 – Sidharth Rath c. Chief Finance Officer – Talib Lokhandwala d. Company Secretary – Sanchita Kapoor* e. Chief Information Officer / Chief Operations Office – Rajeev Panikant f. Head of Corporate Banking – Dipak Agarwal g. Head of Treasury – Mandar Pitale

\* Company Secretary of the Bank vacated the office on December 09, 2019 and ceased to be a Key Management Personnel since the day.

**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
<b>Liabilities</b>								
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
<b>Total</b>	<b>240,424</b>	<b>240,424</b>	<b>60,309</b>	<b>1,152,705</b>	<b>14,275</b>	<b>14,275</b>	<b>315,008</b>	<b>1,407,404</b>





**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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
<b>Assets</b>								
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
MTM gain on FX forwards	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>4,218</b>	<b>6,906</b>	<b>7,415</b>	<b>7,415</b>	<b>11,633</b>	<b>14,321</b>
<b>Off Balance Sheet items</b>								
FX Forwards	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

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

**Transactions during the FY 2018-19:**
*(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
<b>Liabilities</b>								
Deposit	-	-	263,284	760,278	1,645	1,645	264,928	760,278
Borrowings	-	-	-	1,563,760	-	-	-	1,563,760
Interest payable	-	-	-	-	-	-	-	-
MTM loss on FX forwards	-	-	-	-	-	-	-	-
Payable to group	216,922	216,922	-	-	-	-	216,922	216,922
<b>Total</b>	<b>216,922</b>	<b>216,922</b>	<b>263,284</b>	<b>2,324,038</b>	<b>1,645</b>	<b>1,645</b>	<b>481,850</b>	<b>2,540,960</b>
<b>Assets</b>								
Lending	-	-	-	104,663	-	-	-	104,663
Balances with Bank	-	-	2,165	-	-	-	2,165	-
Interest receivable	-	-	-	-	-	-	-	-



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>2,165</b>	<b>104,663</b>	-	-	<b>2,165</b>	<b>104,663</b>
<b>Off Balance Sheet Items</b>								
FX Forwards	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

Particulars	Parent	Subsidiaries of the Parent	Key Management Personnel	Total
<b>Profit &amp; Loss Account Items</b>				
Interest Received	-	-	-	-
Interest Paid	-	15,379	57	<b>15,436</b>
Fees Paid	-	-	3,098	<b>3,098</b>
Salary Cost	-	-	11,313	<b>11,313</b>

**35. Impairment of Assets**

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

**36. Earnings Per Share**

Particulars	31-Mar-20	31-Mar-19
Net profit after tax	19,036	(469,801)
Weighted average number of equity shares outstanding	735,931,096	218,049,229
Basic and diluted earnings per share in INR	0.03	(2.15)

**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.

**Classification and provisioning under RBI COVID -19 Regulatory Package**

Based on RBI guidelines dated April 17, 2020 announcing certain regulatory measures in the wake of the disruptions on account of COVID-19 pandemic and the consequent asset classification and provisioning norms, Bank has released the Board approved policy to provide relief to all eligible borrowers including providing moratorium of three months on payment of instalments and easing of WC financing in terms of reassessment of drawing power & the Working Capital cycle.

Subsequently, based on updated RBI guidelines on COVID from RBI dated May 23, 2020, Bank has put up a policy to Board pertaining to approval for further moratorium of three months to companies, carving of interest into FITL and the repayment period thereof, and reassessment of drawing power & the Working Capital cycle. Based on the approval from board, these will be implemented for our clients on case to case basis.



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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.

In line with the RBI guidelines issued on March 27, 2020, in respect of all accounts classified as standard as on February 29, 2020, even if overdue, the moratorium period, wherever granted, shall be excluded from the number of days past-due for the purpose of asset classification. The Bank has maintained requisite provisioning, wherever necessary, in accordance with above-mentioned guidelines.

(Rs. in thousand)

Moratorium / deferment extended in respect of SMA/ Overdue accounts	No. of accounts	O/s Amount (Fund Based)
SMA 0	3	21,420
SMA 1	-	-
SMA 2	-	-
<b>Total</b>	<b>3</b>	<b>21,420</b>

**38. Counter Cyclical / Floating Provisions**

(Rs. in thousand)

Particulars	March 31, 2020		March 31, 2019	
	Counter cyclical	Floating	Counter cyclical	Floating
Opening Balance in floating provision	19,068	6,007	-	-
Add- Additions on amalgamation by conversion into WOS	-	-	19,068	6,007
Add- Provision made during the year	-	-	-	-
Less- Provision utilize during the year for specific provision	-	-	-	-
Closing balance in floating provision	<b>19,068</b>	<b>6,007</b>	<b>19,068</b>	<b>6,007</b>

**39. Small and Micro Industries**

Under the Micro, Small and Medium Enterprises Development Act 2006 which came into force from October 02, 2006 certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments. The above is based on information provided by the Bank which has been relied upon by the auditors.

40. The Bank has not undertaken bancassurance business during FY 2019-20. (PY: NIL).

**41. Concentration of Deposits, Advances, Exposures and NPAs**
**I. Concentration of Deposits**

(Rs. in thousand)

Particulars	March 31, 2020	March 31, 2019
Total deposits of twenty largest depositors	7,871,213	5,881,749
Percentage of Deposits to twenty largest depositors to total deposits of the Bank	43.01%	59.77%



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**Concentration of Advances\***
*(Rs. in thousand)*

Particulars	March 31, 2020	March 31, 2019
Total advances to twenty largest borrowers	8,407,751	5,335,780
Percentage of Advances to twenty largest borrowers to total advances of the Bank	51.44%	79.89%

**Concentration of Exposures\***
*(Rs. in thousand)*

Particulars	March 31, 2020	March 31, 2019
Total Exposures to twenty largest borrowers / customers	8,407,751	5,477,708
Percentage of Exposures to twenty largest borrowers / Customers to Total Exposures of the Bank on borrowers / Customers	50.27%	77.59%

\*Excluding banking exposures

**Concentration of NPA**
*(Rs. in thousand)*

Particulars	March 31, 2020	March 31, 2019
Total Exposure of top Four NPA accounts	1,048,097	1,323,878

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

Sl. No.	Sector	FY 2019-20			FY 2018-19		
		Outstanding Total Gross Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Gross Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
<b>A</b>	<b>Priority Sector</b>						
1	Agriculture and allied activities	1,014,015	-	0%	-	-	0%
2	Advances to industries sector eligible as priority sector lending	245,883	245,883	100%	760,105	760,105	100%
3	Services	730,000	-	0%	401,910	-	0%
4	Personal loans	2,225	-	0%	-	-	0%
	Sub-total (A)	1,992,123	245,883	12.34%	1,162,015	760,105	65.41%
<b>B</b>	<b>Non-Priority Sector</b>						
1	Agriculture and allied activities	-	-	0%	-	-	0%
2	Industry	7,172,860	897,862	12.52%	2,464,034	687,996	27.92%
3	Services	3,074,434	-	0%	1,531,324	-	0%
4	Personal loans	1,211,036	12,021	0.99%	1,577,120	44,958	2.85%
	Sub-total (B)	11,458,330	909,883	7.94%	5,572,478	732,954	13.15%
	<b>Total (A+B)</b>	<b>13,450,453</b>	<b>1,155,766</b>	<b>8.59%</b>	<b>6,734,493</b>	<b>1,493,059</b>	<b>22.17%</b>



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**III. a) Movement of Gross NPAs**
*(Rs. in thousand)*

Particulars	March 31, 2020	March 31, 2019
Opening balance of Gross NPAs	1,493,059	-
Add: Additions on amalgamation by conversion into WOS	-	893,128
Add: Additions during the year	211,500	604,323
<b>Sub-total (A)</b>	<b>1,704,599</b>	<b>1,497,451</b>
Less:		
i. Upgradations	-	-
ii. Recoveries (excluding recoveries made from upgraded accounts)	(100,196)	(4,392)
iii. Write-offs	(448,597)	-
<b>Sub-total (B)</b>	<b>(548,793)</b>	<b>(4,392)</b>
<b>Closing balance of Gross NPAs (A-B)</b>	<b>1,155,766</b>	<b>1,493,059</b>

**b)**
*(Rs. in thousand)*

Particulars	March 31, 2020	March 31, 2019
Opening balance of Technical/ Prudential written-off accounts	3,290,111	-
Add: Additions on amalgamation by conversion into WOS	-	3,295,000
Add: Technical/ Prudential write-offs during the year	448,597	-
<b>Sub-total (A)</b>	<b>3,738,708</b>	<b>3,295,000</b>
Less: Recoveries made from previously technical/ prudential written-off accounts during the year (B)	(101,324)	(4,889)
<b>Closing balance as at end of the year (A-B)</b>	<b>3,637,384</b>	<b>3,290,111</b>

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

Particulars	March 31, 2020	March 31, 2019
Total Assets	-	-
Total NPAs	-	-
Total Revenue for the year ended	-	-

**V. Off-balance sheet SPVs sponsored - NIL**
**42. Revaluation of Fixed Assets**

The Bank computes depreciation on revalued premises over its estimated remaining useful life and accordingly an amount of Rs. 6,700 thousand (PY: Rs. 1,571 thousand) have been accounted as depreciation and reduced from the Revaluation Reserve during FY 2019-20.



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**43. Software capitalized under Fixed Assets**
*(Rs. in thousand)*

Particulars	March 31, 2020	March 31, 2019
Cost at beginning of the year	261,238	-
Additions on amalgamation by conversion into WOS	-	238,332
Additions during the year	73,327	22,906
Deductions during the year	-	-
Depreciation to date	193,539	98,315
<b>Net Block</b>	<b>141,026</b>	<b>162,923</b>

**44. Provision Coverage Ratio (PCR)**

As on March 31, 2020, the Bank has achieved the PCR ratio of 68.18% with reference to Gross NPA as on that day. (PY: 64.38%).

**45. Disclosure on Remuneration**

Qualitative disclosures	
(a) Information relating to the composition and mandate of the Remuneration Committee.	<p>The remuneration committee 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"> <li>1. Mr. Sanjay Kumar Bhattacharya</li> <li>2. Mr. Andrew Bainbridge</li> <li>3. Mr. Shyam Sundar Barik</li> </ol>
(b) Information relating to the design and structure of remuneration processes and the key features and objectives of Remuneration policy.	<p>The Bank follows the following practices and principles in designing and structuring the remuneration process:-</p> <p>A focus on long-term, risk-adjusted performance and reward mechanism by focusing on performance of the individual employee, the relevant line of business or function and the Bank as a whole. It seeks to drive accountability, and co-relate risk, financial performance and compensation.</p> <p>Key features and Objective of Remuneration policy are: The Bank shall follow a Cash plus Benefits (Fixed Pay plus Benefits) approach in its Compensation framework by providing competitive level of compensation to attract and retain qualified and competent staff members. The compensation should be adjusted for all types of risk.</p>
(c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	<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 overall</p>

**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

<b>Qualitative disclosures</b>	
	performance of the function and the Bank and Group as whole. The Bank looks at sustained superior performance achieved across multiple factors over multiple time periods.
(e) A discussion of the Bank's policy on deferral and vesting of variable remuneration and a discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.	The variable/performance pay shall not exceed 70% of the fixed pay for the year. In case where the variable pay constitutes a substantial portion of the fixed pay, i.e. 50% or more, then an appropriate portion of the variable pay, i.e. around 50% of the variable pay will be deferred over a minimum period of 3 years. In the event of negative contributions of the Bank in any year, the deferred compensation will be subject to malus arrangements which permits the Bank to prevent vesting of all or part of the amount of a deferred remuneration, but it does not reverse vesting after it has already occurred.
(f) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the Bank utilizes and the rationale for using these different forms.	There will be a proper balance between the fixed and the variable pay. The variable pay shall not exceed 70% of the fixed pay for the year. The proportion of variable pay will be higher at higher levels of responsibility and could be in cash, or stock linked instruments or mix of both.

<b>Quantitative disclosures</b>											
(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 3 Remuneration Committee meetings were held during FY 2019-20, members were paid remuneration of 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 2019-20  During the year, only one employee was paid the sign-on bonus amounting to Rs. 2,700 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 Operations Officer (COO) Head – Corporate Banking Head – Retail Banking Head – Treasury  <table> <tr> <th>Particulars</th><th>(Rs. in thousand)</th></tr> <tr> <td>Fixed</td><td>64,166</td></tr> <tr> <td>Variable</td><td>-</td></tr> <tr> <td>Perquisites</td><td>40</td></tr> <tr> <td>TOTAL</td><td>64,206</td></tr> </table>	Particulars	(Rs. in thousand)	Fixed	64,166	Variable	-	Perquisites	40	TOTAL	64,206
Particulars	(Rs. in thousand)										
Fixed	64,166										
Variable	-										
Perquisites	40										
TOTAL	64,206										



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

(k)	
(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	-
(ii) Total amount of reductions during the financial year due to ex- post explicit adjustments.	-
(iii) Total amount of reductions during the financial year due to ex- post implicit adjustments.	-

**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. 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 into pertains to use of premises by the Corporate Office, Branch and Residential House. There are no sub-lease arrangements.

<i>(Rs. in thousand)</i>		
Particulars	March 31, 2020	March 31, 2019
1. Total future minimum lease payments as at year end:	286,839	105,168
– Not later than one year	67,114	20,203
– Later than one year but not later than five years	219,725	84,965
– Later than five years	-	-
2. Lease payments recognized in the Profit and Loss Account in Schedule 16	45,464	4,716

**48. Credit Default Swaps**

The Bank does not have any Credit Default Swaps during FY 2019-20. (PY: 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, 2020	March 31, 2019
1	Total amount of intra-group exposures	205,152	103,500
2	Total amount of top-20 intra-group exposures	205,152	103,500
3	Percentage of intra-group exposures to total exposure of the Bank on borrowers/customers	-	-
4	Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	-	-





**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**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:

Particulars	(Rs. in thousand)	
	March 31, 2020	March 31, 2019
Opening balance of amounts transferred to DEAF	4,180	-
Additions on amalgamation by conversion into WOS	-	3,542
Add : Amounts transferred to DEAF during the year	1,265	638
Less : Amounts reimbursed by DEAF towards claims	-	-
Closing balance of amounts transferred to DEAF	5,445	4,180

**51. Unhedged Foreign Currency Exposure**

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

The Bank addresses the currency induced credit risk in a comprehensive manner and the incremental provisioning and capital held by the Bank on account of the same as on 31<sup>st</sup> March 2020 is as follows:

Incremental Capital maintained by the Bank on account of unhedged foreign currency exposure is Nil. (PY: Rs 1,110 thousand).

Unhedged Foreign Currency Exposure provisions for current year:

Incremental standard asset provision required as per RBI guideline	(Rs. in thousand)	
	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	-	-

Unhedged Foreign Currency Exposure provisions for previous year:

Incremental standard asset provision required as per RBI guideline	(Rs. in thousand)	
	Outstanding as on March 31, 2019	Incremental standard advance provision as on March 31, 2019
0 bps	4,963,815	-
20 bps	-	-
40 bps	277,619	1,110
60 bps	-	-
80 bps	-	-



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**52. Liquidity Coverage Ratio**
*(Rs. in thousand)*
**FY 2019-20**

		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)
<b>High Quality Liquid Assets</b>									
1	Total High Quality Liquid Assets (HQLA)		5,977,062		6,356,323		5,800,731		5,975,835
<b>Cash Outflows</b>									
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	<b>TOTAL CASH OUTFLOWS</b>		<b>3,511,794</b>		<b>2,388,025</b>		<b>2,400,088</b>		<b>3,336,043</b>
<b>Cash Inflows</b>									
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	<b>TOTAL CASH INFLOWS</b>	<b>4,870,708</b>	<b>1,747,325</b>	<b>3,747,711</b>	<b>984,649</b>	<b>2,791,870</b>	<b>503,222</b>	<b>2,321,852</b>	<b>579,663</b>
13	<b>TOTAL HQLA</b>		5,977,062		6,356,323		5,800,731		5,975,835
14	<b>TOTAL NET CASH OUTFLOWS</b>		1,764,469		1,403,376		1,896,866		2,756,380
15	<b>LIQUIDITY COVERAGE RATIO (%)</b>		338.75%		452.93%		305.81%		216.80%



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**
**FY 2018-19**

		<b>Dec'18, Jan'19, Feb'19 &amp; Mar'19</b>	
		<b>Total Un weighted Value (average)</b>	<b>Total Weighted Value (average)</b>
<b>High Quality Liquid Assets</b>			
1	Total High Quality Liquid Assets (HQLA)		4,430,964
<b>Cash Outflows</b>			
2	Retail deposits and deposits from small business customers, of which:		
(i)	Stable deposits	-	-
(ii)	Less stable deposits	3,450,257	345,026
3	Unsecured wholesale funding, of which:		
(i)	Operational deposits (all counterparties)	-	-
(ii)	Non-operational deposits (all counterparties)	3,244,539	2,940,693
(iii)	Unsecured debt	-	-
4	Secured wholesale funding		
5	Additional requirements, of which		
(i)	Outflows related to derivative exposures and other	98,350	98,350
(ii)	Outflows related to loss of funding on debt products	-	-
(iii)	Credit and liquidity facilities	708,180	104,561
6	Other contractual funding obligations	783,690	783,690
7	Other contingent funding obligations	354,239	10,627
8	<b>TOTAL CASH OUTFLOWS</b>		4,282,948
<b>Cash Inflows</b>			
9	Secured lending (e.g. reverse repos)	1,439,906	-
10	Inflows from fully performing exposures	416,266	252,596
11	Other cash inflows	1,122,339	967,134
12	<b>TOTAL CASH INFLOWS</b>	2,978,512	1,219,730
13	<b>TOTAL HQLA</b>		4,430,964
14	<b>TOTAL NET CASH OUTFLOWS</b>		3,063,218
15	<b>LIQUIDITY COVERAGE RATIO (%)</b>		144.65

**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 .



**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

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.

**53. Capital Commitment**

Capital Commitment outstanding as on March 31, 2020 amounts to Rs. 66,035 thousand. (PY: Rs. 12,700 thousand).

**54. Fraud**

Particulars	March 31, 2020	March 31, 2019
Number of frauds reported	-	-
Amount involved in frauds	-	-
Provision made	-	-
Unamortised provision debited from 'other reserves'	-	-

**55. Other expenditure:**

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

Particulars	(Rs. in thousand)	
	FY 2019-20	FY 2018-19
Loss on account of cyber fraud	-	396,653
IT expenses	92,241	21,043
Regulatory Penalty	30,000	-

**56. Priority sector lending certificates**

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

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

57. RBI vide its circular dated 18<sup>th</sup> 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 2018-19 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.



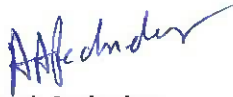
**SCHEDULE FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

58. Previous year's figures have been regrouped / reclassified, wherever considered necessary, in order to make them comparable with figures for the current year. Previous years' figures have been audited by a firm of Chartered Accountants other than M. P. Chitale & Co.

**For M. P. Chitale & Co.**

Chartered Accountants

ICAI Firm Registration Number: 101851W



**Ashutosh Pednekar**

Partner

ICAI Membership No. 041037



**Place: Mumbai**

**Date : June 29, 2020**

**For SBM Bank (India) Limited**



**Mr. Sidharth Rath**

Managing Director &  
Chief Executive Officer



**Mr. Ameet Patel**

Independent Director



**Mr. Talib Lokhandwala**

Chief Financial Officer



**Mrs. Mugdha Merchant**

Company Secretary

