

SOCIÉTÉ GÉNÉRALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES
Annual Accounts
2010 - 2011



HISTORY

Societe Generale was founded in 1864 by public subscription with the aim of financing industrial investments and infrastructure projects.

During the Third Republic, the company progressively built up a nationwide network, and by 1940 had opened a total of 1,500 branches compared with just 32 in 1870.

Following the Franco-Prussian war in 1870, the Alsace_Moselle branches were transferred to a German-law subsidiary, Societe Generale Alsacienne de Banque (Sogénal).

After opening its first foreign office in London in 1871, Societe Generale rapidly developed an international network by extending Sogénal's activities into Central Europe (Germany, Austria, Switzerland, Luxembourg), and by establishing branches in North Africa in 1909-1911 and later in the United States (1940).

Societe Generale was nationalised in 1945, and played an active role in financing post-war construction. It helped to spread new financing techniques (such as medium-term discountable credit, off-balance sheet operations and lease finance).

Following the liberalisation of the French banking system in 1966, Societe Generale diversified its activities and expanded its individual customer base.

It once more became a private banking group following its privatisation in July 1987.

Societe Generale has considerably grown since 1997, thanks to the development of its franchises and also through acquisitions in its businesses in Europe and worldwide.

In Eastern Europe, the Group acquired BRD (Romania) in 1999, Komerční Banka (Czech Republic) in 2001 and purchased a stake in Rosbank (Russia) in 2006. It has since increased this shareholding to 74.9% of Rosbank's capital.

In 2001, Societe Generale absorbed Sogénal.

With the takeover of Crédit du Nord (by acquiring a majority stake in 1997 then buying out its minority shareholders in 2009) and Société Marseillaise de Crédit in 2010, the Group expanded its Retail Banking activity on its domestic market, with a network of regional banks.

PROFILE OF SOCIETE GENERALE

Societe Generale, a public limited company (société anonyme) is the parent Company of the Societe Generale Group.

Societe Generale is one of the leading financial services groups in Europe, operating in 85 countries and employing 155,617 employees of 120 different nationalities. Its largest overseas entities in terms of headcount are in Russia, the Czech Republic, Romania, Egypt, Morocco and Poland.

The Group is organised around five core businesses; French Networks - International Retail Banking - Corporate and Investment Banking - Specialised Financial Services and Insurance - Private Banking, Global Investment Management and Services.

On March 3, 2011, Societe Generale's long-term rating was Aa2 at Moody's, A+ at Fitch and A+ at Standard & Poor's.



**SOCIETE
GENERALE**

SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

**AUDITORS' REPORT ON THE FINANCIAL STATEMENTS UNDER SECTION 30
OF THE BANKING REGULATION ACT, 1949**

1. We have audited the attached balance sheet of Indian Branches of Societe Generale (Incorporated in France as a Public Limited Company) (the 'Indian Branches') as at March 31, 2011 and also the profit and loss account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Indian Branches' management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit of the Indian Branches provides a reasonable basis for our opinion.
3. The balance sheet and profit and loss account are drawn up in conformity with Forms A and B (revised) of the Third Schedule to the Banking Regulation Act, 1949, read with Section 211 of the Companies Act, 1956.
4. We report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory;
 - b) In our opinion, the transactions of the Indian Branches which have come to our notice have been within its powers;
 - c) We have visited both of the Indian Branches for the purpose of our audit;
 - d) In our opinion, proper books of account as required by law have been kept by the Indian Branches so far as appears from our examination of those books;
 - e) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - f) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 insofar as they apply to the Bank;
 - g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required for banking companies, and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. in case of the balance sheet, of the state of the affairs of the Indian Branches as at March 31, 2011;
 - ii. in case of the profit and loss account, of the profit for the year ended on that date; and
 - iii. in case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. Batliboi & Co.
Firm Registration No. 301003E
Chartered Accountants

per Viren H. Mehta
Partner
Membership No.: 048749

Mumbai: 24 June 2011



**SOCIETE
GENERALE**

SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

BALANCE SHEET AS ON 31 MARCH 2011

(Rs. ' 000s)

	Schedule No.	31-Mar-11	31-Mar-10
CAPITAL & LIABILITIES			
Capital	1	2,697,781	2,697,781
Reserves & Surplus	2	1,146,611	936,936
Deposits	3	8,879,624	8,364,979
Borrowings	4	16,724,271	11,009,647
Other Liabilities and Provisions	5	505,822	665,018
TOTAL		29,954,109	23,674,361
ASSETS			
Cash and balances with Reserve Bank of India	6	723,107	492,746
Balances with Banks and Money at Call and Short notice	7	120,270	56,009
Investments	8	20,774,842	17,880,067
Advances	9	6,995,228	4,151,329
Fixed Assets	10	259,881	298,718
Other Assets	11	1,080,781	795,492
TOTAL		29,954,109	23,674,361
Contingent Liabilities	12	1,009,730,279	847,653,902
Bills for Collection		2,143,109	2,253,959
Significant Accounting Policies and Notes to Accounts	17 & 18		
Schedules referred to above form an integral part of the accounts			

As per our attached report of even date

For **S. R. Batliboi & Co.**
Firm Registration No.: 301003E
Chartered Accountants

Sd/-
per **Viren H. Mehta**
Partner
Membership No. 048749

Place : **Mumbai**
Date : **24 June, 2011**

For **Societe Generale – Indian Branches**

Sd/-
S. Menda
Chief Financial Officer - India

Sd/-
A. Pfeiffer
Chief Country Officer - India



**SOCIETE
GENERALE**

SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011

(Rs. ' 000s)

	Schedule No.	Year ended 31-Mar-11	Year ended 31-Mar-10
I. INCOME			
Interest earned	13	1,822,624	1,086,504
Other Income	14	369,557	89,707
TOTAL		2,192,181	1,176,211
II. EXPENDITURE			
Interest Expended	15	1,121,319	441,775
Operating Expenses	16	564,543	623,579
Provisions and Contingencies		296,644	66,926
TOTAL		1,982,506	1,132,280
III. PROFIT/LOSS			
Net Profit/(Loss) for the year		209,675	43,931
Profit/(Loss) brought forward		31,188	250,150
TOTAL		240,863	294,081
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		52,419	10,983
Transfer to Capital Reserve		1,577	—
Transfer (from)/to Investment Reserve Account		(43,060)	29,563
Remitted to H.O. during the year		—	222,347
Transfer to remittable surplus retained for CRAR		31,188	—
Balance carried forward to balance sheet		198,739	31,188
TOTAL		240,863	294,081
Significant Accounting Policies and Notes to Accounts	17&18		
Schedules referred to above form an integral part of the accounts			

As per our attached report of even date

For **S. R. Batliboi & Co.**
Firm Registration No.: 301003E
Chartered Accountants

Sd/-
per **Viren H. Mehta**
Partner
Membership No. 048749

Place : **Mumbai**
Date : **24 June, 2011**

For **Societe Generale – Indian Branches**

Sd/-
S. Menda
Chief Financial Officer - India

Sd/-
A. Pfeiffer
Chief Country Officer - India



SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

(Rs. ' 000s)

	31-Mar-11	31-Mar-10
Cash Flow from Operating Activities		
Net profit before Taxation and Extraordinary Items	353,553	122,055
<u>Adjustments for:</u>		
Depreciation	48,730	49,536
(Profit)/Loss on Sale of Fixed Assets	267	(823)
Addition to/(Write-back of) provision for NPAs	(366)	12,124
Addition to/(Write-back of) General Provision	52,198	39,910
Other Provisions	1,551	5,000
Provision for Investments	99,383	(68,232)
Operating Profit before working capital changes	555,316	159,570
(Increase)/Decrease in Investments (net)	(3,290,518)	(3,264,812)
(Increase)/Decrease in Advances (net)	(2,843,533)	(505,045)
(Increase)/Decrease in Other Assets	(255,372)	890,808
Increase/(Decrease) in Other Liabilities and Provisions	(551,801)	165,595
Increase/(Decrease) in Borrowings (net)	5,714,624	1,818,987
Increase/(Decrease) in Deposits (net)	514,645	118,616
Net Income Taxes (paid)/refund	165,061	43,026
Net Cash Flow generated from/(used in) Operating Activities A	8,422	(573,255)
Cash Flows from Investing Activities		
Purchase of Fixed Assets	(11,924)	(17,095)
Proceeds from Sale of Fixed Assets	1,764	956
Proceeds from maturity of Held to Maturity Investments	296,360	850,437
Net Cash Flow generated from/(used in) Investing Activities B	286,200	834,298
Cash Flow from Financing Activities		
Additional Capital introduced	-	-
Remittance of profit to Head office	-	(222,347)
Net Cash Flow from Financing Activities C	-	(222,347)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	294,622	38,696
Cash and Cash equivalents at the beginning of the year	548,755	510,059
Cash and Cash equivalents at the end of the year	843,377	548,755
Notes: Cash and Cash Equivalents Represent		
Cash and Balances with Reserve Bank of India	723,107	492,746
Balances with Banks and Money at Call and Short Notice	120,270	56,009

As per our attached report of even date

For **S. R. Batliboi & Co.**
Firm Registration No.: 301003E
Chartered Accountants

For **Societe Generale – Indian Branches**

Sd/-
per **Viren H. Mehta**
Partner
Membership No. 048749

Sd/-
S. Menda
Chief Financial Officer - India

Sd/-
A. Pfeiffer
Chief Country Officer - India

Place : Mumbai
Date : 24 June, 2011



SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. ' 000s)

	31-Mar-11	31-Mar-10
SCHEDULE 1 – CAPITAL		
For Banks Incorporated Outside India		
I Capital		
Opening Balance	2,697,781	2,697,781
Additions during the year	–	–
TOTAL	2,697,781	2,697,781
II Face Value of Securities deposited with the Reserve Bank of India u/s 11(2)(b) of the Banking Regulation Act, 1949.	600,000	600,000
SCHEDULE 2 – RESERVES & SURPLUS		
I. Statutory Reserves		
(i) Opening Balance	543,753	532,770
(ii) Additions during the year	52,419	10,983
(iii) Deductions during the year	–	–
TOTAL	596,172	543,753
II. Capital Reserves		
<i>Surplus on Sale of HTM</i>		
<i>Investments</i>		
(i) Opening Balance	–	–
(ii) Additions during the year	1,577	–
TOTAL	1,577	–
III. Remittable Surplus retained for CRAR		
(i) Opening Balance	285,683	285,683
(ii) Additions during the year	31,188	–
(iii) Deductions during the year	–	–
TOTAL	316,871	285,683
IV. Investment Reserve Account		
(i) Opening Balance	76,312	46,749
(ii) Additions / (Deductions) during the year	–	29,563
(iii) Transfer to Profit and Loss account	(43,060)	–
TOTAL	33,252	76,312
V. Balance in Profit and Loss A/c		
Balance carried forward from Profit and Loss Account	198,739	31,188
TOTAL	198,739	31,188
GRAND TOTAL	1,146,611	936,936
SCHEDULE 3 – DEPOSITS		
A. I. Demand Deposits		
(i) From Banks	5,450	5,085
(ii) From Others	728,828	571,311
TOTAL	734,278	576,396
II. Savings Bank Deposits	14,443	123,813
III. Term Deposits		
(i) From Banks	–	–
(ii) From Others	8,130,903	7,664,770
TOTAL	8,130,903	7,664,770
TOTAL (I+II+III)	8,879,624	8,364,979



SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. ' 000s)

	31-Mar-11	31-Mar-10
SCHEDULE 3 – (Contd.)		
B (i) Deposits of Branches in India	8,879,624	8,364,979
B (ii) Deposits of Branches outside India	—	—
TOTAL	8,879,624	8,364,979
SCHEDULE 4 – BORROWINGS		
I. Borrowings in India		
(i) Reserve Bank of India	—	—
(ii) Other Banks	6,844,625	1,150,000
(iii) Other Institutions and Agencies	9,615,473	8,054,667
TOTAL	16,460,098	9,204,667
II. Borrowings outside India	264,173	1,804,980
TOTAL (I+II)	16,724,271	11,009,647
<i>Secured borrowings included in I & II above</i>	9,615,473	8,054,667
SCHEDULE 5 – OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	6,973	8,028
II. Inter-Office Adjustments (net)	55	1,595
III. Interest Accrued	161,175	104,730
IV. Others (including Provisions)*	337,619	550,665
TOTAL	505,822	665,018
* Includes deferred tax liability Rs. Nil (P.Y. Rs. 289)		
SCHEDULE 6 – CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	2,279	1,846
II. Balances with Reserve Bank of India		
(i) in Current Account	720,828	490,900
(ii) in Other Accounts	—	—
TOTAL	720,828	490,900
TOTAL (I+II)	723,107	492,746
SCHEDULE 7 – BALANCES WITH BANKS & MONEY AT CALL AND SHORT NOTICE		
I. In India		
(i) Balances with banks in India		
(a) in Current Accounts	3,229	2,567
(b) in Other Deposit Accounts	—	—
TOTAL	3,229	2,567
(ii) Money at call and short notice		
(a) With banks	—	—
(b) With other institutions	—	—
TOTAL	—	—
TOTAL (i+ii)	3,229	2,567



SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. ' 000s)

	31-Mar-11	31-Mar-10
SCHEDULE 7 (Contd.)		
II. Outside India		
(i) In Current Accounts	117,041	53,442
(ii) In Deposit Accounts	—	—
(iii) Money at Call and Short notice	—	—
TOTAL (i+ii+iii)	117,041	53,442
TOTAL (I+II)	120,270	56,009
SCHEDULE 8 – INVESTMENTS		
1. Investments in India		
(i) Government Securities*	13,620,842	13,621,309
(ii) Other Approved Securities	—	—
(iii) Shares	—	—
(iv) Debentures and Bonds	—	—
(v) Others	7,154,000	4,258,758
	20,774,842	17,880,067
2. Investments outside India	—	—
TOTAL (1+2)	20,774,842	17,880,067
* Includes Securities kept with CCIL as margin for Securities Segment - Rs. 307,947; (P.Y. Rs. 305,581) CCIL as margin for CBLO - Rs. 4,025,789; (P.Y. Rs. 8,595,255) RBI as margin towards RTGS Rs. 2,865,941; (P.Y. Rs. 2,205,901) RBI under section 11(2)(b) of the Banking Regulation Act, 1949 Face Value Rs. 600,000; (P.Y. Rs. 600,000)		
SCHEDULE 9 – ADVANCES		
A. (i) Bills purchased and Discounted	725,191	501,366
(ii) Cash credits, Overdrafts and Loans Repayable on Demand	5,019,435	2,486,815
(iii) Term loans	1,250,602	1,163,148
TOTAL	6,995,228	4,151,329
B. (i) Secured by Tangible Assets	2,518,595	1,773,390
- Includes amounts secured by book debts		
(ii) Covered by Bank/ Govt. Guarantees	1,073,686	1,221,798
(iii) Unsecured	3,402,947	1,156,141
TOTAL	6,995,228	4,151,329
C. I. Advances in India		
(i) Priority Sectors	2,632,814	1,267,840
(ii) Banks	336,830	495,813
(iii) Others	4,025,584	2,387,676
TOTAL	6,995,228	4,151,329
C. II. Advances outside India	—	—
GRAND TOTAL: (C I+C II)	6,995,228	4,151,329



SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. ' 000s)

	31-Mar-11	31-Mar-10
SCHEDULE 10 – FIXED ASSETS		
I. Premises		
At cost as at 31st March of the preceding year	608,552	603,253
Additions during the year	–	5,299
Deductions during the year	(29,655)	–
Depreciation to date	(368,220)	(370,239)
TOTAL	210,677	238,313
II. Other Fixed Assets (including furniture and fixtures)		
At cost as at 31st March of the preceding year	143,425	138,291
Additions during the year	11,924	11,795
Deductions during the year	(7,942)	(6,661)
Depreciation to date	(98,203)	(83,020)
TOTAL	49,204	60,405
TOTAL: (I+II)	259,881	298,718
SCHEDULE 11 – OTHER ASSETS		
I. Inter-Office adjustments (net)	–	–
II. Interest accrued	368,893	418,100
III. Tax paid in advance/tax deducted at source (net)	–	–
IV. Stationery and stamps	22	9
V. Deferred tax asset	29,917	–
VI. Others	681,949	377,383
TOTAL	1,080,781	795,492
SCHEDULE 12 – CONTINGENT LIABILITIES		
I. Claims against the bank not acknowledged as debt	202,707	91,897
II. Liability for partly paid investments	–	–
III. Liability on account of outstanding forward exchange contracts	180,270,283	57,572,281
IV. Liability on account of outstanding derivative contracts	816,046,100	780,598,607
V. Guarantees given on behalf of constituents		
(a) In India	6,455,917	8,812,252
(b) Outside India	–	–
VI. Acceptances, endorsements and other obligations	952,086	578,865
VII Other items for which the bank is contingently liable	5,803,186	–
TOTAL	1,009,730,279	847,653,902



SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

(Rs. ' 000s)

	Year ended 31-Mar-11	Year ended 31-Mar-10
SCHEDULE 13 – INTEREST EARNED		
I. Interest/discount on advances/bills	418,807	296,127
II. Income on investments	1,402,913	784,131
III. Interest on balances with Reserve Bank of India and other inter-bank funds	437	3,529
IV. Others	467	2,717
TOTAL	1,822,624	1,086,504
SCHEDULE - 14 - OTHER INCOME		
I. Commission, exchange and brokerage	185,909	117,104
II. Profit/(Loss) on sale of investments	(142,420)	(42,345)
III. Profit/(Loss) on revaluation of Investments	—	—
IV. Profit/(Loss) on sale of land, buildings and other assets	(267)	823
V. Profit/(Loss) on foreign exchange transactions	(72,686)	72,543
VI. Miscellaneous Income *	399,021	(58,418)
* Includes : 1) Net profit /(loss) on derivative transactions Rs. 326,225; P.Y. Rs. (134,478) 2) Recovery from Network Rs. 70,505; P.Y. Rs. 75,231		
TOTAL	369,557	89,707
SCHEDULE 15 – INTEREST EXPENDED		
I. Interest on Deposits	552,955	381,543
II. Interest on Reserve Bank of India /Inter-bank borrowings	66,453	16,707
III. Others	501,911	43,525
TOTAL	1,121,319	441,775



SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

(Rs. ' 000s)

	Year ended 31-Mar-11	Year ended 31-Mar-10
SCHEDULE 16 – OPERATING EXPENSES		
I. Payments to and Provision for Employees	266,009	335,466
II. Rent, Taxes and Lighting	63,899	97,445
III. Printing and Stationery	2,664	3,140
IV. Advertisement and Publicity Expenses	55	17
V. Depreciation on Bank's Property	48,730	49,536
VI. Directors' Fees, Allowances and Expenses	-	-
VII. Auditor's Fees and Expenses	1,010	907
VIII. Law Charges	744	301
IX. Postage, Telegrams, Telephones etc.	17,551	16,340
X. Repairs and Maintenance	8,765	8,532
XI. Insurance	9,807	9,881
XII. Head Office Charges	24,003	10,257
XIII. Other Expenditure (Refer Schedule 18 Note 10 (v))	121,306	91,757
TOTAL	564,543	623,579

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

All amts in Rs. ' 000s, unless otherwise stated

I. Principal Accounting Policies

1. Background

The accompanying financial statements for the year ended 31 March 2011 comprise the accounts of the Indian branches of Societe Generale, which is incorporated in France as a Public Limited Company. The Indian operations are located in Mumbai and New Delhi.

2. Basis of Preparation and Use of Estimates

The financial statements have been prepared and presented under the historical cost convention and on accrual basis of accounting, unless otherwise stated, and are in accordance with generally accepted accounting principles and statutory provisions prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('RBI') and Accounting Standards ('AS') prescribed by the Companies (Accounting Standards) Rules, 2006 (amended) ('CASR'), to the extent applicable and conform to the statutory requirements prescribed by the RBI from time to time and current practices prevailing within the banking industry in India.

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure

of contingent liabilities as at the date of the financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Any revision to the accounting estimates is recognized prospectively in the current and future period.

3. Significant Accounting Policies

3a. Transactions involving foreign exchange

- Foreign currency assets, liabilities and off balance sheet items are translated at the Balance Sheet date at exchange rates notified by the Foreign Exchange Dealers' Association of India ('FEDAI'). The resulting gains or losses are taken to the Profit and Loss Account.
- Foreign exchange positions are revalued at the rates notified by FEDAI. The resulting gains or losses are recognized in the Profit and Loss Account.
- Income and Expenditure in foreign currency is translated at the exchange rates prevailing on the date of the transaction.
- Contingent liabilities on accounts of guarantees, endorsements and other obligations are stated at the exchange rates notified by FEDAI at the balance sheet date.

3b. Investments

Classification & income recognition

As per the guidelines for investments laid down by the Reserve Bank of India ('RBI'), the investment portfolio of the Bank is classified under "Held to Maturity", "Available for Sale" and "Held for Trading" categories.

Valuation & provisioning

- Treasury Bills and Certificates of Deposit are valued at carrying cost.
- Held to Maturity: Investments under this category are carried at cost of acquisition, adjusted for the premium, which is amortized over the residual maturity of the security.
- Available for Sale & Held for Trading: Investments in both of these categories are valued - at lower of cost of acquisition or market value as declared by Primary Dealers Association of India jointly with Fixed Income Money Market and Derivatives Association ('FIMMDA'). Securities under each category are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net depreciation, if any in aggregate for each classification is recognized in the Profit and Loss Account and net appreciation, if any, is ignored.
- Market value of investments where current quotations are not available is determined as per the norms laid down by the RBI as under:
 - Market value of unquoted Government Securities, where interest is received regularly, is derived by applying a mark-up above the corresponding 'yield to maturity' for Government Securities of equivalent maturity put out by FIMMDA.
 - In case of unquoted bonds and debentures, where interest is received regularly, the market price is derived based on the 'yield to maturity' for Government Securities as suitably marked up for credit risk applicable to the credit rating of the instrument.

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

Provision for non-performing investments is made based on a periodic review of investments as per Bank's policy and after having considered the provisioning guidelines issued by the RBI.

Accounting for Repo/Reverse Repo: In accordance with RBI circular No. IDMD 4135/11.08.43/2009-10 dated 23.03.2010 Repo and Reverse Repo transactions in securities are accounted for as borrowing and lending transactions respectively. The borrowing cost on repo transactions is accounted as Interest Expense and revenue on Reverse Repo transactions is accounted as Interest Income.

Repo and Reverse Repo transactions with the RBI under the Liquidity Adjustment Facility (LAF) are accounted for as secured borrowing and lending transactions.

3c. Advances

Advances are stated net of provisions for non-performing advances. Provisions for non-performing advances have been made based on a periodic review of advances as per the Bank's policy, which comply with the provisioning guidelines issued by the RBI. General loan loss provision on Standard Advances has been made as prescribed by RBI and disclosed in Schedule 5 – "Other liabilities and provisions"

The Bank does not have a policy of creating floating provisions.

3d. Fixed Assets

- Fixed assets are stated at historical cost less accumulated depreciation.
- Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher.

Assets	Rates (SLM)	Schedule XIV Rates
Premises	4.34 %	1.63%
Furniture and Fixtures	10.00 %	6.33%
Office Equipments	14.29%	5.28%
Computers	33.33%	16.21%
Software	25.00%	16.21%
Motor Vehicles	25.00%	9.50%
Leasehold Improvements	Over the life of the lease	6.33%

- (c) Depreciation on improvements to leased premises is based on the primary period of the lease of such premises.
- (d) All fixed assets individually costing less than Rs. 30,000/- are fully charged to the profit and loss account in the year of purchase.

3e. Staff Retirement Benefits

- (a) **Provident Fund**
The Bank has its own recognized Provident fund which is a defined contribution plan. The contributions to the fund are accounted for on an accrual basis and charged to the Profit and Loss account.
- (b) **Gratuity**
The Bank provides for its gratuity liability which is a defined benefit scheme, based on actuarial valuation at the balance sheet date carried out by an independent actuary using the projected unit credit method.
- (c) **Pension**
The Bank has a pension scheme, which is a defined contribution plan for employees participating in the scheme. The contributions are accounted for on an accrual basis and charged to the Profit and Loss Account.
- (d) Short term compensated absences are provided for based on estimates, by charging to the Profit and Loss Account.

3f. Net Profit/(Loss)

The net profit/(loss) disclosed in the Profit and Loss Account is after provisions, if any, for:

- taxes (including deferred tax)
- non-performing advances
- standard assets and derivatives
- diminution in the value of investments
- other necessary provisions

3g. Derivatives

Derivatives consist of Interest rate swaps, Currency swaps and Options which are segregated as trading or hedge transactions. Trading transactions are revalued on the balance sheet date and the unrealized gain/loss on the revaluation is recognized in the Profit and Loss account. Hedge transactions are accounted for on accrual basis.

3h. Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is determined in accordance with the Income-tax Act, 1961 and the rules framed there under. Deferred tax reflects the impact of the timing differences between taxable income and accounting income for the year.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised 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 realised. In situations where the Bank has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty that they can be realised against future taxable profits.

At each Balance Sheet date the Bank re-assesses unrecognised deferred tax assets. It recognizes unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realised. Wealth tax liability is determined in accordance with the provisions of the Wealth Tax Act, 1957.

3i. Revenue Recognition

- (i) Interest income is recognized in the Profit and Loss account as it accrues, except in the case of interest on non-performing assets which is recognized on receipt basis as per income recognition and asset classification norms of RBI.
- (ii) Fee and commission income is recognized when due, except for income on guarantees and letters of credit up to Rs 50,000 are accounted for on receipt basis.
- (iii) Income on discounted instruments is recognized over the tenure of the instrument on a straight line basis.

3j. Lease transactions

Lease of assets under which all the risks and benefits of ownership are actively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Profit and Loss account over the lease term.

3k. Provisions and contingent liabilities

The Bank creates a provision, when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

Contingent assets are not recognized in the financial statements. However contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized.



SOCIETE GENERALE

(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

Schedule 18 – NOTES APPENDED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

All amts in Rs.' 000s, unless otherwise stated

1. Capital:

In terms of the RBI guidelines (New Capital Adequacy Framework (NCAF) dated July 1, 2010, generally referred to as Basel II), the Bank is required to maintain minimum capital which is higher of the minimum capital requirement under Basel II framework or 80% (90% as at March 31, 2010) of the minimum capital requirement under Basel I framework. As at March 31, 2011, the capital funds of the Bank are higher than the minimum capital requirement mentioned above.

The Bank's capital adequacy ratio, calculated in accordance with the RBI guidelines under both Basel I and Basel II frameworks, is as follows:
Rs.' 000s

Particulars	As per Basel I Framework		As per Basel II Framework	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Capital Adequacy				
Tier I	3,582,461	3,516,319	3,582,461	3,516,319
Tier II	141,545	130,856	141,545	130,856
Total Capital	3,724,006	3,647,175	3,724,006	3,647,175
Total Risk weighted assets and contingents	20,064,475	12,438,290	22,938,760	16,014,798
Capital Ratios (%)				
CRAR	18.56%	29.32%	16.23%	22.77%
CRAR - Tier I	17.85%	28.27%	15.62%	21.96%
CRAR - Tier II	0.71%	1.05%	0.62%	0.82%
Amount raised by issue of upper Tier II instruments	-	-	-	-

2. Investments in India

Value of Investments:

Rs.' 000s

	31.03.2011	31.03.2010
Gross value of investments in India*	20,908,509	17,914,351
Provision for depreciation*	133,667	34,284
Net value of investments in India*	20,774,842	17,880,067

* The Bank has not made any investment outside India

Movement in provision for depreciation on investments:

Rs.' 000s

	2010-11	2009-10
Opening Balance at beginning of the year	34,284	102,516
Add: Provisions made during the year	133,667	34,284
Less: Write-off/write-back of excess provisions during the year	34,284	102,516
Closing Balance at end of the year	133,667	34,284

3. Repos and Reverse Repos

(i) Details of Repos and Reverse Repos including Liquidity Adjustment Facility (in face value terms):

Rs.' 000s

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at 31.03.2011
Securities sold under repos				
- Government Securities	972,700	12,982,700	7,630,143	7,630,143
- Corporate Debt Securities	-	-	-	-
Securities purchased under reverse repos				
- Government Securities	-	500,000	4,110	-
- Corporate Debt Securities	-	-	-	-

Rs.' 000s

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at 31.03.2010
Securities sold under repos				
- Government Securities	-	11,080,800	2,326,496	1,620,000
- Corporate Debt Securities	-	-	-	-
Securities purchased under reverse repos				
- Government Securities	-	1,946,100	42,208	-
- Corporate Debt Securities	-	-	-	-



SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

(ii) Up-to March 2010 the Bank accounted for repo and reverse repo transactions as 'sale and purchase transactions'. However, as per RBI circular no. RBI/2009-10 / 356 / DMD / 4135 /110843/2009-10 dated March 23 2010, the Bank started accounting for such transactions as 'borrowing and lending transactions' effective April 1 2010. If the Bank had continued to account the repo and reverse repo transactions as 'sale and purchase' as at 31 March 2011, both "Investments" and "Borrowings" would have been lower by Rs.5,803,186.

4. Non-SLR Investment Portfolio

(i) Issuer Composition of Non SLR investments as at 31.03.2011

Rs.' 000s

No	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' Securities	Extent of 'unrated' Securities	Extent of 'unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	-	-	-	-	-
2	FIs	-	-	-	-	-
3	Banks	7,154,000	-	-	-	7,154,000
4	Private Corporates	-	-	-	-	-
5	Subsidiaries/Joint Ventures	-	-	-	-	-
6	Others*	2,712,215	-	-	-	-
7	Provision held towards depreciation	(7,743)	-	-	-	-
	Total	9,858,472	-	-	-	-

* Includes 6.10% UTI SPL Bonds 2011, 7.44% SPL Oil Bonds 2012 and 7.00% SPL Oil Bonds 2012 which are rated and listed securities. The Bank has not made any investment outside India.

Issuer Composition of Non SLR investments as at 31.03.2010

Rs.' 000s

No	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' Securities	Extent of 'unrated' Securities	Extent of 'unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	-	-	-	-	-
2	FIs	-	-	-	-	-
3	Banks	4,258,758	-	-	-	4,258,758
4	Private Corporates	-	-	-	-	-
5	Subsidiaries/Joint Ventures	-	-	-	-	-
6	Others *	1,216,189	-	-	-	-
7	Provision held towards depreciation	(356)	-	-	-	-
	Total	5,474,591	-	-	-	-

* Includes 6.10% UTI SPL Bonds 2011, 7.44% SPL Oil Bonds 2012 and 7.00% SPL Oil Bonds 2012 which are rated and listed securities. The Bank has not made any investment outside India.

(ii) Non performing Non-SLR Investments: Nil (P.Y. – Nil) and total provision held: Nil (P.Y. – Nil)

5. Derivatives

(i) Forward rate agreements/Interest Rate Swaps outstanding:

Rs.' 000s

Items	31.03.2011	31.03.2010
The Notional principal of swap agreements	811,619,610	777,780,800
Loss which would be incurred if counterparties failed to fulfill their obligations under the agreements	6,130,829	8,074,429
Collateral required by the Bank upon entering into swaps	Note (a)	Note (a)
Concentration of credit risk arising from the swaps %		
– Banks and Financial Institutions	99.38%	99.88%
– Others	0.62%	0.12%
Fair value of the swap book	238,751	(66,948)

(a) As per prevailing market practice, the Bank does not insist on collateral from the counterparties to these contracts.



SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

Nature and terms of interest rate swaps:

Outstanding as at **31.03.2011**:

Nature	No.	Notional principal Rs.' 000s	Terms
Trading Swaps	771	402,450,000	Floating Receivable v/s Fixed Payable linked to NSE MIBOR
Trading Swaps	745	386,025,000	Fixed Receivable v/s Floating Payable linked to NSE MIBOR
Trading Swaps	35	11,850,000	Floating Receivable v/s Fixed Payable linked to 6M MIFOR
Trading Swaps	29	9,600,000	Fixed Receivable v/s Floating Payable linked to 6M MIFOR
Trading Swaps	2	847,305	Floating Receivable v/s Fixed Payable linked to 6M USD LIBOR
Trading Swaps	2	847,305	Fixed Receivable v/s Floating Payable linked to 6M USD LIBOR
	1584	811,619,610	

Outstanding as at **31.03.2010**:

Nature	No.	Notional principal Rs.' 000s	Terms
Trading Swaps	761	384,260,000	Floating Receivable v/s Fixed Payable linked to NSE MIBOR
Trading Swaps	741	366,935,000	Fixed Receivable v/s Floating Payable linked to NSE MIBOR
Trading Swaps	43	12,850,000	Floating Receivable v/s Fixed Payable linked to 6M MIFOR
Trading Swaps	40	11,850,000	Fixed Receivable v/s Floating Payable linked to 6M MIFOR
Trading Swaps	2	942,900	Floating Receivable v/s Fixed Payable linked to 6M USD LIBOR
Trading Swaps	2	942,900	Fixed Receivable v/s Floating Payable linked to 6M USD LIBOR
	1,589	777,780,800	

Nature and terms of forward rate agreements:

Outstanding as at **31.03.2011**: Nil (P.Y. Nil)

(ii) Risk Exposure in Derivatives:

Qualitative Disclosures

The Bank undertakes transactions in Derivatives, namely, Foreign exchange forward contracts, Interest rate swaps, Options, Currency interest rate swaps within the limits approved.

There is a clear segregation of duties between the front and back offices and each function independently.

The global risk management systems of the Societe Generale group are adopted by the Indian branches for both market and credit risk. The monitoring of these risks is undertaken by the Banks Regional Office.

Accounting policy: All outstanding derivative transactions are recorded as Off-Balance Sheet items. The trading positions are Marked to market on a daily basis whereas for hedge deals are recorded on accrual basis.

Quantitative Disclosure as at 31.03.2011:

		Rs.' 000s	
S. No.	Particulars	Currency Derivatives#	Interest Rate Derivatives
1	Derivatives (Notional Principal amount)		
	a) For hedging	-	-
	b) For trading	184,696,755	811,619,610
2	Marked to Market Positions		
	a) Assets (+)		238,751
	b) Liability (-)	381,00	
3	Credit Exposure	7,660,067	12,154,793
4	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives	-	-
	b) on trading derivatives	(49,140)	303,870
5	Maximum of 100*PV01 observed during the year		
	a) on hedging	-	-
	b) on Trading	(209)	548,896
6	Minimum of 100*PV01 observed during the year		
	a) on hedging	-	-
	b) on Trading	(50,384)	55,852



SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

Quantitative Disclosure as at 31.03.2010:

Rs.' 000s

S. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
1	Derivatives (Notional Principal amount)		
	a) For hedging	-	-
	b) For trading	60,390,089	777,780,800
2	Marked to Market Positions		
	a) Assets (+)	-	-
	b) Liability (-)	(203,592)	(66,948)
3	Credit Exposure	2,874,545	14,186,203
4	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives	-	-
	b) on trading derivatives	(4,056)	311,929
5	Maximum of 100*PV01 observed during the year		
	a) on hedging	-	-
	b) on Trading	2,238	430,080
6	Minimum of 100*PV01 observed during the year		
	a) on hedging	-	-
	b) on Trading	(12,269)	64,618

Currency derivatives include forward foreign exchange contracts.

(iii) Exchange Traded Interest Rate Derivatives:

S. No.	Particulars	31.03.2011	31.03.2010
1	Notional principal amount of exchange traded interest rate derivatives undertaken during the year.	-	-
2	Notional principal amount of exchange traded interest rate derivatives outstanding at the end of the year.	-	-
3	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective".	-	-
4	Mark to market value of exchange traded interest rate derivatives outstanding and not "highly effective".	-	-

6. Asset Quality

(i) Non-Performing Assets

Rs.' 000s

Particulars	2010-11	2009-10
Net NPAs to Net Advances (%)		
Gross Non-Performing Advances		
Opening Balance at beginning of the year	12,124	-
Additions during the year	-	12,124
Less: Amounts recovered	366	-
Less: Amounts written off	-	-
Closing Balance at end of the year	11,758	12,124
Provisions for Non-Performing Advances (excluding provision for standard assets)		
Opening Balance at beginning of the year	12,124	-
Add: Provisions made during the year	-	12,124
Less: Write-off/write-back of excess provisions during the year	366	-
Closing Balance at end of the year	11,758	12,124
Net Non-Performing Advances		
Opening Balance at beginning of the year	-	-
Additions during the year	-	-
Less: Amounts recovered	-	-
Less: Amounts written off	-	-
Closing Balance at end of the year	-	-

(ii) Particulars of Accounts Restructured

No standard/sub-standard assets were subject to restructuring (including corporate debt restructuring) during the year (P.Y. – Nil)

(iii) Details of financial assets sold to Securitization/Reconstruction Company for Asset Reconstruction

No financial assets have been sold to Securitization/Reconstruction Company for Asset Reconstruction during the year (P.Y. – Nil)

(iv) Details of non-performing financial assets purchased/sold

No non-performing financial assets have been purchased/sold from other banks during the year (P.Y. – Nil)



SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

(v) Provision on Standard Assets (Advances) and Derivatives

	Rs.' 000s	
	31.03.2011	31.03.2010
Standard Assets	27,981	16,605
Credit Exposure on Derivatives	78,761	37,939
TOTAL	106,742	54,544

7. Business Ratios:

Particulars	2010-11	2009-10
Interest Income as a percentage to Working Funds**	6.93%	8.06%
Non-Interest Income as a percentage to Working Funds**	1.41%	0.63%
Operating profit as a percentage to Working Funds**	1.93%	0.78%
Return on assets \$	0.80%	0.31%
Business per employee (INR 000s)#@	186,837	109,854
Profit per employee (INR 000s)#	2,467	385

** Working Funds represents the average of total assets as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949.

\$ Net profit as a percentage to working funds # Productivity ratios are based on average employee numbers.

@ Business means total of advances and deposits, excluding interbank deposits

8. Asset Liability Management

Maturity Pattern of certain items of assets and liabilities as at 31.03.2011

Maturity Pattern of certain items of assets and liabilities as at 31.03.2011									Rs.' 000s
	1-14 Days	15-28 Days	29-Days- 3 Months	Over 3 Months to 6 Months	Over 6 Months to 12 Months	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Loans and Advances	559,958	558,888	907,973	630,866	467,074	3,581,584	263,342	25,543	6,995,228
Investment Securities	10,011,861	596,009	947,156	516,816	1,406,676	6,146,300	356,340	793,684	20,774,842
Deposits	832,275	2,460,251	3,946,474	363,012	794,214	469,236	14,162	-	8,879,624
Borrowings	16,724,271	-	-	-	-	-	-	-	16,724,271
Foreign Currency Assets	620,241	204,622	778,954	432,632	330,449	-	-	-	2,366,898
Foreign Currency Liabilities	3,988,809	-	16,673	5,026	-	-	-	-	4,010,507

Maturity Pattern of certain items of assets and liabilities as at 31.03.2010

Maturity Pattern of certain items of assets and liabilities as at 31.03.2010									Rs.' 000s
	1-14 Days	15-28 Days	29-Days- 3 Months	Over 3 Months to 6 Months	Over 6 Months to 12 Months	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Loans and Advances	879,134	54,720	1,316,592	758,429	539,464	505,760	-	97,230	4,151,329
Investment Securities	13,286,229	1,620,165	177,125	142,305	69,975	2,584,266	2	-	17,880,067
Deposits	3,844,866	1,402,423	1,087,408	841,257	430,522	758,493	10	-	8,364,979
Borrowings	11,009,647	-	-	-	-	-	-	-	11,009,647
Foreign Currency Assets	373,034	-	31,535	173,898	-	-	-	-	578,467
Foreign Currency Liabilities	1,945,635	-	3,171	52,739	-	-	-	-	2,001,545

Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI. Maturity profile of foreign currency assets and liabilities is excluding off-Balance Sheet transactions.

9. Exposures

(i) Exposure to Real Estate Sector

	Rs.' 000s	
Category	31.03.2011	31.03.2010
a) Direct exposure:		
(i) Residential mortgages	-	-
(ii) Commercial real estate	-	-
(iii) Investments in mortgage backed securities (MBS) and other securitised 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)	-	450,000
Total Real Estate Exposure	-	450,000



SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

(ii) Exposure to Capital Market

Rs.' 000s

No	Particulars	31.03.2011	31.03.2010
1	Direct investments made 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	-	-
2	Advances against shares, bonds, debentures or other securities or on clean basis to individuals for investment in equity shares (including IPO's/ESOPS), convertible bonds or convertible debentures, units of equity oriented mutual funds	-	-
3	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	700	700
4	Advances for any other purposes to the extent secured by 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	-	-
5	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	100,000	400,000
6	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	-	-
7	Bridge loans to companies against expected equity flows/issues	-	-
8	Underwriting commitments taken up in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
9	Financing to stockbrokers for margin trading	-	-
10	All exposures to venture capital funds (both registered and unregistered) deemed to be on par with equity and hence reckoned for capital market exposure.	-	-
	Total Exposure to Capital Market	100,700	400,700

(iii) Country Risk Exposure

Rs.' 000s

Risk Category	Exposure (net) as at 31.03.2011	Provision held as at 31.03.2011	Exposure (net) as at 31.03.2010	Provision held as at 31.03.2010
Insignificant	836,049	1,551	354,160	-
Low	562,111	-	-	-
Moderate	318,470	-	1,942	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	1,716,630	1,551	356,102	-

(iv) Disclosure on Single/Group Borrower Limits:

During the year, the Bank's credit exposures to single borrowers and group borrowers were within the limits prescribed by Reserve Bank of India except in the cases mentioned below where the single borrower limits were exceeded. The Bank had relevant approvals for the said excess in respect of these exposures, which were within the ceiling of 20% of capital funds.

Rs.' 000s

Name of the Borrower	Exposure Ceiling	Limit Sanctioned	% of Capital Funds	Exposure as on 31 March 2011
ALD Automotive Private Limited	547,076	650,000	17.82%	650,000
EGIS India Consulting Engineering Private Limited	547,076	623,888	17.11%	623,888
HCL Comnet Systems & Services Limited	547,076	600,000	16.45%	600,000
HCL Infosystems Limited	547,076	600,000	16.45%	600,000
TECHNIP KT India Limited	547,076	600,000	16.45%	600,000

(v) Unsecured Advances

There are no advances which are secured by intangible security (P.Y. Nil)



SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

(vi) Provisioning Coverage Ratio

Rs.' 000s

	As at 31.03.2011	Gross NPA	Specific Provision	Ratio
1	Sub standard advances	-	-	-
2	Doubtful Advances	-	-	-
	--<1 year	-	-	-
	--1-3 years	-	-	-
	-->3 years	-	-	-
3	Advances classified as Loss Assets	11,758	11,758	100%
4	Total	11,758	11,758	100%
5	Floating Provisions for Advances	-	-	-
6	DICGC/ECGC claims received and held pending against adjustment	-	-	-
7	Part payment received and kept in Suspense account or any other similar account	-	-	-
8	Total	-	-	-
9	Provision Coverage Ratio	100%	100%	100%

Rs.' 000s

	As at 31.03.2010	Gross NPA	Specific Provision	Ratio
1	Sub standard advances	-	-	-
2	Doubtful Advances	-	-	-
	--<1 year	-	-	-
	--1-3 years	-	-	-
	-->3 years	-	-	-
3	Advances classified as Loss Assets	12,124	12,124	100%
4	Total	12,124	12,124	100%
5	Floating Provisions for Advances	-	-	-
6	DICGC/ECGC claims received and held pending against adjustment	-	-	-
7	Part payment received and kept in Suspense account or any other similar account	-	-	-
8	Total	-	-	-
9	Provision Coverage Ratio	100%	100%	100%

(vii) Concentration of Deposits, Advances, Exposures and NPAs

(a) Concentration of Deposits

Rs.' 000s

	31.03.2011	31.03.2010
Total deposits of twenty largest depositors	8,679,711	8,109,978
% of deposits of twenty largest depositors to total deposits	97.75%	96.95%

Concentration of Advances*

Rs.' 000s

	31.03.2011	31.03.2010
Total advances to twenty largest borrowers	10,000,250	8,873,770
% of advances of twenty largest borrowers to total advances	67.29%	85.56%

* Advances computed based on definition of Credit Exposure including derivatives as per Master Circular on Exposure Norms DBOD.No.Dir.BC.14/13.03.00/2010-11 dated July 1, 2010

(b) Concentration of Exposures**

Rs.' 000s

	31.03.2011	31.03.2010
Total exposure to twenty largest borrowers/customers	10,000,250	8,873,770
% of exposures to twenty largest borrowers/customers to total advances	67.29%	85.56%

** Exposures computed based on credit and investment exposure as prescribed in Master Circular on Exposure Norms DBOD.No.Dir.BC.14/13.03.00/2010-11 dated July 1, 2010



SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

(c) Concentration of NPAs

Rs.' 000s

	31.03.2011	31.03.2010
Total exposure to top four NPA accounts	11,758	12,124

(d) Sector Wise NPAs

Sr. No	Sector	% of NPAs to total advance in that sector-31.03.2011	% of NPAs to total advance in that sector-31.03.2010
1	Agriculture & allied activities	-	-
2	Industry (Micro & small, medium and large)	0.17%	0.29%
3	Services	-	-
4	Personal Loans	-	-

(e) Movement of NPAs

Rs.' 000s

Particulars	31.03.2011	31.03.2010
Gross NPAs – Opening Balance	12,124	-
Additions during the year	-	12,124
Sub-total (A)	12,124	12,124
Less:		
-- Upgradations	-	-
-- Recoveries (excl'd. recoveries from upgraded accounts)	366	Nil
-- Write Offs	Nil	Nil
Sub-total (B)	366	Nil
Gross NPAs-Closing Balance	11,758	12,124

(f) Overseas Assets, NPAs and Revenue

Rs.' 000s

Particulars	31.03.2011	31.03.2010
Total Assets	-	-
Total NPAs	-	-
Total Revenues	-	-

(g) Off balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)-Domestic and Overseas: Nil (P.Y. Nil)

10. Miscellaneous

(i) Amount of provisions made for Income-Tax during the year

Rs.' 000s

Particulars	2010-2011	2009-2010
- Current tax expense	174,000	47,000
- Deferred tax expense/(benefit)	(30,206)	31,013
- Wealth tax	84	111
TOTAL	143,878	78,124

(ii) Disclosure of Penalties imposed by RBI

No penalties were levied by Reserve Bank of India under section 46 (4) of the Banking Regulation Act, 1949 during the year. (P.Y. Nil)

(iii) Bancassurance Business

Rs.' 000s

Nature of Income	2010-2011	2009-2010
Selling life insurance policies	483	615
Selling non life insurance policies	-	-
Selling mutual fund products	19,216	28,041
Others (to be specified)	-	-

(iv) Subordinated Debt:

The bank has not raised any subordinated debt during the year nor is there any previous subordinated debt outstanding on the books as at 31 March 2011 (P.Y. Nil)

11. Disclosure Requirement as per Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI)
(i) Employee Benefits- AS15

Provident Fund: The contribution to the employee's provident fund amounted to Rs. 7,555 for the year ended 31 March 2011 (P.Y. – Rs. 8,557)

Pension Fund: The contribution to the employee's pension fund amounted to Rs. 6,641 for the year ended 31 March 2011 (P.Y. – Rs. 4,225)

Gratuity: The bank's gratuity scheme is managed by Life Insurance Corporation of India Ltd. Based on an actuarial valuation the insurance company claims the difference between the present value of the gratuity obligation and the fund value. The following tables give the disclosure regarding the gratuity scheme in accordance with AS 15 (R).

Rs.' 000s

Reconciliation of Defined Benefit Obligations	2010-11	2009-10
Present Value of the Obligation at the beginning of the year	26,319	26,308
Interest cost	2,866	2,225
Current service cost	2,148	3,699
Benefits paid	(2,489)	(6,426)
Actuarial loss on obligations	2,311	514
Present Value of the Obligation at the end of the year	31,155	26,319

Reconciliation of Fair Value of Plan Assets	2010-11	2009-10
Fair Value Plan Assets at the beginning of the year	19,545	19,093
Expected return on Plan Assets	1,543	1,530
Employer's contribution	5,672	5,210
Benefits paid	(2,489)	(6,426)
Actuarial gain/(loss) on obligations	387	138
Assets distributed on settlements	-	-
Fair Value Plan Assets at the end of the year	24,658	19,545

Amount to be recognized in Balance Sheet	2010-11	2009-10
Present Value of funded obligations	31,155	26,319
Fair value of Plan Assets	(24,658)	(19,545)
Present Value of unfunded obligations	-	-
Unrecognized past service cost	-	-
Amt not recognized as an asset	-	-
Net Asset/Liability in Balance sheet under "Other Assets/Other Liabilities and Provisions"	6,497	6,774

Amount to be recognized in Profit and Loss Account	2010-11	2009-10
Current service cost	2,866	3,699
Interest on defined benefit obligation	2,148	2,225
Expected Return on Plan Assets	(1,543)	(1,530)
Net Actuarial losses/(gains) recognized during the year	1,924	376
Past service cost	-	-
Total expense recognized in the Profit & Loss Account under "Payments to and Provision for Employees"	5,395	4,770
Actual Return on Plan Assets	1,929	1,668

Asset Information	2010-11	2009-10
Government of India Securities	0%	0%
Corporate Bonds	0%	0%
Special Deposit Scheme	0%	0%
Equity Shares of Listed Companies	0%	0%
Property	0%	0%
Insurer Managed Funds-%	100%	100%
Insurer Managed Funds-INR	24,658	19,545



SOCIETE GENERALE
(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

Rs.' 000s

Experience Adjustments #	2010-11	2009-10	2008-09
Defined Benefit Obligation	31,155	26,319	26,308
Plan Assets	24,648	19,545	19,093
Surplus/(Deficit)	(6,497)	(6,774)	(7,215)
Exp. Adj. on plan liabilities	(254)	514	-
Exp. Adj. on plan assets	387	138	-

Experience Adjustments information is not available for 2007-08

Summary of Principle Actuarial Assumptions	2010-11	2009-10
Discount Rate (p.a.)	8.04%	7.75%
Expected rate of return on assets (p.a.)	7.50%	7.50%
Salary Escalation rate (p.a.) (for first 5 years)	10.00%	7.00%
Salary Escalation rate (p.a.) (beyond 5 years)	7.00%	7.00%
Mortality rate	LIC (1994-1996)	LIC (1994-1996)

Leave Encashment: The Bank charged an amount of Rs. 4,590 as liability for leave encashment for the year ended 31 March, 2011 (P.Y. Rs. 1,591)

(ii) Segment Reporting- AS17

- The Bank in India operates as a single unit and there are no identifiable geographical segments.
- The Bank has classified its business into the following segments, namely:
 - Treasury – primarily comprising of trading in forex, bonds, government securities and derivative.
 - Commercial banking – comprising of Corporate Banking, Trade Finance and Private Banking.
 - Others – comprising investment of Capital and recoveries from the SG network
- Segment revenues stated below are aggregate of Schedule 13 – Interest income and Schedule 14 – Other income after considering the net inter-segment fund transfer pricing.
- Segment result is net of expenses both directly attributable as well as allocated costs of support functions.
- Segment assets and liabilities include the respective amounts directly attributable to each of the segments

Rs.' 000s

Business Segments/ Particulars	Treasury		Other Banking operations		Residual Operations		Total	
	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10
Gross Revenue	1,302,190	488,674	578,579	412,126	311,412	275,413	2,192,181	1,176,213
Intersegment Revenue	(276,335)	(131,295)	258,677	118,593	17,658	12,702	-	-
Segment Revenue	1,025,855	357,379	837,256	530,719	329,070	288,115	2,192,181	1,176,213
Unallocated Revenue	-	-	-	-	-	-	-	-
Results	154,755	110,816	(10,754)	(163,149)	220,668	211,648	364,668	159,314
Unallocated Expenses	-	-	-	-	-	-	11,115	37,259
Operating Profit	-	-	-	-	-	-	353,553	122,055
Income Tax	-	-	-	-	-	-	(143,878)	(78,124)
Extraordinary Profit/Loss	-	-	-	-	-	-	-	-
Net profit	-	-	-	-	-	-	209,675	43,931
OTHER INFORMATION								
Segment Assets	19,319,973	16,028,054	7,070,839	4,294,596	3,427,434	3,054,440	29,818,246	23,377,090
Unallocated assets	-	-	-	-	-	-	135,863	297,271
Total Assets	-	-	-	-	-	-	29,954,109	23,674,361
Segment Liabilities	17,026,822	11,454,243	8,969,328	8,516,921	3,645,653	3,365,216	29,641,804	23,336,380
Unallocated Liabilities	-	-	-	-	-	-	312,305	337,981
Total Liabilities	-	-	-	-	-	-	29,954,109	23,674,361

(iii) Related Party Disclosures- AS18

- The transactions of the Bank with related parties in terms of Accounting Standard 18 on “Related Party Disclosures” notified under the Companies (Accounting Standards) Rules, 2006 and the related guidelines issued by RBI are detailed below except where there is only one entity/ person in any category of related parties.



SOCIETE GENERALE

(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

(b) The details of related parties are as under:

Parent

Société Générale, France - Head Office and its branches:

The Bank has considered transactions between itself and its Parent and other branches of the Parent as 'one entity' and accordingly as per the guidance on compliance with the accounting standards by banks issued by the Reserve Bank of India, has not disclosed details pertaining to them.

Subsidiaries/Joint ventures of the parent (with whom the Bank has transactions during the year)

1. ALD Automotive Pvt Ltd
2. Credit Du Nord
3. BFV-SG
4. BRD -Groupe SG
5. Family Credit Ltd
6. Société Générale Banka Srbija AD
7. Société Générale de Banques en Cote d'Ivoire
8. National Société Générale Bank
9. Rosbank
10. Société Générale de Banques Au Sénégal
11. Société Générale Cyprus
12. SG Asia Holding (India) P Ltd
13. SG Global Solution Centre Pvt Ltd
14. SG Hambros Trust Ltd
15. Société Générale Marocaine de Banques
16. SG Wealth Management Solution Pvt Ltd
17. Société Générale De Banque Jordanie
18. Société Générale Algérie
19. Societe Generale (China) Ltd.
20. SG Bank And Trust Singapore
21. Splitska Bank
22. Union Intl De Banque, Tunis
23. SG Banques Agence, Ivory coast
24. Newedge Broker India Pvt Ltd
25. SBI-SG Global Securities Services Pvt Ltd
26. SBI Funds Management Pvt. Ltd

Key Management Personnel:

Alain Pfeiffer – Chief Country Officer – India

Disclosure in respect of transactions with subsidiaries of Head Office:

Rs.' 000s

Particulars	31.03.2011	Maximum Outstanding during the year	31.03.2010	Maximum Outstanding during the year
Deposits	4,486,407	10,354,806	5,236,079	7,056,305
Advances	394,135	898,716	295,548	493,849
Non-Funded Commitments	1,439,758	5,054,762	4,472,581	4,970,201
Other Assets	24,927	46,512	18,389	43,306
Other Liabilities	-	-	-	-

Rs.' 000s

Particulars	2010-11	2009-10
Interest paid	292,939	179,610
Interest received	21,492	27,850
Rendering of Services*	86,642	88,373
Receipt of Services	7,781	2,726

* includes fee income on Non-funded Commitments and Foreign Exchange transactions

(iv) Lease Accounting- AS 19:

- (a) Nature of Lease – Operating Lease for motor cars, office premises and residential premises for staff
- (b) Minimum Lease Payments over the non-cancelable period of the lease: Rs. 11,275 (P.Y. 16,500)



SOCIETE GENERALE

(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

Rs.' 000s

	2010-11	2009-10
Upto 1 year	8,325	7,800
1-5 years	3,000	8,700
Above 5 years	-	-
TOTAL	11,325	16,500

- (c) Lease payments recognized in the Profit and Loss Account during the year: Rs. 52,814 (P.Y. Rs. 77,074)
- (d) The lease agreements do not have any undue restrictive or onerous clauses other than those normally prevalent in similar agreements regarding use of assets, lease escalation clauses, renewals and a restriction on sub-leases.

(v) Taxes on Income-AS 22

Components of deferred tax liability (net) as included in Schedule 5 – “Other Liabilities and Provisions” as at 31 March, 2011 are given below:

Rs.' 000s

Particulars	31.03.2011	31.03.2010
Deferred Tax Asset		
- Accumulated Losses	-	-
- Provision for doubtful debts	21,497	-
- Amortization of Premium on HTM Securities	5,624	1,461
- Provision for employee benefits	18,452	20,184
Deferred Tax Liability		
- Fixed Assets	15,656	21,934
Net Deferred Tax (Liability)/Asset	29,917	(289)

(vi) Intangible assets- AS26

Rs.' 000s

Application Software	31.03.2011	31.03.2010
At cost as at 31st March of the preceding year	12,111	10,883
Additions during the year	6,933	1,228
Deductions during the year	(1,683)	-
Depreciation to date	(9,610)	(8,131)
TOTAL:	7,751	3,980

(vii) Capital Commitments

Rs.' 000s

Capital Commitments	31.03.2011	31.03.2010
Estimated amount of contracts remaining to be executed on capital account and not provided for.	28,957	-

12. Additional Disclosures

(i) Termination Benefits

Payments to and provision for employees includes Rs. 4,502 (P.Y. 8,330) towards termination benefits.

(ii) Employee Stock Options

Société Generale (Parent) provides its employees worldwide the opportunity to become shareholders of the company on preferential terms as part of the annual capital increase reserved for the employees. All eligible employees can participate in the “International Group Savings Plan” and subscribe to Societe Generale shares within their individual entitlement during the limited period of subscription.

The preferential terms includes a discount to the reference price and a “Employers Matching Contribution” upto the specified limit per employee. Payments to and provision for employees includes Rs. 1,145 (P.Y. Rs. 3,411) towards this scheme. There is no future liability in respect of this scheme.

(iii) Provisions and Contingencies:

Description of Contingent Liabilities

Claims against the Bank not acknowledged as debt

These represent various legal claims filed against the Bank in its normal course of business. It also includes claims/demands raised by Income tax authorities, which are disputed by the Bank.



SOCIETE GENERALE

(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

Liability on account of forward exchange and derivative contracts

The Bank enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps, interest rate swaps and interest rate options on its own account and for customers. The notional amounts that are recorded as contingent liabilities form the basis for the calculation of the interest component on the contracts where applicable.

Guarantees given on behalf of constituents, Acceptances, Endorsements and other obligations

As a part of its normal banking activities the Bank issues documentary credit and guarantees on behalf of its customers.

Provisions and Contingencies recognized in the profit and loss account include:

Rs.' 000s

PROVISIONS AND CONTINGENCIES	2010-11	2009-10
I. Taxation Charge	143,878	78,124
- Current tax expense	174,000	47,000
- Deferred tax expense/ (benefit)	(30,206)	31,013
- Wealth tax	84	111
II. Provision / (Write back) for loan losses	(366)	12,124
III. Provision for Standard Assets	52,198	39,909
IV. Write-off of Bad Debts	-	-
V. Provision for depreciation on Investments	99,383	(68,231)
VI. Others	1,551	5,000
TOTAL	296,644	66,926

(iv) Floating Provisions: Nil (P.Y. Nil)

(v) Draw down from Reserves:

The Bank has drawn-down Investment Reserve of Rs. 43,060 during the year (P.Y. Nil).

(vi) Disclosure of Complaints:

Analysis and Disclosure of complaints – Disclosure of complaints/unimplemented awards of Banking Ombudsmen.

Customer Complaints	2010-11	2009-10
a) No. of complaints pending at the beginning of the year	1	1
b) No. of complaints received during the year	1	2
c) No. of complaints redressed received during the year	2	2
d) No. of complaints pending at the end of the year	0	1

Awards passed by the Banking Ombudsman	2010-11	2009-10
a) No. of unimplemented awards at the beginning of the year	-	-
b) No. of awards passed by the Banking Ombudsmen during the year	-	-
c) No. of awards implemented during the year	-	-
d) No. of unimplemented awards at the end of the year	-	-

(vii) Disclosure of Letters of Comfort:

The Bank has not issued any Letter of Comfort regarding their subsidiaries during the year. The assessed cumulative financial obligation under the Letters of Comfort issued and outstanding is Nil. (P.Y. Nil)

(viii) Previous year's figures have been regrouped or rearranged, wherever necessary, to conform to current year's presentation.

For Societe Generale – Indian Branches

S. MENDA
Chief Financial Officer

A. PFEIFFER
Chief Country Officer-India

Place: Mumbai
Date: 24 June, 2011