

**INDEPENDENT AUDITOR'S REPORT****TO THE APEX COMMITTEE,  
SOCIETE GENERALE – INDIAN BRANCHES****Report on audit of the Financial Statements****Opinion**

1. We have audited the accompanying financial statements of **Societe Generale – Indian Branches** (“the Bank”), which comprise the Balance Sheet as at 31st March 2019, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 in the manner so required for banking companies and are in conformity with accounting principles generally accepted in India and give a true and fair view of the state of affairs of the Bank as at 31st March 2019, and its profit and its cash flows for the year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information other than financial statements and auditor’s report thereon**

4. The Bank’s Apex Committee is responsible for the other information. The other information obtained at the date of this auditor’s report is information included in the Basel III Pillar 3 disclosures but does not include the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover such other information and we do not express any form of assurance conclusion thereon.
5. Our responsibility in connection with the audit of the financial statements is to read the other information and in doing so, examine if the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our examination, we conclude that there is material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

6. The Bank’s Apex Committee is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013, provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India (‘RBI’) from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Bank’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Bank’s Apex Committee is also responsible for overseeing the Bank’s financial reporting process.

**Auditor’s Responsibilities for the audit of the Financial Statements**

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of Apex Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

11. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013.
12. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
- (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
  - (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
  - (c) During the course of our audit we have performed select relevant procedures at one branch. Since the Bank's key operations are automated, with the key application largely integrated to the core banking systems, it does not require its branches to submit any financial returns. Accordingly, our audit is carried out centrally at the Head Office, based on the necessary records and data required for the purpose of the audit being made available to us.
13. Further, as required by section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
  - c) the financial accounting systems of the Bank are centralized and therefore, accounting returns for the purpose of preparation of financial statement are not required to be submitted by the branches
  - d) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - e) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
  - f) the requirements of section 164(2) of the Companies Act, 2013 are not applicable considering the Bank is a branch of Societe Generale, which is incorporated with limited liability in France;
  - g) with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
  - h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Schedule 12 and Note 23 (iii) of Schedule 18 to the financial statements;
    - ii. the Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts - Refer Note 6 of Schedule 18 to the financial statements;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.
    - iv. with respect to the matter to be included in the Auditor's Report under section 197(16), the requirements of Section 197 of the Companies Act, 2013 are not applicable considering the Bank is a branch of Societe Generale, which is incorporated in France.

For and on behalf of  
**A. P. Sanzgiri & Co.**  
*Chartered Accountants*  
Firm Regn. No. 116293W

**Mehul Shah**  
Partner  
(Membership No. 100909)

**Place: Mumbai**  
**Date: June 11, 2019**

**Annexure A to the Independent Auditor's report of even date on the financial statements of Societe Generale–  
Indian Branches****Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013**

1. We have audited the internal financial controls over financial reporting of **Societe Generale– Indian Branches** ('the Bank') as at 31 March 2019 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

**Management's Responsibility for Internal Financial Controls over Financial Reporting**

2. The Bank's Apex Committee is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our auditing accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

6. A bank's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A bank's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For and on behalf of  
**A. P. Sanzgiri & Co.**  
Chartered Accountants  
Firm Regn. No. 116293W

**Mehul Shah**  
Partner  
(Membership No. 100909)

**Place: Mumbai**  
**Date: June 11, 2019**



# SOCIETE GENERALE

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

### INDIAN BRANCHES

#### BALANCE SHEET AS ON MARCH 31, 2019

#### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019

BALANCE SHEET AS ON MARCH 31, 2019			PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019		
₹ (000's)			₹ (000's)		
Schedule	As at March 31, 2019	As at March 31, 2018	Schedule	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
<b>CAPITAL &amp; LIABILITIES</b>			<b>I. INCOME</b>		
Capital	14,493,748	7,826,968	Interest Earned	3,071,316	2,536,269
Reserves and Surplus	2,718,960	2,663,887	Other Income	1,065,046	857,851
Deposits	23,121,395	26,951,622		<b>4,136,362</b>	<b>3,394,120</b>
Borrowings	6,295,314	8,643,140	<b>II. EXPENDITURE</b>		
Other Liabilities and Provisions	24,297,698	7,478,907	Interest Expended	1,845,202	1,247,410
<b>TOTAL</b>	<b>70,927,115</b>	<b>53,564,524</b>	Operating Expenses	1,277,397	1,177,156
			Provisions and Contingencies	958,689	795,713
				<b>4,081,288</b>	<b>3,220,279</b>
<b>ASSETS</b>			<b>III. PROFIT</b>		
Cash and Balances with Reserve Bank of India	1,705,698	2,089,947	Net Profit/(Loss) for the year	55,074	173,841
Balances with Banks and Money at Call and Short Notice	4,302,683	2,513,292	Profit/(Loss) brought forward	172,975	47,437
Investments	22,400,038	13,436,364		<b>228,049</b>	<b>221,278</b>
Advances	14,949,858	27,200,757	<b>IV. APPROPRIATIONS</b>		
Fixed Assets	552,328	623,001	Transfer to Statutory Reserve	13,769	43,460
Other Assets	27,016,510	7,701,163	Transfer to Capital Reserve	10,953	4,843
<b>TOTAL</b>	<b>70,927,115</b>	<b>53,564,524</b>	Transfer to Investment Fluctuation Account	18,712	–
			Remittance to H.O. during the year	–	–
Contingent Liabilities	1,746,156,400	1,062,196,828	Transfer to surplus retained for Capital Adequacy (CRAR)	–	–
Bills for Collection	2,220,105	3,031,576	Balance carried over to Balance Sheet	184,615	172,975
Significant Accounting Policies and Notes to Accounts	17&18			<b>228,049</b>	<b>221,278</b>
<i>Schedules referred to herein form an integral part of the Financial Statements.</i>			<i>Schedules referred to above form an integral part of the accounts</i>		

As per our attached report of even date

For Societe Generale – Indian Branches

For A.P. Sanzgiri & Co.,  
Chartered Accountants  
Firm Registration No. 116293W

Antoine Castel  
Chief Executive and Chief Country Officer - India

Mehul Shah  
Partner  
Membership No. 100909

Ashok Krishnamoorthy  
Chief Operating and Chief Financial Officer - India

Place : Mumbai  
Date : June 11, 2019

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019**

₹ (000's)

Particulars		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
<b>Cash Flow from Operating Activities</b>			
Net Profit as per Profit and Loss Statement		55,074	173,841
Add: Income Tax Provision		482,753	431,067
Add: Deferred Tax (Asset)/Liability		(378,705)	(172,978)
<b>Net profit before taxation and extraordinary items</b>		<b>159,122</b>	<b>431,930</b>
<b>Adjustments for:</b>			
Depreciation on Fixed Assets		85,147	84,424
(Profit)/Loss on sale of fixed assets (including write-off)		1,280	8,006
Interest paid on sub-ordinated debt during the year		84,725	80,523
Addition to/(Write-back) of provision for Loan Losses		859,712	175,000
Addition to/(Write-back) of Standard Assets		85,978	(53,426)
Provision on Country Risk		(4,501)	(7,490)
Provision for Unhedged Foreign Currency Exposure		(726)	(1,160)
Provision for Sundry Assets (Net of Write back)		(7,733)	3,532
Other Losses/write-offs		-	239,000
Provision for Large Exposure		(19,711)	19,711
Provision for Stressed Assets		(6,782)	6,929
Provision on Investments		(51,596)	155,528
<b>Operating profit before working capital changes</b>		<b>1,184,913</b>	<b>1,142,507</b>
(Increase)/Decrease in Investments		(9,262,078)	(102,894)
(Increase)/Decrease in Advances		11,391,186	(8,643,269)
(Increase)/Decrease in Other Assets		(18,995,866)	(3,443,533)
Increase/(Decrease) in Deposits		(3,830,227)	9,059,330
Increase/(Decrease) in Other Liabilities & Provisions		16,772,267	1,968,004
Income taxes (paid)/received		(424,985)	353,923
<b>Net Cash Flow generated from Operating Activities</b>	<b>A</b>	<b>(3,164,788)</b>	<b>334,068</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets		(17,624)	(54,374)
Proceeds from sale of fixed assets		3,324	151
Proceeds from maturity of Held to Maturity Investments		350,000	250,000
<b>Net Cash Flow generated from Investing Activities</b>	<b>B</b>	<b>335,700</b>	<b>195,777</b>
<b>Cash flows from financing activities</b>			
Effect of exchange fluctuation on sub-ordinated debt		(3,717,145)	529,690
Interest paid on sub-ordinated debt during the year		(84,725)	(80,523)
Fresh capital infusion		6,666,780	-
Increase/(Decrease) in Borrowings other than Sub-ordinated debt		1,369,319	2,193,013
<b>Net Cash Flow generated used in Financing Activities</b>	<b>C</b>	<b>4,234,230</b>	<b>2,642,180</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>1,405,142</b>	<b>3,172,025</b>
Cash and Cash equivalents at the beginning of the year		4,603,239	1,431,214
<b>Cash and Cash equivalents at the end of the year</b>		<b>6,008,381</b>	<b>4,603,239</b>
Notes: Cash and Cash Equivalents represent			
Cash and Balances with Reserve Bank of India (As per Schedule 6)		1,705,698	2,089,947
Balances with Banks & Money at Call and Short Notice (As per Schedule 7)		4,302,683	2,513,292
		<b>6,008,381</b>	<b>4,603,239</b>
Significant Accounting Policies and Notes to Accounts	<b>17 &amp; 18</b>		
Schedules referred to herein form an integral part of the Financial Statements.			

As per our attached report of even date

 For **A.P. Sanzgiri & Co.,**  
Chartered Accountants  
Firm Registration No. 116293W

**Mehul Shah**  
Partner  
Membership No. 100909

**Place : Mumbai**  
**Date : June 11, 2019**

 For **Societe Generale – Indian Branches**
**Antoine Castel**  
Chief Executive and Chief Country Officer - India

**Ashok Krishnamoorthy**  
Chief Operating and Chief Financial Officer - India

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2019**

	₹ (000's)		₹ (000's)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>SCHEDULE 1 – CAPITAL</b>				
(i) Amount brought in by Bank by way of Capital				
As per Last Balance Sheet	7,826,968	7,826,968		
Add: Capital infusion during the year from the Head Office	6,666,780	–		
<b>Total</b>	<b>14,493,748</b>	<b>7,826,968</b>		
(ii) Amount of deposit kept with the Reserve Bank of India under section 11(2)(b) of the Banking Regulation Act, 1949	1,300,000	1,250,000		
<b>SCHEDULE 2 – RESERVES &amp; SURPLUS</b>				
<b>I STATUTORY RESERVE</b>				
As per Last Balance Sheet	1,127,816	1,084,356		
Add: Transfer from Profit & Loss Account	13,769	43,460		
	<b>1,141,584</b>	<b>1,127,816</b>		
<b>II CAPITAL RESERVE</b>				
As per Last Balance Sheet	253,258	248,415		
Add: Transfer from Profit & Loss Account	10,953	4,843		
	<b>264,211</b>	<b>253,258</b>		
<b>III SURPLUS RETAINED FOR CAPITAL ADEQUACY (CRAR)</b>				
As per Last Balance Sheet	1,018,465	1,018,465		
Add: Transfer from Profit & Loss Account	–	–		
	<b>1,018,465</b>	<b>1,018,465</b>		
<b>IV INVESTMENT RESERVE ACCOUNT (IRA)</b>				
As per Last Balance Sheet	91,373	91,373		
Add: Transfer from Profit & Loss Account	–	–		
	<b>91,373</b>	<b>91,373</b>		
<b>V INVESTMENT FLUCTUATION ACCOUNT (IFR)</b>				
As per Last Balance Sheet	–	–		
Add: Transfer from Profit & Loss Account	18,712	–		
	<b>18,712</b>	<b>–</b>		
<b>VI BALANCE IN PROFIT AND LOSS ACCOUNT</b>				
Balance carried forward from Profit and Loss Account	184,615	172,975		
<b>Total</b>	<b>2,718,960</b>	<b>2,663,887</b>		
<b>SCHEDULE 3 – DEPOSITS</b>				
<b>A. I Demand Deposits</b>				
(i) From Banks	16,709	17,131		
(ii) From Others	1,563,052	2,649,022		
	<b>1,579,761</b>	<b>2,666,153</b>		
<b>II Savings Bank Deposits</b>	34,097	3,354		
<b>III Term Deposits</b>				
(i) From Banks	–	–		
(ii) From Others	21,507,537	24,282,115		
	<b>21,507,537</b>	<b>24,282,115</b>		
<b>Total</b>	<b>23,121,395</b>	<b>26,951,622</b>		
<b>B</b>				
(i) Deposits of Branches in India	23,121,395	26,951,622		
(ii) Deposits of branches outside India	–	–		
<b>Total</b>	<b>23,121,395</b>	<b>26,951,622</b>		
<b>SCHEDULE 4 – BORROWINGS</b>				
<b>I Borrowings in India</b>				
(i) Reserve Bank of India	–	–		
(ii) Other Banks	–	–		
(iii) Other institutions and agencies	6,295,314	3,198,857		
	<b>6,295,314</b>	<b>3,198,857</b>		
<b>II Borrowings outside India</b>				
(i) Subordinated Debt from Head Office	–	3,717,145		
(ii) Other Banks	–	1,727,138		
	–	<b>5,444,283</b>		
<b>Total (I+II)</b>	<b>6,295,314</b>	<b>8,643,140</b>		
Secured borrowings included in I & II above	6,295,314	3,198,857		
<b>SCHEDULE 5 – OTHER LIABILITIES AND PROVISIONS</b>				
<b>I Bills Payable</b>	3,202	837		
<b>II Inter-Office Adjustment (Net)</b>	–	–		
<b>III Interest Accrued</b>	191,086	168,164		
<b>IV Provision for standard assets (this also includes provision for Diminution in Fair value of ₹134,246 (PY 148,188) &amp; stressed standard assets of ₹160,109 (PY ₹140,778))</b>	639,090	553,113		
<b>V Deferred Tax Liability (Net)</b>	–	–		
<b>VI Others (including provisions)</b>	23,464,320	6,756,793		
<b>Total</b>	<b>24,297,698</b>	<b>7,478,907</b>		
<b>SCHEDULE 6 – CASH AND BALANCES WITH RESERVE BANK OF INDIA</b>				
<b>I Cash in hand (including foreign currency notes)</b>	152	151		
<b>II Balances with Reserve Bank of India</b>				
(i) In Current Account	1,705,546	2,089,796		
(ii) In Other Account	–	–		
<b>Total (I+II)</b>	<b>1,705,698</b>	<b>2,089,947</b>		
<b>SCHEDULE 7 – BALANCES WITH BANKS &amp; MONEY AT CALL AND SHORT NOTICE</b>				
<b>I In India</b>				
(i) Balances with Banks				
(a) In Current Account	110	800		
(b) In Other Deposit Account	–	–		
(ii) Money at Call and Short Notice				
(a) With Banks (including LAF with RBI)	3,600,000	1,600,000		
(b) With Other Institutions	–	–		
	<b>3,600,110</b>	<b>1,600,800</b>		
<b>II Outside India</b>				
(i) In Current Account	176,995	912,492		
(ii) In Other Deposit Accounts	–	–		
(iii) Money at Call and Short Notice	525,578	–		
	<b>702,573</b>	<b>912,492</b>		
<b>Total (I+II)</b>	<b>4,302,683</b>	<b>2,513,292</b>		



**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2019**

		₹ (000's)		₹ (000's)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	
<b>SCHEDULE 8 – INVESTMENTS</b>			<b>SCHEDULE 10 (Contd.)</b>		
<b>I Investments in India in</b>			<b>I.b Asset held for sale/disposal</b>		
(i) Government securities (*)	21,742,191	12,791,501	At book value	–	–
(ii) Other approved securities	–	–	At cost as per last Balance Sheet	–	–
(iii) Shares	–	–	Additions during the year	–	–
(iv) Debentures and bonds	657,847	644,863	Deductions during the year	–	–
(v) Subsidiaries/Joint Ventures	–	–		–	–
(vi) Others	–	–	Depreciation to date	–	–
	<b>22,400,038</b>	<b>13,436,364</b>	Beginning of the year	–	–
<b>II Investments outside India</b>	–	–	Additions during the year	–	–
	<b>22,400,038</b>	<b>13,436,364</b>	Deductions during the year	–	–
<b>III Investments in India</b>				–	–
Gross Value	22,574,836	13,662,758	<b>Total (I)</b>	<b>485,501</b>	<b>518,639</b>
Less:- Provision on Investments	(174,798)	(226,394)	<b>II Other fixed assets</b>		
<b>Net Value</b>	<b>22,400,038</b>	<b>13,436,364</b>	(including Furniture and Fixtures)		
			At book value		
			Beginning of the year	809,280	772,022
			Additions during the year	16,168	44,940
			Deductions during the year	(129,707)	(7,682)
				<b>695,741</b>	<b>809,280</b>
			Depreciation to date		
			Beginning of the year	704,918	659,592
			Additions during the year	52,009	49,129
			Deductions during the year	(126,557)	(3,803)
				<b>630,370</b>	<b>704,918</b>
			<b>Total (II)</b>	<b>65,371</b>	<b>104,362</b>
			<b>III Capital work in progress</b>	1,456	–
			<b>Total</b>	<b>552,328</b>	<b>623,001</b>
			<b>SCHEDULE 11 – OTHER ASSETS</b>		
			<b>I Inter-Office Adjustment (Net)</b>	–	–
			<b>II Interest accrued</b>	447,504	255,635
			<b>III Tax paid in advance/tax deducted</b>		
			at source (net of provisions)	207,827	33,666
			<b>IV Deferred Tax Assets (Net)</b>	600,008	221,303
			<b>V Stationery and stamps</b>	8	103
			<b>VI Others</b>	25,761,163	7,190,456
			<b>Total</b>	<b>27,016,510</b>	<b>7,701,163</b>
			<b>SCHEDULE 12 – CONTINGENT</b>		
			<b>LIABILITIES (refer note 18.23.iii)</b>		
			<b>I Claims against the bank not</b>		
			acknowledged as debts	–	13,100
			<b>II Liability for partly paid investments</b>	–	–
			<b>III Liabilities on account of outstanding</b>		
			forward exchange contracts	424,998,253	257,649,479
			<b>IV Liabilities on account of</b>		
			outstanding derivative contracts	1,287,347,483	772,643,687
			<b>V Guarantees given on behalf</b>		
			of constituents		
			(a) In India	22,034,256	23,560,840
			(b) Outside India	–	–
			<b>VI Acceptances, endorsements</b>		
			and other obligations	4,708,670	4,582,598
			<b>VII Other items for which the Banks</b>		
			is contingently liable	7,067,738	3,747,124
			<b>Total</b>	<b>1,746,156,400</b>	<b>1,062,196,828</b>

\* includes Securities kept with CCIL as margin for securities segment of book value of ₹4,191,116 (P. Y. BV ₹617,275); for CBLO segment book value of NIL (P. Y. BV ₹1,155,870); for securities under triparty repo book value of ₹6,287,804 ; for Forex segment book value of ₹217,493 (P. Y. BV ₹132,572); for repo borrowing book value of ₹ NIL (P. Y. ₹2,163,764) and with RBI under section 11(2)(b)(ii) of Banking Regulation Act, 1949 of Face Value of ₹1,300,000 (P. Y. Face Value ₹ 1,250,000).

**SCHEDULE 9 – ADVANCES**

<b>A</b>		
(i) Bills purchased and discounted	1,141,403	5,304,096
(ii) Cash credits, Overdrafts & Loans	12,838,455	20,494,161
(iii) Term Loans	970,000	1,402,500
<b>Total</b>	<b>14,949,858</b>	<b>27,200,757</b>
<b>B</b>		
(i) Secured by tangible assets*	2,673,393	8,345,330
(ii) Covered by Bank/ Government Guarantees	1,141,403	4,390,340
(iii) Unsecured	11,135,062	14,465,087
*includes advances against book debts		
<b>Total</b>	<b>14,949,858</b>	<b>27,200,757</b>
<b>C</b>		
<b>I Advances in India</b>		
(i) Priority Sector	3,895,768	7,664,911
(ii) Public Sector	–	–
(iii) Banks	–	2,734,989
(iv) Others	11,054,090	16,800,857
<b>Sub-total</b>	<b>14,949,858</b>	<b>27,200,757</b>
<b>II Advances outside India</b>	–	–
<b>Sub-total</b>	–	–
<b>Total</b>	<b>14,949,858</b>	<b>27,200,757</b>

**SCHEDULE 10 – FIXED ASSETS**

<b>I.a Premises</b>		
At book value		
Beginning of the year	618,243	661,085
Additions during the year	–	9,434
Deductions during the year	–	(52,276)
	<b>618,243</b>	<b>618,243</b>
Depreciation to date		
Beginning of the year	99,604	112,308
Additions during the year	33,138	35,295
Deductions during the year	–	(47,999)
	<b>132,742</b>	<b>99,604</b>



**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

	₹ (000's)			₹ (000's)	
	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
<b>SCHEDULE 13 – INTEREST EARNED</b>			<b>SCHEDULE 15 – INTEREST EXPENDED</b>		
I Interest/Discount on Advances/Bills	1,680,800	1,497,304	I Interest on Deposits	1,388,431	995,334
II Income on Investments	1,279,992	1,019,081	II Interest on Reserve Bank of India/Inter-bank borrowings	212,196	196,499
III Interest on balance with Reserve Bank of India and other inter-bank funds	23,771	7,627	III Others	244,575	55,577
IV Others	86,753	12,257	<b>Total</b>	<b>1,845,202</b>	<b>1,247,410</b>
<b>Total</b>	<b>3,071,316</b>	<b>2,536,269</b>	<b>SCHEDULE 16 – OPERATING EXPENSES</b>		
<b>SCHEDULE 14 – OTHER INCOME</b>			I Payment to and provisions for employees	543,103	514,967
I Commission, Exchange and Brokerage	387,041	353,728	II Rent, Taxes and Lighting	23,137	43,079
II Profit/(Loss) on sale of Investments (net)	44,643	21,800	III Printing and Stationery	2,314	2,619
III Profit/(Loss) on sale of assets (net)	(1,280)	(8,006)	IV Advertisement and Publicity	9,766	7,248
IV Profit/(Loss) on Foreign Exchange Transactions (net)	291,066	106,070	V Depreciation on Bank's Property	85,147	84,424
V Income earned by way of dividends, etc. from subsidiaries, companies, joint venture abroad/ in India	–	–	VI Directors' Fees, Allowances and Expenses	–	–
VI Profit/(Loss) on Derivative Transactions (net)	279,960	184,791	VII Auditors' Fees and Expenses	2,289	2,071
VII Miscellaneous Income (refer note 18.23.xvii)	63,616	199,468	VIII Law Charges	3,139	3,147
<b>Total</b>	<b>1,065,046</b>	<b>857,851</b>	IX Postage, Telegrams, Telephones etc.	4,421	25,359
			X Repairs and Maintenance	50,082	51,902
			XI Insurance	29,859	21,162
			XII Head Office Charges	115,227	166,265
			XIII Intra-Group Service Fee	115,439	54,984
			XIV Inter-unit recharges	105,561	106,613
			XV Fee paid for Priority Sector Lending Certificates	29,177	8,268
			XVI CSR Expenditure	(163)	20
			XVII Other Expenditure (refer note 18.21.iv)	158,899	85,028
			<b>Total</b>	<b>1,277,397</b>	<b>1,177,156</b>

**Schedule 17- SIGNIFICANT ACCOUNTING POLICIES**

**I Principal Accounting Policies**

**1. Background**

The accompanying financial statements for the year ended 31st March 2019 comprise the accounts of the Indian branches of Societe Generale ('The Bank'), which is incorporated in France as a Public Limited Company. The Indian operations are in Mumbai, New Delhi, Sanand and Chengalpattu with Mumbai being the headquarters.

The Apex Committee is supreme governing body of the Bank. The members of the Apex Committee comprise:

- Chief Executive Officer
- Chief Operating Officer
- Chief Financial Officer
- Chief Risk Officer
- Head – Corporate Banking
- Head – Treasury (Fixed Income and Sales)
- Head – Trade Finance (TRA and PCM)
- Head – Internal Audit
- Head – HR
- Head – Legal
- Head – Compliance
- Head – Communications
- Head – Credit
- Head – Operations
- Head – Operational Risk
- Head – IT

**2. Basis of Preparation**

The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated and are in accordance with Generally Accepted Accounting Principles in India ('GAAP'), statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time, Accounting Standards ('AS') specified under Section 133 of the Companies Act, 2013, in so far as they apply to banks and current practices prevailing within the banking industry in India.

**3. Use of estimates**

The preparation of the financial statements requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities (including contingent liabilities) as at the date of the financial statements, revenues and expenses during the period. Management believes that the estimates used in preparation of financial statements are prudent and reasonable and 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 current and future periods.



**4. Significant Accounting Policies****4a. Transactions involving foreign exchange**

- (a) Foreign currency monetary assets, liabilities are translated at the Balance Sheet date at exchange rates notified by the FEDAI. The resulting gains or losses are accounted in the Profit and Loss Account.
- (b) Forward foreign exchange contracts are revalued FEDAI rates for specified maturity discounted to present value based on the future cash flows. The resulting gains or losses are recognized in the Profit and Loss Account.
- (c) Income and expenditure in foreign currency is translated at the exchange rates prevailing on the date of the transaction.
- (d) Monetary assets and liabilities, contingent liabilities on accounts of guarantees, endorsements and other obligations denominated in foreign currencies are stated at the exchange rates notified by FEDAI at the Balance Sheet date.

**4b. 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 as on the date of purchase under "Held to Maturity", "Available for Sale" and "Held for Trading" categories. The Bank follows settlement date accounting for its investments.

Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the Profit and Loss Account. Cost of investments is computed based on the First-In-First-Out (FIFO) method.

Profit/loss on sale of investments in the 'Held to Maturity' category is recognised in the Profit and Loss Account and Profit is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve.

Profit/loss on sale of investments in 'Available for Sale' and 'Held for Trading' categories is recognised in the Profit and Loss Account.

Broken period interest (the amount of interest from the previous interest payment date till the date of purchase/sale of instruments) on debt instruments is treated as a revenue item.

Provision for non-performing investments and investment subjected to prudential norms 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.

**Basis of classification**

Investments that are held principally for resale within 90 days from the date of purchase are classified under HFT category. Investments which the Bank intends to hold till maturity are classified as HTM securities. Investments in the equity of subsidiaries/joint ventures are categorised as HTM/AFS in accordance with the RBI guidelines. Investments which are not classified in the above categories are classified under AFS category.

**Short Sale**

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is reflected as the amount received on sale and is classified under 'Other Liabilities'. The short position is marked to market and loss, if any, is charged to the Profit and Loss Account while gain, if any, is ignored. Profit/Loss on settlement of the short position is recognised in the Profit and Loss Account.

**Valuation & provisioning**

- a) Treasury Bills, Commercial Paper and Certificates of Deposit being discounted instruments, are valued at carrying cost.
- b) 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. Any diminution, other than temporary, in the value of such securities is provided for.
- c) Available for Sale & Held for Trading: Investments in both categories are valued at lower of cost of acquisition or market value as declared by Financial Benchmark India Private Limited ('FBIL'). 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. Except in cases where provision for diminution other than temporary is created, the book value of the individual securities is not changed as a result of periodic valuations.
- d) Quoted investments are valued based on prices declared by Primary Dealers Association of India jointly with FBIL periodically and the price list of RBI. Quoted equity shares are valued at their closing price on a recognized stock exchange. Unquoted equity shares are valued at the break-up value if the latest balance sheet is available, else, at Rs. 1 per company, as per relevant RBI guidelines.
- e) The market/ fair value of unquoted government securities included in the AFS and HFT category is determined as per the prices published by FBIL. Further, in the case of unquoted bonds, debentures, pass through certificates (other than priority sector) and preference shares, valuation is carried out by applying an appropriate mark-up (reflecting associated credit risk) over the Yield to Maturity ('YTM') rates of government securities. Such mark up and YTM rates applied are as per the relevant rates published by FIMMDA/FBIL.

**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.

**Accounting for Repo/Reverse Repo:** Repo and Reverse Repo transactions in securities (including Borrowing/Lending under Liquidity Adjustment Facility) are accounted for as collateralized 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.

**4c. Advances**

Advances are classified as performing and non-performing advances ('NPAs') based on the RBI guidelines and are stated net of bills rediscounted, specific provisions, interest in suspense for non-performing advances, claims received from Export Credit Guarantee Corporation, provisions for funded interest term loan classified as non-performing advances and provisions in lieu of diminution in the fair value of restructured assets. Also, NPAs are classified into sub-standard, doubtful and loss assets. Unrealised Interest on NPAs is transferred to an interest suspense account and not recognised in the Profit and Loss Account.

Provisions for non-performing advances are made based on a periodic review of advances as per the Bank's policy, which comply with the provisioning guidelines issued by the RBI. Specific loan loss provision in respect of non-performing advances is charged to the Profit and Loss Account. Any recoveries made by the Bank in case of NPAs written off are recognized in the Profit and Loss Account.

In addition to the above, the Bank on a prudential basis makes provisions on advances or exposures which are not NPAs, but has reasons to believe on the basis of the extant environment or specific information or basis regulatory guidance/instructions, of a possible slippage of a specific advance or a group of advances or exposures or potential exposures. These are classified as contingent provisions and included under other liabilities.

In accordance with RBI guidelines and prudential provisioning norms, the Bank has provided general provision on standard assets including credit exposures computed as per the current marked to market values of interest rate and foreign exchange derivative contracts at levels stipulated by RBI from time to time and disclosed in Schedule 5 – "Other liabilities and provisions".

Further to the provisions required to be held according to the asset classification status, provisions are held for individual country exposures (other than for home country exposure). Countries are categorised into risk categories as per Export Credit Guarantee Corporation of India Ltd. ('ECGC') guidelines and provisioning is done in respect of that country where the net funded exposure is one percent or more of the Bank's total assets.

For entities with Unhedged Foreign Currency Exposure (UFCE), provision is made in accordance with the guidelines issued by RBI, which requires to ascertain the amount of UFCE, estimate the extent of likely loss and estimate the riskiness of un-hedged position. This provision is classified under Schedule 5 – Other Liabilities in the balance sheet.

For Large exposure provision, Bank follow provisioning guidelines given in circular RBI/2016-17/50 DBR.BP.BC.No.8/21.01.003/2016-17 dated 25-Aug-2016.

For Stressed sector provision, Bank follows provisioning guidelines given in circular DBR.No.BP.BC.64/21.04.048/2016-17 dated 18-Apr-2017. The Bank does not have a policy of creating floating provisions.

#### 4d. **Fixed Assets**

- (a) Fixed assets are stated at historical cost less accumulated depreciation /amortisation and adjusted for impairment, if any. Cost includes cost of purchase inclusive of freight, duties, incidental expenses and all expenditure like site preparation, installation costs and professional fees incurred on the asset before it is ready to be put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit/functioning capability from/of such assets.
- (b) Depreciation is provided using the Straight-Line Method as per the useful lives of the assets estimated by the management, or at the useful life prescribed under part "C" of schedule II of the Companies Act, 2013 whichever is lower. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in schedule II to the companies Act, 2013 except in respect of the premises, software and motor vehicle in which case the life of the assets has been assessed as under based on the nature of the assets, estimated usage of the asset.

Assets	Useful Life	Schedule II
Premises	23 years	60 years
Improvement to own premises	10 years	
Furniture and Fixtures	10 years	10 years
Office Equipments	5 years	5 years
Computers	3 years	3 years
Software	4 years	6 years
Motor Vehicles	4 years	8 years
Leasehold Improvements	Over the life of the lease	

- (c) Depreciation on improvements to leased premises is based on the primary period of the lease of such premises.
- (d) All fixed assets purchased in a block of 10 or less and individually costing less than Rs. 35,000/- are fully charged to the Profit and Loss Account in the year of purchase.
- (e) Profit on sale of premises, if any, is transferred to Capital Reserve as per the RBI guidelines.
- (f) Fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the profit and loss statement.

#### 4e. **Staff Retirement Benefits**

##### (a) **Provident Fund**

The eligible employees of the Bank are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Bank make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' basic salary), which is recognised as an expense in the Profit and Loss Account during the period. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Bank. The Bank is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year incurred.

##### (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. The actuarial gains or losses arising during the year are recognized in the Profit and Loss Account and are not deferred. The Bank makes contribution to a Gratuity Fund administered by trustees and managed by a life insurance company.

##### (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.

The Bank received an approval from the Office of the Principal Commissioner of Income Tax (Governing Authority) for the following amendments to the pension scheme:

- i. Eligibility criteria for all employees changed from 5 (five) years to 1 (one) year;
- ii. To offer a one-time option to all existing employees to opt out of the SG India Pension Fund.

SG India Pension fund will pay the corpus for each of the employee who opted out from the pension fund. The current pension contribution is towards the employees who have not opted out from the pension fund.

##### (d) Short term compensated absences are provided for based on estimates, by charging to the Profit and Loss Account.

##### (e) **Long Service Awards**

The Bank provides lump sum benefits linked to final eligible salary after completing each 5 years of service. The detailed actuarial valuation of the present value of the defined benefit obligations may be made at the interval not exceeding three years. However, with a view that the amount recognized in the financial statement do not differ materially from the amount that would be determined at the balance sheet date, the most recent valuation is reviewed at the balance sheet date and updated to reflect any material transactions and other material changes in circumstances (including changes in interest rate) between the date of valuation and the balance sheet date. The fair value of any plan assets is determined at each balance sheet date.

#### 4f. **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

**4g. Derivatives**

Notional amounts of derivative transactions comprising of forwards, swaps, futures and options are disclosed as off Balance Sheet exposures. The Bank recognises all derivative contracts (other than those designated as hedges) at fair value, on the date on which the derivative contracts are entered into and are re-measured at fair value as at the Balance Sheet or reporting dates. Changes in the fair value of derivatives other than those designated as hedges are recognised in the Profit and Loss Account.

All notional amounts of outstanding derivative transactions are recorded as Off-Balance Sheet items. The trading positions are Mark to market on a daily basis whereas hedge deals are recorded on accrual basis.

MTM receivables and payables are disclosed in the Financial Statements on a gross basis in other assets & other liabilities respectively.

Option contracts are marked to market using market values after considering the premium received or paid. The profit or loss on revaluation is recorded in the Profit and Loss Account and corresponding asset or liability is shown under Other assets or Other Liabilities. Premium received or Premium paid is recognized in the Profit and Loss Account upon expiry or exercise of the option.

**4h. 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 thereunder. Deferred tax adjustments comprise of changes in the deferred tax assets and liabilities. 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, supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date the Bank re-assesses unrecognised deferred tax assets. It recognizes previously 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.

**4i. 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 and restructured accounts. Interest on non-performing assets and accounts restructured as per prevailing guidelines on date of restructuring is recognized as per the prudential norms of RBI and applicable guidelines.

(ii) Commission received on guarantees and letters of credit issued is amortised on a straight-line basis over the period of the contract.

(iii) Loan processing fee is recognized as income when due.

(iv) Income on discounted instruments is recognized over the tenure of the instrument on a straight-line basis.

(v) Other fee and commission are recognized as and when they become due and a binding obligation to receive fees has arisen.

**4j. 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 on a straight line basis over the lease term.

**4k. Provisions, contingent liabilities and contingent assets**

The Bank estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available up to the date on which the financial statements are prepared. A provision is recognised when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted and are determined based on management estimates of amounts required to settle the obligation at the Balance Sheet date, supplemented by experience of similar transactions. These are reviewed at each Balance Sheet date and adjusted to reflect the current management 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 in the financial statements. In case of remote possibility neither provision nor disclosure is made in the financial statements. The Bank does not account for or disclose contingent assets, if any.

Provisions for onerous contract are recognized when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting the future obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognizes any impairment loss on the asset associated with that contract.

**4l. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice (including the effect of changes in exchange rates on cash and cash equivalents in foreign currency).

**4m. Impairment**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. Impairment loss, if any, is provided in the Profit and Loss Account to the extent of carrying amount of assets exceeds their estimated recoverable amount.

**4n. Segment Information**

The disclosure relating to segment information is in accordance with the guidelines issued by RBI.

**4o. Societe Generale has policy of allocating certain costs incurred centrally by Head Office, subsidiaries and branches based on group cost allocation methodology. A brief description of the costs is as follows:**

**IT & Other support services:** These allocated costs include various IT & other support services provided by the Head Office along-with its' regional offices. These costs are recorded as intra-group costs in the Profit and Loss Account.

**Corporate Support Function:** These costs include certain corporate function such as administrative services (planning, co-ordination, budgetary control, financial advises etc.), financial services (supervision of solvency, capital increases, management of refinancing) and assistance in the fields of recruiting, training, marketing and strategic planning, etc. These costs are booked as Head-Office charges in the Profit and Loss Account.

**Inter-unit recharges:** Expense paid for Non-Financial services (eg: group reporting, vendor payments, IT support, HR support and Backoffice support etc.) off-shored to shared service unit is reported under Inter-unit recharge category and booked in Profit and Loss Account.

**Schedule 18 - NOTES APPENDED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**
*All amounts in ₹ '000s, unless otherwise stated*
**1. Internal Controls Over Financial Reporting**

The Apex Committee of the Bank certifies that it has laid down the internal financial controls to be followed by the Bank and that such controls are adequate and were operating effectively.

**2. Capital:**

The Bank's capital adequacy ratio computed under Basel III is given below:

**₹ '000s**

Sr. No.	Particulars	March 31, 2019	March 31, 2018
i)	Common Equity Tier I Capital (%)	15.86%	12.83%
ii)	Tier I Capital (%)	15.86%	12.83%
iii)	Tier II Capital (%)	0.73%	5.66%
iv)	Total CRAR %	16.59%	18.49%
v)	Percentage of the shareholding of the Government of India	—	—
vi)	Amount of Tier I capital	16,306,009	9,957,797
vii)	Amount of Additional Tier I capital	—	—
viii)	Amount of Tier II Capital of which		
	— Subordinated Debt from Head Office	—	3,717,145
	— Others	751,167	678,198
	Amount of Tier II Capital	751,167	4,395,343
(ix)	<b>Total Capital</b>	<b>17,057,176</b>	<b>14,353,140</b>
(x)	<b>Total Risk weighted Assets</b>	<b>102,806,896</b>	<b>77,614,471</b>

**Subordinated Debt:**
**₹ '000s**

Particulars	March 31, 2019	March 31, 2018
EUR 46 million for a period of 10 years	—	3,717,145

The subordinated debt is revalued, at the year end and the resulting gain or loss on revaluation is recognized in the Profit and Loss Account. The Subordinated debt as revalued as on March 31, 2019 amounts to ₹ Nil (P.Y ₹ 3,717,145). The Bank has entered a Principal Only Swap (POS) to cover the sub-debt borrowing. The subordinated debt has been repaid on 25<sup>th</sup> March 2019.

**3. Investments in India**
**Value of Investments:**
**₹ '000s**

Particulars	March 31, 2019	March 31, 2018
Gross value of investments in India*	22,574,836	13,662,758
Provision for depreciation in India*	(174,798)	(226,394)
Net value of investments in India*	22,400,038	13,436,364

\* The Bank has not made any investment outside India

**Movement in provision for depreciation/diminution on investments:**
**₹ '000s**

Particulars	2018-19	2017-18
Opening Balance at beginning of the year	226,394	70,866
Add: Provisions made during the year	—	155,528
Less: Write-off/write-back of excess provisions during the year	51,596	—
Closing Balance at end of the year*	174,798	226,394

\*Includes provisions on Non-performing investments besides normal provisions, if any.

**4. Repos and Reverse Repos**
**(i) Details of Repos and Reverse Repos including Liquidity Adjustment Facility (in face value terms):**
**₹ '000s**

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	March 31, 2019
Securities sold under repos				
— Government Securities	—	8,398,700	985,075	—
— Corporate Debt Securities	—	—	—	—
Securities purchased under reverse repos				
— Government Securities	—	5,626,100	407,927	3,873,360
— Corporate Debt Securities	—	—	—	—

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	March 31, 2018
Securities sold under repos				
— Government Securities	—	5,095,300	492,459	2,195,300
— Corporate Debt Securities	—	—	—	—
Securities purchased under reverse repos				
— Government Securities	—	2,789,040	121,488	1,475,090
— Corporate Debt Securities	—	—	—	—

**5. Non-SLR Investment Portfolio:**
**i. Issuer Composition of Non SLR investments as at March 31, 2019**
**₹ '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	Private Corporates (*)	832,645	832,645	-	832,645	761,629
5	Subsidiaries/Joint Ventures	-	-	-	-	-
6	Others	-	-	-	-	-
7	Provision held towards depreciation	(174,798)	(174,798)	-	(174,798)	(103,782)
	<b>Total</b>	<b>657,847</b>	<b>657,847</b>	-	<b>657,847</b>	<b>657,847</b>

(\*) Non SLR investment portfolio comprise of Equity shares and Optionally Convertible Debentures (OCDs) received by Bank from one borrower each under S4A & SDR scheme. These equity shares and OCD's have been held under AFS category as per RBI circular RBI/2015-16/97 DBR No BP.BC.6/21.04.141/2015-16 dated July 01, 2015. However, since the equity shares are vulnerable to market risk and to adhere to group norms the Bank has made 100% provision on these equity shares thus reducing the book value of shares to zero.

**Issuer Composition of Non SLR investments as at March 31, 2018**
**₹ '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	Private Corporate (*)	871,251	871,251	-	871,251	800,241
5	Subsidiaries/Joint Ventures	-	-	-	-	-
6	Others	-	-	-	-	-
7	Provision held towards depreciation	(226,394)	(226,394)	-	(226,394)	(155,378)
	<b>Total</b>	<b>644,857</b>	<b>644,857</b>	-	<b>644,857</b>	<b>644,857</b>

(\*) During the financial year 2017-18, the Bank received additional 149,947 equity shares at a book value of ₹1 per share (Total value ₹149,947) under Debt Restructuring from one corporate borrower. These equity shares have been held under AFS category as per RBI circular RBI/2015-16/97 DBR No BP.BC.6/21.04.141/2015-16 dated July 01, 2015. However, since the equity shares are vulnerable to market risk and to adhere to group norms the Bank has made 100% provision on these equity shares thus reducing the book value of shares to zero. In addition, the Bank has also received 800,241 Optionally Convertible Debentures (OCDs) at a book value of ₹ 1000 per debenture under S4A and SDR from two corporate borrowers. These OCDs have been held under AFS category as per RBI circular RBI/2015-16/97 DBR No BP.BC.6/21.04.141/2015-16 dated July 01, 2015.

**ii. Non-performing Non-SLR Investments:**
**₹ '000s**

Particulars	2018-19	2017-18
Opening Balance	-	-
Additions during the year*	335,857	-
Reductions during the year#	(38,612)	-
Closing balance	297,245	-
Total provisions held	131,842	-

\*As reported under Note no.16 addition during the year represents divergence as on March 31, 2018 for the account which was considered by the Bank as Performing Non SLR Part B investments in case of a borrower account where S4A was implemented in the FY 2017-18.

# reduction is on account of repayment of some portion of OCD during the year ended March 31, 2019.

iii. During the year ended March 31, 2019 and March 31,2018, the Bank has not sold any securities held under HTM portfolio.

iv. During the year ended March 31, 2019, the Bank has not transferred securities from HTM to AFS/HFT portfolio.

During the year ended March 31, 2018, In total eight HTM securities were transferred from HTM to AFS. The transfer of securities was done in accordance with RBI circular RBI/2017-18/70 DBR.No.Ret.BC.90/12.02.001/2017-18 dated October 04, 20176 where total securities held under HTM exceeded 19.5% of the NDTL by March 31, 2018.

v. In Accordance with RBI circular RBI/2017-18/147 DBR No BP.BC.102/21.04.048/2017-18 dated April 02, 2018 bank has made Investment fluctuation reserve on investment made in HFT and AFS portfolio.

During the year ended March 31, 2019 and March 31, 2018 the Bank has not availed the option of spreading the mark to market losses on investment held in AFS and HFT.

**6. Derivatives**
**(i) Forward rate agreements / Interest Rate Swaps outstanding:**
**₹ '000s**

Items	As at March 31, 2019	As at March 31, 2018
The Notional principal of swap agreements	1,011,701,075	610,098,635
Loss which would be incurred if counterparties failed to fulfill their obligations under the agreements	9,580,515	2,743,907
Collateral required by the Bank upon entering into swaps		
Concentration of credit risk arising from the swaps %		
- Banks and Financial Institutions	99.98%	96.75%
- Others	0.02%	3.25%
Fair value of the swap book	(151,077)	591,504

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

**Nature and terms of interest rate swaps:**
**Outstanding as at March 31, 2019:**
**(₹ '000s)**

Nature	No.	Notional principal	Terms
Trading Swaps	431	168,325,708	Floating Receivable v/s Fixed Payable linked to INO-INR-1D
Trading Swaps	370	161,578,332	Fixed Receivable v/s Floating Payable linked to INO-INR-1D
Trading Swaps	97	106,184,045	Floating Receivable v/s Fixed Payable linked to LIB-USD-6M
Trading Swaps	73	100,872,941	Fixed Receivable v/s Floating Payable linked to LIB-USD-6M
Trading Swaps	1	233,018	Floating Receivable v/s Fixed Payable linked to EIB-EUR-6M
Trading Swaps	4	1,553,450	Fixed Receivable v/s Floating Payable linked to EIB-EUR-6M
Trading Swaps	160	90,550,000	Floating Receivable v/s Fixed Payable linked to MIF-INR-6M
Trading Swaps	191	105,870,000	Fixed Receivable v/s Floating Payable linked to MIF-INR-6M
Trading Swaps	6	3,472,910	Fixed Receivable v/s Floating Payable linked to OIS-JPY-1D
Trading Swaps	2	1,708,795	Floating Receivable v/s Fixed Payable linked to EON-EUR-1D
Trading Swaps	7	2,990,391	Fixed Receivable v/s Floating Payable linked to EON-EUR-1D
Trading Swaps	132	98,912,397	Floating Receivable v/s Fixed Payable linked to LIB-USD-3M
Trading Swaps	93	60,856,400	Fixed Receivable v/s Floating Payable linked to LIB-USD-3M
Trading Swaps	2	612,457	Floating Receivable v/s Fixed Payable linked to EIB-EUR-3M
Trading Swaps	2	612,457	Fixed Receivable v/s Floating Payable linked to EIB-EUR-3M
Trading Swaps	23	9,356,672	Floating Receivable v/s Fixed Payable linked to OIS-USD-1D
Trading Swaps	7	6,555,894	Fixed Receivable v/s Floating Payable linked to OIS-USD-1D
Trading Swaps	4	7,066,909	Floating Receivable v/s Fixed Payable linked to LIB-JPY-6M
Trading Swaps	6	9,238,040	Fixed Receivable v/s Floating Payable linked to LIB-JPY-6M
Basis Swap	16	6,846,345	Single Currency Basis Swaps with Receiving leg linked to LIB-USD-3M & Paying leg linked to OIS-USD-1D
Basis Swap	14	28,657,832	Single Currency Basis Swaps with Receiving leg linked to LIB-USD-3M & Paying leg linked to LIB-USD-6M
Basis Swap	1	311,198	Single Currency Basis Swaps with Receiving leg linked to LIB-USD-6M & Paying leg linked to OIS-USD-1D
Basis Swap	5	7,844,923	Single Currency Basis Swaps with Receiving leg linked to EON-EUR-1D & Paying leg linked to EIB-EUR-6M
Basis Swap	8	11,203,110	Single Currency Basis Swaps with Receiving leg linked to LIB-USD-6M & Paying leg linked to LIB-USD-3M
Basis Swap	1	1,248,350	Single Currency Basis Swaps with Receiving leg linked to OIS-JPY-1D & Paying leg linked to LIB-JPY-6M
Basis Swap	2	2,074,650	Single Currency Basis Swaps with Receiving leg linked to LIB-USD-1M & Paying leg linked to LIB-USD-3M
Basis Swap	2	2,074,650	Single Currency Basis Swaps with Receiving leg linked to LIB-USD-3M & Paying leg linked to LIB-USD-1M
Basis Swap	3	4,771,695	Single Currency Basis Swaps with Receiving leg linked to OIS-USD-1D & Paying leg linked to LIB-USD-3M
Basis Swap	1	1,941,813	Single Currency Basis Swaps with Receiving leg linked to EIB-EUR-6M & Paying leg linked to EIB-EUR-3M
Basis Swap	1	1,728,875	Single Currency Basis Swaps with Receiving leg linked to OIS-USD-1D & Paying leg linked to LIB-USD-6M
Basis Swap	3	6,446,818	Single Currency Basis Swaps with Receiving leg linked to EIB-EUR-6M & Paying leg linked to EON-EUR-1D
	<b>1668</b>	<b>1,011,701,075</b>	

**Outstanding as at March 31, 2018:**
**(₹ '000s)**

Nature	No.	Notional principal	Terms
Trading Swaps	500	212,000,000	Floating Receivable v/s Fixed Payable linked to FBIL O/N MIBOR
Trading Swaps	451	211,900,000	Fixed Receivable v/s Floating Payable linked to FBIL O/N MIBOR
Trading Swaps	74	31,000,000	Floating Receivable v/s Fixed Payable linked to 6M MIFOR
Trading Swaps	56	26,300,000	Fixed Receivable v/s Floating Payable linked to 6M MIFOR
Trading Swaps	21	15,622,448	Floating Receivable v/s Fixed Payable linked to 6M USD LIBOR
Trading Swaps	7	9,059,325	Fixed Receivable v/s Floating Payable linked to 6M USD LIBOR
Trading Swaps	35	51,292,725	Floating Receivable v/s Fixed Payable linked to 3M USD LIBOR
Trading Swaps	16	21,149,288	Fixed Receivable v/s Floating Payable linked to 3M USD LIBOR
Trading Swaps	1	539,399	Floating Receivable v/s Fixed Payable linked to 6M JPY LIBOR
Trading Swaps	1	655,028	Fixed Receivable v/s Floating Payable linked to 6M JPY LIBOR
Trading Swaps	1	484,845	Floating Receivable v/s Fixed Payable linked to EON EUR 1D
Trading Swaps	3	1,373,728	Fixed Receivable v/s Floating Payable linked to EON EUR 1D
Trading Swaps	1	242,423	Floating Receivable v/s Fixed Payable linked to EIB EUR 6M
Trading Swaps	3	1,212,113	Fixed Receivable v/s Floating Payable linked to EIB EUR 6M
Trading Swaps	2	739,126	Floating Receivable v/s Fixed Payable linked to EIB EUR 3M
Trading Swaps	2	739,126	Fixed Receivable v/s Floating Payable linked to EIB EUR 3M
Trading Swaps	9	3,336,960	Floating Receivable v/s Fixed Payable linked to OIS USD 1D
Trading Swaps	4	3,806,220	Fixed Receivable v/s Floating Payable linked to OIS USD 1D
Trading Swaps	4	1,866,062	Fixed Receivable v/s Floating Payable linked to OIS JPY 1D
Basis Swap	2	1,131,305	Basis Swaps Fixed Receivable v/s Fixed Payable linked to EON EUR 1D
Basis Swap	2	1,336,088	Basis Swaps Fixed Receivable v/s Fixed Payable linked to LIB USD 6M
Basis Swap	14	14,312,430	Basis Swaps Fixed Receivable v/s Fixed Payable linked to LIB USD 3M
	<b>1,209</b>	<b>610,098,639</b>	

There were no forward rate agreement outstanding as at 31.03.2019: 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, Currency interest rate swaps and FX Options within the limits approved.

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

The global risk management systems of the Societe Générale group are adopted by the Indian branches for both Market and Credit risk. The calculation of the various market risk parameters is undertaken by the Regional Office in Hong Kong. The report along with exceptions, if any is circulated to the local management, front office and Chief Risk Officer. The local Chief Risk Officer monitors the limits based on the reports received and those generated locally.

The Bank has entered into Credit Support Annex (CSA) agreement with few of the local banks. CSA defines the terms or rules under which collateral is posted or transferred between derivative counterparties to mitigate the credit risk arising from “in the money” positions on OTC Derivative contracts.

**Quantitative Disclosure as at March 31, 2019:**
**₹ '000s**

Sr. No.	Particulars	Currency Derivatives #	Interest Rate Derivatives
1	Derivatives (Notional Principal amount)		
	a) For hedging	-	-
	b) For trading	700,644,661	1,011,701,075
2	Marked to Market Positions		
	a) Assets (+)	9,121,487	9,580,515
	b) Liability (-)	(9,252,472)	(9,731,592)
3	Credit Exposure	51,171,315	22,195,120
4	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives		
	b) on trading derivatives	937,759	961,601
5	Maximum of 100*PV01 observed during the year		
	a) on hedging		
	b) on Trading	1,398,115	1,519,472
6	Minimum of 100*PV01 observed during the year		
	a) on hedging		
	b) on Trading	847,803	722,365

**Quantitative Disclosure as at March 31, 2018:**
**₹ '000s**

Sr. No.	Particulars	Currency Derivatives #	Interest Rate Derivatives
1	Derivatives (Notional Principal amount)		
	a) For hedging	-	-
	b) For trading	420,194,531	610,098,635
2	Marked to Market Positions		
	a) Assets (+)	3,373,558	2,743,907
	b) Liability (-)	(3,292,721)	(2,152,403)
3	Credit Exposure	30,377,294	9,349,371
4	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives	-	-
	b) on trading derivatives	900,754	123,978
5	Maximum of 100*PV01 observed during the year		
	a) on hedging	-	-
	b) on Trading	900,754	378,752
6	Minimum of 100*PV01 observed during the year		
	a) on hedging	-	-
	b) on Trading	990	-

# Currency derivatives include forward foreign exchange contracts.

**(iii) Unhedged/uncovered foreign currency exposure**

The Bank's foreign currency exposures as at March 31, 2019 that are not hedged /covered by either derivative instruments or otherwise are within the Net Overnight Open Position limit (NOOP) and the Aggregate Gap limit, as approved by the RBI. NOOP as at March 31, 2019 is ₹ 344,155 (P.Y. ₹ 231,933).

**(iv) Exchange Traded Interest Rate Derivatives:**

Sr. No.	Particulars	2018-19	2017-18
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”.	-	-

**(v) Credit default swaps:**

The Bank has not entered into any Credit Default Swap transactions.

**7. Asset Quality**
**(i) Non-Performing Assets**
**₹ '000s**

Particulars	2018-19	2017-18
Net NPAs to Net Advances (%)	3.04%	1.93%
<b>Gross Non-Performing Advances</b>		
Opening Balance at beginning of the year	700,000	—
Additions during the year	789,178	700,000
Less: Amounts recovered	—	—
Less: Amounts written off	—	—
<b>Closing Balance at end of the year</b>	<b>1,489,178</b>	<b>700,000</b>
<b>Provisions for Non-Performing Advances</b>		
(excluding provision for standard assets)		
Opening Balance at beginning of the year	175,000	—
Add: Provisions made during the year	859,712	175,000
Less: Write-off/write-back of excess provisions during the year	—	—
<b>Closing Balance at end of the year</b>	<b>1,034,712</b>	<b>175,000</b>
<b>Net Non-Performing Advances</b>		
Opening Balance at beginning of the year	525,000	—
Additions during the year	(70,534)	525,000
Less: Amounts recovered	—	—
Less: Amounts written off	—	—
<b>Closing Balance at end of the year</b>	<b>454,466</b>	<b>525,000</b>

**(ii) 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 Nil (P.Y. – Nil)

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

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

**(iv) Provision on Standard Assets**
**₹ '000s**

Particulars	March 31, 2019	March 31, 2018
Standard Advances*	350,964	394,206
Credit Exposure on Derivatives	288,126	158,907
<b>TOTAL</b>	<b>639,090</b>	<b>553,113</b>

\* This also includes provision for Diminution in Fair value of ₹134,246 (PY ₹148,188) &amp; stressed standard assets of ₹160,109 (PY ₹140,778)

**(v) Major component of provisions under other liabilities as mentioned in Schedule 5**
**₹ '000s**

Particulars	March 31, 2019	March 31, 2018
Provision for Un-Hedged Foreign Currency Exposure	250	976
Provision for Country Risk Exposure	1,594	6,095
Provision for Stressed Sector	147	6,929
Provision for Large Exposure	—	19,711
<b>TOTAL</b>	<b>1,991</b>	<b>33,711</b>

**(vi) Particulars of Accounts Restructured**

The following tables set forth, for the periods indicated, details of loan assets subjected to restructuring.

**March 31, 2019**
**₹ '000s**

Sr. No.	Type of Restructuring		Others				
			Standard	Sub-standard	Doubtful	Loss	Total
	Asset Classification						
	Details						
1	Restructured Accounts as on April 1 of the FY (opening figures) *	No. of borrowers Amount outstanding Provision thereon	— — —	— — —	— — —	— — —	— — —
1A	Movement in Opening Balances (Recoveries)	No. of borrowers Amount outstanding Provision thereon	— — —	— — —	— — —	— — —	— — —
2	Fresh Restructuring during the year	No. of borrowers Amount outstanding Provision thereon	— — —	— — —	— — —	— — —	— — —
3	Upgradations to restructured standard category during the FY	No. of borrowers Amount outstanding Provision thereon	— — —	— — —	— — —	— — —	— — —
4	Restructured Standard Advances which cease to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers Amount outstanding Provision thereon	— — —	— — —	— — —	— — —	— — —
5	Down gradations of restructured accounts during the FY	No. of borrowers Amount outstanding Provision thereon	— — —	— — —	— — —	— — —	— — —
6	Write-offs of restructured accounts during the FY	No. of borrowers Amount outstanding Provision thereon	— — —	— — —	— — —	— — —	— — —
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of borrowers Amount outstanding Provision thereon	— — —	— — —	— — —	— — —	— — —



**March 31, 2018**
**₹ '000s**

Sr. No.	Type of Restructuring		Others				
	Asset Classification		Standard	Sub-standard	Doubtful	Loss	Total
	Details						
1	Restructured Accounts as on April 1 of the FY (opening figures) *	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-
1A	Movement in Opening Balances (Recoveries)	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-
2	Fresh Restructuring during the year	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-
4	Restructured Standard Advances which cease to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-
5	Down gradations of restructured accounts during the FY	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-
6	Write-offs of restructured accounts during the FY	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-
7	Restructured Accounts as on March 31 of the FY (closing figures*)	No. of borrowers Amount outstanding Provision thereon	-	-	-	-	-

\* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable) and loans restructured under Strategic Debt Restructuring (SDR).

There are no cases restructured on account of CDR mechanism or SME debt restructuring in the current or previous year.

**vii) Disclosure on Strategic Debt Restructuring Scheme**
**March 31, 2019**
**₹ '000s**

No. of Accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
01	535,400	-	-	-	535,400	-

Provision held against the OCD received from the carved-out debt is ₹ 177,202 (Diminution in Fair value of ₹ 134,246 and MTM Loss of ₹ 42,956).

**March 31, 2018**
**₹ '000s**

No. of Accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
01	535,400	-	-	-	535,400	-

\* During the Financial Year 2017-18, for the borrower where the SDR was invoked during the previous year, Bank has received OCDs of ₹ 535,400 of newly carved-out subsidiary company of the borrower post induction of new investor. Provision held against the OCD received from the carved-out debt is ₹ 208,707 (Diminution in Fair value of ₹ 148,188 and MTM Loss of ₹ 60,519).

**viii) Disclosure on the Scheme for Sustainable Structuring of Stressed Assets (S4A)**

The disclosure on S4A as on 31 March 2019 is as under

**₹ '000s**

No. of Accounts where S4A has been applied	Aggregate Amount outstanding	Amount outstanding		Provision Held
		In Part A	In Part B	
Classified as standard	343,192	343,192	-	160,109
Classified as NPA/NPI	297,245	-	297,245	131,842

Bank has outstanding OCDs of ₹ 226,229, Equity Shares of ₹ 71,016 and working capital demand loan of ₹ 343,192 on which provision held is ₹ 60,826, ₹ 71,016 and ₹ 160,109 respectively.

The disclosure on S4A as on 31 March 2018:

₹ '000s

No. of Accounts where S4A has been applied	Aggregate Amount outstanding	Amount outstanding		Provision Held
		In Part A	In Part B	
Classified as standard	701,594	365,737	335,857	306,194
Classified as NPA/NPI	–	–	–	–

During the Financial Year 2017-18, one borrower where the S4A was invoked under SDR, Bank has outstanding OCDs of ₹264,841, Equity Shares of ₹ 71,016 and working capital demand loan of ₹ 365,737 on which provision held is ₹ 94,859, ₹ 71,016 and ₹140,319 respectively.

- ix) There was no account under the stand-still period where there was change in ownership outside Strategic Debt Restructuring Scheme as on March 31,2019 (P.Y. Nil).
- x) Bank does not have any account under flexible debt restructuring as on March 31,2019 (P.Y. Nil).
- xi) RBI vide its circular DBR.No.BP.BC.101/21.01.18/2017-18 dated February 12, 2018 issued a revised framework for resolution of Stressed Assets which supersedes the existing guidelines of SDR, Corporate Debt Restructuring Scheme, Flexible Structuring of existing long-term project loans, Change in Ownership Outside SDR and S4A with immediate effect. Under the revised framework, there were no accounts where any of these Schemes had been invoked but not yet fully implemented.
- xi) There are no Micro, Small and Medium Enterprises (MSME) cases which have been restructured during the year ended March 31, 2019 in term of the circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019 on MSME sector – Restructuring of Advances.

**8. Business Ratios**

Particulars	2018-19	2017-18
Interest Income as a percentage to Working Funds (Note 1)	5.07%	5.41%
Non-Interest Income as a percentage to Working Funds (Note 1)	1.76%	1.83%
Operating profit (Note 2) as a percentage to Working Funds (Note 1)	1.67%	2.07%
Return on assets (Note 3)	0.09%	0.37%
Business per employee (₹ 000s) (Note 4 and 5)	380,545	535,993
Profit per employee (₹ 000s) (Note 4)	551	1,721

Note 1: Working Funds represents the average of total assets as reported to RBI by the Bank in Form X under Section 27 of the Banking Regulation Act, 1949 during the 12months of financial year.

Note 2: Operating Profit = Interest Income + Other Income – Interest Expenses – Operating Expenses

Note 3: Net profit as a percentage to working funds

Note 4: Productivity ratios are based on average employee number.

Note 5: Business means total of advances and deposits as at year end, excluding interbank deposits  
 Previous year's figures are not reclassified to conform to current year's presentation.

**9. Exposures**
**(i) Exposure to Real Estate Sector\***

₹ '000s

Category	March 31, 2019	March 31, 2018
<b>a) Direct exposure:</b>		
(i) Residential mortgages	–	–
(ii) Commercial real estate	–	–
<b>(iii) Investments in mortgage backed securities (MBS) and other securitized exposures:</b>		
a) Residential		
b) Commercial Real Estate	–	–
<b>b) Indirect exposure:</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and housing finance companies (HFCs)	–	–
<b>Total Real Estate Exposure</b>	–	–

\*On the basis of limits or outstanding, whichever is higher.

**(ii) Exposure to Capital Market\***
**₹ '000s**

No	Particulars	March 31, 2019	March 31, 2018
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	–	–
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	100,000
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.	–	–
	<b>Total Exposure to Capital Market</b>	<b>100,000</b>	<b>100,000</b>

\* On the basis of limits or outstanding, whichever is higher.

**(iii) Country Risk Exposure**
**₹ '000s**

Risk Category	Exposure (Net) as at March 31, 2019 (*)	Provision held as at March 31, 2019	Exposure (Net) as at March 31, 2018 (*)	Provision held as at March 31, 2018
Insignificant	2,626,507	1,594	5,404,247	5,080
Low	700,613	–	2,308,524	1,015
Moderate	56,121	–	55,484	–
High	294,931	–	48,010	–
Very High	–	–	–	–
Restricted	–	–	–	–
Off-Credit	–	–	–	–
<b>Total</b>	<b>3,678,172</b>	<b>1,594</b>	<b>7,816,265</b>	<b>6,095</b>

(\* Net funded outstanding as at reporting date has been reported)

The Bank has compiled the data for the purpose of this disclosure (from its internal MIS system and has been furnished by the management) which has been relied upon by the auditor.

**(iv) Disclosure on Single/Group Borrower Limits**

During the year 2018-19 and 2017-18, the Bank's credit exposures to single borrowers and group borrowers were within the limits prescribed by Reserve Bank of India.

**(v) Unsecured Advances**

There are no advances for which intangible security such as charge over the rights, licenses, authority, etc. are accepted as collateral by the Bank.

**10. Disclosures for the dealings with the Group entities March 31, 2019**
**₹ '000s**

Sr. No.	Type of Entity	Name of Entity	Total Intra Group Exposure	Total Exposure as per cent of Paid-up Capital and Reserves
1	Subsidiary – Parent	KOMERCNI BANK AS	659,772	3.83
2		SOCIETE GENERALE CHINA LIMITED	–	–
3		SOCIETE GENERALE, ALGERIE	31,0057	1.80
4		SOCIETE GENERALE GLOBAL SOLUTION CENTRE PVT LTD	134,683	0.78
5		SOCIETE GENERALE SECURITIES INDIA PRIVATE LIMITED	100,000	0.58
6		BRD GROUPE SOCIETE GENERALE SA	–	–
7		CREDIT DU NORD	12,596	0.07
8		SKB BANKA DD	33,175	0.19
9		ROSBANK, MOSCOW	44,461	0.26
10		SOCIETE GENERALE SPOLKA AKCYJNA ODDZIAL W POLSCE	17,943	0.10
11		SOCIETE GENERALE BANKA SRBIJA A.D. BEOGRAD	3,824	0.02
Total Intra Group Exposure			<b>1,316,511</b>	<b>7.65</b>
Total Exposure of the Bank			<b>136,228,490</b>	
<b>% of Intra-group exposure to total exposure of the bank</b>			<b>0.97%</b>	

Note: The exposures to ALD Automotive Private Limited are excluded from the above computation of Intra Group Exposures for F.Y. 2018-19 based on the exemption as per Master Circular on Intra Group Transactions and Exposures DBOD.No.BP.BC.96/21.06.102/2013-14 dated February 11, 2014 reference no. 3.4.C. The Letter of Comfort is issued by Societe Générale Paris (Head Office of Societe Générale India) for the facility sanctioned by Societe Générale India to M/s. ALD Automotive Private Limited.

There was no breach of limits on intra group exposure during the financial year 2018-19(P.Y. Nil).

**March 31, 2018**
**₹ '000s**

Sr. No.	Type of Entity	Name of Entity	Total Intra Group Exposure	Total Exposure as per cent of Paid-up Capital and Reserves
1	Subsidiary – Parent	KOMERCNI BANK AS	498,936	4.75
2		SOCIETE GENERALE CHINA LIMITED	257,636	2.45
3		SOCIETE GENERALE, ALGERIE	–	–
4		SOCIETE GENERALE GLOBAL SOLUTION CENTRE PVT LTD	163,648	1.56
5		SOCIETE GENERALE SECURITIES INDIA PRIVATE LIMITED	100,000	0.95
6		BRD GROUPE SOCIETE GENERALE SA	–	–
7		CREDIT DU NORD	12,672	0.12
8		SKB BANKA DD	34,057	0.32
9		ROSBANK, MOSCOW	73,503	0.70
10		SOCIETE GENERALE SPOLKA AKCYJNA ODDZIAL W POLSCE	15,461	0.15
11		SOCIETE GENERALE BANKA SRBIJA A.D. BEOGRAD	–	–
Total Intra Group Exposure			<b>1,155,913</b>	<b>11.00</b>
Total Exposure of the Bank			<b>120,559,023</b>	
<b>% of Intra-group exposure to total exposure of the bank</b>			<b>0.96%</b>	

Note: The exposures to ALD Automotive Private Limited are excluded from the above computation of Intra Group Exposures for F.Y. 2017-18 based on the exemption as per Master Circular on Intra Group Transactions and Exposures DBOD.No.BP.BC.96/21.06.102/2013-14 dated February 11, 2014 reference no. 3.4.C. The Letter of Comfort is issued by Societe Générale Paris (Head Office of Societe Générale India) for the facility sanctioned by Societe Générale India to M/s. ALD Automotive Private Limited.

**11. Asset Liability Management**
**Maturity Pattern of certain items of assets and liabilities as at March 31, 2019**
**₹ '000s**

Particulars	Day - 1	2-7 Days	8-14 Days	15-30 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
Loans and Advances	1,143,267	75,093	90,860	248,925	356,063	34,970	328,843	248,215	11,952,612	471,010	–	14,949,858
Investment	16,963,256	–	–	63,590	805,245	1,113,815	1,700,879	182,857	350,407	–	1,219,989	22,400,038
Deposits	16,746	1,344,364	1,897,984	1,128,664	6,049,632	8,165,918	2,050,355	1,910,175	369,401	102,533	85,623	23,121,395
Borrowing	–	6,295,314	–	–	–	–	–	–	–	–	–	6,295,314
FCY Assets	6,150,762	615,553	105,173	281,643	367,635	522,347	346,415	18,770	793,058	496	25	9,201,877
FCY Liabilities	3,161,409	37,660	43,936	100,449	26,980	21,637	271,116	64,162	25,578	967	47,451	3,801,345

**Maturity Pattern of certain items of assets and liabilities as at March 31, 2018**
**₹ '000s**

Particulars	Day - 1	2-7 Days	8-14 Days	15-30 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
Loans and Advances	1,773,643	245,016	789,888	1,771,691	1,405,317	582,588	846,945	92,500	19,693,169	-	-	27,200,757
Investment	6,184,509	-	-	2,765,028	550,905	877,684	968,711	195,120	532,739	-	1,361,668	13,436,364
Deposits	407,205	2,252,500	2,774,139	3,981,300	2,252,437	10,472,455	1,190,000	1,278,350	2,343,236	-	-	26,951,622
Borrowing	-	4,925,995	-	-	-	-	-	-	-	-	3,717,145	8,643,140
FCY Assets	11,994,272	25,432	8,881,668	657,930	402,575	5,217,595	550,386	-	3,024,088	-	-	30,753,946
FCY Liabilities	9,323,218	1,727,138	-	-	-	-	11,792,201	1,327,288	552,328	-	6,077,762	30,799,935

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 which has been relied upon by the auditors. Maturity profile of foreign currency assets and liabilities is excluding off Balance Sheet transactions.

**12. Concentration of Deposits, Advances, Exposures and NPAs**
**a) Concentration of Deposits**
**₹ '000s**

Particulars	March 31, 2019	March 31, 2018
Total deposits of twenty largest depositors	22,439,587	26,543,496
% of deposits of twenty largest depositors to total deposits	97.05%	98.49%

**b) Concentration of Advances\***
**₹ '000s**

Particulars	March 31, 2019	March 31, 2018
Total advances to twenty largest borrowers	85,114,317	57,127,130
% of advances of twenty largest borrowers to total advances	62.51%	47.39%

\*Advances computed based on definition of Credit Exposure including derivatives as per Master Circular on Exposure Norms

DBR.No.Dir.BC.12 /13.03.00/2015-16 dated July 1, 2015.

The Bank has compiled the data for the purpose of this disclosure (from its internal MIS system and has been furnished by the Management) which has been relied upon by the auditor.

**c) Concentration of Exposures\*\***
**₹ '000s**

Particulars	March 31, 2019	March 31, 2018
Total exposure to twenty largest borrowers/customers	85,379,106	57,127,130
% of exposures to twenty largest borrowers/customers to total advances	61.82%	47.36%

\*\*Exposures represent credit, derivatives and investment exposure as prescribed in Master Circular on Exposure Norms DBR.No.Dir.BC.12 /13.03.00/2015-16 dated July 1, 2015.

The Bank has compiled the data for the purpose of this disclosure (from its internal MIS system and has been furnished by the Management) which has been relied upon by the auditor.

**d) Concentration of NPAs/NPIs\*\*\***
**₹ '000s**

Particulars	March 31, 2019	March 31, 2018
Total exposure to top four NPAs/NPIs accounts	2,811,748	700,000

\*\*\*Represents NPAs/NPIs portion of gross exposure i.e. credit, derivatives and investment exposure as prescribed in Master Circular on Exposure Norms DBR.No.Dir.BC.12 /13.03.00/2015-16 dated July 1, 2015.

**13. Sector Wise Advances**
**₹ '000s**

Sr. No.	Particulars	2018-19			2017-18		
		Gross Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	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	-	-	-	-	-	-
2	Advances to industries sector eligible as priority sector lending	2,754,365	-	-	7,453,504	-	-
3	Services	1,141,403	-	-	211,408	-	-
4	Personal loans	-	-	-	-	-	-
	Sub-total (A)*	<b>3,895,768</b>			<b>7,664,912</b>		
<b>B</b>	<b>Non-Priority Sector</b>						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Industry	5,293,466	90,000	1.70%	16,275,856	-	-
3	Services	6,795,336	1,399,178	20.59%	3,434,989	700,000	20.38%
4	Personal loans	-	-	-	-	-	-
	Sub-total (B)	<b>12,088,802</b>	<b>1,489,178</b>		<b>19,710,845</b>	<b>700,000</b>	
	<b>Total (A+B)</b>	<b>15,984,570</b>	<b>1,489,178</b>	<b>9.32%</b>	<b>27,375,757</b>	<b>700,000</b>	<b>2.56%</b>

The Bank has compiled the data for the purpose of this disclosure (from its internal MIS system and has been furnished by the Management) which has been relied upon by the auditors

\* Bank has outstanding PSLC of ₹ 7,725,000/- as of March 2019. (P. Y. ₹ 990,000).

**14. Movement of NPAs**
**₹ '000s**

Particulars	2018-2019	2017-2018
Gross NPAs as on 1st April of particular year (opening balance)	700,000	–
Additions (Fresh NPAs) during the year	789,178	700,000
Sub-total (A)	1,489,178	700,000
Less:		
(i) Up gradations	–	–
(ii) Recoveries (excluding recoveries made from upgraded accounts)	–	–
(iii) Technical / Prudential Write-offs	–	–
(iv) Write-offs other than those under (iii) above	–	–
Sub-total (B)	–	–
Gross NPAs as on 31st March (closing balance) (A-B)	1,489,178	700,000

**Movement of Technical Write-offs and Recoveries:**
**₹ '000s**

Particulars	2018-2019	2017-2018
Opening balance of Technical / Prudential written-off accounts as at 1st April	–	–
Add: Technical / Prudential write-offs during the year	–	–
Sub-Total (A)	–	–
Less: Recoveries / Reductions made from previously Technical / Prudential written-off accounts during the year (B)	–	–
Closing Balance as at 31st March (A-B)	–	–

15. The Provision Coverage Ratio (PCR) of the Bank after considering technical write-off, if any is 69.48% as at March 31, 2019 (P.Y. 25%).

**16. Divergence in Asset Classification and Provisioning for NPAs/NPIs**

As part of the onsite inspection for supervisory evaluation for FY 2017-18 undertaken, the RBI has pointed out certain retrospective divergence in the Bank's asset classification and provisioning as on 31st March 2018 in respect of Part B (Investment) portion of Advance restructured under S4A scheme. In conformity with the RBI circulars DBR.BP.BC.NO.63/21.04.018/2016-17 issued on April 18, 2017, the below table outlines divergences in asset classification in respect of Part B (Investment) portion and provisioning.

**₹ in '000s**

Sr.	Particulars	Amount
1	Gross NPAs/NPIs as on March 31, 2018* as reported by the bank	700,000
2	Gross NPAs/NPIs as on March 31, 2018 as assessed by RBI	1,035,857
3	Divergence in Gross NPAs/NPIs (2-1)	335,857
4	Net NPAs/NPIs as on March 31, 2018 as reported by the bank	525,000
5	Net NPAs/NPIs as on March 31, 2018 as assessed by RBI	860,857
6	Divergence in Net NPAs/NPIs (5-4)	335,857
7	Provisions for NPAs/NPIs as on March 31, 2018 as reported by the bank	175,000
8	Provisions for NPAs/NPIs as on March 31, 2018 as assessed by RBI	175,000
9	Divergence in provisioning (8-7)	–
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2018	173,841
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2018 after taking into account the divergence in provisioning	173,841

\* March 31, 2018 is the close of the reference period in respect of which divergences were assessed

**17. Overseas Assets, NPAs and Revenue**
**₹ '000s**

Particulars	March 31, 2019	March 31, 2018
Total Assets	–	–
Total NPAs	–	–
Total Revenues	–	–

18. Off Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)- Domestic and Overseas: Nil (P.Y. – Nil)

19. The Bank has not undertaken any factoring business during the Financial Year 2018-19 (P.Y. Nil).

**20. Indian Accounting Standards (Ind-AS)**

The Institute of Chartered Accountants of India has issued Ind-AS (a revised set of accounting standards) which largely converges the Indian accounting standards with International Financial Reporting Standards (IFRS). The Ministry of Corporate Affairs (MCA) has notified these accounting standards (Ind-AS) for adoption. The Reserve Bank of India (RBI) through its press release dated March 22, 2019 has deferred the implementation of Indian Accounting Standards (Ind-AS) till further notice for scheduled commercial banks. In preparedness towards achieving the same, the Bank had prepared proforma financial statements as required by Reserve Bank of India (RBI) vide its circular ref. DBR.BP.BC.No.106/21.07.001/2015-16 dated June 23, 2016, ref. DO.DBR.BP.No.2535/21.07.001/2017-18 dated September 13, 2017 and mail dated July 20, 2018 for every quarter, starting from quarter ended June 30, 2018 up to March 31, 2019 and submitted the same to the RBI. The Bank will continue its preparation towards migration to adopting Ind-AS as per regulatory requirement.

**21. Miscellaneous**
**(i) Amount of provisions made for Income-Tax during the year**
**₹ '000s**

Particulars	2018-19	2017-18
– Current tax expense	475,000	423,442
– Tax Provision (Prior Years)	7,753	7,625
<b>Total Tax Expense – A</b>	<b>482,753</b>	<b>431,067</b>
– Deferred tax expense/(benefit) – B	(378,705)	(172,978)
<b>Total (A+B)</b>	<b>104,048</b>	<b>258,089</b>

**(ii) Disclosure of Penalties imposed by RBI**

During the Financial Year 2018-19 and 2017-18, no penalties were imposed on the Bank.

**(iii) Bancassurance Business**
**₹ '000s**

Nature of Income	2018-19	2017-18
Selling life insurance policies	-	-
Selling non-life insurance policies	-	-
Selling mutual fund products	-	-
Others (to be specified)	-	-

**(iv) Operating Expenses:**

The major components of other expenditure are as follows:

**₹ '000s**

Particulars	2018-19	2017-18
Subscription charges	31,410	20,204
Professional Fees	10,223	17,066
Travel Expenses	16,460	22,830

**(v) Disclosure on frauds:**
**₹ '000s**

Particulars	2018-19	2017-18
No. of frauds reported during the period	-	-
Amount involved	-	-
Provision made	-	-
Unamortized provision debited from "Other Reserves"	-	-

**22. Disclosures as per Accounting Standards (AS)**
**(i) Employee Benefits- AS 15**

Provident Fund: The contribution to the employee's provident fund amounted to ₹ 19,679 for the year ended March 31, 2019 (P.Y. ₹ 17,069)

In February 2019, the honorable Supreme Court of India in its judgement clarified that certain special allowances should be considered to measure obligations under Employees Provident Funds and Miscellaneous Provisions Act, 1952 (the PF act). The Bank has been formally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Due to imperative challenges, the Bank has not disclosed contingent liability amount for past liability.

Pension Fund: The contribution to the employee's pension fund amounted to ₹ 5,596 for the year ended March 31, 2019 (P.Y. ₹ 17,295)

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 details of the Bank's postretirement benefit plans for gratuity for its employees in accordance with AS 15(R) are given below which are certified by the actuary and relied upon by the auditors.

**₹ '000s**

Reconciliation of Defined Benefit Obligations	2018-19	2017-18
Present Value of the Obligation at the beginning of the year	43,826	40,365
Interest cost	3,011	2,832
Current service cost	5,986	5,905
Benefits paid	(9,425)	(3,137)
Actuarial gain/(loss) on obligations	2,552	(2,139)
Present Value of the Obligation at the end of the year	45,950	43,826

  

Reconciliation of Fair Value of Plan Assets	2018-19	2017-18
Fair Value Plan Assets at the beginning of the year	34,855	30,939
Expected return on Plan Assets	2,551	2,319
Employer's contribution	5,971	4,780
Benefits paid	(9,425)	(3,137)
Actuarial gain/(loss) on obligations	725	(47)
Assets distributed on settlements	-	-
Fair Value Plan Assets at the end of the year	34,677	34,854

  

Amount to be recognized in Balance Sheet	2018-19	2017-18
Present Value of funded obligations	45,951	43,826
Fair value of Plan Assets	(34,677)	(34,855)
Present Value of unfunded obligations	-	-
Unrecognized past service cost	-	-
Amount not recognized as an asset	-	-
Net (Asset)/Liability in Balance Sheet under "Other Assets/Other Liabilities and Provisions"	11,274	8,971

Amount to be recognized in Profit and Loss Account	2018-19	2017-18
Current service cost	5,986	5,905
Interest on defined benefit obligation	3,011	2,832
Expected Return on Plan Assets	(2,550)	(2,319)
Net Actuarial losses/(gains) recognized during the year	1,826	(2,092)
Past service cost	-	-
Total expense recognized in the Profit & Loss Account under "Payments to and Provision for Employees"	8,274	4,326
Actual Return on Plan Assets	724	2,272

Experience Adjustment #	2018-19	2017-18	2016-17	2015-16	2014-15
Defined Benefit Obligation	45,950	43,826	40,365	41,595	47,725
Plan Assets	34,677	34,855	30,939	30,761	32,147
Surplus/(Deficit)	(11,274)	(8,971)	(9,426)	(10,834)	(15,578)
Gains/(Losses) due to change in assumptions	(2,721)	(1,730)	1,971	990	4,181
Exp. Adj. on plan Liabilities	168	(409)	(6,281)	(4,037)	1,215
Exp. Adj. on plan assets	726	(47)	223	(63)	255

Summary of principal actuarial assumptions	2018-19	2017-18
Discount rate (p.a.)	7.60%	7.70%
Expected rate of return (p.a.)	7.50%	7.70%
Salary escalation rate (p.a.)	7.50%	7.00%
Employees attrition rate	Upto 30 years: 10% 31-40 years: 5% 41-50 years: 3% Above 50 years: 2%	Upto 30 years: 10% 31-40 years: 5% 41-50 years: 3% Above 50 years: 2%
Mortality rate	Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)

As the Gratuity Fund is managed by a Life Insurance Company, details of Investment are not available with the Bank.

Leave Encashment: The Bank charged an amount of ₹ 5,017 ('000s) as liability for leave encashment for the year ended March 31, 2019 (P.Y. ₹ 5,103 ('000s)).

Long Service Awards: The actuarial liability for Long Service Awards in accordance with AS-15 (R) was ₹ 2,504 for the year ended March 31, 2019 (P.Y. ₹ 2,065).

#### **Unamortized Pension and Gratuity Liabilities**

Amortization of pension and gratuity liabilities expenditure in terms of circular no. DBOD. No.BP.BC.80/21.04.018/2010-11 dated February 09, 2011 is Nil for the year under review (P.Y. Nil)

#### **(ii) Segment Reporting- AS 17**

- 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 derivatives.
  - Corporate/Wholesale Banking - comprising of commercial client relationship and trade finance.
  - Other Banking Operations – comprising of all operations including retail and other than treasury and corporate/wholesale banking.
- 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.
- The Bank does not have retail operations in India.

**FY 2018-19**

**₹ '000s**

Business Segments → Particulars ↓	Treasury	Corporate / Wholesale Banking	Other Banking Operations	Total
Revenue	2,025,358	2,112,286	-	4,137,644
Unallocated Revenue	-	-	-	(1,280)
Result	1,192,222	(1,031,820)	-	160,402
Unallocated Results	-	-	-	(1,280)
Unallocated Expenses	-	-	-	-
Operating profit	-	-	-	159,122
Income Taxes	-	-	-	104,048
Extraordinary Profit/Loss	-	-	-	-
Net Profit	-	-	-	55,074
Other Information:	-	-	-	-
Segment Assets	54,051,947	15,453,500	-	69,505,447
Unallocated assets	-	-	-	1,421,668
Total Assets	-	-	-	70,927,115
Segment Liabilities	31,001,677	39,553,453	-	70,555,130
Unallocated Liabilities	-	-	-	371,985
Total Liabilities	-	-	-	70,927,115

Segmental Information is provided as per the MIS available for internal reporting purposes, which includes certain estimates and assumptions. The methodology adopted in compiling and reporting the above information has been relied upon by the auditor.



**FY 2017-18**
**₹ '000s**

Business Segments → Particulars ↓	Treasury	Corporate / Wholesale Banking	Other Banking Operations	Total
Revenue	1,685,388	1,716,738	–	3,402,126
Unallocated Revenue	–	–	–	(8,006)
Result	920,145	(480,208)	–	439,936
Unallocated Results	–	–	–	(8,006)
Unallocated Expenses	–	–	–	–
Operating profit	–	–	–	431,930
Income Taxes	–	–	–	258,089
Extraordinary Profit/Loss	–	–	–	–
Net Profit	–	–	–	173,841
Other Information:	–	–	–	–
Segment Assets	25,356,246	27,285,289	–	52,641,535
Unallocated assets	–	–	–	922,989
Total Assets	–	–	–	53,564,524
Segment Liabilities	15,123,248	38,071,711	–	53,194,959
Unallocated Liabilities	–	–	–	369,565
Total Liabilities	–	–	–	53,564,524

Segmental Information is provided as per the MIS available for internal reporting purposes, which includes certain estimates and assumptions. The methodology adopted in compiling and reporting the above information has been relied upon by the auditor.

**(iii) Related Party Disclosures - AS 18**

In the terms of the Accounting Standard 18 on “Related Party Disclosures” and the related guideline issued by the RBI, the details pertaining to Related Parties are as under:

**Parent**
**Société Générale, France- Head Office and its branches:**

The Bank has considered transactions with its Parent and other branches of the Parent as ‘one entity’ and accordingly as per the guidance on compliance with the Accounting Standard by Banks issued by the Reserve Bank of India, has not disclosed details pertaining to them.

The Bank has disclosed those Subsidiaries/Joint Ventures of the Parent as related parties with whom it has entered into transactions during the current and previous financial year

1. ALD Automotive Private Limited
2. BRD Groupe SG Bucharest
3. Credit Du Nord
4. Komercini Banka
5. Newedge Broker India Private Limited.
6. Rosbank Moscow
7. Société Générale Hambros Bank (Channel ISL)
8. Société Générale Hambros Bank Trust, Guernsey
9. Société Générale Securities Asia International Holdings Limited (Hong-Kong)
10. Société Générale Spolka Akcyjna W Polsce
11. Société Générale Wealth Management Solution Private Limited
12. Société Générale Global Solution Centre Private Limited
13. SKB Banka DD
14. Société Générale Marocaine De Banques, Casablanca
15. Société Générale Cyprus3
16. Société Générale (China) Limited.
17. Société Générale Algérie
18. Société Générale De Banques Au Senegal
19. Société Générale Ghana
20. Société Générale Securities India Private Limited (Formerly known as SG Asia Holdings (India) Private Limited)
21. Société Générale De Banques Au Benin
22. Société Générale de Banques en Cote d’Ivoire
23. Union De banques Arabes
24. Société Générale Splitska Banka

The above list has been compiled by the management and relied upon by the auditor:

**Key Management Personnel:**

Antoine Castel - Chief Executive & Chief Country Officer

Note:- In line with the RBI circular DBOD No. BP.BC.23/21.04.018/2015-16 dated July 01, 2015, the Bank has not disclosed details pertaining to related party where under a category there is only one entity/person. Similarly, there has been only one person under Key Management personnel at any given point of time, and therefore, those details are not disclosed.

**Disclosure in respect of material transactions with subsidiaries of Head Office:**
**₹ '000s**

Particulars	As at March 31, 2019	Maximum Outstanding during the year	As at March 31, 2018	Maximum Outstanding during the year
Deposits	7,491,950	8,433,862	6,715,138	7,849,076
Advances	14,713	1,220,000	1,231,632	1,512,662
Non-Funded Commitments	870,547	2,033,362	1,059,020	3,004,473
Receivables	—	—	—	—
Payables	75,531	75,531	52,533	52,533

*The information is as certified by the management and relied upon by the auditor.*
**₹ '000s**

Particulars	2018-19	2017-18
Interest Expense	354,984	295,327
Interest Income	31,393	35,947
Rendering of Services*	28,268	10,413
Receipt of Services	111,213	113,822

*\* includes fee income on Non-Funded Commitments and Foreign Exchange transactions*
**Material related party transactions are given below:**

The following were the material transactions between the Bank and its related parties for the year ended March 31, 2019. A specific related party transaction is disclosed as a material related party transaction wherever it exceeds 10% of all related party transactions in that category.

**Interest Expense**

Interest on deposits paid to Societe Générale Securities India Private Limited ₹ 211,439 (P.Y. ₹ 186,079), Societe Générale Global Centre Private Limited ₹ 124,370 (P.Y. ₹ 93,343).

**Interest Income**

Interest on loans from ALD Automotive Private Limited ₹ 31,179 (P.Y. ₹ 35,912)

**Rendering of Services**

Fee and Commission Income / Other Income / Income on Foreign Exchange transactions received from Societe Générale Global Solution Centre Private Limited ₹ 19,195 (P.Y. ₹ 7,094), Komercini Bank ₹ 2,295 (P.Y. ₹ 1,516) and ALD Automotive Private Limited ₹ 334 (P.Y. ₹ 33)

**Receipt of Services**

Payment to ALD Automotive Private Limited ₹ 5,653 (P.Y. ₹ 7,209) towards car leasing services and Societe Générale Global Solution Centre Private Limited ₹ 105,561 (P.Y. Rs 106,613) towards back office support and software services.

**(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: ₹ 1,260 (P.Y. ₹ 16,625)

**₹ '000s**

Particulars	2018 –19	2017 –18
Up to 1 year	1,260	15,270
1-5 years	—	1,355
Above 5 years	—	—
<b>TOTAL</b>	<b>1,260</b>	<b>16,625</b>

(c) Lease payments recognized in the Profit and Loss Account during the year: ₹ 20,678 (P.Y. ₹ 31,127)

(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**

In accordance with Accounting Standard 22 on “Accounting for taxes on income” issued, the Bank has recognized Deferred Tax Asset (DTA) on timing differences to the extent there is reasonable certainty based on contracts and arrangements in place which will enable the Deferred Tax Asset to reverse:

**₹ '000s**

Particulars	March 31, 2019	March 31, 2018
Deferred Tax Asset		
– Provision for standard assets and other provisions	689,441	311,557
– Amortization of premium on HTM securities	—	953
– Provision for employee benefits	15,423	9,645
– Provision on Non-SLR Investments	31,020	31,020
– Provision for Sundry Assets	349	3,727
– Expenses accrued but disallowed	5,827	25,940
Deferred Tax Liability		
– Difference in Accounting and Tax Depreciation	142,052	161,539
<b>Net Deferred Tax Asset/(Liability)</b>	<b>600,008</b>	<b>221,303</b>

(vi) Particulars of intangible assets		₹ '000s	
Application Software	March 31, 2019	March 31, 2018	
Gross Block			
At cost as at 31st March of the preceding year	545,798	506,285	
Additions during the year	889	39,513	
Deductions during the year	59,959	–	
<b>TOTAL:</b>	<b>486,727</b>	<b>545,798</b>	
<b>Depreciation / Amortization</b>			
As at 31st March of the preceding year	498,388	476,016	
Charge for the year	36,296	22,372	
<b>Deductions during the year</b>	<b>59,951</b>	<b>–</b>	
<b>Depreciation to date</b>	<b>474,733</b>	<b>498,388</b>	
<b>Net block</b>	<b>11,994</b>	<b>47,410</b>	

  

(vii) Capital Commitments		₹ '000s	
Capital Commitments	March 31, 2019	March 31, 2018	
Estimated amount of contracts remaining to be executed on capital account and not provided for.	–	–	

**23. Additional Disclosures**
**(i) Termination Benefits**

Payments to and provision for employees includes ₹ Nil (P.Y: Nil) towards termination benefits.

**(ii) Employee Stock Options**

Société Générale (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 Générale shares within their individual entitlement during the limited period of subscription.

The preferential terms include a discount to the reference price and an "Employers Matching Contribution" up to the specified limit per employee. Payments to and provision for employees includes ₹ Nil (P.Y: ₹ Nil) towards this scheme. There is no future liability in respect of this scheme.

**Provisions and Contingencies**
*Description of Contingent Liabilities*
**Claims against the Bank not acknowledged as debt.**

The Bank has responded to the notice received from Directorate of Enforcement on an existing matter related to FEMA. The Bank does not expect the outcome of these proceedings, if any, to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.

**Other items for which the Bank is contingently liable**

This includes reverse repo lending and Bond purchase pending for settlement as at March 31, 2018. This also includes contingent liability corresponding to amount transferred to Depositor Education and Awareness Fund (DEAF), the capital commitments given to vendors, constituent subsidiary ledger balance, Municipal demand under protest and undrawn commitment funded credit lines.

Tax contingent liability - The Bank expects the outcome of the appeals to be favorable based on decisions on similar issues in the previous years by the appellate authorities, based on the facts of the case and taxation laws.

**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 customer. 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 customer.

**Provisions and Contingencies recognized in the Profit and Loss Account include:**
**₹ '000**

Provision and Contingencies	2018-19	2017-18
I. Taxation Charge		
– Current tax expense	475,000	423,442
– Tax Provision (Prior Years)	7,753	7,625
– Deferred tax expense/ (benefit)	(378,705)	(172,978)
II. Provision / (Write back) for loan losses	859,712	175,000
III. Provision for Standard Assets	85,978	(53,426)
IV. Provision for Diminution in value of Investment	(51,596)	155,528
V. Provision for Country Risk	(4,501)	(7,490)
VI. Provision for Un-Hedged Foreign Currency Exposure	(726)	(1,160)
VII. Provision for Sundry Assets (Net of Write back)	(7,733)	3,532
VIII. Other losses/write-offs	–	239,000
IX. Provision for Large Exposure	(19,711)	19,711
X. Provision for Stressed Assets	(6,782)	6,929
<b>TOTAL</b>	<b>958,689</b>	<b>795,713</b>

**(iii) Floating Provisions: Nil (P.Y. Nil)**
**(iv) Draw down from Reserves:**

The Bank did not have drawdowns from reserves during the year ended March 31, 2019 (P.Y. Nil).

**(v) Disclosure of Complaints:**

Sr. No.	Customer Complaints	2018-19	2017-18
a)	No. of complaints pending at the beginning of the year	–	–
b)	No. of complaints received during the year	3	–
c)	No. of complaints redressed received during the year	3	–
d)	No. of complaints pending at the end of the year	–	–

The above information does not include complaints redressed within 1 working day and is as certified by the Management and relied upon by the auditor.

**(vi) Disclosure of Awards passed by the Banking Ombudsman**

Sr. No.	Awards passed by the Banking Ombudsman	2018-19	2017-18
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	–	–

The above information is as certified by the Management and relied upon by the auditor.

**(vii) Disclosure of Letters of Comfort**

The Bank has not issued any Letter of Comfort during the year. The assessed cumulative financial obligation under the Letters of Comfort issued and outstanding is ₹ Nil. (P.Y. ₹ 268,088)

**(viii) Provision for Long Term contracts**

The Bank has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law/accounting standards for material foreseeable losses on such long-term contracts (including derivative contracts) in the books of accounts and disclosed the same under the relevant notes in the financial statements.

**(ix) PSLCs sold and purchased during the year ended March 31,2019**
**₹ '000**

Particulars	2018-19		2017-18	
	Purchased	Sold	Purchased	Sold
PSLC – Agriculture	–	–	–	–
PSLC – SF/MF	–	–	–	–
PSLC – Micro Enterprises	2,225,000	–	–	–
PSLC - General	5,500,000	–	990,000	–

**(x) Disclosures on Remuneration**

In accordance with the requirement of the RBI Circular No. DBOD.NO.BC.72/29.67/001/2011-12 dated 13 January 2012, the Bank has submitted to the RBI a letter from the Head Office which states that the compensation policies in India including that for the Chief Executive Officer are in line with the Financial Stability Board (FSB) requirements.

**(xi) Disclosure on Corporate Social Responsibility (CSR) Expenditure**

(a) As per the provisions of section 135 of the companies Act,2013, amount to be contributed by the Bank is ₹ 10,985 ('000) (based on 2% of average net profits before tax of three immediate preceding financial years)

(b) As per RBI circular DBOD. No. DIR.BC. 50/13.01.01/2005-06 dated December 21, 2005, amount to be contributed by the Bank is ₹ 1,738 ('000s) (based on 1% of published profits for the previous year)

(c) Amount spent during the year

**₹ '000s**

Particulars	Paid	Yet to be paid	Total
(i) Construction/ acquisition of any asset	–	–	–
(ii) On purpose other than (i) above	1,738	–	1,738

Societe Générale India is a branch office of Societe Générale Group hence the Board has decided to implement the CSR practice as described in the RBI Circular which is 1% of published profits for the previous year. Societe Générale India has spent ₹ 1,684 ('000) towards CSR Activities and ₹ 54 ('000) was spent towards Citizenship Activities.

During the year ended March 31,2019, Bank has reversed ₹ 2,000 ('000) provision for CSR pertaining to the year ended March 31, 2015.

**(xii) Disclosure on transfer to Depositor Education and Awareness Fund (DEAF)**
**₹ '000s**

Particulars	2018-19	2017-18
Opening balance of amounts transferred to DEAF	2,313	2,277
Add: Amounts transferred to DEAF during year	612	36
Less: Amounts reimbursed by DEAF towards claims	–	–
<b>Closing balance of amounts transferred to DEAF</b>	<b>2,925</b>	<b>2,313</b>

(xiii) Based on the available information, there are no outstanding dues towards principal amount or interest thereon remaining unpaid to any supplier covered under, Micro, Small and Medium Enterprises Development Act, 2006 as at the end of the accounting year. Further, no interest was due or payable by the Bank to any supplier during the year under the provisions of the said Act. This information has been provided by the management and relied upon by the auditor.

**(xiv) Unhedged Foreign Currency Exposures**

The Bank has provided for unhedged foreign currency exposure as per RBI master circular DBOD.No.BP.BC.2/21.04.048/2015-16 dated 01 July 2015 on prudential norms on income recognition, asset classification and provisioning pertaining to advances. The Bank considers all customers who have borrowed from the Bank and covers gross sum of all items on the customer's balance sheet that has an impact on the profit and loss account due to movement in foreign exchange rates. While providing for unhedged foreign currency exposure, the Bank has considered both financial hedges and natural hedges. The Bank has internally devised the mechanism of identifying the un-hedged foreign currency exposure to individual clients based on the latest certificates.

Provision towards unhedged foreign currency exposure as on March 31, 2019 is ₹ 249 (in '000s) (P.Y. ₹ 976) and the capital held by the Bank towards this risk is ₹ Nil (P.Y. Nil).

**(xv) Liquidity Coverage Ratio (LCR) ALM**
**₹ '000s**

Sr. No.	Particulars	Quarter Ended 31-Mar-2019		Quarter Ended 31-Dec-2018		Quarter Ended 30-Sep-2018		Quarter Ended 30-June-2018		Quarter Ended 31-Mar-2018	
		Total Un-Weighted Value (average)	Total Weighted Value (average)	Total Un-Weighted Value (average)	Total Weighted Value (average)	Total Un-Weighted Value (average)	Total Weighted Value (average)	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)	44,301	44,301	46,705	46,705	42,573	42,573	38,035	38,035	102,218	102,218
<b>Cash Outflows</b>											
2	Retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-	-	-	-	-
(i)	Stable deposits	-	-	-	-	-	-	-	-	-	-
(ii)	Less stable deposits	-	-	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding, of which:	233,885	107,108	253,026	120,754	296,872	135,837	299,589	138,825	291,793	137,546
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	211,295	84,518	220,452	88,181	268,391	107,356	267,940	107,176	257,079	102,832
(iii)	Unsecured debt	22,591	22,591	32,574	32,574	28,481	28,481	31,650	31,650	34,714	34,714
4	Secured wholesale funding	-	-	-	-	-	-	-	-	-	-
5	Additional requirements, of which	13,755	6,872	15,068	6,602	14,522	5,400	15,149	4,723	16,128	5,006
(i)	Outflows related to derivative exposures and other collateral requirements	3,922	3,922	2,974	2,974	1,491	1,491	255	255	239	239
(ii)	Outflow related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	9,833	2,950	12,094	3,628	13,031	3,909	14,894	4,468	15,889	4,767
6	Other contractual funding obligations	137,512	137,512	118,025	118,025	108,383	108,383	82,475	82,475	54,448	54,448
7	Other contingent funding obligations	274,022	8,221	301,214	9,036	301,642	9,049	286,320	8,590	296,625	8,899
8	Total Cash Outflows	659,174	259,712	687,334	254,418	721,419	258,670	683,533	234,613	658,994	205,898
<b>Cash Inflows</b>											
9	Secured lending	-	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	117,864	60,464	130,016	65,641	305,246	152,623	246,388	123,194	131,685	65,918
11	Other cash inflows	160,021	160,021	149,057	149,057	134,754	134,754	97,739	97,739	62,057	62,057
12	Total Cash Inflows	277,885	220,485	279,074	214,698	440,000	287,377	344,127	220,933	193,742	127,975
13	Total HQLA*	-	44,301	-	46,705	-	42,573	-	38,035	-	102,218
14	Total Net Cash Outflows*	-	64,928	-	63,605	-	64,668	-	58,653	-	77,923
15	Liquidity Coverage Ratio (%)*	-	205.82%	-	184.37%	-	166.78%	-	151.16%	-	132.07%

\* The average weighted, unweighted amounts, TOTAL HQLA, Total Net Cash Outflow, LCR are calculated taking simple average of month end numbers for each quarter.

**Qualitative Disclosure**

- In accordance with Basel III norms, the LCR requirement has been introduced by RBI for banks in India effective January 1, 2015 with a minimum 60% for the calendar year 2015, rising in equal steps each calendar year to reach the minimum 100% requirement by January 1, 2019. The minimum requirement for calendar year 2017 is 80%, for 2018 is 90% and for 2019 is 100%.
  - LCR standard aims to ensure sufficient liquidity within the bank through High Quality Liquid Assets (HQLA) to survive acute stress scenario lasting for 30 days, as it is expected that the bank will take appropriate corrective action within 30 days.
  - Banks HQLA primarily consists of GSEC investments above the SLR limit and Government securities within the mandatory SLR requirement, to the extent allowed by RBI under MSF and FALLCR.
  - The Bank's ALCO is responsible for liquidity risk management on an overall basis, providing guidance to respective stakeholders within the Bank.
  - The aforementioned table provides the quarterly LCR computation for the four quarters of the Financial Year 2018-19. The LCR is being monitored on daily basis effective January 1, 2017. Accordingly, figures are reported as simple average of daily observation for 90 days for all quarters of the FY 2018-19.
  - In computing the above information, certain estimates/assumptions have been made by the Bank's management which have been relied upon by the auditor.
- (xvi) Miscellaneous income includes recovery from network, processing fees, interest on income tax refund etc.
- (xvii) In terms of RBI Master Circular on Foreign Investments in India dated July 1, 2015, the bank does not have any subsidiary companies and as such no certificate was required from the statutory auditors on an annual basis as regards status of compliance with the instruction on downstream investments in compliance with the FEMA provisions.
- (xviii) The Bank has received no complaints for its disposal under the provisions of The Sexual Harassment of Women at Workplace (Prevention, prohibition and Redressal) Act, 2013.
- (xix) Previous year's figures have been regrouped or rearranged, wherever necessary, to conform to current year's presentation.

**For Societe Générale – Indian Branches**

Antoine Castel  
Chief Executive and Chief Country Officer

Ashok Krishnamoorthy  
Chief Operating and Chief Financial Officer - India

Place: Mumbai  
Date: June 11, 2019