SOCIETE GENERALE

(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

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 2020, 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 2020, 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 there under, 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.

Emphasis of Matter

4. We draw attention to Note 8 of Schedule 18 to the financial statements which describes the extent to which the COVID-19 pandemic will have impact on Bank's financial performance. Our opinion is not modified in respect of this matter.

Information other than financial statements and auditor's report thereon

5. 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.
6. 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

7. 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.
8. In preparing the financial statements, Apex Committee 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 Apex Committee 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

9. 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.
10. 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. Undersection 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 Apex Committee.

- 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.

11. 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

12. The Balance Sheet and the Profit and Loss Account have been drawn up inaccordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013.
13. 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.
14. 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 24 (i) 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 24(vii) 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)
UDIN: 20100909AAAAAF4291

Place: Mumbai
Date: June 23, 2020

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 2020 in conjunction with our audit of the standalone 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 audit in 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 inaccordance with authorizations of Apex Committee 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 2020, 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)
UDIN: 20100909AAAAAF4291

Place: Mumbai
Date: June 23, 2020

SOCIETE GENERALE

(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

BALANCE SHEET AS ON MARCH 31, 2020

₹ (000's)

	Schedule	As at March 31, 2020	As at March 31, 2019
CAPITAL & LIABILITIES			
Capital	1	14,493,748	14,493,748
Reserves and Surplus	2	3,007,032	2,718,960
Deposits	3	27,451,332	23,121,395
Borrowings	4	3,037,737	6,295,314
Other Liabilities and Provisions	5	53,979,930	24,297,698
TOTAL:		**101,969,779**	**70,927,115**
ASSETS			
Cash and balances with Reserve Bank of India	6	2,987,804	1,705,698
Balances with Banks and Money at Call and Short Notice	7	2,183,255	4,302,683
Investments	8	30,615,100	22,400,038
Advances	9	15,744,312	14,949,858
Fixed Assets	10	506,566	552,328
Other Assets	11	49,932,742	27,016,510
TOTAL:		**101,969,779**	**70,927,115**
Contingent Liabilities	12	2,428,932,382	1,746,156,400
Bills for Collection		2,617,380	3,031,576
Significant Accounting Policies and Notes to Accounts	17 & 18		

Schedules referred to herein form an integral part of the Financial Statements.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020

₹ (000's)

	Schedule	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
INCOME			
Interest Earned	13	3,156,015	3,071,316
Other Income	14	795,290	1,065,046
		3,951,305	**4,136,362**
EXPENDITURE			
Interest Expended	15	1,402,012	1,845,202
Operating Expenses	16	1,431,389	1,277,397
Provisions and Contingencies		692,657	958,689
		3,526,058	**4,081,288**
PROFIT			
Net Profit/(Loss) for the year		425,247	55,074
Profit/(Loss) Brought Forward		184,615	172,975
		609,862	**228,049**
APPROPRIATIONS			
Transfer to Statutory Reserve		106,312	13,769
Transfer to Capital Reserve		40,846	10,953
Transfer to Investment Fluctuation Reserve Account		124,336	18,712
Remittance to H.O. during the year		137,177	-
Transfer to surplus retained for Capital Adequacy (CRAR)		–	–
Balance carried over to Balance Sheet		201,191	184,615
		609,862	**228,049**
Significant Accounting Policies and Notes to Accounts	17 & 18		

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 23, 2020

For **Societe Generale – Indian Branches**

Antoine Castel
Chief Executive and Chief Country Officer - India

Ashok Krishnamoorthy
Chief Operating and Chief Financial Officer - India

SOCIETE GENERALE

(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

₹ (000's)

Particulars		For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Cash flows from operating activities			
Net Profit as per Profit and Loss Statement		425,247	55,074
Add: Income Tax Provision		490,764	482,753
Add: Deferred Tax (Asset)/Liability		(158,377)	(378,705)
Net profit before taxation and extraordinary items		**757,634**	**159,122**
Adjustments for:			
Depreciation on Fixed Assets		64,249	85,147
(Profit)/Loss on sale of fixed assets (including write-off)		26,865	1,280
Interest paid on sub-ordinated debt during the year		-	84,725
Addition to/(Write-back) of provision for Loan Losses		(245,534)	859,712
Addition to/(Write-back) of Standard Assets		551,138	85,978
Provision on Country Risk		(1,339)	(4,501)
Provision for Unhedged Foreign Currency Exposure		20,938	(726)
Provision for Sundry Assets (Net of Write back)		(800)	(7,733)
Other Losses/write-offs		-	-
Provision for Large Exposure		38,107	(19,711)
Provision for Stressed Assets		428	(6,782)
Provision on Investments		(2,668)	(51,596)
Operating profit before working capital changes		**1,209,018**	**1,184,914**
(Increase)/Decrease in Investments		(9,112,394)	(9,262,078)
(Increase)/Decrease in Advances		(548,920)	11,391,186
(Increase)/Decrease in Other Assets		(22,654,614)	(18,995,866)
Increase/(Decrease) in Deposits		4,329,938	(3,830,227)
Increase/(Decrease) in Other Liabilities & Provisions		29,073,755	16,772,267
Income taxes (paid)/received		(594,000)	(424,985)
Net Cash Flow generated from Operating Activities	**A**	**1,702,783**	**(3,164,787)**
Cash flows from investing activities			
Purchase of fixed assets		(45,990)	(17,624)
Proceeds from sale of fixed assets		639	3,324
Proceeds from maturity of Held to Maturity Investments		900,000	350,000
Net Cash Flow generated from Investing Activities	**B**	**854,649**	**335,700**
Cash flows from financing activities			
Effect of exchange fluctuation on sub-ordinated debt		-	(3,717,145)
Interest paid on sub-ordinated debt during the year		-	(84,725)
Fresh capital infusion		-	6,666,780
Remittance to H.O. during the year		(137,177)	-
Increase/(Decrease) in Borrowings other than Sub-ordinated debt		(3,257,577)	1,369,319
Net Cash Flow generated used in Financing Activities	**C**	**(3,394,754)**	**4,234,229**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(837,322)**	**1,405,141**
Cash and Cash equivalents at the beginning of the year		6,008,381	4,603,240
Cash and Cash equivalents at the end of the year		**5,171,059**	**6,008,381**
Notes: Cash and Cash Equivalents represent			
Cash and Balances with Reserve Bank of India (As per Schedule 6)		2,987,804	1,705,698
Balances with Banks & Money at Call and Short Notice (As per Schedule 7)		2,183,255	4,302,683
		5,171,059	**6,008,381**
Significant Accounting Policies and Notes to Accounts	**17 & 18**		
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 23, 2020

For **Societe Generale – Indian Branches**

Antoine Castel
Chief Executive and Chief Country Officer - India

Ashok Krishnamoorthy
Chief Operating and Chief Financial Officer - India

SOCIETE GENERALE

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INDIAN BRANCHES

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2020

₹ (000's)

	As at March 31, 2020	As at March 31, 2019
SCHEDULE 1		
CAPITAL		
(i) Amount brought in by Bank by way of Capital		
As per Last Balance Sheet	14,493,748	7,826,968
Add: Capital infusion during the year from the Head Office	–	6,666,780
Total	**14,493,748**	**14,493,748**
(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	1,300,000
SCHEDULE 2		
RESERVES AND SURPLUS		
I STATUTORY RESERVE		
As per Last Balance Sheet	1,141,584	1,127,816
Add: Transfer from Profit & Loss Account	106,312	13,768
	1,247,896	**1,141,584**
II CAPITAL RESERVE		
As per Last Balance Sheet	264,212	253,258
Add: Transfer from Profit & Loss Account	40,846	10,953
	305,058	**264,212**
III SURPLUS RETAINED FOR CAPITAL ADEQUACY (CRAR)		
As per Last Balance Sheet	1,018,465	1,018,465
Add: Transfer from Profit & Loss Account	–	–
	1,018,465	**1,018,465**
IV INVESTMENT RESERVE ACCOUNT (IRA)		
As per Last Balance Sheet	91,373	91,373
Add: Transfer from Profit & Loss Account	–	–
	91,373	**91,373**
V INVESTMENT FLUCTUATION ACCOUNT (IFR)		
As per Last Balance Sheet	18,712	–
Add: Transfer from Profit & Loss Account	124,336	18,712
	143,048	**18,712**
VI BALANCE IN PROFIT AND LOSS ACCOUNT		
Balance carried forward from Profit and Loss Account	201,191	184,615
Total	**3,007,032**	**2,718,960**
SCHEDULE 3		
DEPOSITS		
A I Demand Deposits		
(i) From Banks	1,160,068	16,709
(ii) From Others	2,714,962	1,563,052
	3,875,030	**1,579,761**
II Saving Bank Deposits	40,786	34,097
III Term Deposits		
(i) From Banks	–	–
(ii) From Others	23,535,516	21,507,537
	23,535,516	**21,507,537**
Total	**27,451,332**	**23,121,395**
B (i) Deposits of branches in India	27,451,332	23,121,395
(ii) Deposits of branches outside India	–	–
Total	**27,451,332**	**23,121,395**

₹ (000's)

	As at March 31, 2020	As at March 31, 2019
SCHEDULE 4		
BORROWINGS		
I Borrowings in India		
(i) Reserve Bank of India	–	–
(ii) Other Banks	–	–
(iii) Other institutions and agencies	2,999,904	6,295,314
	2,999,904	**6,295,314**
II Borrowings outside India		
(i) Subordinated Debt from Head Office	–	–
(ii) From Head Office and its Branche	37,833	–
	37,833	**–**
Total (I+II)	**3,037,737**	**6,295,314**
Secured borrowings included in I & II above	2,999,904	6,295,314
SCHEDULE 5		
OTHER LIABILITIES AND PROVISIONS		
I Bills Payable	589	3,202
II Inter-Office Adjustment (Net)	–	–
III Interest Accrued	257,291	191,086
IV Provision for standard assets (this also includes provision for Diminution in Fair value of ₹104,211 (PY ₹134,246) and stressed standard assets of ₹591,085 (PY ₹160,109)	1,190,228	639,090
V Deferred Tax Liability (Net)	–	–
VI Others (including provisions)	52,531,822	23,464,320
Total	**53,979,930**	**24,297,698**
SCHEDULE 6		
CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I Cash in hand (including foreign currency notes)	164	152
II Balances with Reserve Bank of India		
(i) In Current Account	2,987,640	1,705,546
(ii) In Other Account	–	–
Total (I+II)	**2,987,804**	**1,705,698**
SCHEDULE 7		
BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I In India		
(i) Balances with Banks		
(a) In Current Account	4	110
(b) In Other Deposit Account	–	–
(ii) Money at Call and Short Notice		
(a) With Banks (including LAF with RBI)	–	3,600,000
(b) With Other Institutions	1,997,264	–
	1,997,268	**3,600,110**
II Outside India		
(i) In Current Account	185,987	176,995
(ii) In Other Deposit Accounts	–	–
(iii) Money at Call and Short Notice	–	525,578
	185,987	**702,573**
Total (I+II)	**2,183,255**	**4,302,683**

SOCIETE GENERALE

(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2020

₹ (000's)

	As at March 31, 2020	As at March 31, 2019
SCHEDULE 8		
INVESTMENTS		
I Investments in India in		
(i) Government securities (*)	29,984,121	21,742,191
(ii) Other approved securities	–	–
(iii) Shares	–	–
(iv) Debentures and bonds	630,979	657,847
(v) Subsidiaries / Joint Ventures	–	–
(vi) Others	–	–
	30,615,100	**22,400,038**
II Investments outside India	–	–
	30,615,100	**22,400,038**
III Investments in India		
Gross Value	30,787,229	22,574,836
Less:- Provision on Investments	(172,129)	(174,798)
Net Value	**30,615,100**	**22,400,038**

* includes Securities kept with CCIL as margin for securities segment of book value of ₹5,914,039 (P. Y. BV 4,191,116); for securities under triparty repo book value of ₹5,598,914 (P. Y. BV ₹6,287,804) ; for Forex segment book value of ₹322,798 (P. Y. BV ₹217,493); 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 ₹1,300,000).

	As at March 31, 2020	As at March 31, 2019
SCHEDULE 9		
ADVANCES		
A (i) Bills purchased and discounted	138,131	1,141,403
(ii) Cash credits, Overdrafts & Loans	15,306,181	12,838,455
(iii) Term Loans	300,000	970,000
Total	**15,744,312**	**14,949,858**
B (i) Secured by tangible assets*	2,146,657	2,673,392
(ii) Covered by Bank/ Government Guarantees	138,131	1,141,403
(iii) Unsecured	13,459,524	11,135,062
*includes advances against book debts		
Total	**15,744,312**	**14,949,857**
C I **Advances in India**		
(i) Priority Sector	138,131	3,895,767
(ii) Public Sector	–	
(iii) Banks	–	
(iv) Others	15,606,181	11,054,091
Sub-total	**15,744,312**	**14,949,858**
II **Advances outside India**	–	–
Sub-total	–	–
Total	**15,744,312**	**14,949,858**
SCHEDULE 10		
FIXED ASSETS		
I.a Premises		
At book value		
Beginning of the year	618,243	618,243
Additions during the year	19,169	–
Deductions during the year	(51,086)	–
Adjustments during the year	–	–
	586,326	618,243
Depreciation to date		
Beginning of the year	132,742	99,604
Additions during the year	32,722	33,138
Deductions during the year	(26,280)	–
	139,184	132,742

₹ (000's)

	As at March 31, 2020	As at March 31, 2019
SCHEDULE 10 *(Contd.)*		
II.b Asset held for sale/disposal		
At book value		
At cost as per last Balance Sheet	–	–
Additions during the year	–	–
Deductions during the year	–	–
	–	–
Depreciation to date		
Beginning of the year	–	–
Additions during the year	–	–
Deductions during the year	–	–
	–	–
Total (I)	**447,142**	**485,501**
II Other fixed assets (including Furniture and Fixtures)		
At book value		
Beginning of the year	695,741	809,280
Additions during the year	25,788	16,168
Deductions during the year	(14,914)	(129,707)
	706,615	**695,741**
Depreciation to date		
Beginning of the year	630,370	704,918
Additions during the year	31,527	52,009
Deductions during the year	(12,215)	(126,557)
	649,682	630,370
Total (II)	**56,933**	**65,372**
III Capital work in progress	2,491	1,456
Total	**506,566**	**552,328**
SCHEDULE 11		
OTHER ASSETS		
I Inter-Office Adjustment (Net)	–	–
II Interest accrued	791,703	447,504
III Tax paid in advance/ tax deducted a t source (net of provisions)	311,067	207,827
IV Deferred Tax Assets (Net)	758,385	600,008
V Stationery and stamps	42	8
VI Others*	48,071,545	25,761,163
Total	**49,932,742**	**27,016,510**

* includes Deposit kept with NABARD ₹455,887 (P. Y. NIL); with SIDBI ₹247,184 (P. Y. ₹NIL) for meeting shortfall in Priority Sector Lending.

	As at March 31, 2020	As at March 31, 2019
SCHEDULE 12		
CONTINGENT LIABILITIES		
((refer note 18.23.iii))		
I Claims against the bank not acknowledged as debts	–	–
II Liability for partly paid investments	–	–
III Liabilities on account of outstanding forward exchange contracts	655,208,535	424,998,253
IV Liabilities on account of outstanding derivative contracts	1,748,502,411	1,287,347,483
V Guarantees given on behalf of constituents	–	
(a) In India	20,500,655	22,034,256
(b) Outside India	–	–
VI Acceptances, endorsements and other obligations	3,445,172	4,708,670
VII Other items for which the Banks is contingently liable	1,275,609	7,067,738
Total	**2,428,932,382**	**1,746,156,400**

SOCIETE GENERALE

(Incorporated in France as a Public Limited Company)

INDIAN BRANCHES

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

₹ (000's)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
SCHEDULE 13 INTEREST EARNED		
I Interest/Discount on Advances/Bills	1,183,045	1,680,800
II Income on Investments	1,806,065	1,279,992
III Interest on balance with Reserve Bank of India and other inter-bank funds	65,414	23,771
IV Others	101,491	86,753
Total	**3,156,015**	**3,071,316**
SCHEDULE 14 OTHER INCOME		
I Commission, Exchange and Brokerage	195,927	387,041
II Profit/(Loss) on sale of Investments (net)	221,036	44,643
III Profit/(Loss) on sale of assets (net)	(26,865)	(1,280)
IV Profit/(Loss) on Foreign Exchange Transactions (net)	(3,214,463)	291,066
V Income earned by way of dividends, etc. from subsidiaries, companies, joint venture abroad/in India	–	–
VI Profit/(Loss) on Derivative Transactions (net)	3,595,619	279,960
VII Miscellaneous Income (refer note 18.24.xv)	24,036	63,616
Total	**795,290**	**1,065,046**
SCHEDULE 15 INTEREST EXPENDED		
I Interest on Deposits	1,097,625	1,388,431
II Interest on Reserve Bank of India/Inter-bank borrowings	61,504	212,196
III Others	242,883	244,575
Total	**1,402,012**	**1,845,202**

₹ (000's)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
SCHEDULE 16 OPERATING EXPENSES		
I Payment to and provisions for employees	603,358	543,103
II Rent, Taxes and Lighting	22,206	23,137
III Printing and Stationery	1,428	2,314
IV Advertisement and Publicity	(1,390)	9,766
V Depreciation on Bank's Property	64,249	85,147
VI Directors' Fees, Allowances and Expenses	–	–
VII Auditors' Fees and Expenses	2,242	2,289
VIII Law Charges	2,579	3,139
IX Postage, Telegrams, Telephones etc.	9,139	4,421
X Repairs and Maintenance	58,675	50,082
XI Insurance	26,442	29,859
XII Head Office Charges	38,269	115,227
XIII Intra-Group Service Fee	221,548	115,439
XIV Inter-unit recharges	91,499	105,561
XV Fee paid for Priority Sector Lending Certificates	36,901	29,177
XVI CSR Expenditure	4,339	(163)
XVII Other Expenditure (refer note 18.22.iv)	249,905	158,899
Total	**1,431,389**	**1,277,397**
PROVISIONS AND CONTINGENCIES		
I Current Tax Expense (refer note 18.22.i)	490,764	482,753
II Deferred tax expense/ (benefit)	(158,377)	(378,705)
III Provision / (Writeback) for loan losses	(245,534)	859,712
IV Provision for Standard Assets	551,138	85,978
V Provision for Country Risk	(1,339)	(4,501)
VI Provision for Unhedged Foregin Currency Exposure	20,938	(726)
VII Provision for Diminution in value of Investments	(2,668)	(51,596)
VIII Provision for Sundry Assets (Net of Write back)	(800)	(7,733)
VIII Other Loan losses/write-offs	–	–
ix Provision for Large Exposure	38,107	(19,711)
x Provision for Stressed Assets	428	(6,782)
Total	**692,657**	**958,689**

Schedule 17- SIGNIFICANT ACCOUNTING POLICIES

I Principal Accounting Policies

1. Background

The accompanying financial statements for the year ended 31st March 2020 comprise the accounts of the Indian branches of Société Générale ('The Bank'), which is incorporated in France as a Public Limited Company. The Indian operations are in Mumbai and New Delhi 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 as amended from time to time.

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 as amended from time to time 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 as amended from time to time. 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 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 there under. 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. Société Générale 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 (e.g.: 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.

Schedule18 -NOTES APPENDED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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, 2020	March 31, 2019
i)	Common Equity Tier I Capital (%)	11.60%	15.86%
ii)	Tier I Capital (%)	11.60%	15.86%
iii)	Tier II Capital (%)	0.98%	0.73%
iv)	Total CRAR %	12.58%	16.59%
v)	Percentage of the shareholding of the Government of India	–	–
vi)	Amount of Tier I capital	16,301,924	16,306,009
vii)	Amount of Additional Tier I capital	–	–
viii)	Amount of Tier II Capital of which		
	- Subordinated Debt from Head Office	–	–
	- Others	1,375,126	751,167
	Amount of Tier II Capital	1,375,126	751,167
(ix)	**Total Capital**	**17,677,050**	**17,057,176**
(x)	**Total Risk weighted Assets**	**140,589,999**	**102,806,896**

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

Particulars	March 31, 2020	March 31, 2019
Gross value of investments in India*	30,787,229	22,574,836
Provision for depreciation in India*	(172,129)	(174,798)
Net value of investments in India*	30,615,100	22,400,038

* The Bank has not made any investment outside India

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

Particulars	2019-20	2018-19
Opening Balance at beginning of the year	174,798	226,394
Add: Provisions made during the year	–	–
Less: Write-off/write-back of excess provisions during the year	2,669	51,596
Closing Balance at end of the year*	172,129	174,798

*Includes provisions on Non-performing investments.

4. **Repo and Reverse Repo:-**
   (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, 2020
Securities sold under repos				
– Government Securities	–	1,999,968	11,530	–
– Corporate Debt Securities				
Securities purchased under reverse repos				
– Government Securities	–	10,900,000	292,263	–
– Corporate Debt Securities				

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	–	–	–	–

5. **Non-SLR Investment Portfolio:**

i. **Issuer Composition of Non SLR investments as at March 31, 2020** ₹ '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 (*)	803,108	803,108	–	803,108	732,092
5	Subsidiaries/Joint Ventures	–	–	–	–	–
6	Others	–	–	–	–	–
7	Provision held towards depreciation	(172,129)	(172,129)	–	(172,129)	(101,113)
	Total	**630,979**	**630,979**	**–**	**630,979**	**630,979**

(*) 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, 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 Corporate (*)	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)
	Total	**657,847**	**657,847**	**–**	**657,847**	**657,847**

(*) 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.

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

Particulars	2019-20	2018-19
Opening Balance	297,245	–
Additions during the year	–	335,857
Reductions during the year#	(29,537)	(38,612)
Closing balance	267,708	297,245
Total provisions held	103,808	131,842

reduction is on account of repayment of some portion of OCD during the year ended March 31, 2020 and March 31,2019.

iii. During the year ended March 31, 2020 and March 31,2019, the Bank has not sold any securities held under HTM portfolio.

iv. During the year ended March 31, 2020 and March 31,2019, the Bank has not transferred securities from HTM to AFS/HFT portfolio.

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. Investment fluctuation reserve on investment HFT and AFS portfolio held as at March 31,2020 is ₹143,048 (P.Y ₹18,712)

vi. During the year ended March 31,2020 and March 31,2019 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	March 31, 2020	March 31, 2019
The Notional principal of swap agreements	1,381,954,011	1,011,701,075
Loss which would be incurred if counterparties failed to fulfill their obligations under the agreements	23,514,904	9,580,515
Collateral required by the Bank upon entering into swaps	–	–
Concentration of credit risk arising from the swaps %		
– Banks and Financial Institutions	99.20%	99.98%
– Others	0.80%	0.02%
Fair value of the swap book	(3,626,512)	(151,077)

Bank exchanges collateral with the counterparties as per the Credit Support Annex (CSA) signed.

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Nature and terms of interest rate swaps:

Outstanding as at March 31, 2020: (₹. '000s)

Nature	No.	Notional Principal	Terms
Trading Swaps	500	197,217,308	Floating Receivable v/s Fixed Payable linked to INO-INR-1D
Trading Swaps	415	172,353,354	Fixed Receivable v/s Floating Payable linked to INO-INR-1D
Trading Swaps	124	119,429,636	Floating Receivable v/s Fixed Payable linked to LIB-USD-6M
Trading Swaps	98	112,914,880	Fixed Receivable v/s Floating Payable linked to LIB-USD-6M
Trading Swaps	1	1,655,400	Floating Receivable v/s Fixed Payable linked to EIB-EUR-6M
Trading Swaps	4	2,152,020	Fixed Receivable v/s Floating Payable linked to EIB-EUR-6M
Trading Swaps	253	147,600,000	Floating Receivable v/s Fixed Payable linked to MIF-INR-6M
Trading Swaps	277	148,820,000	Fixed Receivable v/s Floating Payable linked to MIF-INR-6M
Trading Swaps	7	4,640,310	Fixed Receivable v/s Floating Payable linked to OIS-JPY-1D
Trading Swaps	3	2,648,640	Floating Receivable v/s Fixed Payable linked to EON-EUR-1D
Trading Swaps	7	3,186,645	Fixed Receivable v/s Floating Payable linked to EON-EUR-1D
Trading Swaps	225	161,204,283	Floating Receivable v/s Fixed Payable linked to LIB-USD-3M
Trading Swaps	214	155,847,201	Fixed Receivable v/s Floating Payable linked to LIB-USD-3M
Trading Swaps	2	522,122	Floating Receivable v/s Fixed Payable linked to EIB-EUR-3M
Trading Swaps	2	522,122	Fixed Receivable v/s Floating Payable linked to EIB-EUR-3M
Trading Swaps	23	10,615,800	Floating Receivable v/s Fixed Payable linked to OIS-USD-1D
Trading Swaps	8	9,359,761	Fixed Receivable v/s Floating Payable linked to OIS-USD-1D
Trading Swaps	4	7,883,792	Floating Receivable v/s Fixed Payable linked to LIB-JPY-6M
Trading Swaps	8	12,798,732	Fixed Receivable v/s Floating Payable linked to LIB-JPY-6M
Basis Swap	19	10,139,110	Single Currency Basis Swaps with Receiving leg linked to LIB-USD-3M & Paying leg linked to OIS-USD-1D
Basis Swap	21	38,014,096	Single Currency Basis Swaps with Receiving leg linked to LIB-USD-3M & Paying leg linked to LIB-USD-6M
Basis Swap	1	340,493	Single Currency Basis Swaps with Receiving leg linked to LIB-USD-6M & Paying leg linked to OIS-USD-1D
Basis Swap	9	14,153,670	Single Currency Basis Swaps with Receiving leg linked to EON-EUR-1D & Paying leg linked to EIB-EUR-6M
Basis Swap	12	16,948,960	Single Currency Basis Swaps with Receiving leg linked to LIB-USD-6M & Paying leg linked to LIB-USD-3M
Basis Swap	1	1,566,731	Single Currency Basis Swaps with Receiving leg linked to LIB-JPY-3M & Paying leg linked to LIB-JPY-6M
Basis Swap	1	1,392,650	Single Currency Basis Swaps with Receiving leg linked to OIS-JPY-1D & Paying leg linked to LIB-JPY-6M
Basis Swap	2	2,269,950	Single Currency Basis Swaps with Receiving leg linked to LIB-USD-1M & Paying leg linked to LIB-USD-3M
Basis Swap	2	2,269,950	Single Currency Basis Swaps with Receiving leg linked to LIB-USD-3M & Paying leg linked to LIB-USD-1M
Basis Swap	5	7,263,840	Single Currency Basis Swaps with Receiving leg linked to OIS-USD-1D & Paying leg linked to LIB-USD-3M
Basis Swap	7	6,704,370	Single Currency Basis Swaps with Receiving leg linked to EIB-EUR-6M & Paying leg linked to EIB-EUR-3M
Basis Swap	2	2,648,275	Single Currency Basis Swaps with Receiving leg linked to OIS-USD-1D & Paying leg linked to LIB-USD-6M
Basis Swap	3	6,869,910	Single Currency Basis Swaps with Receiving leg linked to EIB-EUR-6M & Paying leg linked to EON-EUR-1D
	2,260	**1,381,954,011**	

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

Nature	No.	Notional Principal	Terms
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
	1,668	**1,011,701,075**	

There were no forward rate agreement outstanding as at 31.03.2020: 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 Société 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.

Accounting policy: All 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.

Quantitative Disclosure as at March 31, 2020: **₹ ‘000s**

Sr. No.	Particulars	Currency Derivatives #	Interest Rate Derivatives
1	Derivatives (Notional Principal amount)		
	a) For hedging	–	–
	b) For trading	1,021,756,935	1,381,954,011
2	Marked to Market Positions		
	a) Assets (+)	14,772,586	23,514,904
	b) Liability (-)	(16,380,850)	(27,141,416)
3	Credit Exposure	69,204,243	39,102,446
4	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives	–	–
	b) on trading derivatives	1,103,609	1,223,137
5	Maximum of 100*PV01 observed during the year		
	a) on hedging	–	–
	b) on Trading	1,114,076	1,358,125
6	Minimum of 100*PV01 observed during the year		
	a) on hedging	–	–
	b) on Trading	759,796	749,845

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

Currency derivatives include forward foreign exchange contracts.

(iii) Unhedged/uncovered foreign currency exposure

The Bank's foreign currency exposures as at March 31, 2020 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, 2020 is ₹174,805/- (P.Y. ₹344,155/-).

(iv) Exchange Traded Interest Rate Derivatives:

Sr. No.	Particulars	2019-20	2018-19
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	2019-20	2018-19
Net NPAs to Net Advances (%)	0.00%	3.04%
Gross Non-Performing Advances		
Opening Balance at beginning of the year	1,489,178	700,000
Additions during the year	–	789,178
Less: Amounts recovered	(700,000)	–
Less: Amounts written off		–
Closing Balance at end of the year	789,178	1,489,178
Provisions for Non-Performing Advances		
(excluding provision for standard assets)		
Opening Balance at beginning of the year	1034,172	175,000
Add: Provisions made during the year	454,466	859,712
Less: write-back of excess provisions during the year	(700,000)	–
Closing Balance at end of the year	789,178	1,034,712
Net Non-Performing Advances		
Opening Balance at beginning of the year	454,466	525,000
Additions/(Reduction) during the year	(454,466)	(70,534)
Less: Amounts recovered	–	–
Less: Amounts written off	–	–
Closing Balance at end of the year	–	454,466

(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, 2020	March 31, 2019
Standard Advances*	757,001	350,964
Credit Exposure on Derivatives	433,227	288,126
TOTAL	**1,190,228**	**639,090**

* this also includes provision for Diminution in Fair value of ₹104,211 (PY 134,246) & stressed standard assets of ₹591,085 (PY ₹160,109)

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

Particulars	March 31, 2020	March 31, 2019
Provision for Un-Hedged Foreign Currency Exposure	21,188	250
Provision for Country Risk Exposure	255	1,594
Provision for Stressed Sector	575	147
Provision for Large Exposure	38,107	-
TOTAL	**60,125**	**1,991**

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(vi) Particulars of Accounts Restructured -

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

March 31, 2020 ₹ '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	–	–	–	–	–

March 31, 2019 ₹ '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) and Scheme for Sustainable Structuring of Stressed Assets (S4A).*

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, 2020 **₹ '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 ₹172,533 (Diminution in Fair value of ₹104,211 and MTM Loss of ₹68,322).

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).

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

The disclosure on S4A as on 31 March 2020 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	346,657	346,657	-	260,756
Classified as NPA/NPI	267,708	-	267,708	103,808

Bank has outstanding OCDs of ₹196,692 Equity Shares of ₹71,016 and working capital demand loan of ₹346,657 on which provision held is ₹32,792, ₹71,016 and ₹260,756 respectively.

The disclosure on S4A as on 31 March 2019: **₹ '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.

ix) There was no account under the stand-still period where there was change in ownership outside Strategic Debt Restructuring Scheme as on March 31,2020 (P.Y. Nil).

x) Bank does not have any account under flexible debt restructuring as on March 31,2020 (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.

xii) There are no Micro, Small and Medium Enterprises (MSME) cases which have been restructured during the year ended March 31, 2020 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.

xiii) With reference to RBI circular No. RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7,2019. Bank has no borrower where the process of implementing a resolution plan (RP) was initiated.

8. COVID-19 Impact Assessment and Regulatory Disclosure

The outbreak of Covid-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The Government of India ordered a nationwide Lockdown as a preventive measure against the COVID-19 pandemic in India. The Ministry of Home Affairs have declared Banking service as part of essential service and thus the Bank was full operational during the lockdown period.

The Bank has used the principles of prudence in applying judgments, estimates and assumptions to assess overall impact of the pandemic on the business and Financial Statements for the year ended 31 March 2020. However, due to the uncertainties associated with the pandemic, the actual impact may not be in line with current estimates. The Bank will continue to closely monitor any further development relating to COVID-19, which may have impact on business and financial position. Further the impact assessment does not indicate any significant impact on its business and financial results in long term.

The impact of COVID-19 pandemic to the Bank is done by the management regularly in consultation with Crisis Management Team (CMT). All necessary measures are taken by the management to ensure smooth functioning of the business during lock down. The clients are communicated of any important regulatory updates due to COVID-19 situation. The employees are communicated on all updates important w.r.t COVID-19.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated 27th March, 2020 and 17th April, 2020, and clarification issued by RBI through Indian Bankers Association, dated 6th May 2020 the Bank is granting moratorium on the payment of installments and / or interest, as applicable, falling due between 1st March, 2020 and 31st May, 2020 ('moratorium period') to eligible borrowers classified as Standard, even if overdue, as on 29th February, 2020. In accordance with RBI guidelines, the moratorium period, wherever granted, is excluded by the Bank from the number of days past-due for the purpose of asset classification under RBI's Income Recognition and Asset Classification norms. The Bank has made no provisions as at 31st March 2020 against the potential impact of COVID-19 based on the information available up to a point in time.

9. Business Ratios

Particulars	2019-20	2018-19
Interest Income as a percentage to Working Funds (Note 1)	4.00%	5.07%
Non-Interest Income as a percentage to Working Funds (Note 1)	1.01%	1.76%
Operating profit (Note 2) as a percentage to Working Funds (Note 1)	1.42%	1.67%
Return on assets (Note 3)	0.54%	0.09%
Business per employee (₹. 000s) (Note 4 and 5)	494,536	380,545
Profit per employee (₹. 000s) (Note 4)	5,003	551

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.

10. Exposures

(i) Exposure to Real Estate Sector* ₹ '000s

Category	March 31, 2020	March 31, 2019
a) Direct exposure:		
(i) Residential mortgages	–	–
(ii) Commercial real estate	–	–
(iii) Investments in mortgage backed securities (MBS) and other securitized exposures:		
a) Residential		
b) Commercial Real Estate	–	–
b) Indirect exposure: Fund based and non-fund based exposures on National Housing Bank (NHB) and housing finance companies (HFCs)	800,000	–
Total Real Estate Exposure	**800,000**	–

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

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

No	Particulars	March 31, 2020	March 31, 2019
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.	–	–
	Total Exposure to Capital Market	**100,000**	**100,000**

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

(iii) Country Risk Exposure ₹ '000s

Risk Category	Exposure (Net) as at March 31, 2020 (*)	Provision held as at March 31, 2020	Exposure (Net) as at March 31, 2019 (*)	Provision held as at March 31, 2019
Insignificant	373,542	255	2,626,507	1,594
Low	–	–	700,613	–
Moderate	20,574	–	56,121	–
High	28,626	–	294,931	–
Very Hig	–	–	–	–
Restricted	–	–	–	–
Off-Credit	–	–	–	–
Total	422,742	255	3,678,172	1,594

(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 2019-20 and 2018-19, 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.

11. Disclosures for the dealings with the Group entities March 31, 2020 ₹ '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	481,455	2.80
2		SOCIETE GENERALE CHINA LIMITED	–	–
3		SOCIETE GENERALE, ALGERIE	–	–
4		SOCIETE GENERALE GLOBAL SOLUTION CENTRE PVT LTD	239,864	1.39
5		SOCIETE GENERALE SECURITIES INDIA PRIVATE LIMITED	100,000	0.58
6		BRD GROUPE SOCIETE GENERALE SA	–	–
7		CREDIT DU NORD	–	–
8		SKB BANKA DD	35,002	0.20
9		ROSBANK,MOSCOW	28,913	0.17
10		SOCIETE GENERALE SPOLKA AKCYJNA ODDZIAL W POLSCE	19,632	0.11
11		SOCIETE GENERALE BANKA SRBIJA A.D. BEOGRAD	–	–
		Total Intra Group Exposure	**904,866**	**5.26**
		Total Exposure of the Bank	**164,870,198**	
		% of Intra-group exposure to total exposure of the bank	**0.005%**	

Note: The exposures to ALD Automotive Private Limited are excluded from the above computation of Intra Group Exposures for F.Y. 2019-20 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 Société Générale Paris (Head Office of Société Générale India) for the facility sanctioned by Société Générale India to M/s. ALD Automotive Private Limited.

There was no breach of limits on intra group exposure during the financial year 2019-20(P.Y. Nil).

March 31, 2019 ₹ '000s

Sr. No.	Type of Entity	Name of Entity	Total Intra Group Exposure [(E)= (A)+(B)+(C) - (D)]	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	**1,316,511**	**7.65**
		Total Exposure of the Bank	**136,228,490**	
		% of Intra-group exposure to total exposure of the bank	**0.97%**	

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 Société Générale Paris (Head Office of Société Générale India) for the facility sanctioned by Société Générale India to M/s. ALD Automotive Private Limited.

12. Asset Liability Management

Maturity Pattern of certain items of assets and liabilities as at March 31, 2020 **₹ '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	1,363,633	44,775	15,149	376,050	12,348	4,061	1,702	2,493	13,923,150	951	–	15,744,312
Investment	24,362,590	–	–	1,925,898	646,717	1,381,690	1,155,771	414,300	66,166	18,053	643,915	30,615,100
Deposits	42,304	3,379,385	4,400,126	3,857,459	3,019,084	4,414,891	4,563,548	2,485,264	869,612	257,958	161,701	27,451,332
Borrowing	–	3,037,737	–	–	–	–	–	–	–	–	–	3,037,737
FCY Assets	23,636,861	42,104	12,030	68,925	11,664	816,111	–	–	–	–	1,024	24,588,719
FCY Liabilities	22,930,541	163,878	129,455	295,897	79,495	63,753	654,487	126,192	75,364	2,849	65,985	24,587,896

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

Paticulars	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	–	14,949,857
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	8,165,919	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

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.

13. Concentration of Deposits, Advances, Exposures and NPAs

a) Concentration of Deposits **₹ '000s**

Particulars	March 31, 2020	March 31, 2019
Total deposits of twenty largest depositors	26,975,748	22,439,587
% of deposits of twenty largest depositors to total deposits	98.27%	97.05%

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

Particulars	March 31, 2020	March 31, 2019
Total advances to twenty largest borrowers	111,916,079	85,114,317
% of advances of twenty largest borrowers to total advances	67.95%	62.51%

**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, 2020	March 31, 2019
Total exposure to twenty largest borrowers/customers	111,992,163	85,379,106
% of exposures to twenty largest borrowers/customers to total advances	67.93%	61.82%

***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, 2020	March 31, 2019
Total exposure to top four NPAs/NPIs accounts	1,237,700	1,967,245

****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.*

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14. Sector Wise Advances ₹ '000s

Sr. No.	Particulars / Sector*	2019-20 Gross Advances	2019-20 Gross NPAs	2019-20 Percentage of Gross NPAs to Total Advances in that sector	2018-19 Gross Advances	2018-19 Gross NPAs	2018-19 Percentage of Gross NPAs to Total Advances in that sector
A	**Priority Sector**						
1	Agriculture and allied activities	–	–	–	–	–	–
2	Advances to industries sector eligible as priority sector lending	–	–	–	2,754,365	–	–
3	Services	138,131	–	–	1,141,403	–	–
4	Personal loans	–	–	–	–	–	–
	Sub-total (A)*	**138,131**	**–**		**3,895,768**	–	**–**
B	**Non-Priority Sector**						
1	Agriculture and allied activities	–	–	–	–	–	–
2	Industry	5,246,181	90,000	1.72 %	5,293,466	90,000	1.70%
3	Services	11,149,178	699,178	6.27%	6,795,336	1,399,178	20.59%
4	Personal loans	–	–	–	–	–	–
	Sub-total (B)	**16,395,359**	**789,178**	**–**	**12,088,802**	**1,489,178**	**–**
	Total (A+B)	**16,533,490**	**789,178**	**4.77%**	**15,984,570**	**1,489,178**	**9.32%**

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 ₹9,280,000/- as of March 2020. (P. Y. ₹7,725,000).*

15. Movement of NPAs ₹ '000s

Particulars	2019-20	2018-19
Gross NPAs as on 1st April of particular year (opening balance)	1,489,178	700,000
Additions (Fresh NPAs) during the year	–	789,178
Sub-total (A)	1,489,178	1,489,178
Less:		
(i) Up gradations	–	–
(ii) Recoveries (excluding recoveries made from upgraded accounts)	(700,000)	–
(iii) Technical / Prudential Write-offs	–	–
(iv) Write-offs other than those under (iii) above	–	–
Sub-total (B)	(700,000)	–
Gross NPAs as on 31st March (closing balance) (A-B)	789,178	1,489,178

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

Particulars	2019-2020	2018-2019
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)	–	–

16. The Provision Coverage Ratio (PCR) of the Bank after considering technical write-off, if any is 100% as at March 31, 2020 (P.Y: 69.48%).

17. Divergence in Asset Classification and Provisioning for NPAs/NPIs

The RBI vide circular no. DBR.BP.BC.No.63/21.04.018/2016-17 & DBR.BP.BC.No.32/21.04.018/2018-19, titled 'Disclosure in the Notes to Accounts to the financial statements -Divergence in the asset classification and provisioning' dated April 18, 2017 & April 01, 2019 respectively has advised banks to include a disclosure with respect to the additional requirement or the additional gross NPA assessed by RBI for the financial year.

There has been no NPA divergence observations/comments for the FY2018-19. Accordingly, disclosure as required by above circular is not applicable for FY2019-20.

As part of the onsite inspection for supervisory evaluation for FY 2017-18 undertaken, the RBI had 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

18. Overseas Assets, NPAs and Revenue ₹ '000s

Particulars	March 31, 2020	March 31, 2019
Total Assets	–	–
Total NPAs	–	–
Total Revenues	–	–

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

20. The Bank has not undertaken any factoring business during the Financial Year 2019-20 (P.Y. Nil).

21. 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) had notified these accounting standards (Ind-AS) for adoption. The RBI has issued a circular applicable to all commercial banks (RBI/2015-16/315 DBR.BP.BC. No. 76/21.07.001/2015-16 dated 11th Feb 2016) on Implementation of Indian Accounting Standards (IND AS). In FY 2018-19 RBI has deferred the IND AS Implementation again as per RBI circular No. RBI/2018-19/146 DBR.BP.BC.No. 29/21.07.001/2018-19 dated 22nd Mar 2019 until further notice. 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, 2020 and submitted the same to the RBI. The Bank will continue its preparation towards migration to adopting Ind-AS as per regulatory requirement.

22. Miscellaneous

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

Particulars	2019-20	2018-19
– Current tax expense	506,000	475,000
– Tax Provision (Prior Years)	(15,236)	7,753
Total Tax Expense – A	**490,764**	**482,753**
– Deferred tax expense/(benefit) – B	(158,377)	(378,705)
Total (A+B)	**332,387**	**104,048**

(ii) Disclosure of Penalties imposed by RBI

During the Financial Year 2019-20 and 2018-19, no penalties were imposed on the Bank.

(iii) Bancassurance Business ₹. '000s

Nature of Income	2019-20	2018-19
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	2019-20	2018-19
Subscription charges	32,382	31,410
Professional Fees	10,547	10,223
Travel Expenses	13,937	16,460

(v) Disclosure on frauds: ₹ '000s

Particulars	2019-20	2018-19
No. of frauds reported during the period	–	–
Amount involved	–	–
Provision made	–	–
Unamortized provision debited from "Other Reserves"	–	–

23. Disclosures as per Accounting Standards (AS)

(i) Employee Benefits- AS 15

Provident Fund: The contribution to the employee's provident fund amounted to ₹19,457 for the year ended March 31, 2020 (P.Y. ₹19,679)

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. With reference to said order the bank does not foresee any such liability.

Pension Fund: The contribution to the employee's pension fund amounted to ₹NIL for the year ended March 31, 2020 (P.Y. ₹5,596)

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.

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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	2019-20	2018-19
Present Value of the Obligation at the beginning of the year	45,950	43,826
Interest cost	2,693	3,011
Current service cost	6,307	5,986
Settlement cost	(2,284)	–
Benefits paid	(17,613)	(9,425)
Actuarial gain/(loss) on obligations	3,709	2,552
Present Value of the Obligation at the end of the year	38,764	45,950

Reconciliation of Fair Value of Plan Assets	2019-20	2018-19
Fair Value Plan Assets at the beginning of the year	34,677	34,855
Expected return on Plan Assets	2,328	2,551
Employer's contribution	11,274	5,971
Benefits paid	(17,613)	(9,425)
Actuarial gain /(loss) on obligations	(689)	725
Assets distributed on settlements	–	–
Fair Value Plan Assets at the end of the year	29,978	34,677

Amount to be recognized in Balance Sheet	2019-20	2018-19
Present Value of funded obligations	38,764	45,951
Fair value of Plan Assets	(29,978)	(34,677)
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"	8,786	11,274

Amount to be recognized in Profit and Loss Account	2019-20	2018-19
Current service cost	6,307	5,986
Interest on defined benefit obligation	2,693	3,011
Expected Return on Plan Assets	(2,328)	(2,550)
Settlement Cost	(2,284)	–
Net Actuarial losses/(gains) recognized during the year	4,398	1,826
Past service cost	–	–
Total expense recognized in the Profit & Loss Account under "Payments to and Provision for Employees"	8,786	8,274
Actual Return on Plan Assets	1,639	3,276

Experience Adjustment #	2019-20	2018-19	2017-18	2016-17	2015-16
Defined Benefit Obligation	38,764	45,950	43,826	40,365	41,595
Plan Assets	29,978	34,677	34,855	30,939	30,761
Surplus/(Deficit)	(8,786)	(11,274)	(8,971)	(9,426)	(10,834)
Gains/(Losses) due to change in assumptions	(1,261)	(2,721)	(1,730)	1,971	990
Exp. Adj. on plan Liabilities	(2,449)	168	(409)	(6,281)	(4,037)
Exp. Adj. on plan assets	(689)	726	(47)	223	(63)

Summary of principal actuarial assumptions	2019-20	2018-19
Discount rate (p.a.)	6.80%	7.60%
Expected rate of return (p.a.)	7.50%	7.50%
Salary escalation rate (p.a.)	7.00%	7.50%
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 ₹6,335 ('000s) as liability for leave encashment for the year ended March 31, 2020 (P.Y. – ₹5,017 (000s).

Long Service Awards: The actuarial liability for Long Service Awards in accordance with AS-15 (R) was ₹2,136 for the year ended March 31, 2020 (P.Y. ₹2,504).

SOCIETE GENERALE

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INDIAN BRANCHES

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)

Termination Benefits

As part of business restructuring/reorganization the Bank has during the year closed two of its branches situated at Sanand & Chengalpattu and has paid ₹30,661 (in '000) towards termination benefits.

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 Société 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 towards GESOP for employees for FY 19-20 is ₹720 (in'000) (P.Y: ₹Nil) towards this scheme. There is no future liability in respect of this scheme.

(ii) Segment Reporting- AS 17

(a) The Bank in India operates as a single unit and there are no identifiable geographical segments.

(b) 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.

(c) 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.

(d) Segment result is net of expenses both directly attributable as well as allocated costs of support functions.

(e) Segment assets and liabilities include the respective amounts directly attributable to each of the segments.

(f) The Bank does not have retail operations in India.

FY 2019-20 **₹ '000s**

Business Segments → Particulars ↓	Treasury	Corporate / Wholesale Banking	Other Banking Operations	Total
Revenue	2,377,373	1,600,798	–	3,978,171
Unallocated Revenue	–	–	–	(26,865)
Result	2,091,108	(1,306,611)	–	784,497
Unallocated Results	–	–	–	(26,865)
Unallocated Expenses	–	–	–	–
Operating profit	–	–	–	757,634
Income Taxes	–	–	–	332,387
Extraordinary Profit/Loss	–	–	–	–
Net Profit	–	–	–	425,247
Other Information:	–	–	–	–
Segment Assets	84,344,116	15,982,673	–	100,326,789
Unallocated assets	–	–	–	1,642,990
Total Assets	–	–	–	101,969,779
Segment Liabilities	56,462,738	44,921,337	–	101,384,075
Unallocated Liabilities	–	–	–	585,704
Total Liabilities	–	–	–	101,969,779

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 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	–	–	–	371,986
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.

(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, GuernseyW
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 Cyprus
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, 2020	Maximum Outstanding during the year	As at March 31, 2019	Maximum Outstanding during the year
Deposits	7,518,954	2,287,747,258	7,491,950	8,433,862
Advances	500,000	870,000	14,713	1,220,000
Non-Funded Commitments	239,864	1,455,896	870,547	2,033,362
Receivables	3054	3054	–	–
Payables	59,694	59,694	75,531	75,531

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

₹ '000s

Particulars	2019-20	2018-19
Interest Expense	360,341	354,984
Interest Income	13,365	31,393
Rendering of Services*	22,273	28,268
Receipt of Services	91,499	111,213

** 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, 2020. 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 Société Générale Securities India Private Limited ₹148,369 (P.Y. ₹211,439), Société Générale Global Centre Private Limited ₹191,931 (P.Y. ₹124,370).

Interest Income
Interest on loans from ALD Automotive Private Limited ₹13,284 (P.Y. ₹31,179)

Rendering of Services
Fee and Commission Income / Other Income / Income on Foreign Exchange transactions received from Société Générale Global Solution Centre Private Limited ₹12,298 (P.Y. ₹19,195), Société Générale securities private limited ₹7,070 (P.Y. ₹NIL), Komercini Bank ₹1,964 (P.Y. ₹2,295) and ALD Automotive Private Limited ₹341 (P.Y. ₹335)

Receipt of Services
Payment to ALD Automotive Private Limited NIL (P.Y. ₹5,653) towards car leasing services and Société Générale Global Solution Centre Private Limited ₹91,499 (P.Y. Rs 105,561) 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: NIL (P.Y. ₹1,260) ₹ '000s

Particulars	2019-20	2018-19
Up to 1 year	–	1,260
1-5 years	–	–
Above 5 years	–	–
TOTAL	**–**	**1,260**

(c) Lease payments recognized in the Profit and Loss Account during the year: ₹23,819 (P.Y. ₹20,678)

(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, 2020	March 31, 2019
Deferred Tax Asset		
– Provision for standard assets and other provisions	831,912	689,441
– Amortization of premium on HTM securities	–	–
– Provision for employee benefits	23,836	15,423
– Provision on Non-SLR Investments	31,020	31,020
– Provision for Sundry Assets	–	349
– Expenses accrued but disallowed	–	5,827
Deferred Tax Liability		
– Difference in Accounting and Tax Depreciation	(128,383)	(142,052)
Net Deferred Tax Asset/(Liability)	**758,385**	**600,008**

(vi) Particulars of intangible assets **₹. '000s**

Application Software	March 31, 2020	March 31, 2019
Gross Block		
At cost as at 31st March of the preceding year	486,727	545,798
Additions during the year	5525	889
Deductions during the year	(676)	(59,959)
TOTAL:	**491,576**	**486,727**
Depreciation / Amortization		
As at 31st March of the preceding year	(474,733)	(498,388)
Charge for the year	(12,660)	(36,296)
Deductions during the year	676	59,951
Depreciation to date	(486,717)	(474,733)
Net block	**4,859**	**11,994**

(vii) Capital Commitments **₹ '000s**

Capital Commitments	March 31, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for.	15,200	-

24. Additional Disclosures

(i) 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 also includes contingent liability corresponding to amount transferred do Depositor Education and Awareness Fund (DEAF), the capital commitments given to vendors, constituent subsidiary general 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	2019-20	2018-19
I. Taxation Charge		
– Current tax expense	506,000	475,000
– Tax Provision (Prior Years)	(15,236)	7,753
– Deferred tax expense/ (benefit)	(158,377)	(378,705)
II. Provision / (Write back) for loan losses	(245,534)	859,712
III. Provision for Standard Assets	551,138	85,978
IV. Provision for Diminution in value of Investment	(2,668)	(51,596)
V. Provision for Country Risk	(1,339)	(4,501)
VI. Provision for Un-Hedged Foreign Currency Exposure	20,938	(726)
VII. Provision for Sundry Assets (Net of Write back)	(800)	(7,733)
VIII. Other losses/write-offs	–	–
IX. Provision for Large Exposure	38,107	(19,711)
X. Provision for Stressed Assets	428	(6,782)
TOTAL	**692,657**	**958,689**

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

(iii) Draw down from Reserves:

The Bank did not have drawdowns from reserves during the year ended March 31, 2020 (P.Y. Nil).

(iv) Disclosure of Complaints:

Sr. No.	Customer Complaints	2019-20	2018-19
a)	No. of complaints pending at the beginning of the year	–	–
b)	No. of complaints received during the year	3	3
c)	No. of complaints redressed received during the year	3	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.

(v) Disclosure of Awards passed by the Banking Ombudsman

Sr. No.	Awards passed by the Banking Ombudsman	2019-20	2018-19
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.

(vi) 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. NIL)

(vii) 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.

(viii) PSLCs sold and purchased during the year ended March 31,2020 **₹'000**

Particulars	2019-20		2018-19	
	Purchased	Sold	Purchased	Sold
PSLC – Agriculture	–	–	–	–
PSLC – SF/MF	–	–	–	–
PSLC – Micro Enterprises	6,280,000	–	2,225,000	–
PSLC – General	3,000,000	–	5,500,000	–

(ix) 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.

(x) 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 ₹4,487 ('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 ₹3,182 ('000s) (based on 2% of published profits for the previous year)

(c) Amount spent during the year **₹ '000s**

Particulars		Paid
(i)	Construction/ acquisition of any asset	–
(ii)	On purpose other than (i) above	4,418

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

Particulars	2019-20	2018-19
Opening balance of amounts transferred to DEAF	2,925	2,313
Add: Amounts transferred to DEAF during year	732	612
Less: Amounts reimbursed by DEAF towards claims	–	–
Closing balance of amounts transferred to DEAF	**3,657**	**2925**

(xii) 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.

(xiii) 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, 2020 is ₹21,188 (in '000s) (P.Y. ₹249) and the capital held by the Bank towards this risk is ₹148,148 (P.Y. NIL).

SOCIETE GENERALE

(Incorporated in France as a Public Limited Company)

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(xiv) Liquidity Coverage Ratio (LCR) **₹'000s**

Sr. No.	Particulars	Quarter Ended 31-Mar-2020		Quarter Ended 31-Dec-2019		Quarter Ended 30-Sep-2019		Quarter Ended 30-June-2019		Quarter Ended 31-Mar-2019	
		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)
High Quality Liquid Assets											
1	Total High-Quality Liquid Assets (HQLA)	268,770	268,770	240,485	240,485	188,353	188,353	172,390	172,390	138,880	138,880
Cash Outflows											
2	Retail deposits and deposits from small business customers, of which:	–	–	–	–	–	–	4	0	8	1
(i)	Stable deposits	–	–	–	–	–	–	–	–	8	1
(ii)	Less stable deposits	–	–	–	–	–	–	4	–	–	–
3	Unsecured wholesale funding, of which:	253,849	138,788	245,726	134,944	228,603	117,711	229,092	102,868	235,062	108,101
(i)	Operational deposits (all counterparties)	–	–	–	–	–	–	–	–	–	–
(ii)	Non-operational deposits (all counterparties)	191,768	76,707	184,637	73,855	184,820	73,928	210,373	84,149	211,602	84,641
(iii)	Unsecured debt	62,081	62,081	61,089	61,089	43,783	43,783	18,719	18,719	23,461	23,461
4	Secured wholesale funding		–	–	–	–	–	–	–	–	–
5	Additional requirements, of which	14,371	5,057	10,930	3,845	18,388	5,531	14,043	6,670	24,387	6,771
(i)	Outflows related to derivative exposures and other collateral requirements	817	817	798	798	1,143	1,143	3,510	3,510	14,025	3,663
(ii)	Outflow related to loss of funding on debt products	–	–	–	–	–	–	–	–	–	–
(iii)	Credit and liquidity facilities	13,555	4,240	10,131	3,046	17,245	4,387	10,534	3,160	10,362	3,109
6	Other contractual funding obligations	280,418	280,418	230,646	230,646	248,914	248,914	169,677	169,677	137,037	137,037
7	Other contingent funding obligations	350,846	12,844	336,724	11,919	327,252	11,805	277,477	9,231	273,647	8,209
8	Total Cash Outflows	899,483	437,107	824,026	381,354	823,157	383,961	690,293	288,446	670,141	260,119
Cash Inflows											
9	Secured lending	–	–	–	–	–	–	–	–	–	–
10	Inflows from fully performing exposures	94,231	68,314	97,359	67,754	112,229	75,588	104,299	57,293	117,914	60,568
11	Other cash inflows	308,153	308,153	263,243	263,243	276,584	276,584	216,072	216,072	159,933	159,933
12	Total Cash Inflows	402,385	376,468	360,602	330,997	388,814	352,172	320,372	273,366	277,847	220,501
13	Total HQLA*		268,770		240,485		188,353		172,390		138,880
14	Total Net Cash Outflows*		109,277		95,338		95,990		72,244		65,030
15	Liquidity Coverage Ratio (%)*		248.44%		251.44%		195.63%		243.00%		205.65%

* 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

1) 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%.
2) LCR standard aims to ensure sufficient liquidity within the bank through High Quality Liquidity 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.
3) 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.
4) The Bank's ALCO is responsible for liquidity risk management on an overall basis, providing guidance to respective stakeholders within the Bank.
5) The aforementioned table provides the quarterly LCR computation for the four quarters of the Financial Year 2019-20. 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 2019-20.
6) In computing the above information, certain estimates/assumptions have been made by the Bank's management which have been relied upon by the auditor.

(xv) Miscellaneous income includes recovery from network, processing fees, rental income etc.

(xvi) 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.

(xvii) 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.

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

For Société Générale – Indian Branches

Antoine Castel
Chief Executive and Chief Country Officer - India

Ashok Krishnamoorthy
Chief Financial Officer/Chief Operating Officer - India

Place: Mumbai
Date: June 23, 2020

SOCIETE GENERALE

(Incorporated in France as a Public Limited Company)

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Basel III disclosures of the Indian Branches for the year ended 31 March 2020

All amounts in ₹ '000s, unless otherwise stated

DF 1. Scope of application

1. **Qualitative and Quantitative Disclosures:**

The Bank is subject to the capital adequacy guidelines stipulated by RBI, which are based on the framework of the Basel Committee on Banking Supervision. As per Basel III guidelines, the Bank is required to maintain a minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% {12.5% including Capital Conservation Buffer (CCB) and additional CET 1 requirement under Global Systemically Important Bank}, with minimum Common Equity Tier I (CET1) of 5.5% (8% including CCB) as on 31st March 2020. These guidelines on Basel III has been implemented on 1st April 2013 in a phased manner. The minimum capital required to be maintained by the Bank for the year ended 31st March 2020 is 9% with minimum Common Equity Tier 1 (CET1) of 5.5%. The risk management framework of Indian operations is integrated with the Bank's strategy and business planning processes at global level. The Bank has comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed in conducting its activities. The risk management function in India is as per directives and framework set out at Head Office level. As at March 31, 2020, the Bank does not have any investment in subsidiaries/Joint Ventures and Associates, significant minority equity investment in insurance, financial and commercial entities.

2. **Capital structure**

Qualitative Disclosures

Bank regulatory capital consists of two components – Tier 1 capital and Tier 2 capital. Both components of capital provide support for banking operations and protect depositor. As per Reserve Bank of India (RBI) guidelines, the composition of capital instruments for foreign banks in India would include the following elements:

Tier 1 Capital:

- Interest-free funds received from Head Office
- Statutory reserves kept in Indian books
- Remittable surplus retained in Indian books which is not repatriable so long as the bank functions in India
- Capital Reserves
- Interest-free funds remitted from Head Office for acquisition of property

Tier 2 Capital:

- General provisions and loss reserves:

  General provisions and loss reserves can be reckoned up to a maximum of 1.25 per cent of the total Credit risk-weighted assets. Such provisions and reserves include provisions on Standard Assets, Country Risk Exposures, Unhedged Foreign Currency Exposures and Investment Reserve Account'.

  Head Office borrowings in foreign currency raised by foreign banks operating in India classified as subordinated debt subject to a maximum ceiling of 50% of the Tier 1 capital maintained in India.

Quantitative Disclosure

a) Tier 1 Capital (₹ '000s)

Amount Received from Head Office	14,148,680
Statutory Reserves	1,247,896
Remittable Surplus Retained in India for CRAR	1,018,465
Capital Reserves	305,058
Interest-free funds remitted from Head Office for acquisition of property	345,068
Less: Intangible Assets and Deferred Tax Assets	(763,243)
Total Tier 1 Capital	**16,301,924**

b) Tier 2 Capital (₹ '000s)

General Provisions and loss Reserves reckoned up to a maximum of 1.25 per cent of the total Credit risk-weighted assets	1,375.126
Amount eligible to be reckoned as capital funds	**1,375,126**

c) Debt Capital Instruments Eligible for inclusion in Upper Tier 2 Capital (₹ '000s)

Total Amount Outstanding	–
of which amount raised during the current year	–
Amount eligible to be reckoned as capital funds	–

d) Subordinated Debt Eligible for inclusion in Lower Tier 2 Capital (₹ '000s)

Total amount outstanding	–
of which amount raised during the current year	–
Amount eligible to be reckoned as capital funds	–

Total Tier 2 Capital (b) + (c) + (d)	**1,375,126**

e) Other deduction from capital.
There are no other deductions from capital.

f) Total Eligible Capital
The total eligible capital is ₹17,677,050 ('000s).

DF 2. Capital Adequacy

Qualitative Disclosures

The Bank has assessed its capital requirement taking into account the 3 main risks as defined by Pillar 1 of the Basel III norms viz: Credit Risk, Market Risk and Operational Risk. The Credit Risk is computed using the Standardized Approach, the Market Risk is calculated using the Standardized Duration Approach and the Operational Risk is calculated using the Basic Indicator Approach. The risk computation under each of these 3 categories is adequately covered by the Capital of the Bank.

The Bank has assessed its future capital requirement and the same has been documented in the ICAAP (Internal Capital Adequacy Assessment Process) based on the position as of March 31'2020. The capital requirement will be re-assessed taking into consideration the position of the Bank for the financial year ended March 31'2020.

The existing level of Capital is adequate to meet the Bank's current and future business requirements and the CRAR ratio of the Bank is significantly higher than that prescribed by the regulator. A summary of the Bank's capital requirement for credit, market and operational risk and the capital adequacy ratio as on 31st March 2020 is presented below:

Quantitative Disclosures (₹ '000s)

(a)	Capital Requirements for Credit Risk:	
	Portfolios subject to Standardized Approach	9,900,906
	Securitization Exposures	–
(b)	Capital Requirements for Market Risk: Standardized Duration Approach:	
	Interest Rate Risk	1,869,475
	Foreign Exchange risk (including Gold)	270,000
	Equity Risk	–
(c)	Capital Requirement for Operational Risk:	
	Basic Indicator Approach	345,285
Total Eligible Capital		17,677,050
Total Risk Weighted Assets		1,40,589,999
Total Capital Ratio		12.58%
Tier 1 Capital Ratio		11.60%

DF 3. Credit risk: general disclosures

Qualitative Disclosures

Credit Risk has been defined as the risk of financial loss if counterparty defaults on an obligation under a contract. It arises mainly from direct lending, off-balance sheet exposures such as guarantees & derivatives and from the Bank's investments in debt securities.

Strategy and processes (including credit risk management policy of the Bank)

The credit risk management framework is based upon Société Générale group policies and revolves around certain key principles

- All transactions and facilities must be authorized in advance.
- All requests for authorizations relating to a specific client or client group are handled by a single operating division.
- All authorizations are given by an independent risk department, and approval rests on a framework based on internal counterparty risk ratings, Loss given default and a risk-adjusted return on capital analysis
- There are internal caps on the total sub-investment grade exposure (defined as internal rating of 6 (six) or below), exposure to sensitive sectors and on the extent of unsecured exposure.
- There are also specific controls on exposures to banks and financial institutions, designed to ensure against excessive risk concentration.

Structure and Organization:

The risk ratings are proposed by the operating divisions and are validated by the respective Risk Divisions at the Regional/Head Office (HO) Hubs. The Risk department is independent of the operating divisions. Risk ratings are included in all credit proposals and are factored into all credit decisions.

There is a specialized and centralized department for financial institutions which is located at Regional/HO hubs.

Scope and nature of risk reporting and measurement:

The internal rating models measure counterparty risk (expressed as a probability of default by the borrower in one year) and transaction risk (expressed as the amount that will be lost should a borrower default). An in-house database stores all credit limits.

The risk on counterparty exposure on market transactions is measured by modeling the future mark to market value of transactions, after taking into account netting and correlation effects.

Non-performing advances:

Non-performing advances are identified by regular appraisals of the portfolio by management or in accordance with RBI guidelines, whichever is earlier. Specific provision is made on a case by case basis, subject to minimum provisioning levels prescribed by RBI. Special attention is paid to early identification of problem exposures. The Bank's approach towards problem exposures is:

- Quick identification and isolation of potential weak /non-performing credits for concentrated attention through inclusion in the watch list. Watch list discussions are attended by Senior Management, Head of Risk and the Relationship Manager.
- Continued and rigorous follow up of these credits with the intention to monitor a possible turnaround or an early exit.
- A structured and sustained pro-active approach complemented by a rigorous follow up procedures.

For recognition of past due and impaired loans and advances, the Bank follows guidelines prescribed by Reserve Bank of India as contained in the Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning, as amended from time to time and other relevant circulars/notifications issued by RBI during the course of the year in this regard.

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Quantitative Disclosures

a) Total gross credit risk exposure (₹ '000s)

	Fund Based	Non-Fund Based	Total
As at 31 March 2020	**63,396,678**	**14,358,936**	**77,755,614**

b) Geographic distribution of exposures (₹ '000s)

	As at 31.03.2020		
	Fund Based	**Non-Fund Based**	**Total**
Overseas	–	–	–
Domestic	63,396,678	14,358,936	77,755,614
Total	**63,396,678**	**14,358,936**	**77,755,614**

c) Industry type distribution of exposures (₹ '000s)

Industry	Funded	Non-Funded	Grand Total
Cement and Cement Products	–	156,013	156,013
Chemical and chemicals products	500,000	–	500,000
Food Processing	1,658,040	2,416,805	4,074,845
Infrastructure	2,276,400	2,262,087	4,539,487
Mining & Quarrying-Others	–	109,077	109,077
All Engineering – Others	1,474,849	2,385,161	3,860,010
Banking & Finance	412,765	3,472,095	3,893,860
NBFC	76,00,000	800,000	84,00,000
Financial Institution	703,355	–	703,355
Vehicles, Vehicle Parts and Transport Equipments	–	250	250
Other Industries	48,762,269	2,756,729	51,518,998
Total	**63,396,678**	**14,358,936**	**77,755,614**

- Fund-based exposure represents funded loans & advances including overdrafts, cash credits and bill discounting.
- Non-fund-based exposures are guarantees given on behalf of constituents, Letters of Credit, Undrawn binding commitments, acceptances and endorsements.
- The exposure amount is the net outstanding (i.e. net of provisions and credit risk mitigants, if any)
- The increase in exposures by 25% due to unhedged foreign currency exposure is not considered in the above figures.

d) Residual contractual maturity breakdown of assets (₹ '000s)

	As at 31.03.2020
1 day	76,230,225
2-7 days	2,053,745
8-14 days	15,149
15-30 days	2,598,086
31 days and up to 2 months	750,989
over 2 months and up to 3 months	2,479,451
Over 3 Months and up to 6 months	1,413,837
Over 6 Months and up to 1 year	754,385
Over 1 Year and up to 3 years	14,266,029
Over 3 Years and up to 5 years	121,865
Over 5 years	1,286,060
Total	**101,969,779**

e) Amount of NPAs (Gross) – ₹789,178 (P.Y. ₹1,489,178) in '000'

f) Net NPAs- Nil (P.Y. ₹454,466) in '000'

g) NPA Ratios
- Gross NPAs to gross advances 4.77 % (P.Y.9.32%)
- Net NPAs to net advances- Nil (P.Y. 3.04%)

h) Movement of NPAs (₹ '000s)

	Gross NPAs	Provision	Net NPA
Opening balance	1,489,178	1,034,712	454,466
Additions	–	–	–
Reduction (including write backs / write offs)	700,000	245,534	454,466
Closing balance	**789,178**	**789,178**	**–**

i) Non-performing investments – ₹267,708 (P.Y. ₹297,245) in '000'

j) Provisions held for non-performing investments – ₹103,808 (P.Y. ₹131,842) in '000'

k) Movement of provisions for depreciation on investments (₹ '000s)

	2019-20
Opening Balance at beginning of the year	174,798
Add: Provisions made during the year	–
Less: Write-off/write-back of excess provisions during the year	(2.668)
Closing Balance at end of the year	**172,130**

DF 4. Credit risk: disclosures for portfolios subject to the standardized approach

Qualitative Disclosures

The Bank relies on the ratings given by the following External Credit Rating Agencies (ECRAs) approved by the RBI to calculate its capital requirement under the standardized approach for credit risk

Domestic Credit Rating Agencies for external ratings of Indian Corporates:

1) Credit Analysis and Research Ltd. (CARE)
2) CRISIL.
3) India Ratings & Research Private Limited (earlier known as FITCH India)
4) ICRA Ltd, Brickwork Ratings India Pvt. Ltd., SMERA Ratings Limited

The Bank has used issue-specific solicited ratings available in the public domain (for both Long Term and Short-Term facilities) from the above domestic rating agencies to allocate appropriate risk weighting for both funded as well as non-funded exposures on corporate customer.

The mapping of external credit ratings and risk weights for corporate exposures is provided in the tables below:

Risk weight mapping of long-term corporate ratings

Long term ratings	Risk weights
AAA	20%
AA	30%
A	50%
BBB	100%
BB & Below	150%
Unrated	100%

Risk weight mapping of short term corporate ratings

CARE	CRISIL	FITCH	ICRA	Risk weights
PR1+	P1+	F1+	A1+	20%
PR1	P1	F1	A1	30%
PR2	P2	F2	A2	50%
PR3	P3	F3	A3	100%
PR4 & PR5	P4 & P5	F4/F5	A4 & D	150%
Unrated	Unrated	Unrated	Unrated	100%

The claims on banks incorporated in India and foreign banks branches in India, excluding investment in equity shares and other instruments eligible for capital status are risk weighted as under:

Level of Common Equity Tier 1 capital (CET1) including applicable capital conservation buffer (CCB) (%)	All Scheduled Banks	All Non-Scheduled Banks
Applicable Minimum CET1 + Applicable CCB and above	20	100
Applicable Minimum CET1 + CCB = 75% and <100% of applicable CCB33	50	150
Applicable Minimum CET1 + CCB = 50% and <75% of applicable CCB	100	250
Applicable Minimum CET1 + CCB = 0% and <50% of applicable CCB	150	350
Minimum CET1 less than applicable minimum	625	625

International ECRAs for external ratings of Foreign Banks, Foreign Sovereigns, Foreign Public-Sector Entities and Non-Resident Corporates:

a) Fitch
b) Moody's
c) Standard & Poor's

The mapping of external credit ratings and risk weights for the above entities are provided in the tables below to the extent applicable.

Risk weights of Claims on foreign banks:

S &P / Fitch ratings	AAA to AA	A	BBB	BB to B	Below B	Unrated
Moody's ratings	Aaa to Aa	A	Baa	Ba to B	Below B	Unrated
Risk weight (%)	20	50	50	100	150	50

Amount outstanding under various risk buckets: (₹ '000s)

	As at 31.03.2020
Below 100 % risk weight	181,509,448
100 % risk weight	10,233,171
More than 100 % risk weight	15,435,462
Deducted	–
Total**	**207,178,081**

**The increase in exposures by 25% due to unhedged foreign currency exposure (₹' 5,217,295) is not considered in the above figures.

DF 5. Credit risk mitigation: disclosures for standardized approaches:

Qualitative Disclosures

Policy for collateral valuation and Management

All corporate and institutional facilities are reviewed (and hence revalued) at least on an annual basis. All deeds of ownership/ titles related to collateral are held in physical custody under the control of executive's independent of the business. Unsecured exposures cannot exceed the overall ceiling fixed for such facilities.

The main categories of recognized collateral taken by the Bank conform to the list of eligible financial collateral advised in RBI's Prudential guidelines on Capital Adequacy and Market discipline and include cash on deposits, marketable equities, and recognized debt securities

The Bank also extends credit facilities against guarantees from international corporates and banks. For a corporate guarantee to be recognized as a credit risk mitigant, the guarantor must have a rating of A or above from Standard & Poor's, Fitch and / or Moody's.

The Bank is not active in securitization of standard assets in India.

Quantitative Disclosures:

As on March 31, 2020, the total exposure covered by eligible financial collateral after application of haircuts was ₹7,579,716 (P.Y. ₹3,958,751) in 000s.

DF 6. Securitization: disclosure for standardized approach

The Bank has not undertaken any securitization operation during the year.

DF 7. Market risk in trading book

Qualitative Disclosures

Market risk arises out of the fluctuation in the interest rates, foreign exchange rates and the consequent change in the prices of various financial instruments held by the Bank. The financial instruments are revalued daily as per the guidelines issued by the regulatory authorities. The change in the valuation of the financial instruments may result in profit or loss for the Bank.

The primary objective of Bank's market risk management is the continuous and independent mo(20nitoring of positions, market and counterparty risks incurred by the Bank's trading activities, and the comparison of these positions and risks with established limits.

Strategy and Process:

All open Market Risk is subject to approved limits. The limits are set based on the projected business plan of the Risk Taking Unit, market environment and the risk perception. The internal HO Market Risk limits are defined as per the HO Market Risk policy under which the requests for limits are made by the relevant business line accompanied by supporting rationale (viz. projected business plan and historical utilizations). Market Risk team at the Regional/HO level then reviews and validates the limits in discussion with the business lines. All approved limits are then recorded in the reference systems for Market Limits (Colibris). The approved Market Risk limits are also presented to the Bank's ALCO, which reviews and revalidates the limits. The limits are reviewed on an annual basis or if particular circumstances arise.

In addition to the HO Market Risk limits, SG India also has local Stress Test, portfolio-wise VaR and PV01 limits. The local limits setting process involves, initiation of the request for limits by Treasury Front Office (TFO) to Chief Risk Officer (CRO), which then reviews and validates the limits based on the rationale provided by the TFO. While reviewing the proposed limits, the CRO considers the business plan forecasts, past utilizations, market environment and risk perception. Subsequently, the limits are then presented to ALCO for its approval. The ALCO takes into consideration TFO's capacity and capability to perform within the proposed limits evidenced by the experience of the Traders, controls and risk management, audit ratings and trading revenues. Post approval by the ALCO, the limits are documented in the limits package of SG India and updated in all the relevant risk monitoring reports. SG India also has Stop Loss limits applicable to the trading desk that is approved by the ALCO and the respective business head at the SG's Regional Office.

Structure and organization of market risk management

The local CRO is overall responsible for the management of Market Risk under support and guidance from the Market Risk Department (Risq/ RMA) at the HO Level. The local CRO, functions within the broad framework defined by Risq/RMA, HO and ensures compliance with the local regulatory requirements. It works independently of Front Office, who have no hierarchical authority over CRO and no pressure may be brought to bear by traders in relation to allocated limits or calculated risk amounts used by CRO. The TFO is the Risk Taking Unit within the bank. The primary responsibility for risk management of market transactions is held by TFO s as part of the ongoing management of their activities and the continuous monitoring of their positions.

Scope and nature of risk measurement, risk reporting and risk monitoring system:

Market risk is monitored and controlled using parameters, such as, Value at Risk (VaR), Sensitivity limits (parallel shift in interest rates), net open position limit (Foreign exchange positions) and stress test. The bank has set limits on each of these parameters and the utilizations are reported on a daily basis to the senior management.

All trading transactions are booked in the front office deal booking system called X-ONE. This system is capable of calculating the position and sensitivity on treasury transactions that are used by TFO to view the risk on their portfolio. Additionally, TFO refers to another system called 'Mercury' to view the sensitivities on their positions. The Market Risk parameters like VaR, stress tests, Interest Rate sensitivity (10bps) and Forex Spot Position are computed by the Market Risk Department at HO (RISQ/RMA) using systems called RISK-ONE and AGRisk. The local CRO compiles the sensitivities and VaR report for the Bank's portfolio using reports received from the Regional Office as well as those that are generated locally using RISK-ONE system. The SG's VaR model uses historical simulation methodology based on a 1-day time horizon at the 99% confidence interval using a 1-year sliding window.

The bank has adopted stress testing as an integral part of its risk management framework and as such it is used to evaluate potential vulnerability to some unlikely but plausible events or movements in financial variable. While there is a well-defined global framework designed at the SG's HO level on stress test, that covers all the geographical locations and markets including the Indian branches of SG, the bank has adopted a localized stress test framework to incorporate the local risk factors having an impact on the Bank's portfolio. The Bank performs Market Risk Stress Test on a quarterly basis for both the Trading and accrual portfolios. The methodology, assumptions, scenarios and results of the Stress Test are presented to ALCO and APEX Committee for discussion and review.

Capital requirements for market risk: (₹ '000s)

Standardized duration approach	**31.03.2020**
Interest rate risk	1,869,475
Foreign exchange risk	270,000
Equity risk	–
Capital requirements for market risk	**21,394,475**

DF 8. Operational Risk:

Qualitative disclosures

The operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputation risks.

Strategy and Process

The Bank has an Incident Management policy in place which classifies Operational Risk events into 8 major heads and 58 sub heads to map with the Basel II Loss Event Type Classifications, Event Description, Corrective & Preventive Action plan and loss amounts & recoveries. The risk is managed through a system of prevention, control and coverage that comprises detailed procedures, permanent supervision, and insurance policies, further supported by reviews of the Regional/Head-office teams.

Structure and Organization

Implementation of the Operational Risk framework of the bank is done by the Head-Operational Risk Management under guidance from the regional Regulatory, Oversight & Cyber Security (**ROCS**) team responsible for Operational Risk topics. The framework rests on the following pillars: -

- ❖ Operational Loss Collection.
- ❖ Risk & Controls Self-Assessment
- ❖ Permanent Supervision
- ❖ Key Risk Indicators
- ❖ New Product Approval process
- ❖ Outsourcing of Essential Services process
- ❖ Business Continuity & Crisis Management
- ❖ Information & Cyber Security

The Operational Risk aspects are discussed in the APEX Committee meetings, Operational Risk Management Committee and Outsourcing Committee meetings chaired by the India CEO/COO and participants from the respective Business/Support Functions.

Scope and nature of Risk reporting / measurement system

The Bank has clearly defined the nature, scope of risk reporting by putting in place systems and thresholds for loss data collection, measurement and reporting by category and sub category of events. The Bank's internal classification has been mapped to the Basel II Loss Event Type Classifications. Based on this classification Risk Drivers (KRIs) that convey any control weakness that could cause an Operational Risk Event are identified and assessed through multiple evaluation questions.

The Bank also has a RCSA (Risk Control & Self-Assessment) process in place which helps to evaluate the inherent risk in the business and the controls in place to mitigate it. The process covers all business units of the bank.

Hedging / Mitigating techniques

Permanent Supervision controls framework is in place to ensure risk mitigants or controls are identified and monitored periodically to prevent or reduce operational losses and impacts. The gaps / residual risks identified during the RSCA exercises are addressed by implementing additional controls to ensure a robust ORM structure.

The Bank has adopted the Basic Indicator approach to compute the capital requirement for operational risk as prescribed by RBI

DF 9. Interest rate risk in the banking book (IRRBB)

In order to manage the risk optimally, the Interest Rate Risk in the Banking Book (IRRBB) is centralized within the ALM desk in Finance department. The Head Office has assigned sensitivity limits on the IRRBB which also covers the capital and investments held in the HTM category. The risks arising out of various commercial banking activities are transferred to the ALM desk using the internal funds transfer pricing mechanism.

The ALM desk manages and hedges, if required, the IRRBB with Treasury under the guidance of the ALCO.

Quantitative Disclosures

Market Risk Limits

1- Value at Risk: VAR 99% (₹ '000s)

VAR	Limit	Usage	
FX VaR	450,000	113,643,21	25%
Interest Rate Trading VaR	450,000	164,615.13	37%
Consolidated Trading VaR (FX and IR)	350,000	179,683.14	51%

2- Interest Rate Sensitivity Limits

Parallel	Limit	Usage	
Total Investments PVBP01 (HFT + AFS + HTM)	18,500	8534.29	46%
IRD Trading PVBP01	7,000	1,098.78	16%

3- Stress Tests

	Limit	Usage	
Stress Test	3,500,000	1,844,000	53%

As required under Pillar III norms, the increase / decline in earnings and economic value for an upward / downward rate shock of 200 basis points as on March 31, 2020, broken down by currency is as follows:

Earnings Perspective (₹ '000s)

Currency	Interest Rate Shock	
	2% Increase	2% Decrease
Rupees and other major currencies	(39,031)	39,031
US Dollar	185,952	(185,952)

Economic Value Perspective (₹ '000s)

Currency	Interest rate shock	
	2% increase	2% Decrease
Rupees and other major currencies	1,889,266	(1,889,266)
US Dollar	(107,432)	107,432

DF-10: General Disclosure for Exposures Related to Counterparty Credit Risk-

Qualitative Disclosures:

Counterparty Credit Risk (CCR) is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. An economic loss would occur if the transactions or portfolio of transactions with the counterparty has a positive economic value at the time of default. Unlike a firm's exposure to credit risk through a loan, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss: the market value of the transaction can be positive or negative to either counterparty to the transaction. The market value is uncertain and can vary over time with the movement of underlying market factors. SG India Bank computes the exposure amount for counterparty credit risk using the Current Exposure Method (CEM). The credit equivalent amount of a market related off-balance sheet transaction is calculated by taking the sum of current credit exposure and potential future credit exposure.

The Bank has entered into CSAs with some Bank counterparties which requires maintenance of collateral due to valuation changes on transactions under the CSA framework. Exposures to central counterparties arising from OTC derivatives transactions, exchange traded derivatives transactions and securities financing transactions (SFTs) are arrived at basis the counterparty credit risk treatment as stipulated in the regulatory guidelines. The Bank has exposure to only one QCCP, CCIL. The Bank does not take into account netting while computing exposures with counterparties except for the exposures with CCIL.

Quantitative Disclosure: The derivative exposure is calculated using Current Exposure method, as seen in the table below

Type (₹ '000s)	**Notional Amount**	**Exposure as per Current Exposure Method**
I. Interest rate Swap	1,271,372,006	34,638,658
II. Currency Swap	356,961,946	44,169,872
III. Forex Forwards	180,060,700	9,497,843
IV. Swap	110,582,005	2,100,2800
V. Options	9,586,455	270,587
Total Current Exposure	1,928,563,111	90,677,239

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DF 11. Composition of capital: (₹ '000s)

Particulars		Amount	Amounts Subject to Pre-Basel III Treatment	Ref No.
Common Equity Tier 1 capital: instruments and reserves				
1	Directly issued qualifying common share capital plus related stock surplus (share premium) (Funds from Head Office)	14,493,750	–	Schedule 1
2	Retained earnings	1,018,465	–	Schedule 2
3	Accumulated other comprehensive income (and other reserves)	1,552,952	–	Schedule 2
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	–	–	
	Public sector capital injections grandfathered until January 1, 2018	–	–	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	–	–	
6	**Common Equity Tier 1 capital before regulatory adjustments**	**17,065,167**	–	
Common Equity Tier 1 capital: regulatory adjustments				
7	Prudential valuation adjustments	–	–	
8	Goodwill (net of related tax liability)	–	–	
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	4,858	–	Schedule 18 Note 22 (vi)
10	Deferred tax assets	758,385	–	Schedule 11
11	Cash-flow hedge reserve	–	–	
12	Shortfall of provisions to expected losses	–	–	
13	Securitization gain on sale	–	–	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	–	–	
15	Defined-benefit pension fund net assets	–	–	
16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	–	–	
17	Reciprocal cross-holdings in common equity	–	–	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–	–	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	–	–	
20	Mortgage servicing rights (amount above 10% threshold)	–	–	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	–	–	
22	Amount exceeding the 15% threshold	–	–	
23	of which: significant investments in the common stock of financial entities	–	–	
24	of which: mortgage servicing rights	–	–	
25	of which: deferred tax assets arising from temporary differences	–	–	
26	National specific regulatory adjustments (26a+26b+26c+26d)	–	–	
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	–	–	
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	–	–	
26d	of which: Unamortized pension funds expenditures	–	–	
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	–	–	
	of which: HO Debit Balance	–	–	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	–	–	
28	**Total regulatory adjustments to Common Equity Tier 1**	763,243	–	Schedule 18 Note 22 (vi) & Schedule 11
29	**Common Equity Tier 1 capital (CET1)**	**16,301,924**	–	
Additional Tier 1 capital: instruments				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	–	–	
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	–	–	
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	–	–	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	–	–	

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34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	–	–	
35	of which: instruments issued by subsidiaries subject to phase out	–	–	
36	**Additional Tier 1 capital before regulatory adjustments**	–	–	
Additional Tier 1 capital: regulatory adjustments				
37	Investments in own Additional Tier 1 instruments	–	–	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	–	–	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	–	–	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	–	
41	National specific regulatory adjustments (41a+41b)	–	–	
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	–	–	
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	–	–	
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	–	–	
	of which:	–	–	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	–	–	
43	**Total regulatory adjustments to Additional Tier 1 capital**	–	–	
44	**Additional Tier 1 capital (AT1)**	–	–	
44a	**Additional Tier 1 capital reckoned for capital adequacy**	–	–	
45	**Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44a)**	**16,301,924**	–	
Tier 2 capital: instruments and provisions				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	–	–	
47	Directly issued capital instruments subject to phase out from Tier 2*	–	–	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	–	–	
49	of which: instruments issued by subsidiaries subject to phase out	–	–	
50	Provisions (Please refer to Note to Template Point 50)	1,375,126	–	
51	**Tier 2 capital before regulatory adjustments**	**1,375,126**	–	
Tier 2 capital: regulatory adjustments				
52	Investments in own Tier 2 instruments	–	–	
53	Reciprocal cross-holdings in Tier 2 instruments	–	–	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	–	–	
55	Significant investments13in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	–	
56	National specific regulatory adjustments (56a+56b)	–	–	
56a	of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	–	–	
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	–	–	
	Regulatory Adjustments Applied to Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	–	–	
	of which: Investment in Subsidiaries	–	–	
57	**Total regulatory adjustments to Tier 2 capital**	–	–	
58	**Tier 2 capital (T2)**	**1,375,126**	–	
58a	**Tier 2 capital reckoned for capital adequacy**	**1,375,126**	–	
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	–	–	
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	**1,375,126**	–	
59	**Total capital (TC = T1 + Admissible T2) (45 + 58c)**	**17,677,050**	–	
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment	–	–	
	of which: …	–	–	
60	**Total risk weighted assets (60a + 60b + 60c)**	**1,40,589,999**	–	
60a	of which: total credit risk weighted assets	1,10,010,061	–	
60b	of which: total market risk weighted assets	26,743,442	–	
60c	of which: total operational risk weighted assets	3,836,496	–	
Capital ratios				
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	11.60%	–	
62	Tier 1 (as a percentage of risk weighted assets)	11.60%	–	

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63	Total capital (as a percentage of risk weighted assets)	12.58%	–	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	–	–	
65	of which: capital conservation buffer requirement	–	–	
66	of which: bank specific countercyclical buffer requirement	–	–	
67	of which: G-SIB buffer requirement	–	–	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	–	–	
National minima (if different from Basel III)				
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	–	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	–	
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%	–	
Amounts below the thresholds for deduction (before risk weighting)				
72	Non-significant investments in the capital of other financial entities	–	–	
73	Significant investments in the common stock of financial entities	–	–	
74	Mortgage servicing rights (net of related tax liability)	–	–	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	–	–	
Applicable caps on the inclusion of provisions in Tier 2				
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	1,375,126	–	
77	Cap on inclusion of provisions in Tier 2 under standardized approach	1,375,126	–	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	N.A.	–	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	N.A.	–	
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2018 and March 31, 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements	N.A.	–	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N.A.	–	
82	Current cap on AT1 instruments subject to phase out arrangements	N.A.	–	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	N.A.	–	
84	Current cap on T2 instruments subject to phase out arrangements	N.A.	–	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	N.A.	–	

Note to the template		
Row No. of the template	Particular	(₹ '000s)
10	Deferred tax assets associated with accumulated losses	–
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	758,385
	Total as indicated in row 10	758,385
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	–
	of which: Increase in Common Equity Tier 1 capital	
	of which: Increase in Additional Tier 1 capital	–
	of which: Increase in Tier 2 capital	–
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	–
(i)	Increase in Common Equity Tier 1 capital	–
(ii)	Increase in risk weighted assets	–
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	–
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	–
50	Eligible Provisions included in Tier 2 capital	1,375,126
	Eligible Revaluation Reserves included in Tier 2 capital	–
	Total of row 50	1,375,126
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	–

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Table DF-12: Composition of Capital- Reconciliation requirements

Step 1 (₹ '000s)

		Particulars	Balance sheet as in published financial statements As at 31.03.2020	Under regulatory scope of consolidation As at 31.03.2019
A	**Capital & Liabilities**			
	i.	Paid-up Capital (funds from HO)	14,493,748	14,493,748
		Reserves & Surplus	3,007,032	2,718,960
		Minority Interest	–	–
		Total Capital	**17,500,778**	**17,212,708**
	ii.	Deposits	**27,451,332**	**23,121,395**
		of which: Deposits from banks	1,160,068	16,709
		of which: Customer deposits	26,291,264	23,104,686
		of which: Other deposits (pl. specify)	–	–
	iii.	Borrowings	**3,037,737**	**6,295,314**
		of which: From RBI	–	–
		of which: From banks	37,833	–
		of which: From other institutions & agencies	2,999,904	6,295,314
		of which: Others (pl. specify) (Borrowings outside India)	37,833	–
		of which: Capital instruments	–	–
	iv.	Other liabilities & provisions	53,979,930	24,297,698
		Total	**101,969,779**	**70,927,115**
B	**Assets**			
	i.	Cash and balances with Reserve Bank of India	2,987,804	1,705,698
		Balance with banks and money at call and short notice	2,183,255	4,302,683
	ii.	Investments:	30,615,100	22,400,038
		of which: Government securities	29,984,121	21,742,191
		of which: Other approved securities	–	–
		of which: Shares	–	–
		of which: Debentures & Bonds	630,979	657,847
		of which: Subsidiaries / Joint Ventures / Associates	–	–
		of which: Others (Commercial Papers, Mutual Funds etc.)	–	–
	iii.	Loans and advances	15,744,312	14,949,858
		of which: Loans and advances to banks	138,131	1,141,403
		of which: Loans and advances to customers	15,606,181	13,808,455
	iv.	Fixed assets	506,566	552,328
	v.	Other assets	49,932,742	27,016,510
		of which: Goodwill and intangible assets	–	–
		of which: Deferred tax assets	758,385	600,008
	vi.	Goodwill on consolidation	–	–
	vii.	Debit balance in Profit & Loss account	–	–
		Total Assets	**101,969,779**	**70,927,115**

Step 2

		Particulars	Balance sheet as in published financial statements As at 31.03.2020	Under regulatory scope of consolidation As at 31.03.2019
A	**Capital & Liabilities**			
	i.	**Paid-up Capital (funds from HO)**		
		of which: Amount eligible for CET1	17,065,168	16,918,010
		of which: Amount eligible for AT1	–	–
		Reserves & Surplus	435,613	294,698
		Minority Interest	–	–
		Total Capital	**17,500,781**	**17,212,708**
	ii.	**Deposits**	**27,451,332**	**23,121,395**
		of which: Deposits from banks	1,160,068	16,709
		of which: Customer deposits	26,291,264	23,104,686
		of which: Other deposits (pl. specify)	–	–

	iii.	**Borrowings**	**3,037,737**	**6,295,314**
		of which: From RBI	–	–
		of which: From banks	37,833	–
		of which: From other institutions & agencies	2,999,904	6,295,314
		of which: Others (pl. specify) (Borrowings outside India)	37,833	–
		of which: Capital instruments	–	–
	iv.	**Other liabilities & provisions**	53,979,930	24,297,698
		of which: DTLs related to goodwill	–	–
		of which: DTLs related to intangible assets	–	–
		Total	**101,969,779**	**70,927,115**
	Assets			
B	i.	Cash and balances with Reserve Bank of India	2,987,804	1,705,698
		Balance with banks and money at call and short notice	2,183,255	4,302,683
	ii.	**Investments:**	30,615,100	22,400,038
		of which: Government securities	29,984,121	21,742,191
		of which: Other approved securities	–	–
		of which: Shares	–	–
		of which: Debentures & Bonds	630,979	657,847
		of which: Subsidiaries / Joint Ventures / Associates	–	–
		of which: Others (Commercial Papers, Mutual Funds etc.)	–	–
	iii.	**Loans and advances**	15,744,312	14,949,858
		of which: Loans and advances to banks	138,131	1,141,403
		of which: Loans and advances to customers	15,606,181	13,808,455
	iv.	**Fixed assets**	506,566	552,328
	v.	**Other assets**	49,932,742	27,016,510
		of which: Goodwill and intangible assets	–	–
		of which: Goodwill	–	–
		of which: Intangible assets	–	–
		Deferred tax assets	758,385	600,008
	vi.	Goodwill on consolidation	–	–
	vii.	Debit balance in Profit & Loss account	–	–
		Total Assets	**101,969,779**	**70,927,115**

Step 3: Common Equity Tier 1 capital: instruments and reserves

		Component of regulatory capital reported by bank	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2
1	Directly issued qualifying common share (and equivalent for non- joint stock companies) capital plus related stock surplus	14,493,750	14,493,750
2	Retained earnings	1,018,465	1,018,465
3	Accumulated other comprehensive income	1,552,952	1,405,795
4	(and other reserves)	–	–
5	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	–	–
6	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	17,065,167	16,918,010
7	Common Equity Tier 1 capital before regulatory adjustments	–	–
8	Prudential valuation adjustments	–	–
9	Goodwill (net of related tax liability)	4,858	11,993
10	Other intangibles other than mortgage-servicing rights (net of related tax liability)	758,385	600,008
11	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	–	–
	Common Equity Tier 1 capital (CET1)	**16,301,924**	**16,306,009**

DF-13: Main Features of Regulatory Capital Instruments
The bank has not issued any regulatory capital instruments during the period.

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DF -14: Full Terms and Conditions of Regulatory Capital Instruments
The bank has not issued any regulatory capital instruments during the period.

DF-15: Disclosure Requirements for Remuneration:
The Bank's compensation policies are in conformity with the Financial Stability Board principles and standards. In accordance with the requirements of the RBI Circular No. DBOD No.BC.72/29.67/001/2011-12 dated 13 January 2012, the Head Office of the Bank in Paris, France has submitted a declaration to RBI confirming the aforesaid matter. Accordingly, no disclosure is required to be made in this regard**.**

DF-16: Equities – Disclosure for Banking Book Positions:

Qualitative Disclosures

Investment in Equities amounting to ₹71,016 (in 000s) as at 31st March 2020 are the shares obtained from restructuring of debt of client and are publicly traded. These have been full provided and therefore the Net Investment in Equities is nil.

Quantitative Disclosures
The Book value and Market value of quoted and unquoted securities are as follows: ₹in 000

Securities	Book Value	Market Value
Investment in Equities: Quoted	71,016	13,568
Investment in Equities: Unquoted	–	–

DF 17- Summary comparison of accounting assets vs. leverage ratio exposure measure:

	Item	(₹ in Millions)
1	Total consolidated assets as per published financial statements	101,970
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–
4	Adjustments for derivative financial instruments	100,790
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	–
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	14,835
7	Other adjustments	(38,502)
8	**Leverage ratio exposure**	**179,093**

DF 18. Leverage ratio common disclosure template:

	Item	(₹ in Millions)
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	64,160
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(763)
3	**Total on-balance sheet exposures** (excluding derivatives and SFTs) (sum of lines 1 and 2)	63,397
	Derivative exposures	
4	Replacement cost associated with all *derivatives* transactions (i.e. net of eligible cash variation margin)	36,201
5	Add-on amounts for PFE associated with *all* derivatives transactions	64,589
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	–
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	–
8	(Exempted CCP leg of client-cleared trade exposures)	–
9	Adjusted effective notional amount of written credit derivatives	–
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–
11	**Total derivative exposures (sum of lines 4 to 10)**	**100,790**
	Securities financing transaction exposures	
12	Gross SFT *assets* (with no recognition of netting), after adjusting for sale accounting transactions	71
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–
14	CCR exposure for SFT assets	–
15	Agent transaction exposures	–
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	**71**
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	37,201
18	(Adjustments for conversion to credit equivalent amounts)	(22,366)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**14,835**
	Capital and total exposures	
20	**Tier 1 capital**	**16,302**
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**179,093**
	Leverage ratio	
22	**Basel III leverage ratio**	**9.1**