Standard Chartered Bank – India Branches

(Incorporated in the United Kingdom with limited liability)

Independent Auditor's Report

To the Chief Executive Officer
Standard Chartered Bank – India Branches

Report on the Financial Statements

1. We have audited the accompanying financial statements of Standard Chartered Bank – India Branches ('the Bank'), which comprise the Balance Sheet as at 31 March 2016, the Profit and Loss Account, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') 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 Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by Reserve Bank of India from time-to-time.
3. 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 the design, implementation and maintenance of internal financial controls, that operate 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.

Auditor's Responsibility

4. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the applicable provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Bank including its branches in accordance with Standards on Auditing ('the Standards') specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Bank's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

7. 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 give a true and fair view in conformity with accounting principles generally accepted in India:
   (a) in the case of the Balance Sheet, of the state of affairs of the Bank as at 31 March 2016;
   (b) in the case of the Profit and Loss Account, of the profit of the Bank for the year ended on that date; and
   (c) in the case of the Cash Flow Statement, of the cash flows of the Bank for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
9. 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; and
   (c) during the course of our audit we have visited 17 branches. Since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein.
10. Further, as required by Section 143(3) of the Companies Act, 2013, we further report that:
    (i) we have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
    (ii) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books;
    (iii) since the key operations of the Bank are automated with the key applications integrated to the core banking systems, the audit is carried out centrally and at the processing centers as all the necessary records and data required for the purposes of our audit are available therein. However, during the course of our audit we have visited 17 branches;
    (iv) 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;
    (v) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting policies prescribed by the Reserve Bank of India;
    (vi) the requirements of Section 164(2) of the Act are not applicable considering the Bank is a branch of Standard Chartered Bank, which is incorporated and registered in United Kingdom;
    (vii) 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"
    (viii) 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:
        (a) the Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer schedule 5 and 12 to the financial statements;
        (b) 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 schedule 5 and 12 to the financial statements;
        (c) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
13 June 2016

Annexure A to the Independent Auditor's Report of even date on financial statements of Standard Chartered Bank – India Branches

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. We have audited the internal financial controls over financial reporting of Standard Chartered Bank – India Branches ('the Bank') as of 31 March 2016 in conjunction with our audit of financial statements of the Bank for the year ended on that date.

Management's Responsibility for the Internal Financial Controls

2. The Bank's management 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 issued by the Institute of Chartered Accountants of India ('ICAI').
3. 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 Act.

Auditor's Responsibility

4. 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 Standards on Auditing deemed to be prescribed under Section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note'), to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI.
5. 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 were established and maintained and if such controls operated effectively in all material respects.
6. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
7. 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

8. An entity'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. An entity'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 entity; (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 entity are being made only in accordance with authorizations of management of the entity; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

9. 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

10. 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 2016, 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 issued by the ICAI.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Manoj Kumar Vijai
Partner
Membership No: 046882

Mumbai
13 June 2016

Standard Chartered

Standard Chartered Bank – India Branches

(Incorporated in the United Kingdom with limited liability)

Balance Sheet as at 31 March 2016

	Schedule	**As at 31 March 2016 (₹ in 000s)**	As at 31 March 2015 (₹ in 000s)
Capital and Liabilities			
Capital	1	74,400,742	74,400,742
Reserves and Surplus	2	172,576,649	185,085,114
Deposits	3	751,930,663	728,482,501
Borrowings	4	104,529,104	127,484,454
Other Liabilities and Provisions	5	195,181,986	201,943,952
Total Capital and Liabilities		**1,298,619,144**	**1,317,396,763**
Assets			
Cash and Balances with Reserve Bank of India	6	31,276,881	43,956,905
Balances with Banks and Money at Call and Short Notice	7	38,663,457	46,846,194
Investments	8	339,096,587	332,219,522
Advances	9	665,360,424	684,020,197
Fixed Assets	10	14,233,713	14,845,209
Other Assets	11	209,988,082	195,508,736
Total Assets		**1,298,619,144**	**1,317,396,763**
Contingent Liabilities	12	16,432,880,576	15,720,209,549
Bills for Collection		287,542,902	109,843,604
Significant accounting policies and notes to financial statements	18		

The accompanying schedules form an integral part of the Balance Sheet

Profit and Loss Account for the year ended 31 March 2016

	Schedule	**For the year ended 31 March 2016 (₹ in 000s)**	For the year ended 31 March 2015 (₹ in 000s)
Income			
Interest Earned	13	100,190,993	101,445,370
Other Income	14	19,934,803	33,046,330
Total Income		**120,125,796**	**134,491,700**
Expenditure			
Interest Expended	15	41,540,669	45,588,921
Operating Expenses	16	29,175,223	29,759,789
Provisions and Contingencies	17	39,344,869	28,628,517
Total Expenditure		**110,060,761**	**103,977,227**
Net Profit		10,065,035	30,514,473
Profit brought forward		22,573,500	11,430,261
Total		**32,638,535**	**41,944,734**
Appropriations			
Transfer to Statutory Reserve	2	2,516,259	7,628,618
Transfer to Capital Reserve-Surplus on sale of immovable properties	2	115,408	30,467
Transfer to/(from) Investment Reserve	2	(45,765)	281,888
Transfer to Head Office Account		22,573,500	2,530,261
Remittable Surplus retained in India for CRAR	2	45,765	8,900,000
Balance carried over to Balance Sheet	2	7,433,368	22,573,500
Total		**32,638,535**	**41,944,734**
Significant accounting policies and notes to financial statements	18		

The accompanying schedules form an integral part of the Profit & Loss Account

As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sd/-
Manoj Kumar Vijai
Partner
Membership No. 046882

Mumbai
13 June 2016

For Standard Chartered Bank – India Branches

Sd/-
Zarin Daruwala
Chief Executive Officer – India

Sd/-
Anurag Adlakha
Chief Financial Officer – India

Standard Chartered

Standard Chartered Bank – India Branches

(Incorporated in the United Kingdom with limited liability)

Cash Flow Statement for the year ended 31 March 2016

Particulars		For the year ended 31 March 2016 (₹ in 000s)	For the year ended 31 March 2015 (₹ in 000s)
Cash flow from operating activities			
Profit Before Tax		11,218,405	46,993,948
Adjustments for:			
Depreciation on Bank's property (including amortisation)		817,576	869,464
Deficit on Revaluation of Premises		–	–
Interest on subordinated debt		–	811,322
Provision in respect of non–performing assets (including provision for country risk exposure)		38,096,291	10,471,582
General provision against standard assets		(325,732)	1,501,469
(Appreciation)/depreciation on investments		126,690	(497,978)
Other Provisions		401,794	11,561
Net profit on sale of premises and other assets		(171,799)	(61,857)
		50,163,225	**60,099,511**
Adjustments for:			
(Increase)/decrease in investments		(7,003,755)	(48,848,631)
(Increase)/decrease in advances		(19,436,517)	(10,264,353)
(Increase)/decrease in other assets		764,482	63,176,676
Increase/(decrease) in deposits		23,448,163	7,367,239
Increase/(decrease) in other liabilities and provisions		(6,838,028)	(77,951,246)
		41,097,570	**(6,420,804)**
Direct taxes paid		(16,390,927)	(24,500,128)
Net Cash flow from/(used in) operating activities	**(A)**	**24,706,643**	**(30,920,932)**
Cash flow from investing activities			
Purchase of fixed assets (including capital work in progress)		(488,193)	(455,721)
Proceeds from the sale of fixed assets		447,639	3,068,194
Net Cash flow from/(used in) investing activities	**(B)**	**(40,554)**	**2,612,473**
Cash flow from financing activities			
Remittance to Head Office		(22,573,500)	(2,530,261)
Capital infusion		–	36,042,750
Increase/(decrease) in borrowings		(22,955,350)	42,571,871
Repayment of Subordinated debt		–	(29,957,500)
Interest on subordinated debt		–	(934,917)
Net Cash flow from/(used in) financing activities	**(C)**	**(45,528,850)**	**45,191,943**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(20,862,761)**	**16,883,484**
Cash and cash equivalents at the beginning of the year		90,803,099	73,919,615
Cash and cash equivalents at the end of the year		69,940,338	90,803,099
Net increase/(decrease) in cash and cash equivalents		**(20,862,761)**	**16,883,484**

Note: Cash and Cash Equivalents represent

	Schedule	As at 31 March 2016	As at 31 March 2015
Cash and Balances with the Reserve Bank of India	6	31,276,881	43,956,905
Balances with Banks and Money at call and short notice	7	38,663,457	46,846,194
Total		**69,940,338**	**90,803,099**

As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sd/-
Manoj Kumar Vijai
Partner
Membership No. 046882

Mumbai
13 June 2016

For Standard Chartered Bank – India Branches

Sd/-
Zarin Daruwala
Chief Executive Officer – India

Sd/-
Anurag Adlakha
Chief Financial Officer – India

Standard Chartered

Standard Chartered Bank – India Branches

(Incorporated in the United Kingdom with limited liability)

Schedules to the financial statements

		As at 31 March 2016 (₹ in 000s)	As at 31 March 2015 (₹ in 000s)
1.	**Capital**		
	Deposit kept with Reserve Bank of India under Section 11(2)(b) of the Banking Regulation Act, 1949	61,800,000	56,350,000
a.	**Head office reserves**		
	Balance, beginning of the year	21,960	21,960
	Balance, end of the year	**21,960**	**21,960**
b.	**Head Office Capital**		
	Balance, beginning of the year	74,378,782	38,336,032
	Additions during the year	–	36,042,750
	Balance, end of the year	**74,378,782**	**74,378,782**
	Total capital	**74,400,742**	**74,400,742**
2.	**Reserves and Surplus**		
a.	**Statutory Reserves**		
	Balance, beginning of the year	65,286,437	57,657,819
	Transfer from Profit and Loss Account	2,516,259	7,628,618
	Balance, end of the year	**67,802,696**	**65,286,437**
b.	**Property Revaluation Reserve**		
	Balance, beginning of the year	6,075,908	6,238,793
	Additions during the year	–	–
	Reduction during the year	–	–
	Transfer to Capital Reserves-Surplus on sale of immovable properties	(234,038)	(162,885)
	Balance, end of the year	**5,841,870**	**6,075,908**
c.	**Capital Reserves-Surplus on sale of Immovable Properties**		
	Balance, beginning of the year	9,426,243	9,232,891
	Additions during the year	115,408	30,467
	Transfer from Property Revaluation Reserve	234,038	162,885
	Balance, end of the year	**9,775,689**	**9,426,243**
d.	**Capital Reserves-Surplus on sale of Held To Maturity Investments**		
	Balance, beginning of the year	984,772	984,772
	Balance, end of the year	**984,772**	**984,772**
e.	**Capital Reserve**		
	Balance, beginning of the year	302,387	302,387
	Balance, end of the year	**302,387**	**302,387**
f.	**Remittable Surplus Retained in India for Capital to Risk-weighted Assets Ratio (CRAR)**		
	Balance, beginning of the year	79,174,599	70,274,599
	Transfer from Profit and Loss Account	45,765	8,900,000
	Balance, end of the year	**79,220,364**	**79,174,599**
g.	**Balance in Profit and Loss Account**	**7,433,368**	**22,573,500**
h.	**Exchange Reserve**		
	Balance, beginning of the year	1,229	1,229
	Balance, end of the year	**1,229**	**1,229**
i.	**Property Investment Reserve**		
	Balance, beginning of the year	206,923	206,923
	Balance, end of the year	**206,923**	**206,923**

			As at 31 March 2016 (₹ in 000s)	As at 31 March 2015 (₹ in 000s)
j.	**Investment Reserve**			
	Balance, beginning of the year		1,053,116	771,228
	Transfer to Profit and Loss Account		(45,765)	281,888
	Balance, end of the year		**1,007,351**	**1,053,116**
	Total reserves and surplus		**172,576,649**	**185,085,114**
3.	**Deposits**			
A	I	Demand deposits		
		from banks	8,888,978	10,531,794
		from others	162,944,892	138,748,261
	Total demand deposits		**171,833,870**	**149,280,055**
	II	Savings bank deposits	106,516,898	103,539,774
	Total savings bank deposits		**106,516,898**	**103,539,774**
	III	Term deposits		
		from banks	16,154,840	14,570,962
		from others	457,425,055	461,091,710
	Total term deposits		**473,579,895**	**475,662,672**
	Total deposits		**751,930,663**	**728,482,501**
B	I	Deposits of branches in India	**751,930,663**	**728,482,501**
	II	Deposits of branches outside India	–	–
	Total deposits		**751,930,663**	**728,482,501**
4.	**Borrowings**			
	I	Borrowings in India from		
		(i) Reserve Bank of India	31,130,000	68,600,000
		(ii) Other banks	–	–
		(iii) Other institutions and agencies	51,969,447	24,528,871
	II	Borrowings outside India	21,429,657	34,355,583
	Total borrowings		**104,529,104**	**127,484,454**
	Secured Borrowings included in I and II above		**48,099,446**	**93,128,871**
5.	**Other Liabilities and Provisions**			
	Bills payable		10,253,096	6,117,598
	Inter Office Adjustment (net)		–	–
	Interest accrued		12,971,588	10,020,648
	Mark-to-market adjustments on Foreign Exchange and Derivative contracts		136,642,565	143,732,773
	Provision against Standard Assets		5,672,912	5,998,644
	Others		29,641,825	36,074,289
	Total other liabilities and provisions		**195,181,986**	**201,943,952**
6.	**Cash and Balances with the Reserve Bank of India**			
	(i)	Cash in hand (including foreign currency notes)	1,912,946	2,314,659
	(ii)	Balance with Reserve Bank of India		
		(a) In Current Accounts	29,363,935	41,642,246
		(b) In Other Accounts	–	–
	Total cash and balances with the Reserve Bank of India		**31,276,881**	**43,956,905**

Standard Chartered Bank – India Branches

(Incorporated in the United Kingdom with limited liability)

Schedules to the financial statements

	As at 31 March 2016 (₹ in 000s)	As at 31 March 2015 (₹ in 000s)
7. Balances with Banks and Money at Call and Short notice		
In India		
(i) Balances with banks		
(a) In current accounts	1,889,216	1,792,083
(b) In other deposit accounts	290,000	566,500
(ii) Money at call and short notice		
(a) with banks	4,800,000	5,000,000
(b) with other institutions	12,126,711	13,554,714
Total (i and ii)	**19,105,927**	**20,913,297**
Outside India		
(i) In current accounts	2,993,780	10,307,897
(ii) In other deposit accounts	16,563,750	15,625,000
(iii) Money at call and short notice	–	–
Total (i, ii and iii)	**19,557,530**	**25,932,897**
Total balances with banks and money at call and short notice	**38,663,457**	**46,846,194**
8. Investments		
In India		
Government securities	278,072,483	282,352,843
Other approved securities	–	–
Shares	229,327	334,860
Debentures and bonds	9,888,109	13,248,038
Subsidiaries and/ or Joint Ventures	–	–
Others (including Certificates of Deposits, Commercial Papers and Pass Through Certificates)	50,906,668	36,283,781
	339,096,587	**332,219,522**
Outside India		
Government securities (including local authorities)	–	–
Subsidiaries and/or joint ventures abroad	–	–
Other Investments	–	–
Total investments	**339,096,587**	**332,219,522**
9. Advances		
a. Bills purchased and discounted	63,752,852	65,453,052
Cash credits, overdrafts and loans repayable on demand	275,337,333	322,800,123
Term loans	326,270,239	295,767,022
Total	**665,360,424**	**684,020,197**
b. Secured by tangible assets (includes advances secured against book debts)	411,477,413	407,617,911
Covered by bank/ government guarantees	18,590,946	25,772,975
Unsecured	235,292,065	250,629,311
Total	**665,360,424**	**684,020,197**
c(i). Advances in India		
Priority sector	197,847,166	206,626,120
Public sector	11,992,513	7,870,477
Banks	700,000	–
Others	454,820,745	469,523,600
Total	**665,360,424**	**684,020,197**

	As at 31 March 2016 (₹ in 000s)	As at 31 March 2015 (₹ in 000s)
c(ii). Advances Outside India		
Due from Banks	–	–
Due from Others	–	–
(a) Bills purchased and discounted	–	–
(b) Syndicated loans	–	–
(c) Others	–	–
Total	–	–
Total advances	**665,360,424**	**684,020,197**
10. Fixed Assets		
Premises		
Balance, beginning of the year	14,415,308	17,435,374
Additions during the year	–	–
Additions on account of revaluation during the year	–	–
Deduction on account of revaluation during the year	–	–
Deductions during the year	(255,130)	(3,020,066)
	14,160,178	14,415,308
Less : Depreciation to date	(1,106,182)	(933,995)
Net book value of Premises	**13,053,996**	**13,481,313**
Other fixed assets (including furniture and fixtures)		
Balance, beginning of the year	5,168,975	5,397,991
Additions during the year	370,422	676,256
Deduction on account of revaluation during the year	–	–
Deductions during the year (at cost)	(247,765)	(905,272)
	5,291,632	5,168,975
Less : Depreciation to date	(4,283,364)	(3,865,121)
Net book value of other fixed assets	**1,008,268**	**1,303,854**
Intangible (Capitalised Software)		
Balance, beginning of year	197,871	197,871
Additions during the year	–	–
Deductions during the year at cost	–	–
	197,871	197,871
Less: Depreciation to date	(197,871)	(197,871)
Net book value of Intangible (capitalised software)	**–**	**–**
Intangible assets/Goodwill		
Balance, beginning of the year	31,821	31,821
Additions during the year	–	–
Deductions during the year at cost	–	–
	31,821	31,821
Less: Amortisation to date	(13,789)	(7,425)
Net book value of intangible assets/Goodwill	**18,032**	**24,396**
Work In Progress	**153,417**	**35,646**
Total net book value of fixed assets	**14,233,713**	**14,845,209**

Schedules to the financial statements

	As at 31 March 2016 (₹ in 000s)	As at 31 March 2015 (₹ in 000s)
11. Other Assets		
Inter-office adjustment (net)	–	–
Interest accrued	8,534,595	9,047,890
Tax paid in advance/TDS (net of provision for tax)	162,369	5,238,303
Deferred Tax Asset [Refer Note 18 E (7)]	49,629,913	29,582,283
Stationery and stamps	823	836
Mark-to-market adjustments on Foreign exchange and Derivative contracts	126,682,224	130,393,933
Non-banking assets acquired in satisfaction of claims	–	–
Others*	24,978,158	21,245,491
Total other assets	**209,988,082**	**195,508,736**

* Pursuant to RBI circular DBR.BP.BC.No.31/21.04.018/2015–16 dated 16 July 2015, the Bank has reclassified deposits placed with NABARD/ NHB /SIDBI of ₹ 2,992,496 (in '000s) (2014–15 ₹ 1,002,735 (in '000s)) from Schedule 8 – Investments to Schedule 11 – Other Assets.

	As at 31 March 2016 (₹ in 000s)	As at 31 March 2015 (₹ in 000s)
12. Contingent Liabilities		
Claims against the Bank not acknowledged as debts	11,204,627	10,204,392
Liability for partly paid investments	–	–
Liability on account of outstanding foreign exchange contracts	5,954,958,937	6,652,129,499
Liability on account of derivative contracts	10,048,945,985	8,668,881,776
Guarantees given on behalf of constituents		
– in India	197,771,942	154,704,504
– outside India	73,251,913	67,549,454
Acceptances, endorsements and other obligations	134,559,704	155,637,249
Other items for which the Bank is contingently liable	12,187,468	11,102,675
Total contingent liabilities	**16,432,880,576**	**15,720,209,549**

	For the year ended 31 March 2016 (₹ in 000s)	For the year ended 31 March 2015 (₹ in 000s)
13. Interest Earned		
Interest/discount on advances/bills	72,402,891	75,420,645
Income on investments	24,740,079	24,899,854
Interest on balances with Reserve Bank of India and other inter-bank funds	2,879,195	965,847
Others	168,828	159,024
Total interest earned	**100,190,993**	**101,445,370**

	For the year ended March 2016 (₹ in 000s)	For the year ended March 2015 (₹ in 000s)
14. Other Income		
Commission, exchange and brokerage	14,693,971	16,789,186
Net profit/(loss) on sale of investments	2,841,985	7,173,206
Profit/(loss) on revaluation of investments	(107,544)	662,408
Net profit on sale of premises and other assets	171,799	61,857
Net profit on exchange transactions (including derivatives and long term Fx contracts)	1,028,148	8,292,386
Income by way of dividends, etc from subsidiary companies	–	–
Miscellaneous income	1,306,444	67,287
Total other income	**19,934,803**	**33,046,330**
15. Interest Expended		
Interest on deposits	32,273,465	30,871,388
Interest on Reserve Bank of India and inter-bank borrowings	776,163	2,886,661
Others	8,491,041	11,830,872
Total interest expended	**41,540,669**	**45,588,921**
16. Operating Expenses		
Payments to and provisions for employees	13,817,573	13,725,586
Rent, taxes and lighting	886,597	1,385,525
Printing and stationery	295,420	264,212
Advertisement and publicity	1,300,240	1,478,082
Depreciation on Bank's property	811,212	863,100
Auditors' fees and expense	9,485	8,000
Legal and professional charges	487,122	524,242
Postage, telegrams, telephones, etc.	627,725	667,206
Repairs and maintenance	742,534	918,152
Insurance	781,649	727,189
Travelling	503,049	467,633
Business support cost	5,622,538	5,152,405
Other expenditure	3,290,079	3,578,457
Total operating expenses	**29,175,223**	**29,759,789**
17. Provisions and Contingencies		
Specific provisions against advances (net)	38,096,291	10,471,582
General provision against standard assets	(325,732)	1,501,469
Provision for country risk exposure	–	–
Charge/(release) against Investments	19,146	164,430
Provision on account of tax		
– Current tax expense [Refer note 18 E (8)]	21,201,000	21,673,626
– Deferred tax credit [Refer note 18 E (7)]	(20,047,630)	(5,194,151)
Other Provisions	401,794	11,561
Total provisions and contingencies	**39,344,869**	**28,628,517**

Schedules to the financial statements for the year ended 31 March 2016

18. Significant accounting policies and notes to financial statements

A) Background

The accompanying financial statements for the year ended 31 March 2016 comprise the accounts of India branches of Standard Chartered Bank ('SCB' or 'the Bank'), which is incorporated with limited liability in the United Kingdom. The Bank's ultimate holding company is Standard Chartered Plc ('SCPLC'), which is incorporated in the United Kingdom.

B) Basis of preparation

The financial statements are prepared under the historical cost convention on the accrual basis of accounting, unless otherwise stated, and in accordance with Generally Accepted Accounting Principles ('GAAP') in India, statutory requirements of the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time, the Accounting Standards ('AS') specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) to the extent applicable and current practices prevailing within the banking industry in India.

The financial statements are presented in Indian Rupees rounded off to the nearest thousand, unless otherwise stated.

C) Use of estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosures relating to the contingent liabilities reported in the financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual result could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

D) Significant Accounting Policies

(1) Investments

Classification and valuation of the Bank's investments is carried out in accordance with RBI Circular DBR No BP.BC.6/21.04.141/2015-16 dated 01 July 2015.

Classification

Investments are classified as 'Held to Maturity' ('HTM') or 'Held for Trading' ('HFT') or 'Available for Sale' ('AFS') at the time of their purchase. Investments acquired by the Bank with the intention of holding up to maturity are classified as HTM. Investments acquired with the intention to trade by taking advantage of short-term price/interest rate movements and are to be sold within 90 days are classified as HFT. All other investments are classified as AFS.

The Bank follows settlement date accounting for its investments.

In the financial statements, investments in India are disclosed under six categories in Schedule 8 – Investments.

Valuation

Cost of investments is determined using the weighted average cost method.

Investments classified as HTM are carried at acquisition cost. Any premium on acquisition is amortised over the remaining period till maturity on the basis of a constant yield to maturity. In terms of RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity. Where in the opinion of management and in accordance with RBI guidelines, there is any diminution in the value of any HTM security, which is other than temporary, appropriate provisions are made.

Investments classified as AFS or HFT are marked to market as per frequency prescribed by RBI. Net depreciation for each classification in respect of any category mentioned in Schedule 8 – Investments, is recognised in the Profit and Loss Account. Net appreciation, if any, is ignored.

The mark to market value of investments in debt securities classified as HFT and AFS is determined using prices or on the basis of the base yield curve and the applicable spreads as notified by Fixed Income Money Market and Derivatives Association ('FIMMDA') jointly with Primary Dealers Association of India ('PDAI').

In line with the RBI guidance, Treasury Bills are marked to market using the Yield to Maturity (YTM) rate as published by FIMMDA.

Certificate of Deposits and Commercial Paper are valued at carrying cost including the pro rata discount accreted for the holding period.

Brokerage and commission on debt instruments paid at the time of acquisition are charged to the Profit and Loss Account. Valuations are adjusted for illiquidity; the illiquidity adjustments are based on management estimates.

Transfer between categories

Transfer of investments between categories is accounted in accordance with provisions of the above referred RBI Circular:

a) Securities transferred from AFS/HFT category to HTM category are transferred at the lower of book value or market value.

b) Securities placed under the HTM category at a discount, are transferred to AFS/HFT category at the acquisition price/book value.

c) Securities placed under the HTM category at a premium, are transferred to the AFS/HFT category at the amortised cost.

d) Securities transferred from AFS to HFT category or vice-versa, are transferred at book value and provisions held for accumulated depreciation, if any, is transferred to provisions for depreciation against the HFT securities and vice-versa.

Accounting for repos/reverse repos

In accordance with the RBI Circular DBR No BP.BC.6/21.04.141/2015-16 dated 01 July 2015, repurchase (repos) and reverse repurchase (reverse repos) are accounted as collateralised borrowing and lending. The Bank also follows the aforesaid principle to account repo and reverse repo transactions undertaken under Liquidity Adjustment Facility ('LAF').

(2) Advances

Classification and provisioning of advances of the Bank are carried out in accordance with the RBI Master Circular DBR.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.

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

D) Significant Accounting Policies ***(Continued)***

(2) Advances ***(Continued)***

Classification

Advances are classified into performing and non-performing advances ('NPA') based on management's periodic internal assessment and RBI's prudential norms on classification. Further, NPAs are classified into substandard, doubtful and loss assets based on the criteria stipulated by RBI.

Provisioning

Advances are stated net of specific provisions and interest in suspense. Specific provisions are made based on management's assessment of the degree of impairment of the advances and in accordance with the Bank's internal policy on specific provisioning for NPAs, subject to minimum provisioning norms laid down by the RBI.

For restructured advances, provision is made in accordance with the RBI guidelines, which requires the diminution in the fair value of the advances to be provided at the time of restructuring.

The Bank also maintains a general provision at rates and as per norms prescribed by RBI in the above referred circular and discloses the same in Schedule 5 - Other Liabilities and Provisions.

(3) Securitisation (including assignment)

The Bank securitises advances to Special Purpose Vehicles ('SPV'). Securitised assets are derecognised if they are transferred to the SPV in compliance with all the conditions of true sale as prescribed in 'Guidelines on Securitisation transactions' vide circulars DBOD.NO.BP.BC.60/21.04.048/2005-06 dated 01 February 2006, DBOD.No.BP.BC-103/21.04.177/2011-12 dated 07 May 2012 and DBOD.No.BP.BC- 25/21.04.177/2013-14 dated 1 July 2013 issued by the RBI. Securitisation transactions which do not meet the criteria for derecognition are accounted for as secured borrowings.

In accordance with the above referred circular, gain arising on securitisation is amortised over the life of the securities issued/to be issued by the SPV. Loss, if any, is recognised immediately in the Profit and Loss Account.

The Bank also follows the aforesaid principles to ascertain de-recognition of loans and advances through direct assignment and the gain arising upon such direct assignment is amortised over the life of the loans and advances sold. Loss, if any, is recognised immediately in the Profit and Loss Account.

In respect of credit enhancements provided or recourse obligations accepted by the Bank at the time of securitisation or direct assignment, appropriate provisions/disclosures are made in accordance with AS 29 – Provisions, Contingent Liabilities and Contingent Assets.

(4) Derivative transactions

Derivative transactions comprise forward exchange contracts, interest rate swaps, currency futures, cross currency swaps and options and are undertaken for either trading or hedging purposes.

Trading derivatives are marked to market and the resultant unrealised gain or loss is recognised in the Profit and Loss account under Schedule 14 - Other Income. Options are marked to market and unrealised gain or loss on revaluation is recorded in the Profit and Loss account. The premium received or paid is recognised in the Profit and Loss account upon expiry or exercise of the options. Valuations are adjusted for illiquidity, Credit Valuations Adjustments (CVA) based on management estimates.

Hedging transactions are undertaken by the Bank to protect the change in the fair value or the cash flow of the underlying assets or liabilities. The hedging instrument is accounted for on accrual basis except for an instrument designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements. In that case the hedging instrument is marked to market with the resulting gain or loss recorded as an adjustment to the market value of the designated asset.

(5) Income recognition

Interest income on advances is recognised on accrual basis, except in case of interest on NPAs, which is recognised as income on receipt, in accordance with RBI guidelines.

Interest income on discounted instruments is recognised over the tenor of the instrument on a constant effective yield basis. Commission on guarantees and letters of credit are recognised over the facility tenor. Fees on loans and credit cards are recognised at the inception of the transactions. Fee from management advisory services are recognised based on applicable service contracts and when the service has been rendered.

Realised gains on investments under the HTM category are recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve net of tax expense and transfer to statutory reserve. Losses are recognised in the Profit and Loss Account in accordance with RBI guidelines.

(6) Fixed assets (including goodwill/intangibles) and depreciation

Fixed assets and depreciation thereon are accounted for as per AS 10 – Accounting for Fixed Assets and AS 6 – Depreciation Accounting.

Fixed assets are stated at acquisition cost less accumulated depreciation, with the exception of premises which are revalued periodically and are stated at revalued cost less accumulated depreciation.

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalised as part of the cost of such assets in accordance with AS 16 - Borrowing Costs. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use.

Depreciation is provided on a straight line basis over the useful life of the asset as per the management's internal assessment, subject to maximum useful life prescribed under the Companies Act, 2013. In the case of premises, depreciation is provided on revalued cost. On disposal of revalued premises, the amount standing to the credit of revaluation reserve is transferred to Capital Reserve in accordance with RBI guidelines.

Profit on disposal of premises is recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve net of tax expense and transfer to statutory reserve. Losses are recognised in the Profit and Loss Account.

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

D) Significant Accounting Policies *(Continued)*

(6) Fixed assets (including goodwill/intangibles) and depreciation *(Continued)*

Fixed assets individually costing less than ₹ 250 (in 000s) are expensed in the year of purchase, except where individual assets are purchased and installed as part of the owned and leasehold improvement projects, in which case they are capitalised as improvements to property. Computer software less than ₹ 25,000 (in 000s) is also expensed in the year of purchase.

Goodwill and other intangibles are recognised on business acquisition and represents the difference between the price paid and the assets and liabilities acquired, which would include any identifiable intangible assets (such as customer or core deposit relationships). These are amortised on a straight-line basis over the best estimate of their useful life as determined by the management.

The depreciation rates applied on other fixed assets are as follows:

Category	Depreciation rate per annum (%)
Computers	33
Plant	20
Furniture and Fixtures (1)	10/20
Motor Vehicles	33
Electrical Installations (2)	14/20
Improvements to property (3)	20
Computer Software (4)	33
Goodwill/Intangibles	20

(1) Furniture and Fixtures are depreciated over the expected useful lives, subject to a maximum period of ten years. The additions from 01 April 2008 onwards are depreciated over the expected useful lives, subject to a maximum period of five years.

(2) Electrical Installations include Automated Teller Machines (ATMs) which, from 01 April 2008, are depreciated over the expected useful lives, subject to a maximum period of seven years.

(3) Improvements to owned and leasehold property are depreciated over the remaining useful life/lease period subject to a maximum period of five years.

(4) Acquisition costs and development costs are amortised over the expected useful lives, subject to a maximum period of three years.

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset or net realisable value, whichever is higher. If such assets are considered to be impaired, the impairment is recognised by charging the Profit and Loss Account and is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

(7) Accounting for leases

Assets given/taken on lease are accounted for in accordance with provisions of AS 19 – Leases. Lease payments under operating leases are recognised as an expense on a straight line basis over the lease term.

(8) Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Profit and Loss Account.

Monetary assets and liabilities denominated in foreign currencies are translated at the Balance Sheet date at rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant exchange differences are recognised in the Profit and Loss Account.

Foreign currency contracts and forward rate agreements are revalued at the exchange rates notified by FEDAI and where exchange rates are not notified by FEDAI, are revalued at foreign exchange rates implied by swap curves. The profit or loss on revaluation is recognised in the Profit and Loss Account.

Contingent liabilities on account of foreign exchange contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at the closing rates of exchange notified by FEDAI.

(9) Retirement and other employee benefits

Retirement and other employees benefits are accounted for as per AS 15 (Revised 2005) - Employee Benefits as set out below:

a) Provident fund

The Bank contributes to a recognised provident fund, which is a defined contribution scheme, for all its eligible employees. The contributions are accounted for on an accrual basis and recognised in the Profit and Loss Account.

b) Gratuity

The Bank has a gratuity scheme, which is a defined benefit plan. The Bank's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods. This benefit is discounted to determine the present value of the obligation under the benefit plan.

The present value of the obligation under such benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method which recognises each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

D) Significant Accounting Policies *(Continued)*

(9) Retirement and other employee benefits *(Continued)*

The obligation is measured at present value of estimated future cash flows. The discount rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

c) Superannuation

The Bank contributes to an approved superannuation fund, which is a defined contribution scheme, for all its eligible employees who have opted for the scheme. The contributions are accounted for on an accrual basis and recognised in the Profit and Loss Account.

d) Pension

The Bank has a pension scheme for its award staff, which is a defined benefit plan. The Bank's net obligation in respect of the pension benefit is calculated by estimating the amount of future benefit that the award staff have earned in return for their service in the current and prior periods. This benefit is discounted to determine the present value of the obligation under the benefit plan.

The present value of the obligation under such benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method which recognises each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present value of estimated future cash flows. The discount rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

e) Compensated absences

The Bank has a leave encashment scheme for its award staff, which is a defined benefit plan. The Bank's net obligation in respect of the leave benefit is calculated by estimating the amount of future benefit that the award staff have earned in return for their service in the current and prior periods. This benefit is discounted to determine the present value of the obligation under the benefit plan.

The present value of the obligation under such benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method which recognises each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present value of estimated future cash flows. The discount rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

(10) Taxation

Income tax comprises current tax (i.e. amount of tax for the period, determined in accordance with the Income Tax Act, 1961 and the rules framed thereunder) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

Current tax expense is recognised on an annual basis under the taxes payable method based on the estimated liability computed after taking credit for allowances and exemptions in accordance with the provisions of Income Tax Act, 1961.

The Bank accounts for deferred taxes in accordance with the provisions of AS 22 – Accounting for Taxes on Income. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. In case there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/ virtually certain to be realised.

(11) Provisions, contingent liabilities and contingent assets

The Bank creates a provision when there is a present obligation as a result of past events that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of such obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

(12) Provision for reward points awarded to customers

The Bank has a policy of awarding reward points to customers for credit/debit card spends, remote banking and certain Electronic Clearing Services (ECS) transactions. Provision for such reward points is made on the basis of behavioural analysis of utilisation trends.

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts

(1) Statutory Disclosures

(i) Capital Adequacy (₹ in 000s)

	As at 31-Mar-16 (Basel III basis)	As at 31-Mar-15 (Basel III basis)
Amount of equity capital raised	–	–
Amount of additional Tier I capital raised	–	–
Amount of Tier II capital raised	–	–
Total Capital	**216,263,300**	**211,078,764**
Total Risk weighted assets and contingents	**1,665,846,609**	**1,690,281,673**
Capital Ratios		
Common Equity Tier I	12.36%	11.84%
Tier I Capital	12.36%	11.84%
Tier II Capital	0.62%	0.65%
Total Capital	**12.98%**	**12.49%**

Capital adequacy has been calculated based on Master Circular – Basel III Capital Regulations, issued vide RBI circular DBR.No.BP. BC.1/21.06.201/2015-16 dated 01 July 2015.

(ii) Key Ratios

Sr. No.		For the year ended 31-Mar-16	For the year ended 31-Mar-15
i.	Interest income as a % to working funds[1]	**7.46%**	**8.03%**
ii.	Non-interest income as a % to working funds[1]	**1.48%**	**2.62%**
iii.	Operating profit as a % to working funds[1]	**3.68%**	**4.68%**
iv.	Return on assets[1]	**0.75%**	**2.42%**
v.	Business (deposits + advances) per employee (₹ in 000s)[2]	**188,447**	**190,003**
vi.	Profit per employee (₹ in 000s)	**1,362**	**4,179**

[1] Computed based on average of total assets as per Form X submitted to RBI

[2] Computed based on deposits plus advances (excluding inter-bank deposits) outstanding as at the year end

(iii) Maturity Pattern of Assets and Liabilities

As at 31 March 2016 (₹ in 000s)

Maturity Bucket	Loans and Advances *	Investments	Deposits *	Borrowings *	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	20,489,012	79,837,482	8,278,602	228,057	10,694,755	4,005,345
2 – 7 days	56,628,390	55,072,313	79,616,204	41,099,447	20,646,235	13,611,153
8 – 14 days	69,581,935	20,350,902	74,484,350	7,000,000	5,655,057	15,831,863
15 – 30 days	49,194,845	11,894,958	36,433,512	–	12,939,637	3,253,309
31 days and upto 2 months	39,577,666	14,246,292	73,734,624	31,625,500	12,716,733	11,550,432
2 months and upto 3 months	49,724,302	24,279,718	38,221,164	6,625,500	15,637,255	16,418,521
Over 3 months – 6 months	53,444,655	14,765,561	49,948,194	10,993,825	21,895,068	24,044,236
Over 6 months – 1 year	44,807,419	72,939,644	152,391,292	6,956,775	4,129,298	146,802,379
Over 1 year – 3 years	131,183,492	29,485,460	238,768,396	–	5,407,749	22,615,396
Over 3 years – 5 years	12,513,904	11,375,635	54,325	–	19,535,403	11,649,619
Over 5 years	138,214,804	1,660,474	–	–	17,664,916	12,486,575
Total	**665,360,424**	**335,908,439**	**751,930,663**	**104,529,104**	**146,922,106**	**282,268,828**

* Including foreign currency balances

As at 31 March 2015 (₹ in 000s)

Maturity Bucket	Loans and Advances *	Investments	Deposits *	Borrowings *	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	21,372,272	36,727,749	6,502,263	421,084	14,889,373	2,980,617
2 – 7 days	51,185,721	64,284,503	79,258,745	48,728,870	17,561,628	12,182,149
8 – 14 days	58,361,593	56,905,319	67,544,108	44,400,000	3,153,219	14,176,275
15 – 30 days	37,799,644	11,255,320	61,327,941	1,562,500	16,732,965	3,588,046
31 days and upto 2 months	57,503,701	20,906,427	70,979,578	18,309,500	23,358,558	8,519,573
2 months and upto 3 months	34,178,888	17,652,568	45,816,907	14,062,500	27,143,046	42,922,506
Over 3 months – 6 months	67,415,038	10,695,317	43,953,681	-	34,066,870	18,460,251
Over 6 months – 1 year	70,533,993	21,126,918	70,645,410	-	3,302,855	41,504,648
Over 1 year – 3 years	98,018,172	78,906,984	282,076,957	-	13,958,275	124,260,367
Over 3 years – 5 years	61,635,178	10,540,897	367,856	-	6,240,978	8,092,204
Over 5 years	126,015,997	1,774,071	9,055	-	17,600,965	13,102,992
Total	**684,020,197**	**330,776,073**	**728,482,501**	**127,484,454**	**178,008,732**	**289,789,628**

* Including foreign currency balances

Note: Non term assets and liabilities have been bucketed based on behavioral maturities in line with the RBI guidelines.

Maturity pattern for assets & liabilities is aligned with the format prescribed by RBI vide circular DBR.BP.BC.No.86/21.04.098/2015-16 dated 23 March 2016

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(1) Statutory Disclosures *(Continued)*

(iv) Investments

(₹ in 000s)

		As at 31-Mar-16	As at 31-Mar-15
Value of Investments			
(i)	Gross Value of Investments	341,864,654	334,882,243
	(a) In India	341,864,654	334,882,243
	(b) Outside India	–	–
(ii)	Provisions for Depreciation	2,768,067	2,662,721
	(a) In India	2,768,067	2,662,721
	(b) Outside India	–	–
(iii)	Net Value of Investments	339,096,587	332,219,522
	(a) In India	339,096,587	332,219,522
	(b) Outside India	–	–

The Bank has no sale and transfers to/from HTM category during the year (2014-15: Nil).

(v) Movement of Provision towards Depreciation on Investments

(₹ in 000s)

	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Balance, beginning of the year	2,662,721	3,160,699
Add: Provisions made during the year	263,835	447,745
Less: Write–off /write back of excess provisions during the year	(158,489)	(945,723)
Balance, end of the year	**2,768,067**	**2,662,721**

(vi) Repurchase and Reverse repurchase transactions including LAF (face value)

For the year ended 31 March 2016 (₹ in 000s)

	Minimum outstanding during the year*	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as at 31-Mar-16
Securities sold under repos (Government Securities)	150,000	93,912,400	31,572,289	49,197,400
Securities purchased under reverse repos (Government Securities)	7,220,000	182,814,000	32,222,631	11,557,900

For the year ended 31 March 2015 (₹ in 000s)

	Minimum outstanding during the year*	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as at 31-Mar-15
Securities sold under repos (Government Securities)	22,951,700	116,617,200	66,669,100	93,912,400
Securities purchased under reverse repos (Government Securities)	500,000	28,250,000	7,374,427	11,700,000

* Minimum outstanding during the year excludes the days with nil outstanding

(vii) Issuer composition of non-SLR investments

As at 31 March 2016 (₹ in 000s)

Issuer	Total Amount	Extent of Private Placement (a)	Extent of 'Below Investment Grade' Securities (b)	Extent of Unrated securities (c)	Extent of Unlisted securities (d)
PSU	919,194	9,700	–	9,700	9,700
Financial institutions	5,990,309	2,500,000	–	–	–
Banks	127	127	–	127	127
Private corporate	12,674,436	12,674,436	1,383,244	1,488,650	8,898,700
Subsidiaries/Joint Venture	–	–	–	–	–
Others	44,130,209	44,130,209	934,263	15	44,130,209
Provisions held towards depreciation	(2,690,171)	(2,687,771)	(2,203,286)	(1,269,038)	(2,017,368)
Total	**61,024,104**	**56,626,701**	**114,221**	**229,454**	**51,021,368**

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(1) Statutory Disclosures *(Continued)*

(vii) Issuer composition of non-SLR investments *(Continued)*

As at 31 March 2015 (₹ in 000s)

Issuer	Total Amount	Extent of Private Placement (a)	Extent of 'Below Investment Grade' Securities (b)	Extent of Unrated securities (c)	Extent of Unlisted securities (d)
PSU	5,815,455	9,700	–	9,700	9,700
Financial institutions	4,465,692	–	–	–	–
Banks	10,662,258	10,662,258	–	127	10,662,258
Private corporate	4,605,030	4,605,030	1,196,618	1,510,030	828,291
Subsidiaries/Joint Venture	–	–	–	–	–
Others	26,906,737	26,906,737	934,264	16	26,906,737
Provisions held towards depreciation	(2,588,494)	(2,568,084)	(1,911,384)	(1,184,886)	(2,008,326)
Total	**49,866,678**	**39,615,641**	**219,498**	**334,987**	**36,398,660**

Note: Total investments include investments in Pass Through Certificates (PTCs) of ₹ 43,196 million (gross) (2014-15: ₹ 25,972 million)

Amounts reported under column (a), (b), (c) and (d) above are not mutually exclusive.

(viii) Movement in non-performing non-SLR investments

(₹ in 000s)

	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Balance, beginning of the year	2,130,883	2,211,381
Additions during the year	310,969	14,752
Reductions during the year	(124,345)	(95,250)
Balance, end of the year	**2,317,507**	**2,130,883**
Total Provisions held at end of the year	**2,203,286**	**1,911,385**

(ix) Disclosures relating to NPAs and related provisions

The percentage of net NPAs to net advances is 1.07% as at 31 March 2016 (previous year: 0.34%).

The Provision Coverage Ratio (PCR) is 93.40% as at 31 March 2016 (previous year: 96.54%).

(₹ in 000s)

Movement of Gross NPA	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Balance, beginning of the year	66,563,800	57,826,468
Additions during the year	51,612,051	16,700,752
Reductions during the year	(9,820,468)	(7,963,420)
Balance, end of the year	**108,355,383**	**66,563,800**

(₹ in 000s)

Movement of Net NPA	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Balance, beginning of the year	2,306,403	3,063,474
Additions during the year	5,896,609	(333,392)
Reductions during the year	(1,055,154)	(423,679)
Balance, end of the year	**7,147,858**	**2,306,403**

(₹ in 000s)

Movement in Provision for NPA	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Balance, beginning of the year	64,257,397	54,762,994
Additions during the year	45,715,442	17,034,144
Reductions during the year	(8,765,314)	(7,539,741)
Balance, end of the year	**101,207,525**	**64,257,397**

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(1) Statutory Disclosures *(Continued)*

(ix) Disclosures relating to NPAs and related provisions *(Continued)*

(₹ in 000s)

Concentration of NPAs	As at 31-Mar-16	As at 31-Mar-15
Total exposure to top four NPA accounts	50,781,748	24,723,100

(x) Disclosures relating to NPA and related provisions

Disclosure is in accordance with RBI circular DBR.BP.BC No.23 /21.04.018/2015-16 dated 01 July 2015:

Percentage of Gross NPA to total advances

(₹ in 000s)

Sector	As at 31-Mar-16			As at 31-Mar-15		
	Outstanding total advances	Gross NPA's	% of Gross NPA to total advances in that sector	Outstanding total advances	Gross NPA's	% of Gross NPA to total advances in that sector
A Priority Sector						
Agriculture & allied activities	2,989,397	26,647	0.89%	7,070,003	40,883	0.58%
Advances to industries sector eligible as priority sector lending	136,090,673	10,923,873	8.03%	135,039,578	2,688,067	1.99%
– Basic Metal and Metal Products	19,853,064	3,598,435	18.13%	23,406,295	212,623	0.91%
– Infrastructure	2,933,124	322,188	10.98%	2,034,543	55,884	2.75%
Services	51,510,232	741,893	1.44%	48,453,831	254,926	0.53%
– Trade	26,400,406	253,163	0.96%	26,170,554	133,256	0.51%
Personal Loans	19,053,942	934,946	4.91%	19,337,944	409,880	2.12%
Sub total (A)	**209,644,244**	**12,627,359**	**6.02%**	**209,901,356**	**3,393,756**	**1.62%**
B Non-priority sector						
Agriculture & allied activities	1,700	–	–	236	236	100.00%
Industry	225,753,777	78,596,148	34.81%	228,889,780	48,140,059	21.03%
– Basic Metal and Metal Products	22,027,001	13,124,856	59.59%	26,952,862	4,174,457	15.49%
– Infrastructure	73,644,499	26,930,830	36.57%	67,013,180	21,360,087	31.87%
Services	164,465,250	11,635,762	7.07%	178,589,714	12,350,682	6.92%
– Trade	32,729,630	5,405,098	16.51%	31,365,856	5,845,078	18.64%
– Commercial Real Estate	85,272,711	–	–	96,712,422	–	–
Personal Loans	166,708,077	5,496,114	3.30%	130,901,950	2,679,067	2.05%
Sub total (B)	**556,928,804**	**95,728,024**	**17.19%**	**538,381,680**	**63,170,044**	**11.73%**
Total (A+B)	**766,573,048**	**108,355,383**	**14.14%**	**748,283,036**	**66,563,800**	**8.90%**

(₹ in 000s)

Movement in Gross NPA	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Gross NPAs as on 01 April	**66,563,800**	**57,826,468**
Additions (fresh NPAs) during the year	51,612,051	16,700,752
Sub-total (A)	118,175,851	74,527,220
Less:-		
(i) Upgradations	(2,322,254)	(2,192,664)
(ii) Recoveries (excluding recoveries made from upgraded accounts)	(5,491,131)	(3,916,811)
(iii) Technical/Prudential Write-offs *	-	-
(iv) Write-offs other than those under (iii) above	(2,007,083)	(1,853,945)
Sub-total (B)	(9,820,468)	(7,963,420)
Gross NPAs as on 31 March (A - B)	**108,355,383**	**66,563,800**

* The Bank does not have any technical/prudential write-offs hence the disclosure on movement in such accounts is not applicable.

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(1) Statutory Disclosures *(Continued)*

(xi) Concentration of Advances *

(₹ in 000s)

	As at 31-Mar-16	As at 31-Mar-15
Total advances to twenty largest borrowers	375,159,632	382,988,659
Percentage of advances to twenty largest borrowers to total advances of the Bank	16.23%	16.13%

* Advances are computed as per definition of credit exposure (including derivatives) as per RBI Master Circular on Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated 01 July 2015

(xii) Concentration of Exposures *

(₹ in 000s)

	As at 31-Mar-16	As at 31-Mar-15
Total exposure to twenty largest borrowers/customers	382,523,977	393,624,948
Percentage of exposures to twenty largest borrowers/customers to total exposure of the Bank on borrowers/customers	14.39%	14.72%

* Exposures are computed as per definition of credit and investment exposure as per RBI Master Circular on Exposure Norms DBR.No.Dir.BC.12/13.03.00/2015-16 dated 01 July 2015.

(xiii) Provision towards Standard Assets and Country Risk Exposure

(₹ in 000s)

	As at 31-Mar-16	As at 31-Mar-15
Provisions towards Standard Assets *	5,672,912	5,998,644
Provisions towards Country Risk Exposure	63,558	63,558
Total	**5,736,470**	**6,062,202**

* includes provision towards unhedged foreign currency exposure of ₹ 1,175 million (2014–15: ₹ 1,501 million).

(xiv) Details of non performing financial assets purchased

The amount of non performing financial assets purchased during the year is Nil (2014–15: Nil).

(xv) Details of non performing financial assets sold (other than sold to Securitisation Company/ Reconstruction Company)

The amount of non performing financial assets sold (other than sold to Securitisation Company/ Reconstruction Company) during the year is Nil (2014–15: Nil).

(xvi) Details of sale of financial assets to Securitisation Company (SC)/Reconstruction Company (RC) for asset reconstruction

(₹ in 000s)

		For the year ended 31-Mar-16	For the year ended 31-Mar-15
(i)	No of accounts	1	–
(ii)	Aggregate value (net of provisions) of accounts sold to SC/RC	–	–
(iii)	Aggregate consideration	150,000	–
(iv)	Additional consideration realised in respect of accounts transferred in earlier years	–	–
(v)	Aggregate gain/loss over net book value	150,000	–

(xvii) Investments in Security Receipts backed by NPA's

Disclosure is in accordance with RBI circular DBR.No.BP.BC.78/21.04.048/2014-15 dated 20 March 2015:

(₹ in 000s)

	Book value of investments in security receipts	For the year ended 31-Mar-16	For the year ended 31-Mar-15
(i)	Backed by NPAs sold by the bank as underlying	–	–
(ii)	Backed by NPAs sold by other banks/ financial institutions/ non-banking financial companies as underlying	934,248	934,248

(xviii) Unsecured Advances

The Bank has unsecured gross advances amounting to ₹ 2,667 million (2014-15: ₹ 1,461 million) which are fully provided and for which it holds intangible securities such as charge over the rights, licenses, authority, etc. The estimated value of such intangible collateral is ₹ 7,600 million (2014-15: ₹ 7,100 million).

(xix) Overseas Assets, NPA and Revenue

As the Bank is a branch of a foreign bank, this disclosure is considered as not applicable.

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(1) Statutory Disclosures *(Continued)*

(xx) Accounts Restructured

The disclosure of restructured advances vide RBI circular DBR.No.BP.BC.2/21.04.048/2015-16 dated 01 July 2015 is as under:

For the year ended 31 March 2016

(₹ in 000s)

Sr No	Type of Restructuring	Asset Classification Details	Under CDR Mechanism					Others					Total				
			Standard	Sub-Stand-	Doubtful ard	Loss	Total	Standard	Sub-Stand-	Doubtful ard	Loss	Total	Standard	Sub-Stand-	Doubtful a	Loss	Total
1	Restructured Accounts as on 1 April of the FY (opening figures)*	No. of borrowers	1	–	7	–	8	2	562	457	11	1,032	3	562	464	11	1,040
		Amount outstanding	363,172	-	4,867,284	-	5,230,456	174,820	25,782	2,625,476	105,134	2,931,212	537,992	25,781	7,492,760	105,134	8,161,667
		Provision thereon	–	–	4,867,284	–	4,867,284	5,440	25,094	2,625,476	105,134	2,761,144	5,440	25,094	7,492,760	105,134	7,628,428
2	Fresh restructuring during the year	No. of borrowers	–	–	1	–	1	–	1	1	–	2	–	1	2	–	3
		Amount outstanding	–	–	1,030,608	–	1,030,608	15,071	801	1,076,457	–	1,092,329	15,071	801	2,107,065	–	2,122,937
		Provision thereon	–	–	1,030,608	–	1,030,608	–	721	1,076,457	–	1,077,178	–	721	2,107,065	–	2,107,786
3	Upgradations to restructured standard category during the FY	No. of borrowers	–	–	–	–	–	141	–	(141)	–	–	141	–	(141)	–	–
		Amount outstanding	–	–	–	–	–	5,544	–	(5,544)	–	–	5,544	–	(5,544)	–	–
		Provision thereon	–	–	–	–	–	447	–	–	–	447	447	–	–	–	447
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	–	–	–	–	–	(1)	–	–	–	(1)	(1)	–	–	–	(1)
		Amount outstanding	–	–	–	–	–	(131,628)	–	–	–	(131,628)	(131,628)	–	–	–	(131,628)
		Provision thereon	–	–	–	–	–	(1,891)	–	–	–	(1,891)	(1,891)	–	–	–	(1,891)
5	Downgradations of restructured accounts during the FY	No. of borrowers	(1)	–	1	–	–	–	–	(1)	1	–	(1)	–	–	1	–
		Amount outstanding	(356,918)	–	356,918	–	–	–	–	(173,617)	173,617	–	(356,918)	–	183,301	173,617	–
		Provision thereon	–	–	356,918	–	356,918	–	–	(173,617)	173,617	–	–	–	183,301	173,617	356,918
6	Write-offs of restructured accounts during the FY	No. of borrowers	–	–	–	–	–	–	437	203	7	647	–	437	203	7	647
		Amount outstanding	6,254	–	51,529	–	57,783	–	22,519	243,527	385	266,431	6,254	22,519	295,056	385	324,214
7	Restructured Accounts as on 31 March of the FY (closing figures)*	No. of borrowers	–	–	9	–	9	142	126	113	5	386	142	126	122	5	395
		Amount outstanding	–	–	6,203,281	–	6,203,281	63,807	4,063	3,279,245	278,366	3,625,481	63,807	4,063	9,482,526	278,366	9,828,762
		Provision thereon	–	–	6,203,281	–	6,203,281	3,996	3,959	3,279,245	278,366	3,565,566	3,996	3,959	9,482,526	278,366	9,768,847

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

Sr. No. 2 – Amount outstanding includes addition to existing restructured accounts amounting to ₹ 169,434 (in 000's) (number of accounts 3) and provision thereon includes additional provision amounting to ₹ 154,283 (in 000's) (number of accounts 2)

Sr. No. 6 – Amount outstanding includes amount recovered from restructured accounts amounting to ₹ 309,035 ('000) (number of accounts 388).

Sr. No. 7 – Provision thereon is after adjusting the provision of ₹ 322,840 (in '000) towards amount recovered / written off .

There are no accounts restructured under SME debt restructuring mechanism.

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(1) Statutory Disclosures *(Continued)*

(xx) Accounts Restructured

For the year ended 31 March 2015

(₹ in 000s)

Sr No	Type of Restructuring	Asset Classification Details	Under CDR Mechanism					Others					Total				
			Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on 1 April of the FY (opening figures)*	No. of borrowers	2	–	4	–	6	3	2,503	27	57	2,590	5	2,503	31	57	2,596
		Amount outstanding	1,014,714	–	2,279,686	–	3,294,400	228,842	161,359	1,636,201	170,173	2,196,575	1,243,556	161,359	3,915,887	170,173	5,490,975
		Provision thereon	101,828	–	2,279,686	–	2,381,514	8,171	153,158	1,636,201	170,173	1,967,703	109,999	153,158	3,915,887	170,173	4,349,217
2	Fresh restructuring during the year	No. of borrowers	–	–	2	–	2	–	30	3	–	33	–	30	5	–	35
		Amount outstanding	170,348	–	1,816,207	–	1,986,555	14,621	7,238	1,273,561	–	1,295,420	184,969	7,238	3,089,768	–	3,281,976
		Provision thereon	–	–	2,536,269	–	2,536,269	–	6,673	1,273,561	–	1,280,234	–	6,673	3,809,830	–	3,816,503
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	Downgradations of restructured accounts during the FY	No. of borrowers	(1)	–	1	–	–	–	(448)	445	3	–	(1)	(448)	446	3	–
		Amount outstanding	(821,891)	–	821,891	–	–	–	(33,896)	33,759	137	–	(821,891)	(33,896)	855,651	137	–
		Provision thereon	(101,828)	–	101,828	–	–	–	(33,896)	33,759	137	–	(101,828)	(33,896)	135,588	137	–
6	Write-offs of restructured accounts during the FY	No. of borrowers	–	–	–	–	–	1	1,523	18	49	1,591	1	1,523	18	49	1,591
		Amount outstanding	–	–	50,500	–	50,500	68,643	108,920	318,045	65,175	560,783	68,643	108,920	368,546	65,175	611,284
7	Restructured Accounts as on 31 March of the FY (closing figures)*	No. of borrowers	1	–	7	–	8	2	562	457	11	1,032	3	562	464	11	1,040
		Amount outstanding	363,171	–	4,867,284	–	5,230,455	174,820	25,781	2,625,476	105,134	2,931,212	537,992	25,781	7,492,760	105,134	8,161,667
		Provision thereon	–	–	4,867,283	–	4,867,283	5,440	25,094	2,625,476	105,134	2,761,144	5,440	25,094	7,492,759	105,134	7,628,427

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

Sr. No. 2 – Amount outstanding includes addition to existing restructured accounts amounting to ₹ 260,692 (in 000s) (number of accounts 7) and provision thereon includes additional provision amounting to ₹ 795,785 (in 000's) (number of accounts 7)

Sr. No. 6 – Amount outstanding includes amount recovered from restructured accounts amounting to ₹ 417,880 (in 000s) (number of accounts 1,135).

Sr. No. 7– Provision thereon is after adjusting the provision of ₹ 537,293 (in 000's) towards amount recovered / writen off.

There are no accounts restructured under SME debt restructuring mechanism.

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(1) Statutory Disclosures *(Continued)*

(xxi) Lending to sensitive sectors

(₹ in 000s)

	Category	As at 31-Mar-16	As at 31-Mar-15
	Exposure to Real Estate Sector		
	Direct exposure		
(i)	**Residential Mortgages**		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented:	165,439,622	158,631,520
	Of which individual housing loans eligible for inclusion in priority sector advances	11,953,123	13,288,650
(ii)	**Commercial Real Estate**		
	Lending secured by mortgages on commercial real estates	147,489,500	159,192,604
(iii)	Other Direct Exposure (Loans backed by Commercial Property not falling under definition of Commercial Real Estate Exposure as per RBI circular No. DBOD.BP.BC.No. 42/08.12.015/2009-10 dated 09 September, 2009)	41,185,455	30,132,849
(iv)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
	a. Residential	1,656,900	1,981,030
	b. Commercial Real Estate	934,248	1,029,248
	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	5,476,651	5,108,146
	Total Exposure to Real Estate Sector	**362,182,379**	**356,075,397**
	Exposure to Capital Market		
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	12,536	43,877
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	11,429	43,916
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	2,322,034	3,342,135
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	601,358	169,663
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	9,755,539	12,133,432
(vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	1,214,800	21,764,060
(vii)	Bridge loans to companies against expected equity flows/issues	230,502	125,000
(viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	–	–
(ix)	Financing to stockbrokers for margin trading	–	–
(x)	All exposures to Venture Capital Funds (both registered and unregistered)	–	–
(xi)	Others (Irrevocable Payment Commitments)	4,394,159	1,182,312
	Total Exposure to Capital Market	**18,602,759**	**38,804,395**

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(1) Statutory Disclosures *(Continued)*

(xxii) Assets Securitised (including assignment)

(a) Securitisation

The Bank has not entered into any securitisation transactions during the year (2014-15: Nil).

(b) Assignment

Form and quantum of outstanding value of services provided by way of:

(₹ in 000s)

	As at 31-Mar-16	As at 31-Mar-15
Credit Enhancement given in the form of Cash Collateral	328,434	652,522
Credit Enhancement given in the form of Guarantees	1,328,508	1,328,508
Liquidity Support	–	–
Post securitisation asset servicing	–	–

In accordance with RBI circular DBOD.NO.BP.BC.60/21.04.048/2005-06 dated 01 February 2006, there are no assignments during the year (2014-15: Nil).

(xxiii) Intra-group Exposures

Disclosure is in accordance with RBI circular DBOD.BP.BC.96/21.06.102/2013-14 dated 11 February 2014:

(₹ in 000s)

		As at 31-Mar-16	As at 31-Mar-15
(a)	Total amount of intra group exposures	18,814,888	16,480,495
(b)	Total amount of top-20 intra-group exposures	18,796,408	16,470,036
(c)	Percentage of intra-group exposures to total exposure of the bank on borrowers/customers	0.68%	0.59%
(d)	Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	Nil	Ni

(xxiv) Amounts transferred to Depositors Education and Awareness Fund

Disclosure is in accordance with RBI circular DBOD.No.DEAF Cell.BC.114/30.01.002/2013-14 dated 27 May 2014:

(₹ in 000s)

Category	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Opening balance of amounts transferred to Depositors Education and Awareness Fund	1,291,489	–
Add : Amounts transferred to Depositors Education and Awareness Fund during the year	259,005	1,307,382
Less : Amounts reimbursed by Depositors Education and Awareness Fund towards claims	(21,053)	(15,893)
Closing balance of amounts transferred to Depositors Education and Awareness Fund	1,529,441	1,291,489

(xxv) Unhedged Foreign Currency Exposures

The Bank has provided for unhedged foreign currency exposures as per RBI master circular DBOD.No.BP.BC.1/21.04.048/2014-15 dated 01 July 2014 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 exposures, the Bank has considered both financial hedges and natural hedges. The Bank has robust processes to manage credit risk assessment including currency induced credit risk and review in stressed scenarios whereby the Bank initiates corrective actions where required.

Provision towards unhedged foreign currency exposures as on 31 March 2016 is ₹ 1,175 million (2014-15: ₹ 1,501 million) and the capital held by the Bank towards this risk is ₹ 5,598 million (2014-15: ₹ 6,325 million).

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(1) Statutory Disclosures *(Continued)*

(xxvi) Liquidity Coverage Ratio (LCR)

(a) Quantitative Disclosures

Disclosure is in accordance with RBI master circular DBR.BP.BC No.23 /21.04.018/2015-16 dated 01 July 2015 is as under:

(₹ in 000s)

Liquidity Coverage Ratio	Q1 FY 2015-16		Q2 FY 2015-16		Q3 FY 2015-16		Q4 FY 2015-16		Q4 FY 2014-15	
	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)		234,639,283		157,511,881		164,079,004		181,245,727		111,230,800
Cash Outflows										
2 Retail deposits and deposits from small business customers, of which:	349,464,959	33,649,360	255,062,715	24,208,763	267,121,699	25,399,953	257,938,395	24,435,267	348,406,841	33,544,077
(i) Stable deposits	25,942,717	1,297,136	25,950,177	1,297,509	26,244,329	1,312,216	27,171,458	1,358,573	25,932,139	1,296,607
(ii) Less stable deposits	323,522,242	32,352,224	229,112,539	22,911,254	240,877,370	24,087,737	230,766,936	23,076,694	322,474,702	32,247,470
3 Unsecured wholesale funding, of which :	491,416,745	203,232,066	384,163,291	153,052,993	368,565,031	157,895,035	379,849,839	153,254,794	322,078,255	132,647,988
(i) Operational deposits (all counterparties)	217,658,856	54,471,064	159,214,219	38,466,260	134,157,200	30,683,209	148,243,549	34,133,681	154,270,478	34,525,771
(ii) Non-operational deposits (all counterparties)	273,757,889	148,761,002	224,949,072	114,586,733	234,407,831	127,211,826	231,606,290	119,121,113	167,807,776	98,122,217
(iii) Unsecured debt	–	–	–	–	–	–	–	–	–	–
4 Secured wholesale funding		–		–		–		–		–
5 Additional requirements, of which:	196,222,105	79,136,291	182,107,167	67,330,385	180,218,424	59,383,732	184,154,447	65,514,811	167,064,043	57,338,296
(i) Outflows related to derivative exposures and other collateral requirements	58,568,688	58,568,688	48,900,848	48,900,848	40,522,278	40,522,278	46,782,598	46,782,598	39,608,844	39,608,844
(ii) Outflows related to loss of funding on debt products	–	–	–	–	–	–	–	–	–	–
(iii) Credit and liquidity facilities	137,653,417	20,567,603	133,206,319	18,429,537	139,696,146	18,861,454	137,371,849	18,732,213	127,455,199	17,729,452
6 Other contractual funding obligations	8,191,871	8,191,871	12,026,520	12,026,520	12,741,957	12,741,957	11,761,855	11,761,855	635,767	635,767
7 Other contingent funding obligations	786,742,017	39,337,101	788,261,673	39,413,084	764,811,650	38,240,582	769,497,129	35,769,466	741,002,350	37,050,117
8 Total Cash Outflows		363,546,689		296,031,745		293,661,259		290,736,192		261,216,246
Cash Inflows									–	–
9 Secured lending (e.g. reverse repos)	75,053,529	–	19,323,835	–	23,166,486	–	26,994,445	–	14,846,357	–
10 Inflows from fully performing exposures	152,897,021	112,835,567	137,111,496	95,405,889	115,444,087	80,158,204	135,404,163	99,772,508	230,425,590	148,057,291
11 Other cash inflows	–	–	–	–	–	–	–	–	–	–
12 Total Cash Inflows	227,950,550	112,835,567	156,435,331	95,405,889	138,610,574	80,158,204	162,398,608	99,772,508	245,271,947	148,057,291
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
21 TOTAL HQLA		234,639,283		157,511,881		164,079,004		181,245,727		111,230,800
22 Total Net Cash Outflows		250,711,122		200,625,856		213,503,055		190,963,684		113,158,955
23 Liquidity Coverage Ratio (%)		94%		79%		77%		95%		98%

The LCR disclosure is effective from 1 January 2015 and quarterly averages for FY 2014-15 are not applicable.

(b) Qualitative Disclosures

The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered HQLA that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario specified by supervisors. At a minimum, the stock of liquid assets should enable the Bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective actions can be taken.

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(1) Statutory Disclosures *(Continued)*

(xxvi) Liquidity Coverage Ratio (LCR) *(Continued)*

(b) Qualitative Disclosures *(Continued)*

i. The main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time;

The key components/drivers of the LCR are (i) stock of HQLA and (ii) net cash outflows over the next 30 calendar days. HQLA comprises high quality assets that can be readily sold or used as collateral to obtain funds in a range of stress scenarios; they should be unencumbered and easily convertible into cash at little or no loss of value. Net cash outflows are the total expected cash outflows minus expected cash inflows for the subsequent 30 calendar days. Cash outflows and inflows are calculated by multiplying outstanding balances of various types of liabilities and off-balance sheet commitments/contingencies and various categories of contractual receivables by the prescribed outflows/inflows rates. Total inflows are capped at 75% of total outflows for LCR computation.

ii. Intra-period changes as well as changes over time;

The LCR requirement has been introduced by RBI for banks in India effective 1 January 2015 with a minimum 60% for the calendar year 2015, rising in equal steps each calendar year to reach the minimum 100% requirement by 1 January 2019.

iii. The composition of HQLA;

There are two categories of assets which can be included in the stock of HQLA's, viz. Level 1 and Level 2 assets, subject to prescribed operational requirements and other criteria:

- Level 1 assets comprise of the following and can be included without any limit as also without applying any haircut:
  - (a) Cash including cash reserves in excess of required CRR;
  - (b) Government securities in excess of the minimum SLR requirement;
  - (c) Within the mandatory SLR requirement, Government securities to the extent allowed by RBI (currently 10% of NDTL);
  - (d) Marketable securities issued or guaranteed by foreign sovereigns, subject to certain conditions.
- Level 2 assets (comprising Level 2A assets and Level 2B assets) can be included, subject to the requirement that they comprise no more than 40% of the overall stock of HQLAs after haircuts have been applied.

HQLA for the Bank currently comprises of Level 1 assets only.

iv. Concentration of funding sources;

The Bank seeks to diversify its funding sources across retail, commercial, corporate and institutional clients, as well as across products, tenors and currency. Funding from significant counterparties, products/instruments and currency is monitored regularly as part of its ongoing liquidity management. The Bank endeavours to fund its customers loans from deposits and capital, thereby ensuring minimal/no reliance on interbank borrowings.

v. Derivative exposures and potential collateral calls;

Derivative exposures with outflows and inflows in the next 30 calendar days are included in the LCR calculations. Further, management assesses the potential need for higher liquidity on account of valuation, collateral or specific scenarios.

vi. Currency mismatch in the LCR; and

LCR computation is aggregated across currencies, with the predominant currency being INR. The Bank's foreign currency liabilities support its foreign currency exposures, however all HQLA is maintained in INR only.

vii. Description of the degree of centralisation of liquidity management and interaction between the group's units;

The Bank's ALCO is responsible for liquidity management on an overall basis, with ALM managing the day-to-day requirements within the Bank's liquidity risk framework, by interacting with all the business and product lines on an ongoing basis and via the Liquidity Management Forum. Market & Traded Credit Risk and Finance monitors adherence to various internal structural and short term liquidity limits, as well as regulatory limits and ratios such as CRR, SLR, LCR, call borrowings/lending etc.

(xxvii) Risk Exposure in Derivatives

(a) Exchange traded interest rate derivatives

(₹ in 000s)

	As at 31-Mar-16	**As at 31-Mar-15**
Notional principal amount of derivatives undertaken during the year	227,050,089	80,543,265
Notional principal amount of derivatives outstanding as on 31st March	7,640,400	4,252,200
Notional principal amount of derivatives outstanding and not 'highly effective	NA	NA
Mark to market value of derivatives outstanding and not 'highly effective'	NA	NA

(b) Qualitative Disclosures

<u>Structure and organisation of management of risk in derivatives trading</u>

The derivatives business is managed by the front office with independent back office for confirmation and settlement of trades. A separate middle office team validates all the derivative transactions and the processing and settlement is done by the back office team. The market risk team is responsible for monitoring market risk limits for derivative instruments. VAR (Value at Risk) is the primary risk measure and supplemented by other limits like PV01 as required and appropriate. There is clear segregation of duties and different reporting lines to ensure independent monitoring and reporting.

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(1) Statutory Disclosures *(Continued)*

(xxvii) Risk Exposure in Derivatives *(Continued)*

Risk monitoring team

The Bank is exposed to market risk, liquidity risk, operational risk and credit risk on the derivatives portfolio. The Bank's risk management group, compliance group and internal audit group assist in identifying, assessing and monitoring of these principal risks in accordance with policies and procedures.

Provisioning, collateral and credit risk mitigation

Counterparties are reviewed by credit officers who set their credit limits. The Bank does a credit analysis which includes a review of facility detail, credit grade determination and financial spreading/ratio analysis. The Bank uses a numerical grading system, for quantifying the risk associated with counterparty.

The Bank applies the Current Exposure methodology to manage credit risk associated with derivative transactions. This is calculated by taking the cost of replacing the contract, where its mark-to-market value, is positive together with an estimate of the potential future change in the market value of the contract, reflecting the volatilities that affect it. The credit risk on contracts with a negative mark-to-market value is restricted to the potential future change in their market value.

Provisioning on the exposure taken on derivative contracts is made as prescribed by RBI Circular No. DBR.No.BP. BC.2/21.04.048/2015-16 dated 01 July 2015

(c) Quantitative Disclosure

(₹ in 000s)

Sr. No.	Particulars	Currency Derivatives as at 31-Mar-16	Interest rate Derivatives as at 31-Mar-16	Currency Derivative as at 31-Mar-15	Interest rate Derivatives as at 31-Mar-15
1	Derivatives (Notional Principal Amount)				
	a) For hedging	102,482,918	36,450,000	100,132,089	88,500,000
	b) For trading	7,161,611,985	8,703,360,020	7,752,220,400	7,380,158,786
2	Marked to Market Positions				
	a) Asset (+)	91,221,054	35,461,169	96,383,535	34,010,398
	b) Liability (-)	(108,790,565)	(27,852,000)	(118,135,236)	(25,597,537)
3	Credit Exposure [1]	296,791,376	105,731,041	326,785,203	97,396,133
4	Likely impact of one percentage change in interest rate (100*PV01) [2]				
	a) on hedging derivatives	678,630	373,082	1,525,038	1,403,046
	b) on trading derivatives	2,018,362	1,159,561	917,978	838,339
5	Maximum of 100*PV01 observed during the year[2]				
	a) on hedging	151,599	1,405,755	2,194,005	2,924,704
	b) on trading	2,038,996	3,810,243	3,400,341	4,878,321
6	Minimum of 100*PV01 observed during the year [2]				
	a) on hedging	678,630	373,082	1,525,038	1,033,251
	b) on trading	1,085,075	34,614	328,665	838,339

[1] Computed as per the current exposure method as per RBI Master Circular on Exposure Norms DBR.No.Dir. BC.12/13.03.00/2015-16 dated 01 July 2015

[2] Only for ₹ currency

(xxviii) Interest Rate Swaps, Interest Rate Options and Forward Rate Agreements

The notional principal amount of Interest Rate Swaps ('IRS'), Interest Rate Options ('IRO'), Interest Rate Futures ('IRF') and Forward Rate Agreements ('FRA') are:

(₹ in 000s)

	As at 31-Mar-16	As at 31-Mar-15
IRS	8,732,169,620	7,323,334,228
IRO	–	141,072,358
IRF	7,640,400	4,252,200
FRA	–	–
Total	**8,739,810,020**	**7,468,658,786**

The credit risk is the pre-settlement risk which is estimated in accordance with the Current Exposure Method. All IRS, IRO, IRF and FRA are monitored for price risks under the Value at Risk approach.

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(1) Statutory Disclosures *(Continued)*

(xxviii) Interest Rate Swaps, Interest Rate Options and Forward Rate Agreements *(Continued)*

The Bank has taken ₹ 3,484 million as collateral from counter parties in respect of derivative contracts (2014-15: ₹ 4,087 million).

The gross positive mark to market on the IRS, IRO, IRF and FRA, which is the potential loss that the Bank would incur in case the counter parties fail to fulfill their obligations are:

(₹ in 000s)

	As at 31-Mar-16	As at 31-Mar-15
IRS	35,461,169	33,989,730
IRO	–	20,668
IRF	–	–
FRA	–	–
Total	**35,461,169**	**34,010,398**

As at 31 March 2016, the exposure on IRS, IRO, IRF and FRA is spread over various industries. Based on the notional principal amount, the maximum single industry exposure lies with banks at 69% (2014-15: 77%).

Fair value (net MTM value) which the Bank would receive or pay to terminate the IRS, IRO, IRF and FRA is given below:

(₹ in 000s)

	As at 31-Mar-16	As at 31-Mar-15
IRS	7,609,169	8,412,861
IRO	–	–
IRF	–	–
FRA	–	–
Total	**7,609,169**	**8,412,861**

The nature and terms of the IRS as on 31 March 2016 are set out below:

(₹ in 000s)

Nature	Number of Contracts	Notional Principal	Benchmark	Term
Trading	2	652,700	INBMK	Fixed Payable v/s Fixed Receivable
Trading	42	30,032,325	INBMK	Fixed Payable v/s Floating Receivable
Trading	17	9,000,000	INBMK	Fixed Receivable v/s Floating Payable
Trading	1	2,981,475	LIBOR	Fixed Payable v/s Fixed Receivable
Trading	474	796,313,930	LIBOR	Fixed Payable v/s Floating Receivable
Trading	9	21,945,312	LIBOR	Floating Payable v/s Floating Receivable
Trading	44	54,086,649	LIBOR	Fixed Receivable v/s Fixed Payable
Trading	471	729,051,192	LIBOR	Fixed Receivable v/s Floating Payable
Trading	13	19,857,452	LIBOR	Floating Receivable v/s Floating Payable
Trading	3	1,140,000	MIBOR	Fixed Payable v/s Floating Receivable
Trading	892	568,713,627	MIFOR	Fixed Payable v/s Floating Receivable
Trading	1,141	605,256,074	MIFOR	Fixed Receivable v/s Floating Payable
Trading	2,607	3,012,151,081	OIS	Fixed Payable v/s Floating Receivable
Trading	2,722	2,823,439,238	OIS	Fixed Receivable v/s Floating Payable
Trading	10	10,549,282	Others	Fixed Payable v/s Floating Receivable
Trading	10	10,549,282	Others	Fixed Receivable v/s Floating Payable
Hedging	69	34,750,000	OIS	Fixed Payable v/s Floating Receivable
Hedging	1	1,700,000	OIS	Fixed Receivable v/s Floating Payable
	8,528	**8,732,169,619**		

The nature and terms of the IRS and IRO as on 31 March 2015 are set out below:

(₹ in 000s)

Nature	Number of Contracts	Notional Principal	Benchmark	Term
Trading	2	1,142,225	INBMK	Fixed Payable v/s Fixed Receivable
Trading	63	42,754,717	INBMK	Fixed Payable v/s Floating Receivable
Trading	22	11,000,000	INBMK	Fixed Receivable v/s Floating Payable
Trading	1	2,812,500	LIBOR	Fixed Payable v/s Fixed Receivable
Trading	501	733,304,418	LIBOR	Fixed Payable v/s Floating Receivable
Trading	9	20,786,719	LIBOR	Floating Payable v/s Floating Receivable
Trading	38	46,956,043	LIBOR	Fixed Receivable v/s Fixed Payable
Trading	502	673,166,293	LIBOR	Fixed Receivable v/s Floating Payable

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(1) Statutory Disclosures *(Continued)*

(xxviii) Interest Rate Swaps, Interest Rate Options and Forward Rate Agreements *(Continued)*

The nature and terms of the IRS and IRO as on 31 March 2015 are set out below: *(Continued)*

(₹ in 000s)

Nature	Number of Contracts	Notional Principal	Benchmark	Term
Trading	18	19,477,131	LIBOR	Floating Receivable v/s Floating Payable
Trading	3	1,140,000	MIBOR	Fixed Payable v/s Floating Receivable
Trading	2	500,000	MIBOR	Fixed Receivable v/s Floating Payable
Trading	902	493,812,227	MIFOR	Fixed Payable v/s Floating Receivable
Trading	1,076	540,088,437	MIFOR	Fixed Receivable v/s Floating Payable
Trading	2,301	2,183,313,737	OIS	Fixed Payable v/s Floating Receivable
Trading	1,954	2,444,679,922	OIS	Fixed Receivable v/s Floating Payable
Trading	10	9,949,929	OTHERS	Fixed Payable v/s Floating Receivable
Trading	10	9,949,929	OTHERS	Fixed Receivable v/s Floating Payable
Trading	3	65,625,000	LIBOR	Floating Payable v/s Fixed Receivable
Trading	3	65,625,000	LIBOR	Floating Receivable v/s Fixed Payable
Trading	3	4,911,179	OTHERS	Floating Payable v/s Fixed Receivable
Trading	3	4,911,180	OTHERS	Floating Receivable v/s Fixed Payable
Hedging	151	87,500,000	OIS	Fixed Payable v/s Floating Receivable
Hedging	2	1,000,000	OIS	Fixed Receivable v/s Floating Payable
	7,579	**7,464,406,586**		

The nature and terms of the IRF as on 31 March 2016 are set out below:

(₹ in 000s)

Nature	Number of Contracts	Notional Principal	Benchmark	Term
Trading	214	7,640,400	OTHERS	Fixed Payable v/s Floating Receivable
	214	**7,640,400**		

The nature and terms of the IRF as on 31 March 2015 are set out below:

(₹ in 000s)

Nature	Number of Contracts	Notional Principal	Benchmark	Term
Trading	174	4,252,200	OTHERS	Fixed Payable v/s Floating Receivable
	174	**4,252,200**		

(xxix) Country Risk Exposure

Disclosure for country risk exposure in accordance with RBI Master Circular No. DBR.BP.BC No.23 /21.04.018/2015-16 dated 1 July 2015 is given under:

(₹ in 000s)

Risk Category	Funded Exposure (net) as at 31-Mar-16	Provision held as at 31-Mar-16	Funded Exposure (net) as at 31-Mar-15	Provision held as at 31-Mar-15
Insignificant	27,930,168	35,498	37,059,461	35,498
Low	16,459,590	28,060	17,732,488	28,060
Moderately Low	1,674,177		1,502,670	–
Moderate	614,526		570,753	–
Moderately High	–		250	–
High	199		63	–
Very High	66		125	–
Total	**46,678,726**	**63,558**	**56,865,810**	**63,558**

The above provision has been included in Schedule 5 - Other Liabilities and Provisions.

(xxx) Prudential Credit Exposure Limits – Single and Group Borrower Exposure

The Bank's exposure to single and group borrowers has been within limits specified by RBI. During 2014-15, the Bank had enhanced the credit exposure by an additional 5 per cent of capital funds in respect of Reliance Industries Limited with the approval of the Country Management Team of the Bank

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(1) Statutory Disclosures *(Continued)*

(xxxi) Provisions and Contingencies

(a) As per AS 29 – Provisions, Contingent Liabilities and Contingent Assets, movement in provision for reward points awarded to customers and movement in other provisions are given below:

(₹ in 000s)

	For the year ended 31-Mar-16		For the year ended 31-Mar-15	
	Reward Points [1]	**Other Provisions**	**Reward Points [1]**	**Other Provisions**
Opening provision	672,954	392,144	635,255	385,518
Provision made during the year	255,139	581,409	420,260	175,383
Utilisation/write back of provision during the year	(343,670)	(167,981)	(382,561)	(168,757)
Closing provision	**584,423**	**805,572**	**672,954**	**392,144**

[1] Basis of calculation of provision for reward points is explained in Note 18 (D) (12). The provision is utilised when actual claims for redemption are made by customers.

(b) Description of Contingent Liabilities

(i) Claims against the Bank not acknowledged as debts

These represent claims filed against the Bank relating to certain legal and tax proceedings that are currently in progress.

(ii) Liability on account of outstanding foreign exchange contracts

The Bank enters into foreign exchange contracts on its own account and for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The Bank also undertakes currency futures transactions.

(iii) Liability on account of derivative contracts

These include notional principal on outstanding cross currency swaps, currency options, forward rate agreements, interest rate swaps, interest rate futures and interest rate options.

(iv) Guarantees given on behalf of constituents, acceptances, endorsements and other obligations

As a part of its commercial banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credit such as letters of credit enhances the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations. Irrevocable Payment Commitments are included under guarantees given on behalf of constituents in India.

(v) Other items for which the Bank is contingently liable

These include capital commitments, amounts deposited in the Depositor Education and Awareness Fund, underwriting commitments, recourse obligations representing credit enhancements in the form of cash collaterals in respect of securitised loans, forward asset purchase and obligations undertaken on sell down of certain assets and amount payable on securities purchased.

(c) Inquiry Proceedings

In December 2014, the Bank received a show cause notice from the Enforcement Directorate alleging violation of certain provisions of Foreign Exchange Management Act. The Bank has responded to the same in January 2015; proceedings are yet to commence. The Bank, based on legal advice, believes that it has an arguable case and the chances of success are more likely than not. Hence no provision has been made in these financial statements.

(d) Breakup of Schedule 17 – Provisions and Contingencies

(₹ in 000s)

Particulars	**For the year ended 31-Mar-16**	**For the year ended 31-Mar-15**
Specific provisions against advances (net)	38,096,291	10,471,582
General provision against standard assets	(325,732)	1,501,469
Provision for Country Risk Exposure	–	-
Charge / (Release) against Investments	19,146	164,430
Provision on account of tax		
– Current tax expense [1]	21,201,000	21,673,626
– Deferred tax	(20,047,630)	(5,194,151)
Other provisions	401,794	11,561

[1] Includes provision for for Wealth Tax.

(e) Floating Provisions

The Bank does not have any floating provision as at 31 March 2016 (2014-15: Nil).

(xxxii) Draw down from Reserves

During the year ended 31 March 2016, there was a draw down from Investment reserves of ₹ 46 million, in line with RBI guidelines (2014-15: Nil).

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(1) Statutory Disclosures *(Continued)*

(xxxiii) Retirement Benefits

(a) Defined Benefit Plans

Reconciliation of opening and closing balance of the present value of the defined benefit obligations for retirement benefits which includes pension, gratuity and compensated absences is given below:

(₹ in 000s)

	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Changes in present value of defined benefit obligations		
Opening balance as at 01 April	2,373,852	1,953,756
Current service cost	87,627	67,894
Interest cost	174,759	166,165
Past service cost	160,477	–
Acquisition adjustment	21	9,381
Actuarial losses/(gains)	110,063	379,389
Benefits paid	(295,750)	(202,733)
Closing balance as at 31 March (A)	**2,611,049**	**2,373,852**
Changes in fair value of plan assets		
Opening balance as at 01 April	1,009,750	862,390
Expected return on plan assets	76,733	68,178
Contributions paid by the Bank	59,625	247,913
Acquisition adjustment	21	9,381
Benefits paid	(295,750)	(202,733)
Actuarial gains / (losses)	13,477	24,621
Closing balance as at 31 March (B)	**863,856**	**1,009,750**
Net liability recognised (B - A)	**(1,747,193)**	**(1,364,102)**

(₹ in 000s)

	As at 31-Mar-16	As at 31-Mar-15
Present value of defined benefit obligations as at 31 March	2,611,049	2,373,852
Fair value of plan assets as at 31 March	863,856	1,009,750
Funded status – Deficit	(1,747,193)	(1,364,102)
Unrecognised assets as per paragraph 59(b) of AS 15	–	–
Net liability recognised in Balance Sheet	**(1,747,193)**	**(1,364,102)**

(₹ in 000s)

	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Components of employer's expense		
Current service cost	87,627	67,894
Interest cost	174,759	166,165
Expected return on assets	(76,733)	(68,178)
Past Service Cost	160,477	–
Net actuarial losses / (gains)	96,586	354,768
Effect of the limit in paragraph 59(b) of AS 15	–	–
Net cost recognised in the Profit and Loss Account	**442,716**	**520,649**

Key Assumptions	**31-Mar-16**	**31-Mar-15**
Discount rate	7.85%	8.00%
Expected return on plan assets	7.50%	7.50%
Salary escalation rate		
• Management Staff	7.00%	8.00%
• Non Management Staff	6.50%	6.50%

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(1) Statutory Disclosures *(Continued)*

(xxxiii) Retirement Benefits *(Continued)*

(a) Defined Benefit Plans *(Continued)*

Details of plan assets, defined benefit obligations and experience adjustments

(₹ in 000s)

	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Plan assets	863,856	1,009,750	862,390	921,330	724,970
Defined benefit obligations	2,611,049	2,373,852	1,953,756	1,899,948	1,709,888
Amount not recognised as an asset (limit in para 59(b) of AS 15)	–	–	–	3,345	5,678
Deficit	(1,747,193)	(1,364,102)	(1,091,366)	(981,963)	(990,596)
Experience adjustment on plan assets	13,477	24,621	7,917	27,572	1,343
Experience adjustment on plan liabilities	14,488	12,795	93,215	37,418	30,311

The estimates of future salary increases in the actuarial valuation takes into consideration inflation, seniority, promotion and other relevant factors.

The major categories of plan assets as a percentage of total plan assets are as follows:

Category of Assets	As at 31-Mar-16	As at 31-Mar-15
Insurer managed funds	77%	80%
Government of India securities	11%	10%
Others (corporate bonds, special deposit scheme, equity shares)	12%	10%
Total	**100%**	**100%**

(b) Defined Contribution Plans

The amount recognised as an expense for the Defined Contribution Plans is as under:

(₹ in 000s)

Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Provident Fund	433,793	394,968
Superannuation Fund	37,962	42,593

(xxxiv) Primary dealership

In line with the RBI circular IDMD.PDRD.01 /03.64.00/2015-16 dated 01 July 2015, the details pertaining to net borrowing in call money markets are as under:

For the year ended 31 March 2016

(₹ in 000s)

Particulars	Average net call borrowing	Maximum net call borrowing
Net Call Borrowing	–	–

For the year ended 31 March 2015

(₹ in 000s)

Particulars	Average net call borrowing	Maximum net call borrowing
Net Call Borrowing	–	–

(xxxv) Customer complaints and awards of Banking Ombudsman

In accordance with RBI circulars DBR.No.Leg.BC.21/09.07.006/2015-16 dated 01 July 2015 and DBOD.BP.BC.No.49/21.04.018/2013-14 dated 03 September 2013, details with respect to customer complaints and awards passed by the Banking Ombudsman are given below:

Customer complaints:

(₹ in 000s)

	Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
(a)	No. of complaints pending at the beginning of the year	80	39
(b)	No. of complaints received during the year	19,427	20,035
(c)	No. of complaints redressed during the year	19,379	19,994
(d)	No. of complaints pending at the end of the year	128	80

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(1) Statutory Disclosures *(Continued)*

(xxxv) Customer complaints and awards of Banking Ombudsman *(Continued)*

Complaints received and resolved within 1 day are excluded in the numbers reported above.

Above include 6,292 complaints (previous year: 7,305 complaints) pertaining to cases of failed ATM transactions at other Bank's ATM's, reported vide aforementioned circular dated 03 September 2013.

Awards passed by the Banking Ombudsman:

(₹ in 000s)

	Particulars	For the year ended 31-Mar-16	For the year ended 31-Mar-15
(a)	No. of unimplemented awards at the beginning of the year	–	–
(b)	No. of awards passed by the Banking Ombudsman during the year	–	–
(c)	No. of awards implemented during the year	–	–
(d)	No. of unimplemented awards at the end of the year	–	–

(xxxvi) Letters of Comfort (LoC) issued

The Bank has not issued any LoC during the year (2014-15: Nil).

(xxxvii) Fees earned in respect of bancassurance business

(₹ in 000s)

Nature of income	For the year ended 31-Mar-16	For the year ended 31-Mar-15
For selling life insurance policies (including ULIPs)	263,623	191,288
For selling non-life insurance policies	56,957	58,526
Total	**320,580**	**249,814**

(xxxviii) Concentration of Deposits

(₹ in 000s)

	As at 31-Mar-16	As at 31-Mar-15
Total deposits of twenty largest depositors	142,817,486	145,691,367
Percentage of deposits of twenty largest depositors to total deposits of the Bank	18.99%	20.00%

(xxxix) Off – Balance Sheet Special Purpose Vehicles sponsored

The Bank has not sponsored any Special Purpose Vehicle (2014-15: Nil).

(xxxx) Factoring Services

The bank has receivables acquired under factoring amounting to ₹ 5,177 million as on 31 March 2016 (2014-15: ₹ 6,065 million)

(xxxxi) Fraud

Disclosure is in accordance with RBI circular DBR.No.BP.BC.92/21.04.048/2015-16 dated 18 April 2016

(₹ in 000s)

	For the year ended 31-Mar-16
Number of Frauds reported during the year	2,922
Amount involved in such frauds (net of recoveries)	114,987
Quantum of provision made during the year (including w/off)	114,987
Quantum of unamortised provision debited from 'other reserves' as at the end of the year	–

(2) Segment reporting

(i) Segment description

The Bank has disclosed its operations under the following segments:

Segment Definition	Activities
Treasury	Treasury activities include foreign exchange, fixed income, money market and derivative transactions.
Wholesale Banking	Local corporate financing, corporate advisory and all advances to trusts, partnership firms, companies and statutory bodies, which are not included under the "Retail Banking" segment, are reported under Wholesale Banking.
Retail Banking	Retail banking serves retail customers through the branch network and other delivery channels. This segment raises deposits from customers and makes loans and provides other services to such customers. This segment also includes activities relating to credit cards, debit cards, mortgage loans, third party product distribution and their associated costs. Exposures are classified under retail banking taking into account the orientation, product, granularity and individual exposure criteria.
Others	Others include Property and other items not allocable in the aforementioned segments.

The classification of exposures to the respective segments conform to the guidelines issued by RBI vide DBOD.No.BP.BC.81/21.04.018/2006-07 dated 18 April 2007 based on the information available for classification.

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(2) Segment reporting *(Continued)*

(ii) Segment Accounting Policy

Segment results are determined after considering the following inter-unit notional charges/recoveries:

a. Fund Transfer Pricing:

Treasury gives notional interest benefit to other divisions for the funds mobilised by the latter through deposits, and similarly charge notional interest to other divisions for the funds utilised by them for lending and investment purposes. Based on tenor of assets/ liabilities and market scenarios, Treasury calculates notional interest rates used for this purpose.

b. Premises Rental Chargeback:

Individual business segments are charged rent based on notional market values and the same is credited to 'Others' (Property) in respect of the premises occupied by them.

c. Support costs (costs pertaining to Finance, HR, Property, Legal & Compliance, etc.) are allocated to Treasury, Wholesale & Retail banking segments based on managements' estimates of the benefits accruing to these segments for the costs incurred. This is similar to the basis used for the internal management reporting.

d. Capital & Reserves and attributable earnings thereon are allocated to individual business segments based on period end Risk Weighted Assets.

(iii) Geographic Segments

As the Bank does not have any material earnings or assets originating outside India, the Bank is considered to operate only in the domestic segment.

(iv) Segment Reporting

For the year ended 31 March 2016

(₹ in 000s)

		Treasury	Wholesale Banking	Retail Banking	Others	Total
A.	Gross Segment Revenue	30,635,610	55,369,182	32,892,053	1,228,951	120,125,796
B.	Net Segment Revenue	17,771,590	35,171,270	24,648,714	993,553	78,585,127
C.	Net Segment Results	13,773,798	(12,437,696)	7,876,243	2,006,060	11,218,405
D.	Operating Profit					11,218,405
E.	Income Taxes				(1,153,370)	(1,153,370)
F.	Net Profit					10,065,035
G.	Segment Assets	548,202,493	435,963,745	248,370,812	66,082,094	1,298,619,144
H.	Segment Liabilities	332,351,845	512,878,134	436,440,676	16,948,489	1,298,619,144
I.	Capital Expenditure to acquire Fixed Assets				370,422	370,422
J.	Depreciation				811,212	811,212

For the year ended 31 March 2015

(₹ in 000s)

		Treasury	Wholesale Banking	Retail Banking	Others	Total
A.	Gross Segment Revenue	40,628,957	61,299,691	32,268,818	294,235	134,491,701
B.	Net Segment Revenue	23,467,252	41,706,459	24,762,197	(1,033,129)	88,902,779
C.	Net Segment Results	19,435,843	19,668,768	8,114,331	(224,994)	46,993,948
D.	Operating Profit					46,993,948
E.	Income Taxes				(16,479,475)	(16,479,475)
F.	Net Profit					30,514,473
G.	Segment Assets	570,971,472	467,919,253	226,639,872	51,866,166	1,317,396,763
H.	Segment Liabilities	372,368,699	506,214,702	431,982,471	6,830,891	1,317,396,763
I.	Capital Expenditure to acquire Fixed Assets				676,256	676,256
J.	Depreciation				863,100	863,100

(3) Penalties

a. During the year, no penalty was levied by RBI in exercise of powers under section 46(4) of the Banking Regulation Act, 1949 (2014-15: Nil).

b. RBI levied penalty of ₹ 8 (in 000s) (2014-15: ₹ 17 (in 000s)) for shortages/forged/soiled notes deposited by the Currency Chest branches.

c. During the year, no penalty was levied by RBI for not providing exchange facility of soiled notes to customers and public (2014-15: Nil).

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(4) Related Party Disclosures

(i) The list of related parties as defined in AS 18 – Related Party Disclosures and the nature of their relationship with Standard Chartered Bank - India Branches are given below:

(a) Ultimate Parent Company

Standard Chartered Plc

(b) Parent Company

Standard Chartered Holding Ltd

(c) Head Office

Standard Chartered Bank, UK

(d) Branches of Head Office

- Standard Chartered Bank, China
- Standard Chartered Bank, USA
- Standard Chartered Bank, UK
- Standard Chartered Bank, Sri Lanka
- Standard Chartered Bank, Bahrain
- Standard Chartered Bank, Qatar
- Standard Chartered Bank, United Arab Emirates
- Standard Chartered Bank, Dubai International Financial Centre
- Standard Chartered Bank, Oman
- Standard Chartered Bank, Singapore
- Standard Chartered Bank, Korea
- Standard Chartered Bank, Japan
- Standard Chartered Bank, South Africa
- Standard Chartered Bank, Philippines
- Standard Chartered Bank, Bangladesh
- Standard Chartered Bank, Jordan
- Standard Chartered Bank, Indonesia
- Standard Chartered Bank, Germany
- Standard Chartered Bank, Labuan
- Standard Chartered Bank, Jersey
- Standard Chartered Bank, Brunei
- MENA Private Bank (Formerly MESA offshore)
- Africa Regional Office – South Africa
- Standard Chartered Bank, Iraq
- Standard Chartered Bank, Vietnam

(e) Subsidiaries of Head Office (Standard Chartered Bank, UK)

- Scope International Private Limited
- St Helen's Nominees India Private Limited
- Standard Chartered Modelling and Analytics Centre Private Ltd (Formerly Standard Chartered (India) Wealth Advisory Services Private Ltd)
- Standard Chartered Bank (China) Limited
- Standard Chartered Bank (Hong Kong) Limited
- Standard Chartered Bank (Mauritius) Limited
- Standard Chartered Private Equity (Mauritius) Limited
- Standard Chartered Private Equity (Mauritius) II Limited
- Standard Chartered Private Equity (Mauritius) lll Limited
- Standard Chartered Bank (Pakistan) Limited
- Standard Chartered Bank (Taiwan) Limited
- Standard Chartered Bank (Thai) Public Company Limited
- Standard Chartered Bank Nepal Limited
- Standard Chartered Finance Limited
- Standard Chartered Investments and Loans (India) Limited
- Standard Chartered Bank Botswana Limited
- Standard Chartered Bank Ghana Limited
- Standard Chartered Bank Kenya Limited
- Standard Chartered Private Equity Advisory (India) Private Limited
- Standard Chartered Securities (India) Limited

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(4) Related Party Disclosures *(Continued)*

(e) Subsidiaries of Head Office (Standard Chartered Bank, UK) *(Continued)*

- Standard Chartered Bank Malaysia Berhad
- Standard Chartered Bank Korea Limited
- Standard Chartered Strategic Brand Management Limited
- Standard Chartered Bank Sierra Leone Limited
- Standard Chartered Bank Nigeria Limited
- Standard Chartered Bank Cote D'lvoire
- Standard Chartered Bank (Vietnam) Limited
- Standard Chartered Bank (Singapore) Limited
- Standard Chartered Bank Cameroon S.A
- Standard Chartered Bank Gambia Limited
- Standard Chartered Financial Holdings
- Standard Chartered Bank Zimbabwe Limited
- Standard Chartered Infrastructure Growth fund Pte Limited
- Standard Chartered (Thailand) Company Limited
- Standard Chartered Bank Tanzania Limited
- Standard Chartered Bank Uganda Limited
- Standard Chartered Bank Zambia Plc
- FinVentures UK Limited
- Scope International (M) Sdn Bhd
- Standard Chartered Australia Limited
- Standard Chartered Real Estate Investment Holdings (Singapore) Private Limited

Note: Categories (d) and (e) above include only those related parties with whom transactions have occurred during the current/ previous year.

(f) Key Management Personnel

In accordance with the RBI circular DBR.No.BP.BC.2/21.04.048/2015-16 dated 01 July 2015, only the Chief Executive Officer of the Bank falls under the category of key management personnel for the year 2015-16, hence, no disclosures are provided.

Chief Executive Officer of the Bank

1. Mr Sunil Kaushal – Till 30 September 2015.
2. Mr Anurag Adlakha, Acting CEO – From 01 October 2015 to 31 March 2016

(ii) Transactions and balances

In line with the RBI circular DBR.No.BP.BC.2/21.04.048/2015-16 dated 01 July 2015, related party disclosures exclude transactions in a category where there is only one related party (i.e. key management personnel) and where the Bank has an obligation under law to maintain confidentiality in respect of their customer transactions.

(₹ in 000s)

	Parent Company		Head Office & Branches		Subsidiaries & Fellow Subsidiaries	
	For the year ended 31-Mar-16	For the year ended 31-Mar-15	For the year ended 31-Mar-16	For the year ended 31-Mar-15	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Leasing arrangements availed	–	–	–		30,401	23,508
Leasing arrangements provided	–	–	–	–	119,156	208,427
Purchase of Fixed Assets	–	–	–	–	931	–
Sale of Fixed Assets	–	–	–	–	105	–
Employee Share Options	–	–	345,444	447,228	–	–
Rendering of services	–	–	750,210	250,630	865,093	1,305,408
Receiving of services	–	–	88,083	90,322	3,650,421	4,359,223
Interest Paid	–	–	182,379	912,619	201,663	191,071
Interest Received	–	–	34,807	28,773	163,745	209,871
Sale of foreign exchange	–		4,328,527,687	4,335,724,113	245,569,778	137,818,796
Purchase of foreign exchange	614,030	1,408,286	4,253,007,433	4,172,627,674	259,611,735	84,680,383
Fee and commission/other income	–	–	1,957,317	3,086,208	187,944	153,100
Service Fees received on Guarantees/LCs	–	–	14,383	12,156	35,766	13,827
Service Fees paid on Guarantees/LCs	–	–	22,230	21,896	3,947	5,166
Purchase of investments	–	–	21,908,802	21,176,492	16,637,064	515,112
Sale of investments	–	–	12,635,183	73,148,512	22,336,213	6,140,384

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(4) Related Party Disclosures *(Continued)*

(ii) Transactions and balances *(Continued)*

(₹ in 000s)

	Parent Company		Head Office & Branches		Subsidiaries & Fellow Subsidiaries	
	As at 31-Mar-16	Maximum Outstanding during the year	As at 31-Mar-16	Maximum Outstanding during the year	As at 31-Mar-16	Maximum Outstanding during the year
Lease Rentals Payable	–	–	–	–	(715)	(5,195)
Lease Rentals Receivable	–	–		–	13,660	22,107
Employee Share Options	–	–	(494,023)	(800,027)	–	–
Borrowings	–	–	(21,201,600)	(50,904,000)	–	–
Deposit/Vostros	–	–	(1,691,585)	(7,015,661)	(12,890,494)	(21,165,111)
Placements	–	–	16,563,750	32,576,213	–	–
Advances	–	–	–	–	1,400,000	2,000,000
Nostro/Bank Balances	–	–	1,735,829	11,896,016	243,120	564,015
Derivative Notional & Trade Contingents	–	–	1,703,998,547	1,875,702,651	4,654,580	37,976,050
Sundry Balances (Net)	–	–	736,179	1,198,352	(1,267,989)	(1,296,749)
Positive MTM	–	–	18,769,112	25,050,448	1,018	740,404
Negative MTM	–	–	(31,809,160)	(40,774,689)	(29,393)	(229,547)

(₹ in 000s)

	Parent Company		Head Office & Branches		Subsidiaries & Fellow Subsidiaries	
	As at 31-Mar-15	Maximum Outstanding during the year	As at 31-Mar-15	Maximum Outstanding during the year	As at 31-Mar-15	Maximum Outstanding during the year
Lease Rentals Payable	–	–	–	–		(12,209)
Lease Rentals Receivable	–	–	–	–	20,599	41,748
Employee Share Options	–	–	(679,376)	(819,548)	–	–
Borrowings	–	–	(33,934,500)	(46,790,098)	–	–
Subordinated Debts	–	–	–	(31,830,500)	–	–
Deposit/Vostros	–	–	(1,401,440)	(16,093,960)	(11,509,661)	(13,572,279)
Placements	–	–	15,625,000	36,035,250	–	–
Advances	–	–	–	–	2,000,000	2,650,000
Nostro Balances	–	–	8,471,458	16,654,996	561,238	4,591,748
Derivative Notional & Trade Contingents	–	–	1,730,030,532	1,764,944,724	54,736,862	66,979,674
Sundry Balances (Net)	–	–	855,894	855,894	(146,740)	(1,358,971)
Positive MTM	–	–	22,167,103	22,167,103	790,604	802,408
Negative MTM	–	–	(43,323,313)	(43,323,313)	(25,608)	(634,527)

Figures in bracket denotes payable

(iii) Material related party transactions are given below:

The following were the material transactions between the Bank and its related parties for the year ended 31 March 2016. 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.

Leasing Arrangements

For availing leasing service - payment of rent to Scope International Private Limited ₹ 20 million (2014-15: ₹ 9 million) and Standard Chartered Finance Limited ₹ 11 million (2014-15: ₹ 14 million).

For providing leasing services - receipt of rent from Standard Chartered Finance Limited ₹ 50 million (2014-15: ₹ 73 million) Standard Chartered Private Equity Advisory (India) Private Limited ₹ 20 million (2014-15: ₹ 20 million) and Standard Chartered Securities (India) Limited ₹ 38 million (2014-15: ₹ 105 million).

Rendering of Services

During the year the Bank provided secondment, amenities and other services to related parties. The material transactions were with Standard Chartered Private Equity Advisory (India) Private Limited ₹ 400 million (2014-15: ₹ 768 million) and Standard Chartered Bank, Singapore ₹ 714 million (2014-15: ₹ 242 million) .

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(4) Related Party Disclosures *(Continued)*

(iii) Material related party transactions are given below: *(Continued)*

Receiving of Services

During the year the Bank availed of back office support, brokerage, marketing and other services from related parties. The material transactions were back office support services from Scope International Private Limited ₹ 2,684 million (2014-15: ₹ 2,484 million) and royalty payable to Standard Chartered Strategic Brand Management Limited ₹ 613 million (2014-15: ₹ 887 million).

Purchase of Fixed Assets

During the year the Bank purchased fixed asset from Standard Chartered Finance Limited ₹ 0.8 million (2014-15: Nil) and Standard Chartered Securities (India) Limited ₹ 0.1 million (2014-15: Nil).

Interest Paid

Interest on money market borrowings to Head Office ₹ 150 million (2014-15: ₹ 47 million) and interest on Fixed Deposit to Standard Chartered Scope International Private Limited is ₹ 124 million (2014-15: ₹ 114 million).

Interest Received

Interest on term loan from Standard Chartered Investments & Loans Limited ₹ 160 million (2014-15: ₹ 205 million) and interest on money market lending from Head Office ₹ 25 million (2014-15: ₹ 14 million) .

Foreign Exchange Transactions

Sale of foreign currencies to Head Office ₹ 3,124,656 million (2014-15: ₹ 2,997,035 million) and Standard Chartered Bank, Singapore ₹ 827,388 million (2014-15: ₹ 926,302 million).

Purchase of foreign currencies from Head Office ₹ 3,123,666 million (2014-15: ₹ 2,876,945 million) and Standard Chartered Bank, Singapore ₹ 768,918 million (2014-15: ₹ 866,385 million).

Fee and Commission Income/Other Income

Receipt of fees from Head Office ₹ 1,533 million (2014-15: ₹ 2,154 million) and Standard Chartered Bank, Singapore ₹ 351 million (2014-15: ₹ 869 million).

Service Fees on Guarantees & Letters of Credit

Receipt of trade fees from Standard Chartered Bank, Uganda Ltd ₹ 21 million (2014-15: ₹ 0.2 million), Standard Chartered Bank, Sri Lanka ₹ 5 million (2014-15: ₹ 1 million) and Standard Chartered Bank, Pakistan ₹ 5 million (2014-15: ₹ 6 million)

Payment of trade fees to Standard Chartered Bank, UAE ₹ 5 million (2014-15: ₹ 3 million), Standard Chartered Bank, Qatar ₹ 4 million (2014-15: ₹ 2 million), Standard Chartered Bank, Bangladesh ₹ 4 million (2014-15: ₹ 8 million) and Standard Chartered Bank, Iraq ₹ 3 million (2014-15: ₹ 2 million)

Purchase and Sale of Investments

Purchase of investments from Standard Chartered Bank (Mauritius) Limited ₹ 16,637 million (2014-15: ₹ 515 million) and Standard Chartered Bank, Singapore ₹ 21,909 million (2014-15: ₹ 21,176 million).

Sale of investments to Standard Chartered Bank, Singapore ₹ 12,635 million (2014-15: ₹ 73,148 million) and Standard Chartered Bank (Mauritius) Limited to ₹ 22,336 million (2014-15: ₹ 6,140 million).

(5) Leases

Commercial and residential premises are taken on operating leases, which are cancellable in nature. Information provided herein pertains to premises taken/given on operating leases:

(₹ in 000s)

	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Lease payments recognised in the Profit and Loss Account in respect of operating leases	939,554	1,055,556

(₹ in 000s)

	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Assets given on lease – Premises		
Gross carrying amount	1,180,263	1,875,645
Accumulated depreciation	42,135	77,045
Depreciation charge for the year	6,868	16,745

- There are no provisions relating to contingent rent
- The terms of renewal/purchase options and escalation clauses are those normally prevalent in similar agreements
- There are no undue restrictions or onerous clauses in the agreements
- Initial direct costs for leases given are recognised as an expense in Profit and Loss Account

Schedules to the financial statements for the year ended 31 March 2016 *(Continued)*

E) Notes to accounts *(Continued)*

(6) Disclosure under Micro, Small & Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') on the basis of confirmation sought from suppliers on registration with specified authority under MSMED:

(₹ in 000s)

	As at 31-Mar-16	As at 31-Mar-15
Principal amount remaining unpaid to any supplier as at the year end	–	–
Interest due thereon	–	–
Amount of interest paid and payments made to the supplier beyond the appointed day during each accounting year	–	–
Amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	–	–
Amount of interest accrued and remaining unpaid at the year end	–	–

(7) Deferred Tax

The deferred tax benefit of ₹ 20,048 million for the year ended 31 March 2016 (2014-15: ₹ 5,194 million) is included in provision on account of tax under Schedule 17- Provisions and Contingencies.

The primary components that gave rise to deferred tax assets and liabilities included in the balance sheet are as follows:

(₹ in 000s)

	As at 31-Mar-16	As at 31-Mar-15
Deferred tax assets		
Provision for Advances	44,386,119	28,868,997
Depreciation	292,094	203,144
Disallowances under section 43B of Income Tax Act 1961	990,969	884,053
Others	4,590,812	256,170
Deferred tax assets	**50,259,994**	**30,212,364**
Deferred tax liabilities	**(630,081)**	**(630,081)**
Net deferred tax assets	**49,629,913**	**29,582,283**

(8) Amount of Provisions made for Income Tax during the year

(₹ in 000s)

	For the year ended 31-Mar-16	For the year ended 31-Mar-15
Provision for Income Tax (excluding Wealth Tax)	21,201,000	21,665,126

(9) Portfolio Purchase

The Bank has purchased loans (retail loans) amounting to ₹ 5,287 million (2014-15: ₹ 1,881 million) from various NBFCs, banks and other institutions.

(10) Disclosure on remuneration

The Bank's compensation policies including that of CEO's, is 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 Regional Office of the Bank has submitted a declaration to RBI confirming the aforesaid matter.

(11) Employee Share Based Payment

The eligible employees of the Bank have been granted stock awards as equity shares of the ultimate holding company, SCPLC, under various share schemes such as Restricted Share Award (RSA), Deferred Restricted Share Award (DRSA), Performance Share Award (PSA), Sharesave Plan, etc.

During the year, the Bank has recognised an amount of ₹ 345 million (2014-15: ₹ 447 million) under the head 'Payments to and Provisions for Employees', as cost on account of share-based payments under Schedule 16 – Operating Expenses.

(12) Prior Year Comparatives

Previous year figures have been reclassified or regrouped wherever necessary to conform to the current year's presentation.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sd/-
Manoj Kumar Vijai
Partner
Membership No. 046882

Mumbai
13 June 2016

For Standard Chartered Bank – India Branches

Sd/-
Zarin Daruwala
Chief Executive Officer – India

Sd/-
Anurag Adlakha
Chief Financial Officer – India

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016

1. Backgrounds

The Standard Chartered Group (SCB Group or the Group) is an international banking and financial services group particularly focused on the markets of Asia, Africa and the Middle East. Standard Chartered Bank is regulated by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom (UK).

SCB India (SCBI or the Bank) is a branch of Standard Chartered Bank UK, which is part of the SCB Group. The ultimate parent company of the Bank is Standard Chartered PLC, which is listed on the London Stock Exchange and the Stock Exchanges of Hong Kong and India. Indian branch operations are conducted in accordance with the banking license granted by the Reserve Bank of India (RBI) under the Banking Regulation Act 1949.

2. Overview

The Basel Committee on Banking Supervision published a framework for International Convergence of Capital Measurement and Capital Standards (commonly referred to as Basel II), which replaced the original 1988 Basel I Accord. The RBI adopted the same in March 2008. The Basel III implementation schedule for India has commenced from 1 April 2013 and is phased in through to 31 March 2019. Accordingly, for 31 March 2016 reporting purposes, the Bank has calculated its Pillar 1 capital requirement based on Basel III norms.

Basel II/III is structured around three "pillars" which are outlined below:

- Pillar 1 sets out minimum regulatory capital requirements – the minimum amount of regulatory capital banks must hold against the risks they assume;
- Pillar 2 sets out the key principles for supervisory review of a bank's risk management framework and its capital adequacy. It sets out specific oversight responsibilities for the Board and senior management, thus reinforcing principles of internal control and other corporate governance practices; and
- Pillar 3 aims to bolster market discipline through enhanced disclosure by banks.

Basel II/III provides three approaches of increasing sophistication to the calculation of credit risk capital; the Standardised Approach (SA), the Foundation Internal Ratings Based Approach and the Advanced Internal Ratings Based Approach (IRB). Basel II also introduced capital requirements for operational risk (OR) for the first time.

3. DF 1 - Scope of Application

Name of the head of the banking group to which the framework applies: Standard Chartered Bank India Branches

DF 1 - Qualitative Disclosures

3.1. Pillar 1

The SCB Group and local management of the Indian operations recognise that Basel II/III is a driver for continuous improvement of risk management practices and believe that adoption of leading risk management practices are essential for achieving its strategic intent. Accordingly, the Group has adopted the IRB model for the measurement of credit risk covering substantial majority of the portfolio. The Group applies Internal Model Approval model for market risk capital and the Standardised Approach for determining its OR capital requirements. SCBI has adopted RBI's prevailing Basel II/III regulations related to SA for credit and market risk and Basic Indicator Approach (BIA) for OR for computing local regulatory Pillar 1 capital.

3.2. Pillar 2

Pillar 2 requires banks to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of capital to be held against these risks where other suitable mitigants are not available. This risk and capital assessment is commonly referred to as an Internal Capital Adequacy Assessment Process (ICAAP). The range of risks that need to be covered by the ICAAP is much broader than Pillar 1, which covers only credit risk, market risk and OR.

The Group has developed an ICAAP framework which closely integrates the risk management and capital assessment processes and ensures that adequate levels of capital are maintained to support the current and projected demand for capital under expected and stressed conditions. The ICAAP framework has been designed to be applied consistently across the organisation to meet the Pillar 2 requirements of local regulators. As a branch of a foreign bank in India, the India ICAAP is largely based on the Group ICAAP framework, so as to maintain consistency in reporting of the risk and capital management aspects. However, wherever necessary, local customisation has been incorporated to align with the RBI requirements.

3.3. Pillar 3

Pillar 3 aims to provide a consistent and comprehensive disclosure framework that enhances comparability between banks and further promotes improvements in risk management practices. The Bank has implemented the requirements laid down by RBI for Pillar 3 disclosure, covering both the qualitative and quantitative items. These are also published in the Bank's annual report and hosted on the Bank's website.

The risk related disclosures and analysis provided herein below, are primarily in the context of the disclosures required under the RBI's Pillar 3 – Market Discipline of the Basel III Capital Regulations and are in respect of SCBI, except where required and specifically elaborated, to include other Group entities operating in India. The information provided has been reviewed by senior management and is in accordance with the guidelines prescribed by the RBI.

3.4. Accounting and Prudential Treatment/Consolidation Framework

The consolidation norms for accounting are determined by the prevailing Indian Generally Accepted Accounting Principles (GAAP). The regulatory requirements are governed by RBI guidelines. The differences between consolidation for accounting purposes and regulatory purposes are mainly on account of following reasons:

1) Control over other entities to govern the financial and operating policies of the subsidiaries or joint ventures

   As per Indian GAAP, existence of control/joint control to govern the financial and operating policies of the subsidiary or joint venture is necessary for accounting consolidation. However, certain entities such as Non Banking Finance Companies (NBFC) have to be consolidated for regulatory capital adequacy purposes even where the above requirement is not fulfilled. Such cases are where the ability to control financial and operating policies of the entities legally vests with the Parent or Group entities and not with the India branch operations.

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

2) Nature of business of the entities to be consolidated

As per Indian GAAP, subsidiaries are not excluded from consolidation because of dissimilar nature of business activities between subsidiary and other entities within the Group. However, RBI regulations do not require consolidation of entities engaged in insurance business and businesses not pertaining to financial services.

3) Method of consolidation

The accounting consolidation methodology requires 'line by line' consolidation and elimination of all inter-group balances. However, for the purpose of regulatory consolidation under the capital adequacy framework, the risk weighted assets (RWA) and capital requirements for each entity can be computed separately by applying the Basel II/III norms as applicable for a bank and simply added together with that of the lead bank in the consolidated group. The Bank has adopted the latter approach for consolidation of entities for limited purpose of capital adequacy framework, as the accounting consolidation method is not appropriate considering the legal ownership pattern of the consolidated entities.

List of group entities considered for consolidation for regulatory purposes is summarised below:

Name of the Entity / Country of Incorporation	Whether the Entity Is Included Under Accounting Scope of Consolidation (Yes/No)	Explain the Method of Consolidation	Whether the Entity Is Included Under Regulatory Scope of Consolidation (Yes/No)	Explain the Method of Consolidation	Explain the Reasons for Difference in the Method of Consolidation	Explain the Reasons if Consolidated under Only One of the Scopes of Consolidation
Standard Chartered Bank India Branches	Yes	Full	Yes	For the purpose of regulatory consolidation under the capital adequacy framework, the RWA and capital requirements for each entity can be computed separately by applying the Basel II/III norms as applicable for a bank and simply added together with that of the lead bank in the consolidated group. The Bank has adopted the latter approach for consolidation of entities for limited purpose of capital adequacy framework, as the accounting consolidation method is not appropriate considering the legal ownership pattern of the consolidated entities.		
Standard Chartered Investments and Loans (India) Limited	No	Not Applicable	Yes			
Standard Chartered Securities (India) Limited	No	Not Applicable	Yes			
St. Helen's Nominees India Private Limited	No	Not Applicable	Yes			

List of group entities in India not considered for consolidation both under the accounting and regulatory scope of consolidation:

(₹ in 000s)

Name of the Entity/ Country of Incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	% of bank's holding in of the total equity	Regulatory treatment bank's investments in the capital instruments of the entity	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
Scope International Private Limited	The company renders the following services to related parties: a) Software development, maintenance & support b) Back office transaction processing and data processing of various banking transactions c) IT support d) Voice call centre services	83,116	0%	Not Applicable	9,582,656
Standard Chartered Finance Limited	Marketing services of financial products of Standard Chartered Bank and its Home Assist division provides search and other property related services.	71,907	0%	Not Applicable	820,703
Standard Chartered (India) Modeling and Analytics Centre Private Limited.	The company is a captive knowledge process outsourcing company which provides robust and contemporary analytical solutions to the Bank's businesses across the globe for the purpose of risk management and capital management.	500,000	0%	Not Applicable	641,192
Standard Chartered Private Equity Advisory (India) Private Limited	The company is a research unit for Merlion India Fund carrying on activities of industry research and advice by furnishing industry and market feedback.	24,000	0%	Not Applicable	644,915

Note: The above data is as per latest un-audited results as at 31 March 2016.

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

DF 1 - Quantitative Disclosures

List of group entities considered for regulatory consolidation:

(₹ in 000s)

Name of the Entity/ Country of Incorporation	Principle activity of the entity	Total balance sheet equity (as stated in the accounting balance sheet of the legal entity)	Total balance sheet assets (as stated in the accounting balance sheet of the legal entity)
Standard Chartered Bank, India Branches	Banking and Financial services	74,400,742	1,298,619,143
Standard Chartered Investments and Loans (India) Limited	Financial services acceptable for NBFC, other than accepting public deposits eg. lending, investments, etc.	4,543,850	11,678,376
Standard Chartered Securities (India) Limited	Category I merchant banker, rendering brokering services to retail clients and depository services	2,818,557	2,513,207
St. Helen's Nominees India Private Limited	Nominee business – holding shares/ debentures in limited companies on behalf of SCBI and its clients. Security trusteeship business for SCBI.	100	17,938

Note: The above data is as per latest un-audited results as at 31 March 2016

The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation, i.e., that are deducted and the name(s) of such subsidiaries.	NIL
The aggregate amounts (e.g., current book value) of the bank's total interests in insurance entities, which are risk-weighted, as well as, their name, their country of incorporation or residence, the proportion of ownership interest and, if different, the proportion of voting power in these entities. In addition, indicate the quantitative impact on regulatory capital of using this method versus using the deduction.	NIL
Any restrictions or impediments on transfer of funds or regulatory capital within the banking group.	As per extant RBI guidelines

4. DF 2 - Capital Adequacy

DF 2 - Qualitative Disclosures

4.1. Objectives

The Bank's capital management approach is driven by its desire to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times.

4.2. Approach

Strategic, business and capital plans are drawn up annually covering a one to five year horizon. The plans ensure that adequate levels of capital and an optimum mix are maintained by the Bank to support its strategy. This is integrated with the Bank's annual planning process which takes into consideration business growth assumptions across products and the related impact on capital resources.

The capital plan takes the following into account:

- Regulatory capital requirements and assessment of future standards;
- Demand for capital due to business growth, market stresses and potential risks; and
- Available supply of capital and capital raising options.

The Group uses internal models and other quantitative techniques in its internal risk and capital assessment at an overall Group level. The Bank also considers additional risk types other than those considered under Pillar 1 as part of its ICAAP. Each material risk is assessed, relevant mitigants considered, and appropriate levels of capital determined.

Stress testing and scenario/sensitivity analysis are used to assess the Bank's ability to sustain operations during periods of extreme but plausible events. They provide an insight into the potential impact of significant adverse events on the Bank's earnings, risk profile and capital position and how these could be mitigated.

The capital that the Bank is required to hold by the RBI is mainly determined by its balance sheet, off-balance sheet and market risk positions, after applying collateral and other risk mitigants.

4.3. Governance

The Group operates processes and controls to monitor and manage capital adequacy across the organisation. At a country level, capital is maintained on the basis of the local regulator's requirements. It is overseen by the country Asset and Liability Committee (ALCO), which is responsible for managing the country balance sheet, capital and liquidity, with the active support and guidance from Group ALCO (GALCO), Operational Balance Sheet Committee (OBSC) and Group Treasury (GT). The responsibility of capital management has been assigned to a dedicated sub-group of ALCO, the Capital Management Forum (CMF). The capital management process is governed by the Capital Planning Framework.

Suitable processes and controls are in place to monitor and manage capital adequacy and ensure compliance with local regulatory ratios in all legal entities. These processes are designed to ensure that each entity and the consolidated Bank have sufficient capital available to meet local regulatory capital requirements at all times.

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

4.4. Mobility of Capital Resources

The Bank operates as a branch in India, hence under current RBI regulations it cannot raise capital externally. The Group's policy in respect of profit repatriation requires that each local entity should remit its profits that are considered surplus to local regulatory minimum requirements. The amount to be remitted/injected and the mix/mode of capital (CET 1 v/s Tier 2) is determined in conjunction with GT, after taking into account local capital adequacy regulations (inclusive of any regulatory buffers), anticipated changes to those regulations, forecast organic growth and Head Office (HO) return expectations.

4.5. Capital Structure

CET 1/Tier 1 capital mainly comprises of:

i) Capital funds injected by HO.
ii) Net profits of each year retained as per statutory norms (currently 25%).
iii) Remittable net profits retained in India for meeting regulatory capital requirements.
iv) Capital reserves created out of profits on account of sale of immovable properties and held to maturity investments, as per RBI regulations.

The above are not repatriable/distributable to HO as long as the Bank operates in India.

Tier 2 capital mainly comprises of:

i) 45% of reserve created on revaluation of immovable properties in accordance with the Indian GAAP.
ii) General provisions on standard (performing) assets created as per RBI regulations.
iii) Reserve created out of unrealised gain on revaluation of investments as per RBI regulations.

DF 2 - Quantitative Disclosures

Capital and RWA

As at 31 Mar 2016 **(₹ in 000s)**

	Solo bank*	Consolidated bank*
Tier 1 Capital :	**205,829,098**	**215,362,613**
Common Equity Tier I	**205,829,098**	**215,362,613**
Head Office Capital	74,400,742	74,400,742
Paid up capital	–	7,362,507
Eligible reserves	158,294,060	159,748,538
Illiquid securities reserves	(482,341)	(482,341)
Intangible assets (excluding DTA)	(18,032)	(51,201)
Other regulatory adjustments	(3,095)	(3,095)
DTA deduction (Net of Benefit)	(26,362,236)	(25,612,535)
Additional Tier I	–	–
Tier 2 Capital :	**10,434,202**	**10,457,358**
Eligible revaluation reserves	2,628,842	2,628,842
General provision and other eligible reserves/provisions	7,805,360	7,828,516
Debt capital instruments eligible to be reckoned as capital funds and included in Lower Tier 2 (of which amount raised during the year Rs. Nil)	–	–
Less: Amortisation of qualifying subordinated debts	–	–
Other regulatory adjustments	–	–
Total capital base	**216,263,300**	**225,819,971**
Minimum regulatory capital requirements		
Credit risk	**132,453,467**	**133,778,641**
Standardised approach portfolios	99,096,724	100,210,208
Securitisation exposures	1,975,160	1,975,160
Counterparty/settlement risks	25,774,073	25,774,073
Benefit of DTA	5,607,510	5,819,200
Market risk - Standardised duration approach	**13,005,786**	**13,009,621**
Interest rate risk	12,299,127	12,299,127
Foreign exchange risk (including gold)	650,700	650,700
Equity risk	55,959	59,794
Counterparty/settlement risks	–	–
Operational risk – Basic indicator approach	**15,128,360**	**15,546,858**
Total minimum regulatory capital requirements	**160,587,613**	**162,335,120**
Risk weighted assets and contingents		
Credit risk	1,373,998,625	1,387,745,236
Market risk *(including counterparty/settlement risks)*	134,914,792	134,954,572
Operational risk – Basic indicator approach	156,933,192	161,274,458
Total Risk weighted assets and contingents	**1,665,846,609**	**1,683,974,266**

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

Capital ratios		
Common Equity Tier 1 capital	12.36%	12.79%
Tier 1 capital	12.36%	12.79%
Tier 2 capital	0.62%	0.62%
Total capital	**12.98%**	**13.41%**

As at 31 Mar 2015 **(₹ in 000s)**

	Solo bank*	Consolidated bank*
Tier 1 Capital :	**200,167,746**	**208,811,744**
Common Equity Tier I	**200,167,746**	**208,811,744**
Head Office Capital	74,400,742	74,400,742
Paid up capital	–	7,362,507
Eligible reserves	155,382,591	156,706,806
Intangible assets (excluding DTA)	(24,396)	(53,670)
Other regulatory adjustments	(8,908)	(8,908)
DTA deduction (Gross)	(29,582,283)	(29,595,733)
Additional Tier I	–	–
Tier 2 Capital :	**10,911,018**	**10,941,685**
Eligible revaluation reserves	2,734,160	2,734,160
General provision and other eligible reserves/provisions	8,176,858	8,207,525
Debt capital instruments eligible to be reckoned as capital funds and included in Lower Tier 2 (of which amount raised during the year Rs. Nil)	–	–
Less: Amortisation of qualifying subordinated debts	–	–
Other regulatory adjustments	–	–
Total capital base	**211,078,764**	**219,753,429**
Minimum regulatory capital requirements		
Credit risk	**130,459,091**	**131,932,875**
Standardised approach portfolios	98,134,351	99,608,135
Securitisation exposures	1,980,832	1,980,832
Counterparty/settlement risks	30,343,908	30,343,908
Market risk – Standardised duration approach	**9,952,560**	**9,954,906**
Interest rate risk	9,344,751	9,344,751
Foreign exchange risk (including gold)	540,000	540,000
Equity risk	67,809	70,155
Counterparty/settlement risks	–	–
Operational risk – Basic indicator approach	**11,713,700**	**12,001,553**
Total minimum regulatory capital requirements	**152,125,351**	**153,889,334**
Risk weighted assets and contingents		
Credit risk	1,449,545,456	1,465,920,821
Market risk (including counterparty/settlement risks)	*110,583,998*	*110,610,067*
Operational risk – Basic indicator approach	130,152,219	133,350,593
Total Risk weighted assets and contingents	**1,690,281,673**	**1,709,881,481**
Capital ratios		
Common Equity Tier 1 capital	11.84%	12.21%
Tier 1 capital	11.84%	12.21%
Tier 2 capital	0.65%	0.64%
Total capital	**12.49%**	**12.85%**

* Solo Bank represents the main licensed bank of the Group in India and consolidated bank includes Group controlled entities operating in India and consolidated for the limited purpose of capital adequacy framework.

5. **Risk Management**

The Bank has a strong governance culture and framework for risk management. The Bank's risk management principles align with those established at a Group level, and are customised to meet the local regulatory requirements. One of the main risks incurred arises from extending credit to clients through trading and lending operations. Beyond credit risk, the Bank is also exposed to a range of other risk types such as market, operational, liquidity, pension, country cross border, reputational, strategic and other risks that are inherent to its strategy, product range and geographical coverage.

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

5.1. Risk Management Framework

The Bank adds value to clients and generates returns for shareholders by taking and managing risk in line with strategy and risk appetite. Risk management is the set of end-to-end activities through which the Bank makes risk-taking decisions and controls and optimises its risk-return profile. It is a Bank-wide activity and starts right at the front-line.

The management of risk lies at the heart of the Bank's business, as a central role of the Bank is to "warehouse" risk by extending credit to selected clients and to provide products which enable clients to lay off their price and liquidity risks to the Bank. Effective risk management is a central part of the financial and operational management of the Bank and fundamental to its ability to generate profits consistently and maximise the interest of its shareholders and other stakeholders.

The foundation of all risk assessment is aligned to the Group's Risk Management Framework ("RMF") and governance structure which has been adopted locally. The Group's RMF establishes common principles and standards for the management of and control of all risks, and to inform behaviour across the organisation. The core components of the RMF include its risk classifications, risk principles and standards, definitions of roles and responsibilities and governance structure. Under this framework, there are three lines of defence.

- The First Line of Defence is that all employees are required to ensure the effective management of risks within the scope of their direct organisational responsibilities.
- The Second Line of Defence comprises the Risk Control Owners ("RCOs") supported by their respective control functions. They are responsible for ensuring that the residual risks within the scope of their responsibilities remain within appetite.
- The Third Line of Defence comprises the independent assurance provided by the GIA function, which has no responsibilities for any of the activities it examines. GIA provides independent assurance of the effectiveness of management's control of its own business activities (the First Line) and of the processes maintained by the Risk Control Functions (the Second Line). As a result, GIA provides assurance that the overall system of control effectiveness is working as required within the RMF.

5.2. Risk Governance

The Group's committee governance structure ensures that risk-taking authority and risk management policies are cascaded down from the GALCO and Group Chief Risk Officer to the appropriate functional and divisional committees. Information regarding material risk issues and compliance with policies and standards is communicated through the business and functional committees up to the Group-level committees, as appropriate.

The Country Management Team (CMT) drives and executes the business and governance agenda bringing alignment across the business and the functions so as to maximise and protect the value of the Group's operations in India. It is responsible for the overall strategic direction of the Bank. It is chaired by Country Chief Executive Officer (CEO) and comprises senior executive members of the Bank.

The following committees are the primary committees with oversight of risk and capital for the Bank:

1. ALCO – responsible for the management of capital and liquidity and the establishment of and compliance with policies relating to balance sheet management, including management of the Bank's liquidity and capital adequacy. It includes the CEO, Chief Financial Officer (CFO), Country Chief Risk Officer (CCRO) and members from the businesses and the economist.
2. Country Risk Committee (CRC) – responsible for the effective management of risks in support of business strategy within the boundaries set by the CMT and business level risk committees. It is responsible for implementing the RMF, including assignment of the roles and responsibilities of RCOs locally. It is also responsible for ensuring that the risk exposures for all types of risks, including liquidity risk, remain within the overall risk appetite and within any specific boundaries advised by CMT and business risk committees. It includes the CEO, CCRO, CFO and members from the businesses and compliance.

Key sub-committees/forums include:

A. The Liquidity Management Forum (LMF) is a sub-group of the ALCO which manages liquidity. It includes members from Finance, Asset Liability Management (ALM) and the businesses.

B. The CMF is a sub-group of the ALCO which manages capital. It includes members from Finance, Risk and the businesses.

C. The Stress Test Forum (STF) is a sub-committee of the CRC which is responsible for reviewing the results of ongoing stress testing including for ICAAP. It includes members from the Finance and Risk functions and the Country Economist.

D. The Country Operational Risk Committee (CORC) is a sub-committee of the CRC which exercises oversight of the Bank's OR exposures to ensure that it is aligned with the Bank's RMF. The CORC reviews the Bank's significant risk exposures and ensures appropriateness and adequacy of mitigating action plans.

E. The Credit Issues Committee (CIC) is a sub-committee of the CRC which is responsible for identifying and monitoring corporate clients which show potential signs of weakness and/or may be exposed to higher risks. The CIC reviews the existing Early Alert, Retail and Group Special Assets Management (GSAM) portfolio and new accounts presented to the committee.

5.3. The Risk function

The CCRO manages the Risk function which is independent of the businesses. The role of the Risk function is:

- To maintain the RMF, ensuring it remains appropriate to the Bank's activities and is effectively communicated and implemented across the Bank and for administering related governance and reporting processes.
- To uphold the integrity of the Bank's risk/return decisions, and in particular for ensuring that risks are properly assessed, that risk/return decisions are made transparently on the basis of this proper assessment, and are controlled in accordance with its standards and risk appetite.
- To exercise direct risk control ownership for credit, market, country cross-border, liquidity and operational risk types.

The Risk function is independent of the origination, trading and sales functions to ensure that the necessary balance in risk/return decisions is not compromised by short-term pressures to generate revenues. This is particularly important given that most revenues are recognised immediately while losses arising from risk positions only manifest themselves over time.

In addition, the Risk function is a centre of excellence that provides specialist capabilities of relevance to risk management processes in the wider organisation.

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

5.4. Risk Appetite/Tolerance

The Group/Bank manages its risks to build a sustainable franchise in the interests of all stakeholders. The Group Risk Tolerance Statement is the Standard Chartered PLC's Board of Directors' articulation of the amount of risk that the Group is willing to take in the pursuit of its strategic goals. The Risk Tolerance benchmarks provide a lens to identify risks and concentrations that may cause the Group to exceed its risk appetite. Within the Bank, these risks and concentrations are addressed and governed by various policies and frameworks (eg. RMF, Local Lending Policy, Liquidity Risk Framework, etc) which contain specific limits and parameters to manage them.

5.5. Stress Testing

Stress testing and scenario analysis are used to assess the Bank's ability to maintain operations during periods of severe but plausible stress conditions and to simulate the set of feasible management mitigating actions and their impact on the Bank's earnings, risk profile and capital position, should such conditions materialise. These conditions may arise from economic, liquidity, legal, political or physical events, or from materialisation of risks that are unique to the Bank.

The stress testing framework is designed to:

- Contribute to the setting and monitoring of the Bank's ability to take risk;
- Identify the key risks to strategy, financial position and reputation;
- Support the development of mitigating actions and contingency plans;
- Ensure effective governance, processes and systems are in place to co-ordinate and integrate stress testing;
- Inform senior management; and
- Ensure adherence to regulatory requirements.

A Group level equivalent of STF, led by the Risk function with participation from the businesses, Group Finance, Global Research and GT, aims to ensure that the earnings and capital implications of specific stress scenarios are fully understood allowing informed mitigation actions and construction of contingency plans. This group forum generates and considers pertinent and plausible scenarios that have the potential to adversely affect the Group/Bank's business.

The India STF leverages on work done by Group and, in addition, reviews scenarios specific to the local context, including for ICAAP. Stress tests/impact analysis done in India during 2015-16 included RBI mandated bottom-up stress test and derivatives portfolio stress test, tall tree analysis, etc.

6. DF 3 - Credit Risk: General disclosures

DF 3 - Qualitative Disclosures

Credit risk is the potential for loss due to the failure of counterparty to meet its obligations to pay the Bank in accordance with agreed terms. Credit exposures may arise from both, the banking and trading books.

Credit risk is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators who are in the business units and approvers in the risk function. All credit exposure limits are approved within a defined credit approval authority framework.

6.1. Credit Policies

Group-wide credit policies and standards are considered and approved by the Group Risk Committee (GRC), which also oversees the delegation of credit approval and loan impairment provisioning authorities. Policies and procedures specific to each business are established and provide the outline for how credit risk should be monitored and managed in the Bank. These Group policies/procedures are customised locally to incorporate any local regulatory and governance needs.

6.2. Credit Assessment Process

For Corporate and Institutional (C&I) Clients

A pre-sanction appraisal is carried out by the relationship manager through a Business Credit Application (BCA). BCAs are reviewed and duly approved by the credit officer based on the authority delegation given to him. Every account is graded using an alphanumeric grading system for quantifying the risks associated with the counterparty. The grading is based on a Probability of Default (PD) measure, with clients analysed against a range of quantitative and qualitative measures. The numeric grades run from 1 to 14 and some of the grades are further sub-classified A, B or C. Lower credit grades are indicative of a lower likelihood of default. Credit grades 1A to 12C are assigned to performing clients or accounts, while credit grades 13 and 14 are assigned to non-performing or defaulted clients. The Bank's credit grades are not intended to replicate external credit grades, and ratings assigned by external ratings agencies are not used in determining the Bank's internal credit grades. Nonetheless, as the factors used to grade a borrower may be similar, a borrower's poor external rating is kept in mind while assessing his internal credit grade.

Nominal Limits, Loss Given Default (LGD), Expected Loss, Exposure At Default (EAD) and RWA are used in the assessment of individual exposures and portfolio analysis. LGD is the credit loss incurred if an obligor defaults. Nominal Limits are used in the delegation of credit approval authority and must be calculated for every transaction to determine the appropriate level of approval. In accordance with the credit authority delegation, significant exposures are reviewed and approved centrally through a credit committee. All the credit facilities are subject to an annual credit review process.

The Bank's Credit Policy, including local/governance/regulatory needs, requires strict adherence to laid down credit procedures and deviations, if any, are approved and captured through the credit appraisal process. Deviation from pre defined policy and procedures/local regulations are flagged off and approved by the relevant authority, if allowed, to ensure that deviations are justified and appropriately approved to avoid any undue loss/risk to the Bank.

For Retail Clients

Standard application forms are used, which are processed in central units using largely automated processes. Where appropriate to the client, product or market, a manual approval process by SCB Officers is in place. Origination and approval roles are segregated.

Distribution of credit products through the new business channel is governed by the New Business Management and Risk Policy and Procedures, which among other requirements, lays down policies governing recruitment, verification, training and monitoring of sales staff. Credit decisions are independent of the sales/marketing functions and there are clear and specific delegated authorities. Department level Key Control Standards/ Control Self Testing/Key Control Indicators and regular assurance reviews and audits ensure compliance to policy and delegated authorities.

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

Credit grades are based on a PD calculated using IRB score models. These models are based on application and behavioural scorecards which make use of external credit bureau information as well as the Bank's own data. In case of portfolios where such IRB models have not yet been developed, the PD is calculated using portfolio delinquency flow rates and expert judgement, where applicable. An alphanumeric grading system identical to that for C&I clients is used as an index of portfolio quality.

6.3. Credit Approval

All credit approval authorities are delegated by the Group Credit Approval Committee (CAC) to individuals based on their judgement and experience and based on a risk-adjusted scale which takes account of the estimated maximum potential loss from a given client or portfolio. Credit origination and approval roles are segregated in all exposures.

6.4. Credit Monitoring

The Bank monitors its credit exposures and assesses the impact of trends in the macroeconomic environment which may impact its portfolio performance.

For C&I clients, clients or portfolios are placed on 'Early Alert' when they display signs of actual or potential weakness. For example, where there is a decline in the client's position within the industry, financial deterioration, a breach of covenants, non-performance of an obligation within the stipulated period or there are concerns relating to ownership or management. Such accounts and portfolios are subjected to a dedicated process overseen by the CIC. Client account plans, documentation for existing facilities, and credit grades are re-evaluated. In addition, remedial actions are agreed and monitored. Remedial actions include, but are not limited to, exposure reduction, security enhancement, exiting the account or immediate movement of the account into the control of GSAM, the specialist recovery unit, which is independent of the main businesses.

For Retail clients, portfolio delinquency trends are monitored continuously at a detailed level. Individual client behaviour is also tracked and is considered for lending decisions. Accounts which are past due are subject to a collections process, managed independently by the Risk function. Charged-off accounts are managed by a specialist recovery team. The micro and small-sized enterprise business is managed in small businesses segment. The credit processes are refined based on exposure at risk and are managed through Programmed Lending, in line with procedures for Retail clients.

The CRC is responsible for the effective management of credit risk, among other risks.

6.5. Concentration Risk

Credit concentration risk can arise from pools of exposures with similar characteristics which may lead to highly correlated changes in credit quality, for example individual large exposures or significantly large groups of exposures whose likelihood of default is driven by common underlying factors.

Credit concentration risk is governed by the Group's Large Exposure Policy and Local Lending Policy (LLP)/Credit Approval Document (CAD); adherence to these policies is monitored by the CRC. Credit concentration risk is managed via portfolio standards and within concentration caps set for counterparties or groups of connected counterparties, and for industry sectors, credit grade bands, business segments and collateralisation for C&I clients and by products for Retail clients.

Credit concentration risk is principally managed based on three components: single-name borrower exposure, industry concentrations and product concentration. For managing single-name concentrations, the Bank monitors compliance to the single and group borrower regulatory guidelines. The LLP establishes industry and credit grade concentration limits. The CRC monitors adherence to these prescribed limits. Any excesses from the ceilings prescribed in the LLP are escalated to the CCRO/CRC/CMT for approval in accordance with the delegated authorities outlined in the LLP.

For Retail clients, product concentration risk is managed through portfolio management approach in order to limit concentration, reduce volatility and improve profitability. As part of this approach, the Bank monitors product concentration on a bi-monthly basis.

6.6. Risk Reporting and Measurement

Risk measurement plays a central role, along with judgement and experience, in informing risk-taking and portfolio management decisions. It is a primary area for sustained investment and senior management attention.

Various risk measurement systems are available to risk officers to enable them to assess and manage the credit portfolio. As the Group has adopted IRB for credit risk under Basel II/III, these include systems to calculate nominal exposure, PD, LGD and EAD on a transaction, counterparty and portfolio basis. The Group has implemented a single risk reporting system to aggregate risk data. This is used to generate management information to assist business and Risk users with risk monitoring and management.

A number of internal risk management reports are produced on a regular basis, providing information on; individual counterparty, counterparty group, portfolio exposure, credit grade migration, the status of accounts or portfolios showing signs of weakness or financial deterioration, models performance and updates on credit markets. IRB portfolio metrics are widely used in these reports. Regular portfolio risk reports are made available at risk committee meetings.

6.7. Problem Credit Management and Provisioning

Credit monitoring is a continuous process. The frequency for each type of monitoring processes is defined. For example, excesses and past dues are reviewed on daily basis by business and credit officials. Covenants and risk triggers are normally linked to an event e.g. quarter on quarter drop in sales, exchange rate, crude prices, etc. For corporate accounts identified in risk based manner, a Quarterly Performance Review (QPR) is also carried out. Account conduct is also tracked on a monthly basis in terms of past dues, excesses, documentation, compliance with covenants and progress on exit accounts through the Account Subject To Additional Review Process (ASTAR) reporting process. Potential problem credits are identified through the credit monitoring process and reported to the CIC for additional review. In addition, portfolio level review for both C&I and Retail clients is undertaken to track portfolio performance against local underwriting standards/Group policy. Outcomes of such reviews are placed before the CRC.

C&I Exposures

Loans are classified as impaired and considered non-performing where analysis and review indicates that full payment of either interest or principal becomes questionable, or as soon as payment of interest or principal is 90 days or more overdue. Impaired accounts are managed by GSAM.

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

Specific provisions are made in accordance with the Bank's internal policy, subject to minimum provisions required under the RBI guidelines. When all sources of recovery have been exhausted and no further source of recovery is apparent, then the debt is written off by applying the impairment provision held.

Retail Exposures

An account is considered to be delinquent when payment is not received on the due date. For credit cards, an account is required to be considered delinquent on the payment due date upon non receipt of payment till the payment due date plus 3 grace days. For delinquency reporting purposes, the Bank follows industry standards measuring delinquency as of 1, 30, 60 and 90 days past due. Accounts that are overdue are closely monitored. Loans are classified as impaired and considered non-performing where analysis and review indicates that full payment of either interest or principal becomes questionable, or as soon as payment of interest or principal is 90 days or more overdue.

The process used for raising provisions is dependent on the product category and adheres to the Bank's internal policy, subject to minimum provisions required under the RBI guidelines. In case of unsecured products, outstanding balances are written off at 150 days past due except discretionary lending. Unsecured products under discretionary lending are fully provided for at 90 days past due. In case of secured products like Mortgages, provision is raised after considering the realisable value of the collateral. For all products there are certain accounts such as cases involving bankruptcy, fraud and death, where the loss recognition process is accelerated.

The Bank also maintains general provision as a percentage of performing standard advances and on unhedged foreign currency exposures, as prescribed by the RBI, to cover the inherent risk of losses.

The credit portfolio is monitored and reported to appropriate authorities in accordance with extant Group Policies/Procedures including Monitoring and Control Policy, Large Exposure Policy, Credit Initiation and Approval Policy and Risk Mitigation Policy, as well as extant local regulations/guidelines prescribed from time to time by RBI, e.g. Early Recognition of Financial Distress, Prompt Steps for Resolution and Fair Recovery for Lenders- Framework for Revitalising Distressed Assets in the Economy and reporting to Central Repository of Information on Large Credits (CRILC).

DF 3 - Quantitative Disclosures

a) Analysis of total gross credit risk exposures; fund based and non-fund based separately

(₹ in 000s)

Nature & category of exposures	Credit risk exposures 31.03.2016	31.03.2015
Inter bank exposures	26,536,745	33,291,479
Investments (HTM)	–	–
Advances	766,573,055	748,283,036
Total gross fund based exposures	**793,109,800**	781,574,515
Specific provisions/Provisions for depreciation in the value of investment[1]	(101,207,526)	(64,257,397)
Total net fund based exposures	**691,902,274**	717,317,118
Fx and derivative contracts	392,583,510	415,207,608
Guarantees, acceptances, endorsements and other obligations	304,055,120	290,085,481
Other commitments and credit lines[2]	47,330,049	58,245,906
Total gross non-fund based exposures[3]	**743,968,679**	763,538,995
Specific provisions	(737)	(737)
Total net non fund based exposures	**743,967,942**	763,538,258

1 Excluding provision on standard assets

2 Excluding credit lines which are unconditionally cancellable at the Bank's sole discretion or, effectively provide for automatic cancellation of credit lines due to deterioration of borrower's creditworthiness.

3 For non-fund based exposures, credit risk exposures or, equivalents are computed as under:

- In case of exposures other than Fx and derivative contracts, credit equivalent is arrived at by multiplying the underlying contract or notional principal amounts with the credit conversion factors prescribed by the RBI under the Basel II/III capital framework.
- In case of Fx and derivative contracts, credit equivalents are computed using the current exposure method which includes, two steps as under:
  – Computation of current credit exposure, which is sum of the positive Mark to Market (MTM) value of the outstanding contracts.
  – Potential future credit exposure (PFE), which is determined by multiplying the notional principal amounts by the relevant 'add-on' factor based on tenor and type of underlying contracts.

b) Analysis of geographic distribution of exposures; fund based and non-fund based separately

As all the exposures under Para (a) above are domestic, the analysis of geographic distribution of exposures into fund and non-fund based has not been disclosed separately.

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

c) Analysis of industry wise distribution of exposures; fund based and non-fund based separately

(₹ in 000s)

S No	Nature and category of industry	31.03.2016 Credit Risk Exposures			31.03.2015 Credit Risk Exposures		
		Fund based	Non fund based	Total	Fund based	Non fund based	Total
1.	Mining and Quarrying	1,936,982	955,192	2,892,174	708,101	1,410,446	2,118,547
	Of which:						
	– *Coal*	*252,852*	*107,354*	*360,206*	*145,518*	*138,867*	*284,385*
	– *Others*	*1,684,130*	*847,838*	*2,531,968*	*562,583*	*1,271,579*	*1,834,162*
2.	Food Processing	17,338,693	10,085,147	27,423,840	15,722,970	12,481,416	28,204,386
	Of which:						
	– *Sugar*	*4,703,494*	*4,613,004*	*9,316,498*	*4,983,841*	*4,351,563*	*9,335,404*
	– *Edible Oils and Vanaspati*	*3,308,538*	*4,116,506*	*7,425,044*	*1,178,555*	*5,777,218*	*6,955,773*
	– *Tea*	*70,164*	*201,445*	*271,609*	*402,958*	*522,906*	*925,864*
	– *Coffee*	–	–	–	–	–	–
	– *Others*	*9,256,498*	*1,154,191*	*10,410,689*	*9,157,616*	*1,829,730*	*10,987,346*
3.	Beverages (excluding Tea & Coffee) and Tobacco	10,942,182	809,004	11,751,187	7,946,418	1,048,332	8,994,750
	Of which:						
	– *Tobacco and tobacco products*	*2,411,078*	*401,537*	*2,812,615*	*1,293,869*	*471,820*	*1,765,689*
	– *Others*	*8,531,105*	*407,467*	*8,938,572*	*6,652,550*	*576,512*	*7,229,062*
4.	Textiles	20,259,677	1,782,786	22,042,463	19,215,291	1,399,092	20,614,383
	Of which:						
	– *Cotton*	*100,571*	–	*100,571*	*104,145*	–	*104,145*
	– *Others*	*20,159,106*	*1,782,786*	*21,941,892*	*19,111,146*	*1,399,092*	*20,510,238*
	Out of Total Textiles to Spinning Mills	*462,968*	–	*462,968*	*717,918*	–	*717,918*
5.	Leather and Leather products	1,383,124	188,726	1,571,850	1,335,174	341,120	1,676,294
6.	Wood and Wood Products	1,067,484	1,101,659	2,169,143	915,521	1,328,644	2,244,165
7.	Paper and Paper Products	8,105,892	2,006,610	10,112,502	7,757,028	1,535,985	9,293,013
8.	Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	4,150,187	3,566,194	7,716,381	1,620,973	691,134	2,312,107
9.	Chemicals and Chemical Products (Dyes, Paints, etc.)	34,357,435	20,632,287	54,989,721	35,734,735	15,110,461	50,845,196
	Of which:						
	– *Fertilisers*	*2*	*136,583*	*136,585*	*227,389*	*2,348,199*	*2,575,588*
	– *Drugs and Pharmaceuticals*	*20,215,445*	*12,925,124*	*33,140,569*	*19,171,739*	*1,527,617*	*20,699,356*
	– *Petro-chemicals (excluding under Infrastructure)*	*6,320,040*	*2,098,072*	*8,418,112*	*8,696,624*	*2,972,273*	*11,668,897*
	– *Others*	*7,821,947*	*5,472,508*	*13,294,455*	*7,638,983*	*8,262,372*	*15,901,355*
10.	Rubber, Plastic and their Products	3,497,427	2,402,720	5,900,147	4,818,478	2,893,606	7,712,084
11.	Glass & Glassware	1,116,202	1,877,345	2,993,547	1,196,852	583,327	1,780,179
12.	Cement and Cement Products	14,735,398	1,902,776	16,638,174	13,178,990	1,596,827	14,775,817
13.	Basic Metal and Metal Products	41,880,660	18,411,608	60,292,267	50,498,243	22,052,646	72,550,889
	Of which:						
	– *Iron and Steel*	*22,887,765*	*12,615,338*	*35,503,103*	*23,757,239*	*15,184,140*	*38,941,379*
	– *Other Metal and Metal Products*	*18,992,895*	*5,796,270*	*24,789,164*	*26,741,004*	*6,868,506*	*33,609,510*
14.	All Engineering	30,332,954	25,562,756	55,895,710	34,076,498	29,958,517	64,035,015
	Of which:						
	– *Electronics*	*5,782,720*	*6,641,566*	*12,424,286*	*7,415,104*	*10,679,259*	*18,094,363*
	– *Others*	*24,550,234*	*18,921,190*	*43,471,424*	*26,661,394*	*19,279,258*	*45,940,652*
15.	Vehicles, Vehicle Parts and Transport Equipments	21,694,876	5,615,459	27,310,335	16,806,331	10,571,323	27,377,654
16.	Gems & Jewellery	20,650,769	4,282,372	24,933,141	25,402,214	1,668,734	27,070,948
17.	Construction	6,193,948	9,031,328	15,225,276	12,415,310	10,515,017	22,930,327
18.	Aviation	11,762,950	19,570,415	31,333,365	22,307,175	22,035,134	44,342,309
19.	Infrastructure	79,171,668	40,939,200	120,110,868	73,078,871	25,501,165	98,580,036
	Of which:						
	– *Roads and Bridges*	*13,178,442*	*4,321,950*	*17,500,392*	*11,682,895*	*2,848,735*	*14,531,630*
	– *Ports*			–			–
	– *Inland Waterways*	*6,881,166*	*4,949,282*	*11,830,448*	*7,329,145*	*5,723,033*	*13,052,178*
	– *Airport*	*229,833*	*740,049*	*969,882*	*118,175*	*250*	*118,425*
	– *Railway Track, tunnels, viaducts, bridges*	–	–	–	–	–	–
	– *Electricity (Generation)*	*2,345,948*	*8,078,557*	*10,424,505*	*5,854,476*	*219,049*	*6,073,525*
	– *Oil/Gas/Liquefied Natural Gas (LNG) storage facility*	*6,507*	*1,577*	*8,084*	–	–	–
	– *Communication*	*51,662,595*	*11,460,638*	*63,123,233*	*41,798,826*	*11,239,666*	*53,038,492*
	– *Other Infrastructure*	*4,867,178*	*11,387,147*	*16,254,325*	*6,295,354*	*5,470,432*	*11,765,786*

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

(₹ in 000s)

S No	Nature and category of industry	31.03.2016 Credit Risk Exposures			31.03.2015 Credit Risk Exposures		
		Fund based	Non fund based	Total	Fund based	Non fund based	Total
20.	Trading & NBFC	49,329,425	8,341,563	57,670,988	56,943,572	24,825,432	81,769,004
21.	Mortgage	110,447,799	–	110,447,799	102,044,389	–	102,044,389
22.	Retail Others	74,849,161	1,328,508	76,177,669	60,008,356	1,328,508	61,336,864
23.	Real Estate	85,837,853	969,306	86,807,159	80,492,422	689,807	81,182,229
24.	Other Industries	115,530,309	122,692,159	238,222,469	104,059,123	100,518,808	204,577,931
	Total Gross Advances	**766,573,055**	**304,055,120**	**1,070,628,175**	**748,283,036**	**290,085,481**	**1,038,368,516**
	Specific provisions	(101,207,526)	(737)	(101,208,263)	(64,257,397)	(737)	(64,258,134)
	Total Net Advances	**665,365,529**	**304,054,383**	**969,419,912**	**684,025,639**	**290,084,744**	**974,110,382**
	Total Inter-bank exposures	**26,536,745**	**–**	**26,536,745**	**33,291,479**	**–**	**33,291,479**
	Total Investments (HTM)	**–**	**–**	**–**	**–**	**–**	**–**

Fund based exposure comprises loans and advances, inter-bank exposures and HTM Investments. Non-fund based exposure comprises guarantees, acceptances, endorsements and letters of credit.

d) Analysis of residual contractual maturity of assets

As at 31 March 2016 (₹ in 000s)

Maturity Bucket	Cash and Bank balances with RBI	Balances with Banks and money at call and short notice	Investments	Advances	Fixed Assets	Other Assets
1day (d)	3,923,299	4,852,865	79,837,482	20,489,012	–	7,847,908
2d-7d	2,599,565	33,490,461	55,072,313	56,628,390	–	5,756,234
8d - 14d	2,391,045	110,000	20,350,902	69,581,935	–	1,168,562
15d - 30d	2,213,015	60,000	11,894,958	49,194,845	–	9,985,933
31d-2 month (m)	2,650,473	120,000	14,246,292	39,577,666	–	9,893,512
2m - 3 month (m)	2,623,118	–	24,279,718	49,724,302	–	16,074,225
3m - 6m	2,747,081	–	14,765,561	53,444,655	–	24,764,088
6m - 1year (y)	11,490,732	–	72,939,644	44,807,419	–	29,971,712
1y - 3y	397,779	30,131	29,485,460	131,183,492	–	20,515,957
3y - 5y	19,567	–	11,375,635	12,513,904	–	17,329,829
> 5y	221,207	–	1,660,474	138,214,804	14,233,713	66,680,121
Total	**31,276,881**	**38,663,457**	**335,908,439**	**665,360,424**	**14,233,713**	**209,988,081**

As at 31 March 2015 (₹ in 000s)

Maturity Bucket	Cash and Bank balances with RBI	Balances with Banks and money at call and short notice	Investments	Advances	Fixed Assets	Other Assets
1day (d)	15,819,792	12,065,979	36,727,749	21,372,272	–	11,508,586
2d-7d	2,894,027	34,399,715	64,284,503	51,185,721	–	3,522,610
8d - 14d	2,230,875	105,000	56,905,319	58,361,593	–	266,239
15d - 30d	1,884,030	59,500	11,255,320	37,799,644	–	12,301,582
31d - 2 month (m)	3,284,569	170,000	20,906,427	57,503,701	–	13,956,698
2m - 3 month (m)	3,284,198	12,000	17,652,568	34,178,888	–	13,374,616
3m - 6m	1,989,826	–	10,695,317	67,415,038	–	12,507,938
6m - 1year (y)	2,240,413	–	21,126,918	70,533,993	–	25,092,810
1y - 3y	9,386,510	34,000	78,906,984	98,018,172	–	36,443,084
3y - 5y	636,814	–	10,540,897	61,635,178	–	18,916,931
> 5y	305,851	–	1,774,071	126,015,997	14,845,209	47,617,642
Total	**43,956,905**	**46,846,194**	**330,776,073**	**684,020,197**	**14,845,209**	**195,508,736**

The above has been prepared on similar guidelines as used for the statement of structural liquidity.

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

e) Details of Non-Performing Advances (NPAs) - Gross and Net

(₹ in 000s)

Particulars	**31.03.2016**	**31.03.2015**
Sub Standard	43,221,895	10,748,560
Doubtful	32,290,683	28,560,066
– Doubtful 1	9,341,200	16,356,453
– Doubtful 2	18,562,081	11,150,499
– Doubtful 3	4,387,402	1,053,114
Loss	32,842,805	27,255,174
Gross NPAs	108,355,383	66,563,800
Provisions	(101,207,525)	(64,257,397)
Net NPAs	7,147,858	2,306,403
Cover ratio	**93.40%**	**96.54%**

f) NPA Ratios

Particulars	**31.03.2016**	**31.03.2015**
Gross NPAs to gross advances	14.14%	8.90%
Net NPAs to net advances	1.07%	0.34%

g) Movement of NPAs

(₹ in 000s)

Particulars	**31.03.2016**		**31.03.2015**	
	Gross	**Net**	**Gross**	**Net**
Balance, 1st April	66,563,800	2,306,403	57,826,468	3,063,474
Additions during the period	51,612,051	5,896,609	16,700,752	(333,392)
Reductions during the period	(9,820,468)	(1,055,154)	(7,963,420)	(423,679)
Balance, end of the period	**108,355,383**	**7,147,858**	**66,563,800**	**2,306,403**

h) Movement of Provisions for NPAs

Specific Provisions

(₹ in 000s)

Particulars	**31.03.2016**	**31.03.2015**
Balance, 1st April	64,257,397	54,762,994
Provisions made during the period	45,715,442	17,034,144
Write-off	(1,886,287)	(1,853,945)
Write-back of excess provisions	(6,879,027)	(5,685,796)
Balance, end of the period	**101,207,525**	**64,257,397**

General Provisions

(₹ in 000s)

Particulars	**31.03.2016**	**31.03.2015**
Balance, 1st April	5,998,644	4,497,175
Provisions made during the period	783,891	1,501,469
Write-off	–	–
Write-back of excess provisions	(1,109,623)	–
Balance, end of the period	**5,672,912**	**5,998,644**

(₹ in 000s)

Particulars	**31.03.2016**
Write-off that have been booked directly to the income statement	6,880
Recoveries that have been booked directly to the income statement	671,399

i) Movement of Non-Performing Investments and amount of Provisions held for Non-Performing Investments

(₹ in 000s)

Particulars	**31.03.2016**	**31.03.2015**
Balance, 1st April	2,130,883	2,211,381
Additions during the period	310,969	14,752
Reductions during the period	(124,345)	(95,250)
Balance, end of the period	2,317,507	2,130,883
Total provisions held at the end of the period	**2,203,286**	**1,911,385**

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

j) Movement of Provisions for Depreciation on Investments

(₹ in 000s)

Particulars	31.03.2016	31.03.2015
Balance, 1st April	2,662,721	3,160,699
Provisions made during the period	263,835	447,745
Write-off	(21,344)	–
Write-back of excess provisions	(137,145)	(945,723)
Balance, end of the period	**2,768,067**	**2,662,721**

k) NPA by Major Industries:

As at 31 March 2016 (₹ in 000s)

Industry Name	Gross NPA	Specific provisions	General Provisions	Specific provision during the current period	Write-off during the current period
Top 5 Industries	71,064,718	65,737,774	1,850,129	40,473,563	25,264,211

7. DF 4 - Credit Risk: Disclosures for portfolios subject to the standardised approach

DF 4 - Qualitative Disclosures

As per the provisions of the Basel framework in India, SCBI has adopted the SA for measurement of credit risk. The risk weights applied under the SA are prescribed by the RBI and are based on the asset class to which the exposure is assigned. This approach permits use of external ratings for credit exposures to counterparties in the category of sovereigns, international banks, corporate and securitisation exposures. The specified credit rating agencies used for these types of exposures are as under:

Domestic Credit Rating Agencies	International Credit Rating Agencies
Credit Rating Information Services of India Limited	Standard and Poor's
ICRA Limited	Moody's
India Ratings and Research Private Limited (India Ratings)	
Credit Analysis and Research Limited	
SME Rating Agency of India Limited	
Brickworks Ratings India Pvt. Limited	

Rated facilities have generally been considered as those facilities where the Bank's exposure has been explicitly considered; else, the exposure has been treated by the Bank as unrated. The process used to transfer public issue ratings onto comparable assets in the banking book is in accordance with the requirements laid down by RBI.

DF 4 - Quantitative Disclosures

Analysis of outstanding credit exposures (after considering credit mitigation) and credit risk by regulatory risk weight

As at 31 March 2016 (₹ in 000s)

Nature & category of exposures	Total gross credit exposure	Credit risk mitigation	Net exposure (before provision)	Credit risk weight buckets summary < 100%	100%	>100%	Deduction from capital
Inter bank exposures	26,536,745	–	26,536,745	26,536,745	–	–	–
Investments (HTM)	–	–	–	–	–	–	–
Advances	766,573,055	(24,923,557)	741,649,498	251,650,068	368,763,195	121,236,235	–
Total fund based exposures	**793,109,800**	**(24,923,557)**	**768,186,243**	**278,186,813**	**368,763,195**	**121,236,235**	**–**
Fx and derivative contracts	392,583,510	–	392,583,510	303,042,191	64,312,532	25,228,787	–
Guarantees, Acceptances, endorsements and other obligations	304,055,120	(8,442,978)	295,612,142	72,301,050	119,656,988	103,654,104	–
Undrawn Commitments and others	47,330,049	–	47,330,049	–	37,069,619	10,260,430	–
Total non fund based exposures	**743,968,679**	**(8,442,978)**	**735,525,701**	**375,343,241**	**221,039,139**	**139,143,321**	**–**

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

As at 31 March 2015

(₹ in 000s)

Nature & category of exposures	Total gross credit exposure	Credit risk mitigation	Net exposure (before provision)	Credit risk weight buckets summary < 100%	100%	>100%	Deduction from capital
Inter bank exposures	33,291,479	–	33,291,479	33,291,479	–	–	–
Investments (HTM)	–	–	–	–	–	–	–
Advances	748,283,036	(28,103,391)	720,179,645	186,685,514	336,522,872	196,971,259	–
Total fund based exposures	**781,574,515**	**(28,103,391)**	**753,471,124**	**219,976,993**	**336,522,872**	**196,971,259**	**–**
Fx and derivative contracts	415,207,608	–	415,207,608	298,918,156	56,554,446	59,735,006	–
Guarantees, Acceptances, endorsements and other obligations	290,085,481	(5,768,264)	284,317,217	67,354,690	131,191,571	85,770,956	–
Undrawn Commitments and others	58,245,906	–	58,245,906	–	36,311,757	21,934,149	–
Total non fund based exposures	**763,538,995**	**(5,768,264)**	**757,770,731**	**366,272,846**	**224,057,774**	**167,440,111**	**–**

8. DF 5 - Credit risk mitigation: Disclosures for standardised approaches

DF 5 - Qualitative Disclosures

Potential credit losses from any given account, client or portfolio are mitigated using a range of tools such as collateral, netting agreements, guarantees and restructuring. The reliance that can be placed on these mitigants is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor.

Risk mitigation policies determine the eligibility of collateral types. Collateral types for credit risk mitigation include cash; residential, commercial and industrial property; fixed assets such as motor vehicles, aircraft, plant and machinery; marketable securities; commodities; bank guarantees and letters of credit.

The above collateral types are applicable to all client segments, including, corporates and financial institutions, though exposures to banks are generally non-collateralised. There are well laid down policies and processes for valuation/revaluation of collaterals, covering source of valuation, independent professional valuations, hair-cuts/margins on collateral market values, re-margining requirements and re-assessment of credit limits. However, from a local regulatory perspective, the main "eligible" collaterals under the SA are restricted to cash (including fixed deposits) and units of mutual funds.

Collateral is valued in accordance with the Bank's lending policies, which prescribe the frequency of valuation for different collateral types. The valuation frequency is driven by the level of price volatility of each type of collateral and the nature of the underlying product or risk exposure. Collateral held against impaired loans is recorded at fair value, which is revalued at least annually as prescribed in risk mitigation policy and procedures. In case of stock and book debts, monthly statements are obtained from the clients. In case of marketable securities listed on recognised exchanges, the valuation frequency is daily.

Guarantees taken can be categorised as follows:

- Guarantee from a bank (including central banks), or surety bond which is repayable on demand.
- Guarantee from a related corporate (including government owned commercial enterprises).
- Guarantee from an unconnected corporate.
- Guarantee from a government department, or an entity classified as government risk (excluding those classified as banks or commercial enterprises).
- Guarantee or indemnity from a SCB Group entity (subsidiary/associate or branch).
- Guarantee from one or more individuals.

DF 5 - Quantitative Disclosures

(₹ in 000s)

Nature and category of exposures	31.03.2016	31.03.2015
Exposure covered by eligible financial collateral after application of haircuts	93,023,161	53,785,103
Exposure covered by guarantees	19,192,652	27,472,547

9. DF 6 – Securitisation exposures: Disclosure for standardised approach

DF 6 - Qualitative Disclosures

Securitisation transactions are generally undertaken with the objective of credit risk transfer, liquidity management, meeting regulatory requirements such as priority sector lending and asset portfolio management. The Bank participates in securitisations in the role of originator, as well as, investor. In general, it provides credit enhancement services (as originator or as a third party), liquidity facilities, interest rate derivative products and acts as a collection and service agent.

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

The key risks inherent in securitisation transactions include:

- Credit risk/market risk: risk arising on account of payment delinquencies from underlying obligors/borrowers in the assigned pool.
- Liquidity risk: risk arising on account of lack of secondary market to provide ready exit options to the investors/participants.
- Interest rate/currency risk: mark to market risks arising on account of interest rate/currency fluctuations.
- Prepayment risk: prepayments in the securitised pool results in early amortisation and loss of future interest to the investor on the prepaid amount.
- Co-mingling risk: risk arising on account of co-mingling of funds belonging to investor(s) with that of the originator and/or collection and service agent, when there exists a time lag between collecting amounts due from the obligors and payment made to the investors.

Monitoring credit risk

The Bank in the capacity of collection and service agent prepares monthly performance reports which are circulated to investors/assignees/rating agencies. The securitised pools are continuously monitored and those requiring attention are subjected to specific interventions (e.g. focused collection efforts in affected geographies etc.) to improve their performance.

The risk assessment of the pools is done continuously by the rating agencies based on amortisation level, collection efficiency, credit enhancement utilisation levels and credit cover available for balance deal tenor.

The Bank has not used credit risk mitigants to mitigate retained risks.

The Bank provides credit enhancements in the form of cash deposits or guarantees in its securitisation transactions and also provides credit enhancement as a third party. The Bank makes appropriate provisions for any delinquency losses assessed at the time of sale as well as over the life of the securitisation transactions in accordance with the RBI guidelines.

Summary of the Bank's accounting policies for securitisation activities

The Bank securitises advances to Special Purpose Vehicles (SPV). Securitised assets are derecognised if they are transferred to the SPV in compliance with all the conditions of true sale as prescribed in 'Guidelines on Securitisation transactions' vide circulars DBOD. No.B.P.BC-103/21.04.177/2011-12 dated 07 May 2012 and DBOD.NO.BP.BC.60/21.04.048/2005-06 dated 01 February 2006 issued by the RBI. Securitisation transactions which do not meet the criteria for derecognition are accounted for as secured borrowings.

In accordance with the above referred circular, gain arising on securitisation is amortised over the life of the securities issued/to be issued by the SPV. Loss, if any, is recognised immediately in the Profit and Loss Account.

The Bank also follows the aforesaid principles to ascertain de-recognition of loans and advances through direct assignment and the gain arising upon such direct assignment is amortised over the life of the loans and advances sold. Loss, if any, is recognised immediately in the Profit and Loss Account.

In respect of credit enhancements provided or recourse obligations accepted by the Bank at the time of securitisation or direct assignment, appropriate provisions/disclosures are made in accordance with AS 29 – Provisions, Contingent Liabilities and Contingent Assets.

Pass Through Certificates purchased have been marked to market on the basis of the base yield curve and the applicable spreads as per the spread matrix relative to the weighted average maturity of the paper as notified by Fixed Income Money Market and Derivatives Association of India (FIMMDA).

Regulatory capital approach

As per the provisions of the Basel II/III framework, all banks have to mandatorily adopt SA for capital treatment of securitisation transactions. This approach requires use of external rating agencies for risk weighting securitisation exposures. The credit rating agencies used by the Bank for these types of exposures are those recognised by the RBI (refer section 7 – DF- 4 above).

DF 6 - Quantitative Disclosures

1. Banking Book

a) The outstanding exposures securitised by the Bank (in ₹ 000's) as on 31 Mar 2016: ₹ 4,467,715 (Previous Year: ₹ 5,917,742).

b) Securitisation losses recognised by the Bank during period ending 31 Mar 2016: NIL (Previous Year: NIL)

c) Assets intended to be securitised within a year – NIL (Previous Year: NIL).
The securitisation transactions are undertaken on a need basis to meet the objectives as disclosed above.

d) The total amount of exposures securitised with unrecognised gain/(loss)

(₹ in 000s)

	31-Mar-16		31-Mar-15	
Exposure Type	**Outstanding**	**Unrecognised gain /(loss)**	Outstanding	Unrecognised gain /(loss)
Housing Loans	**1,263,291**	–	1,788,942	22,862
Corporate Loans	**3,204,424**	–	4,128,800	–

e) Securitisation exposures retained or purchased

(₹ in 000s)

	31-Mar-16		31-Mar-15	
Exposure Type	**On Balance Sheet**	**Off Balance Sheet**	On Balance Sheet	Off Balance Sheet
Housing Loans	**328,434**	**1,328,508**	652,522	1,328,508

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

f) Aggregate amount of securitisation exposures retained or purchased and the associated capital charges

As at 31 Mar 2016 (₹ in 000s)

Exposure Type	<100% risk weight	100% risk weight	>100% risk weight	Total
Housing Loans	–	–	1,656,942	1,656,942
Capital Charge	–	–	1,996,615	1,996,615

As at 31 Mar 2015 (₹ in 000s)

Exposure Type	<100% risk weight	100% risk weight	>100% risk weight	Total
Housing Loans	–	–	1,981,031	1,981,031
Capital Charge	–	–	1,981,031	1,981,031

g) Securitisation exposures deducted from capital: NIL (Previous Year: NIL)

2. **Trading Book**

a) There are no outstanding exposures securitised for which the Bank has retained any exposure which is subject to Market Risk.

b) Securitisation exposures retained or purchased – On Balance Sheet and Off Balance Sheet.

As at 31 Mar 2016 (₹ in 000s)

Exposure Type	On Balance Sheet	Off Balance Sheet
Vehicle Loans	2,446,635	–
SME Loans	35,973,891	–
Direct & Indirect Agriculture Lending	4,775,420	–
Total	**43,195,946**	**–**

As at 31 Mar 2015 (₹ in 000s)

Exposure Type	On Balance Sheet	Off Balance Sheet
Vehicle Loans	7,430,026	–
SME Loans	15,433,282	–
Direct & Indirect Agriculture Lending	3,109,165	–
Total	**25,972,473**	**–**

c) Securitisation exposures retained or purchased

(₹ in 000s)

Risk Weight Bands	31-Mar-16	31-Mar-15
Exposures subject to Comprehensive Risk Measure for specific risk	**43,195,946**	25,972,473
Exposures subject to the securitisation framework for specific risk		
<100% risk weight	**43,195,946**	25,972,473
100% risk weight	**–**	–
>100% risk weight	**–**	–
Total	**43,195,946**	**25,972,473**

d) Aggregate amount of the capital requirements for the securitisation exposures

(₹ in 000s)

Risk Weight Bands	31-Mar-16	31-Mar-15
<100% risk weight	832,818	467,505
100% risk weight	–	–
>100% risk weight	–	–
Total	**832,818**	**467,505**

e) Securitisation exposures deducted from capital: NIL (Previous Year: NIL)

10. **DF 7 – Market Risk in Trading Book**

DF 7 – Qualitative Disclosures

The Bank recognises market risk as the potential for loss of earnings or economic value due to adverse changes in financial market rates or prices. The Bank is exposed to market risk arising principally from client-driven transactions. The objective of the Bank's market risk policies and processes is to obtain a balance of risk and return while meeting clients' requirements.

The primary categories of market risk for the Bank are interest rate risk, currency exchange rate risk, commodity price risk and equity price risk.

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

10.1. Market Risk Governance

The GRC approves the Group's market risk appetite taking account of market volatility, the range of products and asset classes, business volumes and transaction sizes. The Credit and Market Risk Committee (CMRC), under authority delegated by the GRC, is responsible for setting Value at Risk (VaR) as the primary market risk measure within the Group's risk appetite. The CMRC is also responsible for policies and other standards for the control of market risk and overseeing their effective implementation. These policies cover both trading and non-trading books. At a country level, there is an independent market risk function to implement Group market risk policies/limits and to monitor the market risk exposures in accordance with Group and local governance/regulatory norms.

Market and Traded Credit Risk (MTCR) approves the limits within delegated authorities and monitors exposures against these limits. Additional limits are placed on specific instruments and position concentrations, where appropriate. Sensitivity measures are used in addition to VaR as a risk management tools. For example, interest rate sensitivity is measured in terms of exposure to a one basis point increase in yields, whereas, foreign exchange, commodity and equity sensitivities are measured in terms of the underlying values or amounts involved. Option risks are controlled through revaluation limits on underlying price and volatility shifts and limits on volatility risk and other variables that determine the options' value.

The CRC, in conjunction with MTCR, provides market risk oversight, reporting and management of the market risk profile.

Value at Risk

The Bank measures the risk of losses arising from future potential adverse movements in market rates, prices and volatilities using a VaR methodology. VaR, in general, is a quantitative measure of market risk that applies recent historical market conditions to estimate the potential future loss in market value that will not be exceeded in a set time period at a set statistical confidence level. VaR provides a consistent measure that can be applied across trading businesses and products over time and can be set against actual daily trading profit and loss outcome. VaR is calculated for expected movements over a minimum of one business day and to a confidence level of 97.5 per cent. This confidence level suggests that potential daily losses, in excess of the VaR measure, are likely to be experienced six times per year.

Back Testing

To assess their predictive power, VaR models are back tested against actual results. Trading book back testing is conducted against clean profit and loss, which is the actual profit and loss for a given business day, adjusted to remove the effect of certain items unrelated to market risk.

Stress Testing

Losses beyond the confidence interval are not captured by a VaR calculation, which therefore gives no indication of the size of unexpected losses in these situations. MTCR complements the VaR measurement by regularly stress testing market risk exposures to highlight potential risk that may arise from extreme market events that are rare but plausible.

Stress testing is an integral part of the market risk management framework and considers both, historical market events and forward looking scenarios. A consistent stress testing methodology is applied to trading and non-trading books. The stress testing methodology assumes that scope for management action would be limited during a stress event, reflecting the decrease in market liquidity that often occurs. Stress scenarios are regularly updated to reflect changes in risk profile and economic events.

Regular stress test scenarios are applied to interest rates, credit spreads, exchange rates and equity prices thereby covering asset classes in the Financial Markets (FM) non-trading and trading books. Ad hoc scenarios are also prepared, reflecting specific market conditions and for particular concentrations of risk that arise within the businesses.

10.2. Foreign Exchange Exposure

The foreign exchange exposures comprise trading and non-trading foreign currency translation exposures. Foreign exchange trading exposures are principally derived from client driven transactions.

10.3. Interest Rate Exposure

The interest rate exposures arise from trading and non-trading activities. Structural interest rate risk arises from the differing re-pricing characteristics of commercial banking assets and liabilities.

10.4. Derivatives

Structure and organisation of management of risk in derivatives trading

The derivatives business is managed by the front office with independent back office for confirmation and settlement of trades. A separate middle office team validates all the derivative transactions and the processing and settlement is done by the back office team. The market risk team is responsible for monitoring market risk limits for derivative instruments. VaR is the primary risk measure and supplemented by other limits like PV01 as required and appropriate. There is clear segregation of duties and different reporting lines to ensure independent monitoring and reporting.

Risk monitoring team

The Bank is exposed to market risk, liquidity risk, operational risk and credit risk on the derivatives portfolio. The Bank's risk management group, compliance group and internal audit group assist in identifying, assessing and monitoring of these principal risks in accordance with policies and procedures.

For further details please refer to para 12 (DF 9) below.

DF 7 – Quantitative Disclosures

For details please refer to market risk section under para 4 (DF 2 – Quantitative Disclosures)

11. DF 8 – Operational Risk

DF 8 – Qualitative Disclosures

OR is the potential for loss arising from the failure of people, processes, technology or the impact of external events. It is the Bank's objective to minimise exposure to OR, subject to cost trade-offs. OR exposures are managed through a consistent set of management process that drive risk identification, assessment, control and monitoring.

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

OR is managed by the CORC, which exercises oversight of the Bank's OR exposures to ensure that it is aligned with the Bank's RMF.

The responsibility for daily management of OR exposures rests with businesses and functions as an integral component of their first line risk management responsibilities. In addition, specialist operational RCOs have responsibility for the management of OR arising from the following activities: legal processes, people management, technology management, vendor management, property management, security management, accounting and financial control, tax management, corporate authorities and structure and regulatory compliance. Each RCO is responsible for identifying risks that are material to the Group and for maintaining an effective control environment, which includes defining appropriate policies and procedures for approval by authorised risk committees.

The Bank uses the BIA consistent with the RBI's capital adequacy requirements to assess its regulatory capital requirements for OR. Under the BIA, a pre-determined beta co-efficient is applied to the average income for the previous three years, to determine the OR capital requirement.

12. DF 9 – Interest Rate Risk in the Banking Book (IRRBB)

<u>DF 9 – Qualitative Disclosures</u>

Interest rate risk from the non-trading book portfolios is transferred to FM where it is managed by ALM under the supervision of ALCO. This risk arises principally from the re-pricing mismatch between commercial assets and liabilities. ALM also deals in approved financial instruments in the market to manage the net interest rate risk, subject to approved VaR and risk limits. VaR and stress tests are applied to non-trading book exposures in the same way as for the trading book and thus the primary risk measurement tool is VaR for the non-trading book. ALM also manages a portfolio of marketable securities primarily for the purpose of meeting the reserve requirements and the same is profiled as per its underlying risk factors. No prepayment assumptions are applied to the fixed rate commercial loan book and such loans follow the contractual maturity profiling method. For non maturing products like current accounts, savings accounts, cards and overdrafts, behavioural calculation is done to segregate the portfolio according to the balances expected to remain with the bank under non stress conditions for a year or more (core) or less than a year (non-core).

<u>DF 9 – Quantitative Disclosures</u>

The impact on market value of equity for a 200 basis upward move (in ₹ 000's) as at 31 Mar 2016 is ₹ 1,927,178 (previous year: ₹ 3,205,233).

13. DF 10 – Exposure related to Counterparty Credit Risk

<u>DF 10 – Qualitative Disclosures</u>

13.1. Credit Limits and Collaterals

Counterparty credit risk (CCR) is the risk that a Bank's counterparty defaults in a FX, interest rate, commodity or credit derivative contract prior to or at the maturity date of the contract and that the Bank at the time has a claim on the counterparty. The Credit Initiation and Approval Policy governs CCR and is approved by CRC. The credit risk arising from all financial derivatives is managed as part of the overall credit limits to both financial institutions and other clients.

Exposure values for regulatory capital purposes on over the counter traded products are calculated according to the CCR Current Exposure Method (CEM). This is calculated as the sum of the current replacement cost and the PFE. The current replacement cost is the amount owed by the counterparty to the Bank for various financial derivative transactions. The PFE is an add-on based on a percentage of the notional principal of each transaction. These percentages are prescribed by the RBI in the guidelines and vary according to the underlying asset class and tenor of each trade.

The Group has a credit risk economic capital model which is managed centrally. The model uses obligor-level Monte Carlo simulation parameterised with internal data to capture various elements of credit risk including CCR.

The Bank seeks to negotiate Credit Support Annexes (CSA) to International Swaps and Derivatives Association master agreements with counterparties on a case-by-case basis, where collateral is deemed a necessary or desirable mitigant to the exposure. The credit terms of the CSA are specific to each legal document and determined by the credit risk approval unit responsible for the counterparty. The nature of the collateral will be specified in the legal document and will typically be cash or highly liquid securities.

A daily operational process takes place to calculate the MTM on all trades captured under the CSA. Additional collateral will be called from the counterparty at agreed frequency if total uncollateralised MTM exposure exceeds the threshold and minimum transfer amount specified in the CSA. Additional collateral may be required from the counterparty to provide an extra buffer to the daily variation margin process.

The Bank further reduces its credit exposures to counterparties by entering into contractual netting agreements which result in a single amount owed by or to the counterparty through netting the sum of the positive (amounts owed by the counterparty) and negative (amounts owed by the Bank) MTM values of these transactions.

In India, the Bank follows SA for credit risk and hence no credit reserve is set aside. However, provisioning for the exposures on derivative contracts is made as prescribed by RBI Circular No.DBR.No.BP.BC.2/21.04.048/2015-16 dated 01 July 2015.

13.2. Wrong Way Risk

Wrong way risk ("WWR") occurs when exposure to a counterparty is positively correlated to deterioration in its creditworthiness. WWR falls into two categories: Specific Wrong Way Risk, which occurs when future exposure to a specific counterparty is adversely correlated with the counterparty's probability of default due to the nature of the transactions with the counterparty. General Wrong Way Risk, which occurs when the likelihood of default of a counterparty is adversely correlated with general market risk factors. The Financial Markets Credit Policy manages WWR through CCR monitoring and credit procedures.

13.3. Impact of Credit Rating Downgrade

In line with market convention, the Bank negotiates CSA terms for certain counterparties where the thresholds related to each party are dependent on their External Credit Assessment Institution (ECAI) long term rating. Such clauses are typically mutual in nature. In the event of downgrade of counterparty's credit rating, margin call may be initiated to ask for additional collateral to cover negative MTM portfolios where thresholds are lowered. It is recognised that a downgrade in the Group's rating could result in counterparties seeking additional collateral calls to cover negative MTM portfolios where thresholds are lowered.

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

DF 10 – Quantitative Disclosures

(₹ in 000s)

Particulars	**31.03.2016**	**31.03.2015**
Gross positive fair value of contracts	126,167,881	129,887,652
Less: Netting benefits	–	–
Netted current credit exposure	**126,167,881**	**129,887,653**
Less: Collateral held (including type, e.g. cash, government securities, etc.)	–	–
Net derivatives credit exposure	126,167,881	129,887,652
Potential future exposure	266,415,629	285,319,956
Measures for exposure at default or exposure amount under CEM	**392,583,510**	**415,207,608**
Notional value of credit derivative hedges	**–**	**–**
Distribution of current credit exposure by types of credit exposure		
– Interest Rates	104,199,329	91,686,978
– Fx	288,384,181	323,520,630
Credit Derivative Transactions that create exposures to CCR (Notional Value)	NIL	NIL

For capital requirement details, refer "Minimum Regulatory Capital Requirements" under para 4 (DF 2 – quantitative disclosure) of this disclosure.

14. Other Key Risks

14.1. Liquidity Risk

Liquidity risk is the potential that the Bank either does not have sufficient liquid financial resources available to meet all its obligations and commitments as they fall due, or can only access these financial resources at excessive cost.

The Liquidity Risk Framework governs liquidity risk and is managed by ALCO. In accordance with that framework, the Bank maintains a liquid portfolio of marketable securities as reserve assets. The level of the Bank's aggregate liquid reserves is in accordance with local regulatory minimum liquidity requirements, including the Liquidity Coverage Ratio.

14.2. Reputational Risk

Reputational risk is the potential for damage to the Group's franchise, resulting in loss of earnings or adverse impact on market capitalisation as a result of stakeholders taking a negative view of the organisation or its actions.

Reputational risk is managed by the CMT/CRC, which is responsible for protecting the Group's reputation locally and has the responsibility to ensure that the Bank does not undertake any activities that may cause material damage to the Group's franchise.

Reputational risk is registered, recorded and reviewed by the CEO through the CRC. Whilst the CRC covers all forms of reputational risk in country, any significant business related reputational risks identified is escalated to Business Responsibility and Reputational Risk Committee.

15. Monitoring

Monitoring of risk management is achieved through independent reviews by RCOs, GIA, Compliance, concurrent audits and spot checks by external specialists as required under regulations.

To ensure the effectiveness of risk management processes in maintaining the risk profile of the Bank within risk appetite, the Bank maintains a three 'lines of defence' framework – refer para 5.1 above for further details.

16. DF 11 – Composition of Capital as at 31 March 2016

(₹ in M)

	Basel III common disclosure template	**Solo**		**Consolidated**		
	Common Equity Tier 1 capital: instruments and reserves	**Basel III Amounts**	**Amounts Subject to Pre-Basel III Treatment**	**Basel III Amounts**	**Amounts Subject to Pre-Basel III Treatment**	**Ref No. (Section 17/ DF 12)**
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	74,401	–	74,401	–	A1
2	Retained earnings	79,220	–	79,220	–	B6
3	Accumulated other comprehensive income (and other reserves)	79,074	–	78,468	–	B1+B3+B4+ B5+B7+B8+ C1+C3
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	–	–	–	–	
	Public sector capital injections grandfathered until 1 January 2018					
5	Common share capital (plus share premium) issued by other regulated entities and held by third parties (amount allowed in group CET1)	–	–	9,423	–	A2

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

	Basel III common disclosure template	**Solo**		**Consolidated**		
	Common Equity Tier 1 capital: instruments and reserves	**Basel III Amounts**	**Amounts Subject to Pre-Basel III Treatment**	**Basel III Amounts**	**Amounts Subject to Pre-Basel III Treatment**	**Ref No. (Section 17/ DF 12)**
6	**Common Equity Tier 1 capital before regulatory adjustments**	232,695	–	241,512	–	
	Common Equity Tier 1 capital: regulatory adjustments					
7	Prudential valuation adjustments	–	–	–	–	
8	Goodwill (net of related tax liability)	10	–	10	–	E1
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	8	–	41	–	E2
10	Deferred tax assets (net of Benefit)	26,362	–	25,613	–	
11	Cash-flow hedge reserve	–	–	–	–	
12	Shortfall of provisions to expected losses	–	–	–	–	
13	Securitisation 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-in 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)	–	–	–	–	
26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries	–	–	–	–	
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: Unamortised pension funds expenditures	–	–	–	–	
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	97	2	97	2	
	of which: HO Debit Balance (20%)	1	2	1	2	F1
	of which: Incurred CVA loss (20%)	96	386	96	386	F2
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	388	388	388	388	
28	**Total regulatory adjustments to Common equity Tier 1**	26,866	–	26,149	–	
29	**Common Equity Tier 1 capital (CET1)**	205,829	–	215,363	–	

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

	Basel III common disclosure template	**Solo**		**Consolidated**		
	Common Equity Tier 1 capital: instruments and reserves	**Basel III Amounts**	**Amounts Subject to Pre-Basel III Treatment**	**Basel III Amounts**	**Amounts Subject to Pre-Basel III Treatment**	**Ref No. (Section 17/ DF 12)**
	Additional Tier 1 capital: instruments					
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (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*	–	–	–	–	
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)[10]	–	–	–	–	
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:	–	–	–	–	
	of which:	–	–		–	
	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 + AT1) (29 + 44a)**	205,829	–	215,363	–	
	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	10,434	–	10,457	–	B2*45%+C2+ D1+D2+ D3+D4

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

	Basel III common disclosure template	Solo		Consolidated		
	Common Equity Tier 1 capital: instruments and reserves	**Basel III Amounts**	**Amounts Subject to Pre-Basel III Treatment**	**Basel III Amounts**	**Amounts Subject to Pre-Basel III Treatment**	**Ref No. (Section 17/ DF 12)**
51	**Tier 2 capital before regulatory adjustments**	10,434	–	10,457	–	
	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 investments in 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 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	–	–	–	–	
	of which: [INSERT TYPE OF ADJUSTMENT]	–	–	–	–	
57	**Total regulatory adjustments to Tier 2 capital**	–	–	–	–	
58	**Tier 2 capital (T2)**	10,434	–	10,457	–	
58a	**Tier 2 capital reckoned for capital adequacy**	10,434	–	10,457	–	
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	–	–	–	–	
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	10,434	–	10,457	–	
59	**Total capital (TC = T1 + T2) (45 + 58c)**	216,263	–	225,820	–	
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment of which:					
60	Total risk weighted assets (60a + 60b + 60c)	1,665,847	–	1,683,974	–	
60a	of which: total credit risk weighted assets	1,373,999	–	1,387,745	–	
60b	of which: total market risk weighted assets	134,915	–	134,955	–	
60c	of which: total operational risk weighted assets	156,933	–	161,274	–	
	Capital Ratios					
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	12.36%		12.79%		
62	Tier 1 (as a percentage of risk weighted assets)	12.36%		12.79%		
63	Total capital (as a percentage of risk weighted assets)	12.98%		13.41%		
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)	–	–	–	–	

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

Basel III common disclosure template		Solo		Consolidated		
Common Equity Tier 1 capital: instruments and reserves		**Basel III Amounts**	**Amounts Subject to Pre-Basel III Treatment**	**Basel III Amounts**	**Amounts Subject to Pre-Basel III Treatment**	**Ref No. (Section 17/ DF 12)**
70	National Tier 1 minimum ratio (if different from Basel III minimum)	–	–	–	–	
71	National total capital minimum ratio (if different from Basel III minimum)	–	–	–	–	
	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 standardised approach (prior to application of cap)	–	–	–	–	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	–	–	–	–	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	–	–	–	–	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	–	–	–	–	
	Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)					
80	*Current cap on CET1 instruments subject to phase out arrangements*	–	–	–	–	
81	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	–	–	–	–	
82	*Current cap on AT1 instruments subject to phase out arrangements*	–	–	–	–	
83	*Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)*	–	–	–	–	
84	*Current cap on T2 instruments subject to phase out arrangements*	–	–	–	–	
85	*Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)*	–	–	–	–	

Notes to the Template

(₹ in M)

Row No. of the template	Particular	Solo	Consolidate
10	Deferred tax assets associated with accumulated losses	–	–
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability (net of Benefit)	26,362	25,613
	Total as indicated in row 10	**26,362**	**25,613**
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	–	–

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

Row No. of the template	Particular	Solo	Consolidate
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	7,805	7,828
	Eligible Revaluation Reserves included in Tier 2 capital	2,629	2,629
	Total of row 50	**10,434**	**10,457**

17. DF 12 – Composition of Capital Reconciliation

(₹ in M)

		Balance sheet as in financial statements As on 31 March 16	Balance sheet under regulatory scope of consolidation As on 31 March 16	Ref. No. (Section 16/ DF 11)
Capital & Liabilities				
i	**Paid-up Capital**	**74,401**	**83,824**	
	H.O. assigned Capital	74,401	74,401	A1
	Common share capital (plus share premium) issued by other regulated entities and held by third parties (amount allowed in group CET1)	–	9,423	A2
	of which: Amount eligible for CET1	74,401	83,824	–
	of which: Amount eligible for AT1	–	–	
ii	**Reserves & Surplus**	**172,576**	**172,399**	
a	Statutory Reserves	67,803	68,604	B1
b	Property Revaluation Reserve	5,842	5,842	B2
c	Capital Reserves–Surplus on sale of immovable properties	9,776	9,776	B3
d	Capital Reserves-Surplus on sale of Held To Maturity investments	985	985	B4
e	Capital Reserve	302	302	B5
f	Remittable Surplus retained in India for CRAR	79,220	79,220	B6
g	Profit and Loss Account	7,433	6,329	
	a) Considered for Regulatory Consolidation	–	(1,533)	B7
	b) Not Considered for Regulatory Consolidation	7,433	7,862	
h	Exchange Reserve	1	1	B8
i	Property Investment Reserve	207	207	C1
j	Investment Reserve	1,007	1,007	C2
k	General Reserve	–	126	C3
Total Capital and Reserves		**246,977**	**256,223**	
iii	**Deposits**	**751,931**	**751,931**	
	of which: Deposits from banks	25,044	25,044	
	of which: Customer deposits	726,887	726,887	
	of which: Other deposits (pl.specify)	–	–	
iv	**Borrowings**	**104,529**	**107,058**	
	of which: From RBI	31,130	31,130	
	of which: From banks	–	–	
	of which: From other institutions	51,969	51,969	
	of which: subordinated debt		–	
	of which: Others (borrowings outside India)	21,430	23,959	
v	**Other liabilities & provisions**	**195,182**	**197,617**	
	of which: Provision for Countercyclical Buffer	750	750	D1
	of which: Provision Held for Sold NPA's	312	312	D2
	of which: Provision for Country Risk	64	64	D3
	of which: Provision for Standard assets	5,672	5,695	D4
	Total Capital & Liabilities	**1,298,619**	**1,312,829**	

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

Assets					
vi	**Cash and balances with Reserve Bank of India**	**31,277**	**31,277**	
vii	**Balance with banks and money at call and short notice**	**38,663**	**42,255**	
viii	**Investments**	**339,097**	**339,248**	
	of which: Government securities	278,072	278,072	
	of which: Other approved securities	–	–	
	of which: Shares	229	381	
	of which: Debentures & Bonds	9,888	9,888	
	of which: Subsidiaries/Joint Ventures/Associates	–	–	
	of which: Others (Commercial Papers, Mutual Funds etc.)	50,907	50,907	
ix	**Loans and advances**	**665,360**	**675,385**	
	of which: Loans and advances to banks	–	–	
	of which: Loans and advances to customers	665,360	675,380	
x	**Fixed assets**	**14,234**	**14,330**	
	of which: Goodwill	10	10	E1
	of which: Intangible	8	41	E2
xi	**Other assets**	**209,988**	**210,334**	
	of which: Deferred tax assets	49,630	49,759	
	of which: Ho Debit Balance	3	3	F1
	of which: Incurred CVA loss(20%)	482	482	F2
	Total Assets	**1,298,619**	**1,312,829**	

18. **DF 13 – Main Features of Regulatory Capital Instruments**
As of 31 March 2016, there were no regulatory capital instruments issued by SCBI.

19. **DF 14 – Full Terms and Conditions of Regulatory Capital Instruments**
As of 31 March 2016, there were no regulatory capital instruments issued by SCBI.

20. **DF 15 – Disclosure Requirements for Remuneration**
The Bank's compensation policies including that of CEO's, is 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 Regional Office of the Bank has submitted a declaration to RBI confirming the aforesaid matter. Accordingly no disclosure is required to be made in this regard.

21. **DF – 16 Equities – Disclosure for Banking Book Positions**
Investments in equities (in ₹ 000's) as at 31 March 2016 amounts to ₹ 1,486,650 and mainly include shares obtained from restructuring of debt in case of certain clients. As per the banks accounting policy they are classified as 'Available for Sale' (AFS). Unquoted equity shares are valued at the break-up value, if the latest balance sheet is available, or at Re. 1, as per RBI guidelines.

The break-up of equities into quoted and unquoted is as under:

(₹ in 000s)

Particulars	**31.03.2016**
Quoted	775,736
Unquoted	710,914
Total	**1,486,650**

22. **Leverage Ratio**

The bank is required to maintain a minimum leverage ratio of 4.5%. The bank's leverage ratio, calculated in accordance with the RBI guidelines under consolidated framework is 10.64% as of 31 March 2016 (Previous Year: 8.98%).

DF-17 – Quantitative disclosures

Summary comparison of accounting assets vs. leverage ratio exposure measure (₹ in M)

		31 March 2016		**31 March 2015**	
Sr. No.	**Item**	**Solo**	**Consol**	**Solo**	**Consol**
1	Total consolidated assets as per published financial statements	1,298,619	1,312,829	1,317,397	1,333,998
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 recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–	–	–	–
4	Adjustments for derivative financial instruments	240,270	240,270	307,794	307,794
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	2,116	2,116	–	–
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	406,091	406,091	711,856	712,076
7	Other adjustments	(38,993)	(38,276)	(29,615)	(29,658)
8	**Leverage ratio exposure**	**1,908,103**	**1,923,030**	**2,307,432**	**2,324,210**

Risk review and disclosures under Basel III Framework for the period ended 31 March 2016 *(Continued)*

DF–18 Quantitative disclosures

Leverage ratio common disclosure as of 31 Mar 2016

(₹ in M)

		31 March 2016		31 March 2015	
Sr. No.	**Item**	**Solo**	**Consol**	**Solo**	**Consol**
	On-balance sheet exposures				
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	1,159,810	1,174,020	1,187,003	1,203,604
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(26,866)	(26,149)	(29,616)	(29,658)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**1,132,945**	**1,147,871**	**1,157,387**	**1,173,946**
	On-balance sheet exposures				
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	126,682	126,682	130,394	130,394
5	Add-on amounts for PFE associated with all derivatives transactions	286,592	286,592	307,794	307,794
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)	(46,321)	(46,321)	–	–
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)**	**366,953**	**366,953**	**438,188**	**438,188**
	Securities financing transaction exposures				
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	12,127	12,127	–	–
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(12,127)	(12,127)	–	–
14	CCR exposure for SFT assets	2,116	2,116	–	–
15	Agent transaction exposures	–	–	–	–
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	**2,116**	**2,116**	**–**	**–**
	Other off-balance sheet exposures				
17	Off-balance sheet exposure at gross notional amount	1,188,303	1,188,303	711,856	712,076
18	(Adjustments for conversion to credit equivalent amounts)	(782,212)	(782,212)	–	
19	**Off-balance sheet items (sum of lines 17 and 18)**	**406,091**	**406,091**	**711,856**	**712,076**
	Capital and total exposures				
20	Tier 1 capital	195,168	204,585	200,168	208,812
21	Total exposures (sum of lines 3, 11, 16 and 19)	1,908,103	1,923,030	2,307,432	2,324,210
	Leverage ratio				
22	Basel III leverage ratio	10.23%	10.64%	8.67%	8.98%

Reconciliation of total published balance sheet size and on balance sheet exposure

(₹ in M)

		31 March 2016		31 March 2015	
Sr. No.	**Item**	**Solo**	**Consol**	**Solo**	**Consol**
1	Total consolidated assets as per published financial statements	1,298,619	1,312,829	1,317,397	1,333,998
2	Replacement cost associated with all derivatives transactions i.e. net of eligible cash variation margin	(126,682)	(126,682)	(130,394)	(130,394)
3	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	(12,127)	(12,127)	–	–
4	Adjustments for entities outside the scope of regulatory consolidation	–	–	–	–
5	**On-balance sheet exposures under leverage ratio (excluding derivatives and SFTs)**	**1,159,810**	**1,174,020**	**1,187,003**	**1,203,604**