DBS Bank Ltd., India

INDEPENDENT AUDITOR'S REPORT TO THE INDIA MANAGEMENT COMMITTEE OF DBS BANK LIMITED, INDIA BRANCHES

Report on the Financial Statements

We have audited the accompanying financial statements of **DBS BANK LIMITED, INDIA BRANCHES** (the "Bank"), which comprise of the Balance Sheet as at 31 March 2016, the Profit and Loss Account and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility For the Financial Statements

The Bank's Management is responsible for 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 provisions of Section 29 of the Banking Regulation Act, 1949, accounting principles generally accepted in India, including the Accounting Standards prescribed under the section 133 of the Companies Act, 2013 (the "Act"), in so far as applicable to banks, and the Guidelines issued by the Reserve Bank of India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the 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 there under.

We conducted our audit of the financial statements in accordance with the Standards on Auditing 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control 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 appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Bank's Management, and evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 and the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements.

1. As required by Section 143 (3) of the Act and Section 30 of the Banking Regulation Act 1949, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.

    b) In our opinion, the transactions of the Bank which have come to our notice have been within the powers of the Bank.

    c) As explained in paragraph 2 below, the financial accounting systems of the Bank are centralized and, therefore, accounting returns are not required to be submitted by the Branches.

    d) In our opinion, proper books of account as required by the law have been kept by the Bank so far as it appears from our examination of those books.

    e) 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.

    f) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

    g) With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our Report in " Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Bank has disclosed the impact of pending litigations on its financial positions in its financial statements - Refer Schedule 12 (i) to the financial statements:

        ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Schedule 5(vi) and 11(vii) to the financial statements;

        iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the bank.

2. We report that during the course of our audit we have performed select relevant procedures at 8 branches. Since the Bank considers its key operations to be automated, with the key applications largely integrated to the core banking systems, it does not require its branches, to submit any financial returns. Accordingly our audit is carried out centrally at the Head Office and Central Processing Units based on the necessary records and data required for the purposes of the audit and made available to us.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

Kalpesh J. Mehta
Partner
(Membership No. 48791)

Mumbai, 23 May 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph I(g) under Report on Other Legal and Regulatory Requirements of our report of even date)

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

We have audited the internal financial controls over financial reporting of **DBS BANK LIMITED, INDIA BRANCHES** (the "Bank") as at 31 March 2016 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records. and the timely preparation of reliable financial information, as required under the Companies Act. 2013, the Banking Regulation Act. 1949 and the Guidelines issued by the Reserve Bank of India.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 1 43(10) of the Companies Act. 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respect.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement. including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

In our opinion, to the best of our information and according to the explanations given to us, 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 issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.I I7365W)

Kalpesh J. Mehta
Partner
(Membership No.4879I)

Mumbai, 23 May 2016

DBS Bank Ltd., India

BALANCE SHEET AS AT 31 MARCH 2016

(Currency: Indian rupees in thousands)

	Schedule	31 Mar 2016	31 Mar 2015
CAPITAL AND LIABILITIES			
Capital	1	32,113,534	25,438,861
Reserves and surplus	2	12,061,730	11,976,132
Deposits	3	234,275,293	173,949,565
Borrowings	4	115,363,613	99,826,805
Other liabilities and provisions	5	44,640,072	48,007,597
Total		**438,454,242**	**359,198,960**
ASSETS			
Cash and balances with Reserve Bank of India	6	9,927,571	7,524,693
Balances with banks and money at call and short notice	7	41,082,246	1,223,788
Investments	8	155,839,572	135,165,586
Advances	9	176,530,995	158,286,959
Fixed assets	10	740,446	529,078
Other assets	11	54,333,412	56,468,856
Total		**438,454,242**	**359,198,960**
Contingent liabilities	12	3,710,021,248	5,341,728,113
Bills for collection		67,950,971	57,476,634
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	18		

Schedules referred to above form an integral part of these financial statements

As per our report of even date attached.

For Deloitte Haskins & Sells **Chartered Accountants**	**For DBS Bank Ltd.,** **India**	
Kalpesh J. Mehta **Partner** **Membership No: 48791**	**Surojit Shome** **General Manager and Chief Executive Officer**	**Rajesh Prabhu** **Managing Director and Chief Financial Officer**
Mumbai **23 May, 2016**		**Mumbai** **23 May, 2016**

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

(Currency: Indian rupees in thousands)

	Schedule	31 Mar 2016	31 Mar 2015
INCOME			
Interest earned	13	20,918,759	23,327,168
Other income	14	2,800,086	2,266,879
Total		**23,718,845**	**25,594,047**
EXPENDITURE			
Interest expended	15	13,390,135	15,288,130
Operating expenses	16	6,026,943	6,012,515
Provisions and contingencies	17	4,216,169	7,039,797
Total		**23,633,247**	**28,340,442**
PROFIT			
Net Profit for the year		85,598	(2,746,395)
Profit brought forward		(2,745,416)	1,696,473
Total		**(2,659,818)**	**(1,049,922)**
APPROPRIATIONS			
Transfer to Statutory Reserve		21,400	-
Transfer (from)/ to Investment Reserve Account		(768)	95,494
Capital retained in India for CRAR purposes		-	1,600,000
Balance carried over to Balance Sheet		(2,680,450)	(2,745,416)
Total		**(2,659,818)**	**(1,049,922)**

Schedules referred to above form an integral part of these financial statements

As per our report of even date attached.

For Deloitte Haskins & Sells **Chartered Accountants**	**For DBS Bank Ltd.,** **India**	
Kalpesh J. Mehta **Partner** **Membership No: 48791**	**Surojit Shome** **General Manager and Chief Executive Officer**	**Rajesh Prabhu** **Managing Director and Chief Financial Officer**
Mumbai **23 May, 2016**		**Mumbai** **23 May, 2016**

DBS Bank Ltd., India

CASH FLOW STATEMENT

(Currency: Indian rupees in thousands)

		31 Mar 2016	31 Mar 2015
Cash Flows From Operating Activities			
Net Profit/(Loss) before taxation and extraordinary items		143,803	(4,795,035)
Adjustments for:			
Depreciation on Fixed Assets		367,807	300,119
(Profit) /Loss on sale and write off of Fixed assets		(23)	43
Provision on Standard Assets/Derivatives		32,308	106,058
Provision /(Write back) for Depreciation on Investments		1,804	(168,301)
(Write back) for contingent credit		(296)	(110,360)
Provision of provisions for country risk		17,122	497
Provision for Non Performing Assets (including write offs net of write backs)		4,107,026	9,260,543
Provision for Employee Benefits including bonus		46,410	57,548
Operating profit before working capital changes		**4,715,961**	**4,651,112**
(Increase) in Term Deposits with Banks		(6,725,500)	-
(Increase) /Decrease in Investments other than investment in equity (excluding HTM investments)		(20,591,249)	46,683,828
(Increase) in Investments in equity		(84,541)	(45,532)
(Increase) in Investments in Security Receipts of ARC		-	(935,000)
(Increase) in Advances		(22,188,994)	(15,999,135)
Decrease in Other Assets		3,295,286	45,868,918
Increase / (Decrease) in Deposits		60,325,728	(1,119,317)
(Decrease) in Other liabilities and provisions		(3,625,138)	(46,185,604)
		15,121,553	**32,919,270**
Income Tax Paid		(1,218,046)	(729,463)
Net cash from operating activities	**A**	**13,903,507**	**32,189,807**
Cash Flows From Investing Activities			
Purchase of Fixed Assets (net of write off)		(559,926)	(262,979)
Proceeds from sale of Fixed Assets		56	-
(Increase) in Capital Work in Progress		(19,282)	(50,536)
Redemption in HTM investments		-	116,500
Net cash used in investing activities	**B**	**(579,152)**	**(197,015)**
Cash Flows From Financing Activities			
Additional Capital from Head Office		6,674,673	-
Increase / (Decrease) in Borrowings (excluding Subordinated debt)		23,310,508	(46,463,600)
Sub debt raised from Head office		-	16,250,000
Repayment of sub debt to Head office		(7,773,700)	(15,216,000)
Net cash from / (used in) financing activities	**C**	**22,211,481**	**(45,429,600)**
Net increase / (decrease) in cash and cash equivalents	**(A+B+C)**	**35,535,836**	**(13,436,808)**
Cash and cash equivalents at the beginning of the year		8,748,481	22,185,289
Cash and cash equivalents at the end of the year		44,284,317	8,748,481
Net (decrease) in cash and cash equivalents		**35,535,836**	**(13,436,808)**
Notes: Cash and cash equivalents represent			
Cash and balances with Reserve Bank of India (refer schedule 6)		9,927,571	7,524,693
Balances with banks and money at call and short notice (refer schedule 7)		41,082,246	1,223,788
Less: Deposits not considered as cash and cash equivalents as per AS-3			
Margin Deposit - Maturity greater than 90 days		(100,000)	-
Term Deposits with Banks - Maturity greater than 90 days		(6,625,500)	-
TOTAL		**44,284,317**	**8,748,481**

As per our report of even date attached.

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
Membership No: 48791

Mumbai
23 May, 2016

For DBS Bank Ltd., India

Surojit Shome
General Manager and
Chief Executive Officer

Rajesh Prabhu
Managing Director and
Chief Financial Officer

Mumbai
23 May, 2016

Schedules to financial statements as at 31 March 2016

(Currency: Indian rupees in thousands)

	31 Mar 2016	31 Mar 2015
1 CAPITAL		
Amount of deposit kept with the RBI under Section 11(2)(b) of the Banking Regulation Act, 1949 (Face Value)	5,200,000	4,800,000
Opening Balance	25,438,861	25,438,861
Add : Additional capital received from Head Office during the year (Note 6)	6,674,673	-
TOTAL	**32,113,534**	**25,438,861**

2 RESERVES AND SURPLUS		
A Statutory Reserve		
Opening Balance	3,703,379	3,703,379
Additions during the year	21,400	-
Deductions during the year	-	-
	3,724,779	3,703,379
B Capital Reserve (refer schedule 18 note [5])		
Opening Balance	5,096	5,096
Additions during the year	-	-
Deductions during the year	-	-
	5,096	5,096
C Investment Reserve Account (refer schedule 18 note [55])		
Opening Balance	252,442	156,948
Additions during the year	-	95,494
Deductions during the year	768	-
	251,674	252,442
D Capital retained in India for CRAR purposes		
Opening Balance	10,760,095	9,160,095
Additions during the year	-	1,600,000
Deductions during the year	-	-
	10,760,095	10,760,095
E (Debit) / Credit balance in Profit and Loss Account	(2,680,450)	(2,745,416)
F Deferred Tax Reserve	536	536
TOTAL	**12,061,730**	**11,976,132**

3 DEPOSITS		
A (I) Demand Deposits		
(i) From banks	1,531,280	1,092,006
(ii) From others	12,748,807	9,687,085
	14,280,087	10,779,091
(II) Saving Bank Deposits	4,606,863	2,803,251
(III) Term Deposits		
(i) From banks	6,623,000	-
(ii) From others	208,765,343	160,367,223
	215,388,343	160,367,223
TOTAL	**234,275,293**	**173,949,565**
B (i) Deposits of branches in India	234,275,293	173,949,565
(ii) Deposits of branches outside India	-	-
TOTAL	**234,275,293**	**173,949,565**

4 BORROWINGS		
I Borrowings in India		
(i) Reserve Bank of India	59,810,000	46,600,000
(ii) Other banks	5,560,000	5,810,000
(iii) Other institutions and agencies	5,036,994	4,809,130
	70,406,994	57,219,130
II Borrowings outside India	27,730,319	17,607,675
III Subordinated Debt*	17,226,300	25,000,000
TOTAL	**115,363,613**	**99,826,805**
Secured borrowings included in I, II and III above	64,846,994	51,409,130

* Subordinated debt in the nature of long term borrowings in foreign currency from Head Office.

5 OTHER LIABILITIES AND PROVISIONS		
I Bills Payable	408,792	158,259
II Inter Office adjustments (net)	-	-
III Interest Accrued	1,931,672	1,558,246
IV Contingent Provision against Standard Advances	809,367	739,484
V Contingent Provision against Derivatives exposures	154,519	174,883
VI Others (including provisions)*	41,335,722	45,376,725
TOTAL	**44,640,072**	**48,007,597**

* includes provision for unhedged foreign currency exposure amounting to Rs 153,565 thousand (previous year – Rs 170,776 thousand)

6 CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	**51,940**	48,358
II. Balances with Reserve Bank of India		
(i) In Current Accounts	**9,875,631**	7,476,335
(ii) In Other Accounts	**-**	-
	9,875,631	7,476,335
TOTAL	**9,927,571**	7,524,693

7 BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE		
I In India		
(i) Balance with Banks		
(a) In Current Accounts	44,272	38,584
(b) In Other Deposit Accounts $	6,725,500	-
	6,769,772	38,584
(ii) Money at Call and Short Notice		
(a) with Banks	1,000,000	-
(b) with other institutions	1,179,851	-
	2,179,851	-
II Outside India		
(i) In Current Accounts	2,716,366	1,185,204
(ii) In Other Deposit Accounts	-	-
(iii) Money at Call and Short Notice	29,416,257	-
	32,132,623	1,185,204
TOTAL	**41,082,246**	**1,223,788**

$ Includes Fixed Deposits placed under lien towards exchange traded derivatives of INR 100,000 thousands

8 INVESTMENTS		
Investments in India in		
(i) Government securities *	137,425,791	121,254,723
(ii) Other approved securities	-	-
(iii) Shares**	107,157	29,400
(iv) Debentures and Bonds	6,206,427	4,101,393
(v) Subsidiaries and Joint Ventures	-	-
(vi) Others (Certificate of Deposits, Commercial Papers and Security Receipts of Asset Reconstruction Companies)	12,100,197	9,780,070
TOTAL	**155,839,572**	**135,165,586**
Gross Investments in India	**155,863,604**	**135,187,814**
Less: Provision for depreciation	24,032	22,228
Net Investments in India	**155,839,572**	**135,165,586**

* Includes :

(A) Securities pledged as margin with CCIL (Clearing Corporation of India Limited) INR 4,807,382 thousands (Previous Year: INR 1,843,752 thousands)

(B) Securities held u/s 11(2)(b) with Reserve Bank of India INR 5,035,125 thousands (Previous Year: INR 4,782,310 thousands)

(C) Securities pledged as collateral for LAF (Liquidity Adjustment Facility) / MSF (Marginal Standing Facility) INR 61,811,248 thousands (Previous Year: INR 47,309,155 thousands)

(D) Securities held with CCIL for borrowings under CBLO (Collateralised Borrowing and Lending Obligation) were Nil (Previous Year: Nil)

(E) Securities kept as margin for RTGS (Real Time Gross Settlement) INR 18,256,792 thousands (Previous Year: INR 10,159,566 thousands)

(F) Securities pledged as collateral with CCIL for Market repo INR 4,846,429 thousands (Previous Year: INR 4,811,912 thousands)

** Represents shares received on conversion of debt and interest due thereon.

9 ADVANCES		
A (i) Bills purchased and discounted $	71,862,745	61,089,523
(ii) Cash credits, overdrafts and loans repayable on demand	76,416,060	78,984,633
(iii) Term Loans	28,252,190	18,212,803
TOTAL	**176,530,995**	**158,286,959**
B (i) Secured by tangible assets *	65,403,824	65,999,726
(ii) Covered by Bank / Government Guarantees**	40,262,834	32,937,301
(iii) Unsecured	70,864,337	59,349,932
TOTAL	**176,530,995**	**158,286,959**
C I Advances in India		
(i) Priority Sectors	52,360,181	45,189,714
(ii) Public Sectors	-	-
(iii) Banks	-	-
(iv) Others	124,170,814	113,097,245
II Advances outside India	-	-
TOTAL	**176,530,995**	**158,286,959**

$ Net off Interbank Participation Certificates (IBPC) with risk participation
* includes secured by book debts and stocks
** includes advances covered by Letters of credit issued by other banks

(Currency: Indian rupees in thousands)

10 FIXED ASSETS		
I Premises		
Cost on 31st March of the preceding year	-	-
Additions during the year	-	-
Deductions during the year	-	-
	-	-
Depreciation to date	-	-
Net book value of Premises	-	-
II Other Fixed Assets (including furniture and fixtures)		
Cost on 31st March of the preceding year	1,859,686	1,598,743
Additions during the year	559,926	262,979
Deductions during the year	(6,707)	(2,036)
	2,412,905	1,859,686
Depreciation to date	(1,744,801)	(1,383,669)
Net book value of Other Fixed Assets	668,104	476,017
III Capital work-in-progress	72,342	53,061
TOTAL (I+II+III)	740,446	529,078

11 OTHER ASSETS		
(i) Inter Office adjustments (net)	-	-
(ii) Interest accrued	4,416,713	2,102,157
(iii) Tax paid in advance / Tax Deducted at Source (net of provisions)	2,876,617	1,880,363
(iv) Stationery & Stamps	-	-
(v) Deferred Tax Asset (refer schedule 18 note [35])	4,859,196	5,186,276
(vi) Non-banking assets acquired in satisfaction of claims	141,100	-
(vii) Others *	42,039,786	47,300,060
TOTAL	54,333,412	56,468,856

* Includes MAT credit entitlement of INR 490,642 thousand

12 CONTINGENT LIABILITIES		
(i) Claims against the bank not acknowledged as debts	59,053	33,128
(ii) Liability for partly paid investments	-	-
(iii) Liability on account of outstanding foreign exchange contracts	1,717,673,827	3,169,284,332
(iv) Liability on account of outstanding Currency and Interest Rate Swap, Option contracts and Interest Rate Derivatives	1,929,978,366	2,115,907,846
(v) Guarantees given on behalf of constituents		
- in India	34,033,153	28,205,171
- outside India	17,773,671	13,975,660
(vi) Acceptances, endorsements and other obligations	10,497,812	14,309,391
(vii) Other items for which the Bank is contingently liable	5,366	12,585
TOTAL	3,710,021,248	5,341,728,113

13 INTEREST EARNED		
(i) Interest / discount on advances / bills	10,935,543	10,604,579
(ii) Income on investments	9,361,273	12,316,265
(iii) Interest on balances with RBI and other inter-bank funds	242,104	8,369
(iv) Others	379,839	397,955
TOTAL	20,918,759	23,327,168

14 OTHER INCOME		
(i) Commission, exchange and brokerage	2,184,028	2,089,285
(ii) Net Profit / (Loss) on sale of investments	388,668	1,185,741
(iii) Net Profit on sale of land, buildings and other assets	56	-
(iv) Net Profit / (Loss) on Foreign Exchange and Derivative transactions	79,130	(1,040,182)
(v) Income earned by way of dividends, etc. from subsidiaries/companies and/or joint ventures abroad/in India	-	-
(vi) Miscellaneous Income (refer schedule 18 note [55])	148,204	32,035
TOTAL	2,800,086	2,266,879

15 INTEREST EXPENDED		
(i) Interest on Deposits	10,248,361	10,621,609
(ii) Interest on RBI / Inter-bank borrowings *	725,471	2,926,673
(iii) Others	2,416,303	1,739,848
TOTAL	13,390,135	15,288,130

* including interest on Subordinated Debt

16 OPERATING EXPENSES		
(i) Payments to and provisions for employees	**3,076,388**	2,650,566
(ii) Rent, taxes and lighting	**518,886**	425,621
(iii) Printing and Stationery	**25,858**	16,216
(iv) Advertisement and publicity	**127,979**	144,659
(v) Depreciation on Bank's property	**367,807**	300,119
(vi) Auditor's fees and expenses	**3,900**	3,663
(vii) Law Charges	**58,947**	50,624
(viii) Postage, Telegram, Telephone, etc.	**64,689**	47,191
(ix) Repairs and maintenance	**77,811**	67,237
(x) Insurance	**205,033**	212,018
(xi) Brokerage charges	**73,054**	116,720
(xii) Professional Fees	**195,606**	276,058
(xiii) Head Office Expenses (refer schedule 18 note [55])	**43,007**	231,493
(xiv) Computerisation and related expenses	**424,577**	818,354
(xv) Travelling expenses	**99,878**	86,839
(xvi) Fixed assets written off	**33**	43
(xvii) Other Expenditure *	**663,490**	565,094
TOTAL	**6,026,943**	6,012,515

* includes CSR expenditure of Nil (previous year – INR 69,941 thousands)

17 PROVISIONS AND CONTINGENCIES		
(Write-back of provision) for contingent credit	(296)	(110,360)
Provision for Non-Performing advances		
- Non Performing Assets	2,397,504	547,484
- Others*	1,709,522	8,713,059
Provision for Standard Asset (including standard asset provisioning on current credit exposure for derivatives and Unhedged Foreign Currency Exposure)	32,308	106,058
Provision/(Write-back of provision) for Depreciation on Investments	1,804	(168,301)
Provision for Tax		
- Current Income-Tax (net of MAT credit entitlement of INR 490,642 thousand)	(268,875)	-
- Deferred Tax credit	327,080	(2,048,640)
Provision for Country Risk	17,122	497
TOTAL	4,216,169	7,039,797

* Includes write offs INR 1,252,291 thousand (previous year – INR 4,366,698 thousand), provision for diminution in fair value of restructured advances Nil (previous year –INR 161,770 thousand), Loss on sale of NPA Nil (previous year – INR 4,153,646 thousand), loss on conversion of debt INR 100,466 thousand (previous year – INR 32,868 thousand), provision for cases pertaining to change in ownership of borrowing entities (outside SDR scheme) INR 358,500 thousand (previous year – Nil) and net of write backs INR 1,735 thousand (previous year – INR 1,923 thousand).

Schedule 18

Significant Accounting policies and Notes to Accounts

1. Background

The accompanying financial statements for the year ended 31 March 2016 comprise the accounts of the India branches of DBS Bank Ltd. ('the Bank'), which is incorporated in Singapore. The India branches of the Bank as at 31 March 2016 are located at Mumbai, New Delhi, Bengaluru, Chennai, Pune, Kolkata, Nashik, Surat, Salem, Moradabad, Kolhapur and Cuddalore.

2. Basis of preparation

The financial statements have been prepared and presented under the historical cost convention, on an accrual basis of accounting, unless otherwise stated and in accordance with Generally Accepted Accounting Principles ('GAAP') in India, statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time, the Accounting Standards ('AS') prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and current practices prevailing within the banking industry in India. The accounting policies have been consistently applied except for the changes in accounting policies disclosed in these financial statements.

3. Use of estimates

The preparation of financial statements, in conformity with GAAP, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets, liabilities, income and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

4. Significant accounting policies

(i) Advances

Advances are classified as performing and non-performing based on RBI prudential norms. Advances are stated net of bills rediscounted, inter bank participation certificate on risk sharing basis, specific loan provisions, write offs including the diminution in the fair value of restructured accounts. Provision for loan losses are made in respect of identified advances based on management's assessment of degree of impairment, subject to minimum provisioning levels prescribed by the RBI guidelines.

The Bank also maintains a general loan loss provision on Standard Advances (including restructured advances classified as standard) and Derivative Exposures at rates as prescribed by RBI, and discloses the same in Schedule 5 ('Other liabilities and Provisions'). In addition, the Bank maintains provision for country risk and provision for diminution in the fair value of standard advances in accordance with RBI guidelines and the same is included under Schedule 5 ('Other liabilities and Provisions') and Schedule 9 ('Advances') respectively.

In accordance with RBI guidelines on Strategic Debt Restructuring (SDR) and change in ownership of borrowing entities (outside SDR scheme) ('outside SDR cases'), on conversion of debt to equity, the existing asset classification of the account, as on the reference date is continued for a period of 18 months from the reference date. On divestment of the Bank's holding in favour of a 'new promoter', the asset classification of the account is upgraded to 'Standard'. However, the quantum of provision held by the Bank against the said account as on the date of divestment is not reversed to the extent of outstanding loan of the account. The provision held by the Bank for these accounts is included under Schedule 9 ('Advances').

Receivables acquired under factoring are treated as a part of loans and advances and included under Schedule 9 ('Advances') under the head 'Bills Purchased and Discounted'.

(ii) Investments

Classification

Investments, are recognised on settlement date (i.e. value date) basis and are classified as Held for Trading ('HFT'), Available for Sale ('AFS') or Held to Maturity ('HTM') in accordance with RBI guidelines.

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

Acquisition Cost

In determining acquisition cost of an investment:

- Brokerage, Commission, etc. paid at the time of acquisition, are charged to Profit and Loss Account.
- Cost of investments is determined using First in First Out method.
- Broken period interest on debt instruments is accounted for in accordance with RBI guidelines.

Disposal of Investments

Profit/Loss on sale of investments under the HFT and AFS categories are recognised in the Profit and Loss Account.

The profit from sale of investment under HTM category, net of taxes and transfer to statutory reserves is appropriated from "Profit and Loss Account" to "Capital Reserve Account". Loss on sale, if any, is recognized fully in the Profit and Loss Account.

Valuation

Investments classified under the HFT and AFS categories are valued at lower of acquisition cost or market value in aggregate for each category of investment, in accordance with the guidelines issued by the RBI and based on the rates as published by Primary Dealers Association of India ('PDAI') jointly with the Fixed Income Money Market and Derivatives Association of India ('FIMMDA'). Treasury Bills, Commercial Paper and Certificate of Deposits are held at carrying cost. Security receipts are valued as per the Net Asset Value provided by the issuing Asset Reconstruction Company (ARC) from time to time. Investments received in lieu of restructured advances are valued in accordance with RBI guidelines. Any diminution in value on these investments is provided for and is not used to set off against appreciation in respect of other performing securities in that category. All other Non SLR investments are valued by applying the mark up above the corresponding yield on GOI securities as directed by the RBI. Net depreciation is recognised in the Profit and Loss Account and net appreciation, (if any) is ignored per category of investment classification. Consequent to revaluation, the book value of the individual security is not changed. Securities received on account of conversion of debt or unpaid interest into debt or equity instruments are classified under AFS and valued in accordance with RBI guidelines. Depreciation on these instruments is not offset against the appreciation in any other securities held under the AFS category. Depreciation on equity shares acquired on SDR is distributed over a maximum period of four calendar quarters from the date of conversion of debt into equity.

In accordance with the RBI guidelines, the provision on account of depreciation in the HFT and AFS categories in excess of the required amount is credited to the Profit and Loss Account and an equivalent amount (net of taxes if any and net of transfer of Statutory Reserve as applicable to such excess provision) is appropriated to an Investment Reserve Account.

The provision required to be created on account of depreciation in the AFS & HFT categories is debited to the Profit and Loss Account and an equivalent amount (net of tax benefit, if any and net of consequent reduction in transfer to Statutory Reserves) is transferred from the Investment Reserve Account to the Profit and Loss Account.

Securities categorised under HTM are carried at acquisition cost, or at amortised cost if acquired at a premium over the face value. Such premium is amortised over the remaining period to maturity of the relevant security on a straight line basis.

Brokerage, commission, etc. paid at the time of sale is charged to the Profit and Loss Account.

Transfer of securities between categories

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

Accounting for Repurchase/Reverse-repurchase transactions

In accordance with RBI guidelines, Repurchase/Reverse-repurchase transactions (other than those under the Liquidity Adjustment Facility 'LAF' with RBI) are accounted as collateralized borrowing and lending. The difference between the clean price of the first leg and the clean price of the second leg is recognised as interest expense/income over the period of the transaction.

(iii) Foreign Exchange

Transactions denominated 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 recognized in the Profit and Loss Account. Monetary assets and liabilities in foreign currencies are translated at the period end at the rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant gain or loss is recognised in the Profit and Loss Account. Contingent liabilities denominated in foreign currencies are disclosed at the closing rate of exchange as notified by FEDAI.

(iv) Derivative transactions

Derivatives comprise of interest rate swaps, interest rate futures, cross currency swaps, forward contracts and options. Forward contracts linked to FCNR (B) deposits under swap window as per RBI guidelines issued on September 6, 2013, forward contracts that are entered into for swapping sub-debt, cross currency swaps entered into to hedge long term deposits and placements are classified as hedges and rest are held for trading purposes.

Forward contracts held for trading purposes are revalued at rates notified by FEDAI for specified maturities and at interpolated rates of interim maturities. In case of forward contracts of greater maturities where exchange rates are not notified by FEDAI, are revalued at the forward exchange rates implied by the swap curves in respective currencies. The resulting profits or losses are included in the Profit and Loss Account as per the regulations stipulated by the RBI/ FEDAI.

Forward contracts classified as hedges are translated at the prevailing spot rate at the time of swap. The premium / discount on the swap arising out of the difference in the exchange rate of the swap date and the maturity date of the underlying forward contract is amortised over the period of the swap and it is recognized in the Profit and Loss Account.

Cross currency swaps entered into to hedge inter-bank deposits are accounted on an accrual basis.

Derivatives held for trading purposes are recognized at their fair values on inception and subsequently marked to market (MTM) on a daily basis. The resultant gain / loss is recorded in the Profit and Loss Account. Unrealised gains or losses on these products are reflected in the Balance Sheet under Other Assets or Other Liabilities respectively.

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

(v) Fixed Assets

Fixed Assets are stated at historical cost less accumulated depreciation as adjusted for impairment, if any. Cost includes cost of purchase and all expenditure like site preparation, installation costs and professional fees incurred on the asset before it is ready to use. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefit/functioning capability from/ of such assets.

Fixed assets individually costing less than INR 40 thousands are fully expensed in the year of purchase.

Depreciation is provided on a straight line basis over the estimated useful life of the asset. The useful life as prescribed in Schedule II to the Companies Act, 2013 is considered as the maximum useful life. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful/ remaining useful life. Pursuant to this policy, depreciation is provided at the following useful life which is lower than or equal to the corresponding useful life prescribed in Schedule II:

Assets	Useful life
Office Equipment	5 years
Computers (Hardware and Software)	3 years
Furniture and Fixtures	5 years
Motor Vehicles	5 years

Leasehold Improvements is depreciated over the useful life of the lease or useful life, whichever is less.

Depreciation for the entire month is charged for the month in which the asset is purchased. Depreciation on assets sold during the year is charged to the Profit and Loss Account on a pro-rata basis up to the month prior to the month of sale.

The Bank assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

(vi) Non Banking assets acquired in satisfaction of claims

These assets are carried at net realisation value at inception. Subsequent recognition is calculated at lower of recorded value or subsequent net realisable value. Net realisable value is determined based on independent professional valuation reports.

(vii) Employee Benefits

Short term benefits

Employee benefit, payable wholly within twelve months of receiving employee services are classified as short- term employee benefits. These benefits include salaries, bonus and special allowance. The undiscounted amount of short- term employee benefits to be paid in exchange for employee services are recognized as an expense as the related service is rendered by employees.

Post retirement benefits

(a) Provident Fund*:*

The Bank has its own trust for Provident Fund for the benefit of its employees. Contributions to the Provident Fund are recognised on an accrual basis and charged to the Profit and Loss Account. The Banks's liability towards provident fund (for interest portion) being a defined benefit plan is accounted for on the basis of an independent actuarial valuation done at the year end and actuarial gains / losses are charged to the Profit and Loss Account as applicable.

(b) Gratuity:

The Bank has a Gratuity Fund for its employees under the Group Gratuity cum Life Assurance Scheme of the Life Insurance Corporation of India ('LIC'). The Bank has further opted for unit linked plan for the purpose of gratuity. In terms of the revised Accounting Standard 15, provision is made towards Gratuity based on an actuarial valuation done by an independent actuary as at the year end, using the Projected Unit Credit Method. The fair value of the Fund's assets is compared with the gratuity liability, as actuarially determined, and the shortfall if any is provided for. Actuarial gains/losses are recognised in the Profit and Loss Account.

(c) Compensated Absences:

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Bank records an obligation for such compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of independent actuarial valuation using Projected Unit Credit Method.

(viii) *Employee share based payment:*

The eligible employees of the Bank have been granted stock awards under various plans, of equity shares of the ultimate holding company, DBS Group Holding LTD. As per the various plans, these stock awards vest in a graded manner over a period of two to four years. In accordance with the Guidance note on 'Share based payments' issued by the Institute of Chartered Accountants of India ('ICAI'), all the schemes are classified as equity settled schemes. The Bank has adopted fair value method of accounting for the shares whereby the fair value is computed based on the market value of the shares at the date of grant. The fair value of the shares awarded is amortised to the Profit and Loss Account in a graded manner over the vesting period of the shares.

(ix) Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as Operating Leases. Operating Lease payments are recognised as an expense in the Profit and Loss Account over the lease term on straight line basis in accordance with the AS - 19, Leases.

(x) Revenue Recognition

Income is recognised on an accrual basis in accordance with contractual arrangements except in case of interest on non-performing assets which is recognized on receipt basis as per RBI norms.

Unrealised interest which is converted into Funded Interest Term Loan (FITL) has a corresponding credit in "Sundry Liabilities Account (Interest Capitalization)". Interest on FITL is recognized on receipt basis.

Income on non-coupon bearing discounted instruments and instruments which carry a premia on redemption is recognized over the tenor of the instrument on a straight line basis.

Fee income is recognised at the inception of the transaction except in cases of fee income from issue of guarantees, buyer's credit, letter of credit and mortgages which is recognised over the life of the instrument instead of recognising the same at the inception of the transaction.

(xi) Taxation

Provision for tax comprises of current tax and net change in deferred tax assets and liability during the year. The Profit and Loss Account of India branches of DBS Bank Limited are drawn up in accordance with the Banking Regulation Act, 1949 (BR Act). The BR Act requires to draw up accounts of only banking business of the India branches. Accordingly, the income recognition and consequent current tax provision represent the estimated liability of income-tax after considering relief for unassessed brought forward unabsorbed losses of the banking business of the India branches of DBS Bank Limited on a standalone basis. Wealth Tax liability is determined in accordance with the provisions under the Wealth Tax Act, 1957. Deferred tax adjustments reflect the changes in the deferred tax assets or liabilities during the year.

Deferred taxation is provided on timing differences between the accounting and tax statement on income and expenses. Deferred tax assets / liabilities are reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realized. Deferred tax assets and liabilities are measured using the tax rates that have been enacted or substantially enacted by the Balance Sheet date.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the bank will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the bank

(xii) Net Profit / (Loss)

Net profit / (loss) is computed after:

- Provision for loan losses / write offs, provision for devolved off balance sheet exposure to NPA customer, country risk provision, general loan loss provision on standard assets and derivatives (including provision for unhedged foreign currency exposures), provision for diminution in fair value of Restructured Loans;
- Provision for diminution in the value of investments;
- Provision for income tax;
- Provision for deferred taxation;
- Charge for head office administrative expenses for the year; and
- Other usual and necessary provisions.

(xiii) Provisions, Contingent Liabilities and Contingent Assets

In accordance with AS 29, Provisions, Contingent Liabilities and Contingent Assets, provision is recognized when the Bank has a present obligation as a result of past events where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non occurrence of one or more uncertain future events not within the control of the Bank; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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.

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

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

(xiv) Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with Reserve Bank of India and Balances with Other Banks / institutions and money at Call and short Notice (including the effect of changes in exchange rates on cash and cash equivalents in foreign currency).

5. Capital Reserve

Capital Reserves disclosed in Schedule 2 includes bank balances and fixed assets transferred by the erstwhile Development Bank of Singapore Ltd., Mumbai Representative Office to the Bank upon closure of the Representative Office.

6. Capital

The Bank follows RBI guidelines for calculation of capital adequacy under BASEL III requirements. Credit Risk is calculated using the Standardised Approach, Operational Risk is calculated using the Basic Indicator Approach and Market Risk is computed in accordance with RBI guidelines with minimum capital requirement being expressed in terms of two specific charges – Specific Market Risk and General Market Risk. The capital adequacy ratio of the Bank, calculated as per Basel III requirement is set out below:

Particulars	As at 31 Mar 2016	As at 31 Mar 2015
Common Equity Tier 1 (CET1) capital ratio (%)	13.01%	10.79%
Tier 1 capital ratio (%)	13.01%	10.79%
Tier 2 capital ratio (%)	5.63%	6.22%
Total Capital ratio (CRAR) (%)	18.64%	17.01%
Amount of equity capital raised	6,674,673	-
Amount of Additional Tier 1 capital raised	-	-
Amount of Tier-2 capital raised	-	16,250,000
Of which		
Debt capital instrument	-	16,250,000

During the year the Head Office of the Bank has infused additional CET1 amounting to INR 6,674,673 thousands (Previous Year – Nil).

7. Investments

Particulars	As at 31 Mar 2016	As at 31 Mar 2015
Value of investments (*)		
Gross value of investments	155,863,604	135,187,814
Less: Provision for depreciation	(24,032)	(22,228)
Net value of investments	155,839,572	135,165,586
Movement in Provisions held towards depreciation on investments		
Opening balance	22,228	190,529
Add: Provisions made during the year	1,804	-
Less: Write back of excess provisions during the year to Profit and Loss account	-	(168,301)
Closing Balance	24,032	22,228

(*) All investments are held in India.

8. Repo / Reverse Repo Transactions

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at 31 March
Securities sold under Repos				
i) Government securities	- (13,999,925)	67,012,100 (63,889,312)	27,339,172 (31,934,124)	67,012,100 (51,409,130)
ii) Corporate debt securities	- (-)	- (-)	- (-)	- (-)
Securities purchased under Reverse Repos				
i) Government securities	- (-)	17,745,600 (16,909,707)	2,395,533 (1,037,784)	1,131,400 (-)
ii) Corporate debt securities	- (-)	- (-)	- (-)	- (-)

(Figures in brackets indicate previous year numbers)

Note: The above includes LAF deals done with the RBI and CCIL

9. Non – Statutory Liquidity Ratio (SLR) Investment Portfolio

Issuer composition of Non – SLR Investments as at 31 March 2016 is stated below:

No.	Issuer	Amount	Extent of "private placement"	Extent of "below investment grade" securities	Extent of "unrated" Securities	Extent of "unlisted" securities
(i)	Public Sector Undertakings	201,405 (1,000,000)	201,405 (1,000,000)	- (-)	- (-)	- (-)
(ii)	Financial Institutions*	5,588,106 (3,488,136)	5,588,106 (3,488,136)	- (-)	(-)	(-)
(iii)	Banks	5,596,024 (6,587,187)	5,596,024 (6,587,187)	- (-)	- (-)	- (-)
(iv)	Private Corporates	6,117,278 (1,922,768)	6,117,278 (1,922,768)	- (-)	130,073 (45,532)	- (-)
(v)	Subsidiaries / Joint ventures	- (-)	- (-)	- (-)	- (-)	- (-)
(vi)	Others#	935,000 (935,000)	935,000 (935,000)	- (-)	- (935,000)	935,000 (935,000)
(vii)	Provision held towards depreciation	24,032 (22,228)	24,032 (22,228)	- (-)	22,916 (16,132)	- (-)
	Total	**18,413,781** **(13,910,863)**	**18,413,781** **(13,910,863)**	**-** **(-)**	**107,157** **(964,400)**	**935,000** **(935,000)**

(Figures in brackets indicate previous year numbers)

* includes investments in NBFC issuances

Others represent investments in security receipts of an asset reconstruction company.

10. Non performing Non – SLR Investments

Non performing Non – SLR Investments as at 31 March 2016 are as under

(Currency: Indian rupees in thousands)

Particulars	As at 31 Mar 2016	As at 31 Mar 2015
Opening balance	**45,532**	-
Additions during the year since 1st April	**84,541**	45,532
Reductions during the above period	**-**	-
Closing balance	**130,073**	45,532
Total provisions held	**22,916**	16,132

11. Derivatives – Interest Rate Swap / Forward Rate Agreements

The Bank deals in Interest Rate Swaps / Forward Rate Agreements (FRAs).

Particulars	As at 31 Mar 2016	As at 31 Mar 2015
Notional principal of Interest Rate Swaps	**1,561,510,797**	1,815,975,693
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	**5,152,411**	5,013,600
Collateral required by the bank upon entering into swaps	**-**	-
Concentration of credit risk arising from the swaps (exposure to banking industry)	**84.73%**	84.44%
The fair value of the swap book [asset]	**(45,399)**	298,589

In terms of the guidelines issued by RBI, the following additional information is disclosed in respect of outstanding Interest Rate Swaps / FRAs as at year end:

Benchmark	Terms	31 March 2016		31 March 2015	
		Nos.	Notional Principal	Nos.	Notional Principal
6 Month MIFOR	Pay Fixed Receive Floating	254	122,490,000	221	107,125,000
6 Month MIFOR	Receive Fixed Pay Floating	208	128,130,000	193	111,158,750
OIS 6 months	Pay Fixed Receive Floating	47	12,688,679	85	29,852,801
OIS 6 months	Receive Fixed Pay Floating	64	21,292,866	90	34,380,053
USD Libor 1 month	Pay Fixed Receive Floating	2	1,481,683	4	2,526,250
USD Libor 1 month	Receive Fixed Pay Floating	2	1,481,683	4	2,526,250
USD BS Libor 1 month 6 months	Receive Floating Pay Floating	4	848,064	5	1,165,650
USD BS Libor 1 month 3 months	Pay Floating Receive Floating	2	3,551,268	2	5,000,000
USD BS Libor 3 months	Pay Floating Receive Floating	19	6,688,347	21	7,128,179
USD Libor 3 months	Receive Fixed Pay Floating	64	53,492,100	81	38,781,217
USD Libor 3 months	Pay Fixed Receive Floating	62	53,579,060	82	39,359,342
USD Libor 3 months	Receive Floating Pay Floating	3	430,339	10	1,252,263
USD Libor 6 months	Pay Fixed Receive Floating	142	107,699,698	94	92,009,322
USD Libor 6 months	Receive Fixed Pay Floating	65	85,675,741	85	82,136,862
USD Libor 6 months	Receive Floating Pay Floating	3	357,713	6	893,479
OIS 6M COM	Pay Fixed Receive Floating	424	159,589,227	383	159,424,273
OIS 6M COM	Receive Fixed Pay Floating	335	131,855,263	333	135,558,623
OIS 1Y CMP	Pay Fixed Receive Floating	269	350,637,020	-	-
OIS 1Y CMP	Receive Fixed Pay Floating	300	318,517,446	-	-
CAD CDOR 3M	Pay Fixed Receive Floating	1	512,300	-	-
CAD CDOR 3M	Receive Fixed Pay Floating	1	512,300	-	-
OIS 1 year	Pay Fixed Receive Floating	-	-	837	887,539,644
OIS 1 year	Receive Fixed Pay Floating	-	-	80	78,157,735
Total		**2,271**	**1,561,510,797**	2,616	1,815,975,693

All interest rate swaps have been entered into with reputed counter parties under approved credit lines and are in the nature of trading. Management believes that these transactions carry negligible credit risk and no collateral is insisted upon from the counterparty as per market practice.

These interest rate swaps / FRAs are accounted for as per the accounting policy set out in schedule 18 note 4 (iv).

The above information do not include interest rate contracts with Cap and floor feature.

12. Exchange Traded Interest Rate Derivatives

Particulars	31 Mar 16	31 Mar 15
(i) Notional principal amount of exchange traded interest rate derivatives undertaken during the year:		
(a) NSE 10Y 7.59%	565,400	-
(b) NSE 10Y 7.72%	17,411,600	-
(c) NSE 10Y 8.4%	1,600,000	-
(d) NSE 13Y 7.88%	1,160,800	-
(e) NSE 6Y 8.27%	207,200	-
(ii) Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March (a) NSE 10Y 7.59%	565,400	-
(iii) Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective'	565,400	-
(iv) Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective'	83,270	-

13. Disclosure on Risk Exposure in Derivatives

Qualitative Disclosures

The Bank undertakes transactions in derivative contracts either in the role of a user or as a market maker. The Bank ensures that by undertaking such transactions, additional risk assumed (if any) is within the limits governed by the relevant policies and guidance under the Integrated Risk Framework and as approved by the Risk Committee.

Derivative exposures are subject to Market Risk Control and Risk Appetite Limits separately calibrated for the Trading and Banking books. These entity level limits are administered at Head Office and monitored by Head Office as well as locally. Appetite Limit is for VaR. Control Limits are for sensitivities to interest rates and FX rates, as well as Risk Class Contribution grids, which measure first order, as well as higher order risks for interest rate and FX products, including options. The setting of the Risk Appetite Limit takes into consideration the Bank's risk bearing capacity, level of business activity, operational considerations, market volatility and utilisation. The limit calibration process is dynamic and aims to consistently maintain and enhance the relevance of the various applicable limits as risk capacity, risk consumption and market behaviour changes. Carved out of the control limits at entity level are granular business level sensitivity limits for interest rates at product, desk / trader book and tenor levels for each currency and for FX at desk / trader book level for each currency.

Forward contracts linked to FCNR (B) deposits under swap window as per RBI guidelines issued on September 6, 2013 and forward contracts that are entered into for swapping sub-debt are held in banking book and rest all trades entered by the Bank are undertaken in the trading book and valued in line with the accounting policy (schedule 18 note 4[iv]). Additionally, these trades may be on account of proprietary positions or for covering customer transactions. Bank has also entered into inter-bank deposits and uses cross currency swaps to manage the risk arising from them. Such currency swaps are too held on the banking book.

The Bank has a Credit Risk Management unit which is responsible for setting up counterparty limits for all transactions including derivatives on the basis of the counter-party's control structure. While setting up these limits, the Bank follows rigorous appraisal principles and procedures similar to those for loan limits. Typically these exposures remain unsecured in line with market, wherein customers do not make available collateral against derivative or foreign exchange limits. Additionally, the Bank independently evaluates the Potential Credit Exposure ('PCE') on account of all derivative transactions, wherein limits are separately specified by product and tenor.

The Bank applies the Current Exposure method to assess credit risk associated with Derivatives and Foreign Exchange contracts. Credit risk on a contract is computed as the sum of its mark-to-market value if positive and its potential future exposure which is calculated based on its notional value and its residual maturity. The Bank has made a income reversal on such current credit exposures in accordance with RBI Circular DBR.No.BP.BC.2 /21.04.048/2015-16 dated 01 July 2015.

Quantitative Disclosures

Sr. No	Particular		31 Mar 2016 Currency Derivatives #	31 Mar 2016 Interest Rate Derivatives@
1	**Derivatives (Notional Principal Amount)**			
	(a)	- For Hedging **	57,109,310	-
	(b)	- For Trading	2,028,466,686	1,562,076,197
2	**Marked to Market Positions**			
	(a)	- Asset	33,477,320	5,152,511
	(b)	- Liability	28,885,249	5,197,827
3	**Credit Exposure**		108,608,511	17,765,452
4	**Likely impact of 1% change in interest rates (100*PV01)**			
	(a)	- On Hedging Derivatives **	(81,007)	-
	(b)	- On Trading Derivatives	(1,289,859)	1,893,800
5	**Maximum & Minimum of 100*PV01 observed during the year**			
	(a)	- On Hedging ** : Maximum	(20,627)	-
		Minimum	(122,225)	-
	(b)	- On Trading : Maximum	(511,972)	2,025,533
		Minimum	(1,348,780)	653,553

Sr. No	Particular		31 Mar 2015 Currency Derivatives #	31 Mar 2015 Interest Rate Derivatives@
1	**Derivatives (Notional Principal Amount)**			
	(a)	- For Hedging **	47,625,000	-
	(b)	- For Trading	3,421,521,172	1,816,046,006
2	**Marked to Market Positions**			
	(a)	- Asset	38,679,602	5,013,600
	(b)	- Liability	35,386,646	4,715,011
3	**Credit Exposure**		135,137,445	19,600,885
4	**Likely impact of 1% change in interest rates (100*PV01)**			
	(a)	- On Hedging Derivatives**	(4,755)	-
	(b)	- On Trading Derivatives	(502,653)	736,495
5	**Maximum & Minimum of 100*PV01 observed during the year**			
	(a)	- On Hedging ** :Maximum	3,475	-
		Minimum	(44,263)	-
	(b)	- On Trading : Maximum	240,348	826,940
		Minimum	(509,247)	(453,720)

Currency Derivatives includes Foreign Exchange contracts.

@ Interest rate derivatives include Interest rate futures.

** The hedges pertain to contracts which are linked to FCNR (B) deposits under swap window as per RBI guidelines issued on September 6, 2013, forward contracts that are entered into for swapping sub-debt and cross currency swaps for hedging inter-bank deposits accepted and placed which are held in banking book.

14. Non Performing Assets (Funded)

Particulars			31 Mar 16	31 Mar 15
(i)	Net NPA to Net Advances (%)		4.34 %	4.15%
(ii)	Movement in Gross NPAs			
	(a)	Opening Balance	12,838,723	21,156,381
	(b)	Additions during the year **	6,406,823	2,926,950
	Sub Total (A)		19,245,546	24,083,331
	Reductions during the year			
	(a)	Up gradations	-	-
	(b)	Recoveries #	1,565,735	2,570,395
	(c)	Technical/ Prudential write-offs	657,708	3,337,558
	(d)	Write-offs	695,049	5,336,655
	Sub Total (B)		2,918,492	11,244,608
	Gross NPAs as on 31 Mar (A-B)		16,327,054	12,838,723
(iii)	Movement in provisions for NPAs			
	(a)	Opening Balance	6,263,488	5,716,004
	(b)	Provisions made during the year * @	4,385,755	6,542,571
	(c)	Write off / Write back of excess provisions	1,988,251	5,995,087
	(d)	Closing Balance	8,660,992	6,263,488
(iv)	Movement in Net NPAs			
	(a)	Opening Balance	6,575,235	15,440,377
	(b)	Additions during the year	4,170,791	1,814,693
	(c)	Reductions during the year	3,079,964	10,679,835
	(d)	Closing Balance	7,666,062	6,575,235

* Includes an amount of INR 745,000 thousand (Previous Year: INR 281,122 thousands) pertaining to provision for restructured accounts classified as NPA.

Includes an amount of for which security receipt of Nil (Previous Year: INR 980,532 thousand) and equity shares of INR 76,034 thousand have been received on sale / conversion of debt (Previous Year: INR 45,532 thousand).

** Includes fresh NPA of INR 6,130,154 thousand (Previous Year: INR 2,459,252 thousands)

@Includes provision on fresh NPA of INR 1,959,363 thousand (Previous Year: INR 644,559 thousands)

15. Non Performing Assets (NPA) provisioning coverage ratio

The NPA provisioning coverage ratio of the Bank including technical write off was 62.28% as on 31 March 2016 (Previous Year: 59.35%).

16. Non Performing Assets (Mark to Market on derivative deals)

Basis the guidelines issued by RBI vide notification DBOD.No.BP. BC.31/21.04.157/2012-13 dated 23 July 2012, Crystallised Receivables – Positive MTM on terminated derivative deals overdue for more than 90 days and Positive MTM on Live deals for NPA Customers have been reported under "Schedule 11 - Other Assets" after netting of the "Suspense crystallised receivables" and "Suspense account Positive MTM". The Gross value of crystallised receivables as on 31 March 2016 is INR 482,709 thousands (Previous Year: INR 440,578 thousands) and the Net value is Nil (Previous Year: Nil).

17. Concentration of Gross NPA's

Particulars	31 Mar 16	31 Mar 15
Total Exposure to top four NPA accounts*	**8,685,673**	7,201,789**

* This includes receivables on derivative products of INR 17,625 thousands (Previous Year INR 7,702 thousands).

** Excludes technical write off

18. Sector-wise Gross NPAs

Sector	Percentage of NPAs to Total Advances in that sector	
	31 Mar 16	31 Mar 15
Agriculture & allied activities	**-**	-
Industry (Micro & small, Medium and Large)	**12.53%**	8.16%
Services	**2.67%**	6.93%
Personal Loans	**-**	-

For the purpose of this disclosure, the bank has compiled the data which has been relied upon by the auditor.

19. Concentration of Deposits

Particulars	31 Mar 16	31 Mar 15
Total Deposits of twenty largest depositors	117,736,198	78,131,609
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	50.26%	44.92%

20. Concentration of Advances*

Particulars	31 Mar 16	31 Mar 15
Total Advances* # to twenty largest borrowers	94,024,127	88,326,145
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	28.32%	27.96%

*Advances have been computed as per the definition of Credit Exposure including derivatives as prescribed in RBI's Master Circular DBR.No.Dir.BC.12/13.03.00/2015-16 dated 01 July 2015.

Excludes advances covered by banks guarantees and derivative exposures with Banks and Clearing Corporation of India Limited as counterparties.

21. Concentration of Exposures**

Particulars	31 Mar 16	31 Mar 15
Total Exposure** # to twenty largest borrowers/customers	94,265,566	88,574,959
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the Bank on borrowers/ customers	27.34%	27.41%

**Exposures are computed based on Credit and Investment exposure as prescribed in RBI's Master Circular DBR.No.Dir.BC.12/13.03.00/2015-16 dated 01 July 2015.

Excludes advances covered by banks guarantees and derivative exposures with Banks and Clearing Corporation of India Limited as counterparties and investment in government securities.

22. Overseas Assets, NPAs and Revenue

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

23. Off Balance Sheet Sponsored Special Purpose Vehicles

The Bank did not have any off balance sheet sponsored Special Purpose Vehicle as at 31 March 2016 (Previous Year: Nil).

24. Loan restructuring

Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
Asset Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
Details																					
1) Restructured Accounts as on 01 April 2015	No of Borrowers	1	-	-	-	1	-	-	-	-	-	1	1	2		4	2	1	2		5
	Amount Outstanding	1,286,430	-	-	-	1,286,430	-	-	-	-	-	100,210	488,516	36,864		625,590	1,386,640	488,516	36,864		1,912,020
	Provision thereon	155,000	-	-	-	155,000	-	-	-	-	-	6,770	244,258	36,864		287,892	161,770	244,258	36,864		442,892
2) Fresh restructuring	No of Borrowers	-	-	2	-	2	-	-	-	-	-	-	-	1		1	-	-	3		3
	Amount Outstanding	98,302	-	4,356,807**	-	4,455,109	-	-	-	-	-	-	-	498,227		498,227	98,302	-	4,855,034		4,953,336
	Provision thereon	-	-	2,282,394	-	2,282,394	-	-	-	-	-	-	-	369,348		369,348	-	-	2,651,742		2,651,742
3) Upgradation 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	-	1	-	-	1
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-	-	488,516*	-	-	488,516	-	488,516	-	-	488,516
	Provision thereon	-	-	-	-	-	-	-	-	-	-	-	244,258	-	-	244,258	-	244,258	-	-	244,258
6) Write-Offs of the restructured accounts during the FY	No of Borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	167,500#	-	167,500	-	-	-	-	-	129	-	30,067***	-	30,196	129	-	197,567	-	197,696
	Provision thereon	-	-	98,768	-	98,768	-	-	-	-	-	-	-	21,067	-	21,067	-	-	119,835	-	119,835
7) Restructured Accounts as on 31 March 2016	No of Borrowers	1	-	2	-	3						1		3		4	2		5		7
	Amount Outstanding	1,384,732	-	4,189,307	-	5,574,039						100,081		505,024		605,105	1,484,813		4,694,331		6,179,144
	Provision thereon	155,000	-	2,183,626	-	2,338,626						6,770		385,145		391,915	161,770		2,568,771		2,730,541

Note: Amount o/s represents Funded outstanding

* During the year, there was a downgrade in one of the restructured customer from substandard to doubtful and same is shown as part of Sub-standard under Others.

** During the year there were 2 new additions cases of restructuring under CDR mechanism amounting to INR 4,356,807 thousands.

*** During the year, there was a part recovery of INR 21,067 thousands and INR 9,000 thousands is on account of conversion to equity shares.

Represents recovery on account of conversion to equity shares of INR 67,034 thousands and loss of conversion of INR 100,466 thousands.

Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
Asset Classification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
Details																					
1) Restructured Accounts as on 01 April 2014	No of Borrowers			1		1							1	1		2		1	2		3
	Amount Outstanding			1,627,468		1,627,468							29,847	7,015		36,862		29,847	1,634,483		1,664,330
	Provision thereon			976,481		976,481							9,811	7,015		16,826		9,811	983,496		993,307
2) Fresh restructuring	No of Borrowers	1				1						1	1			2	2	1			3
	Amount Outstanding	1,286,430				1,286,430						100,210	491,516			591,726	1,386,640	491,516			1,878,156
	Provision thereon	155,000		650,987#		805,987						6,770	244,258			251,028	161,770	244,258	650,987		1,057,015
3) Upgradation 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				(1)	1		
	Amount Outstanding												(29,847)	29,849		2		(29,847)	29,849		2
	Provision thereon												(9,811)	29,849#		20,038		(9,811)	29,849		20,038
6) Write-Offs of the restructured accounts during the FY	No of Borrowers			1		1													1		1
	Amount Outstanding			1,627,468		1,627,468							3,000**			3,000**		3,000	1,627,468		1,630,468
	Provision thereon			1,627,468		1,627,468													1,627,468		1,627,468
7) Restructured Accounts as on 31 March 2015	No of Borrowers	1				1						1	1	2		4	2	1	2		5
	Amount Outstanding	1,286,430				1,286,430						100,210	488,516**	36,864		625,590	1,386,640	488,516	36,864		1,912,020
	Provision thereon	155,000				155,000						6,770	244,258*	36,864		287,892	161,770	244,258	36,864		442,892

Note: Amount o/s represents Funded outstanding

* Includes INR 28,704 thousands pertaining to provision in lieu of diminution in the fair value of restructured accounts

** During the year, from the opening balance there was recovery of INR 3,000 thousands as shown in point no 6 in Sub-Standard in that column

*** During the year, from the opening balance there was part recovery of INR 45,532 thousands by way of allotment of equity shares and INR 32,868 thousands was partly write-off. The balance amount of INR 1,549,068 thousands represents technical write off

**** During the year, the account has been downgraded to Doubtful category. The same has been shown in point no 5 in Doubtful category under downgradations head with amount as INR 29,849 thousands which includes additional charges of INR 2 thousands levied as an addition. Additional specific provision created during the year at INR 20,038 thousands

Represents additional specific provision created during the year for asset restructured in earlier year.

25. Financial Assets sold to Securitisation / Reconstruction Companies for Asset Reconstruction

(Currency: Indian rupees in thousands)

Particulars	31 Mar 16	31 Mar 15
(i) No. of accounts	-	1
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	-	3,903,730
(iii) Aggregate consideration	-	1,100,000
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate loss over net book value	-	2,803,730

Details of security receipts received on account of sale of financial assets to Securitisation / Reconstruction Company for Asset Reconstruction is as under

Particulars	Backed by NPAs sold by the bank as underlying		Backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying		Total	
	31 Mar 16	31 Mar 15	31 Mar 16	31 Mar 15	31 Mar 16	31 Mar 15
Book value of investment in security receipts	935,000	935,000	-	-	935,000	935,000

26. Details of non-performing financial assets purchased/sold

There were no purchases or sales of non-performing financial assets from/to other banks during the year ended 31 March 2016 (Previous Year: Nil).

27. Provision for Standard Assets and Derivatives

Particulars	31 Mar 16	31 Mar 15
General Loan Loss Provision on Standard Assets (including standard asset provisioning on asset classified as standard restructured)	**809,367**	739,484
General Provision on Credit Exposures on Derivatives	**154,519**	174,883

28. Business Ratios

	Particulars	31 Mar 16	31 Mar 15
i	Interest Income to working funds	5.91%	6.02%
ii	Non-interest income to working funds	**0.79%**	0.59%
iii	Operating profits to working funds	1.21%	1.11%
iv	Return on Assets	0.02%	(0.71)%
v	Business (deposits plus advances) per employee	**376,120**	347,646
vi	Net Profit per employee	78	(2,882)

Note :

1) Working funds are reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949, during the 12 months of the financial year.
2) Return on Assets is with reference to average working funds (i.e. total of assets excluding accumulated losses, if any).
3) Business volume has been computed based on advances & deposits (excluding interbank deposits) outstanding as at the year-end.
4) Employee numbers are those as at the year-end.

29. Exposure to Capital Market

Sr. No.	Particulars	31 March 16	31 March 15
(i)	Direct investments made in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	-	-
(ii)	Advances against shares, bonds, debentures or other securities or on clean basis to individuals for investment in shares (including IPO's/ESOPS), convertible bonds, convertible debentures and units of equity oriented mutual funds	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-

(iv)	Advances for any other purposes to the extent secured by 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	-	2,888,516
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(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	-	-
(vii)	Bridge loans to companies against expected equity flows/issues	-	-
(viii)	Underwriting commitments taken up 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)	-	-
	Total Exposure to Capital Market	-	2,888,516

Note: Equity shares received on account of restructuring of loan is excluded from exposure to capital market in accordance with RBI's Master Circular DBR.No.Dir. BC.12/13.03.00/2015-16 dated 01 July 2015.

For the purpose of this disclosure, the bank has compiled the data which has been relied upon by the auditor

30. Exposure to Real Estate Sector

Particulars	31 Mar 2016	31 Mar 2015
a) Direct Exposure	14,118,069	11,565,231
(i) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans eligible for inclusion in priority sector advances may be shown separately)	3,102,521	190,990
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	11,015,548	11,374,241
(iii) Investments in Mortgage backed Securities (MBS) and other securitised exposures - a. Residential, b. Commercial Real Estate.	-	-
b) Indirect Exposure	3,364,807	3,248,814
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	3,364,807	3,248,814
Total Exposure to Real Estate Sector	17,482,876	14,814,045

31. Risk Category Wise Country Risk Exposure

Provision for Country Risk Exposure in terms of RBI master circular DBR.No.BP. BC.9/21.04.048/2015-16 dated 01 July 2015 is as follows:

Risk Category	Exposure (net) as at 31 March 2016	Provision held as at 31 March 2016	Exposure (net) as at 31 March 2015	Provision held as at 31 March 2015
Insignificant	49,711,994	26,239	15,244,692	6,493
Low	4,640,366	-	8,550,154	2,624
Moderate	2,611,582	-	99,720	-
High	161,511	-	170,149	-
Very high	2,934	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	57,128,387	26,239	24,064,715	9,117

Country risk provisions are held in addition to the provisions required to be held as per the asset classification status. In terms of the RBI circular, the provision is made for only those countries where the net funded exposure is not less than 1 percent of total assets. For exposures with contractual maturity of less than 180 days, 25% of the normal provision requirements are held.

32. Single Borrower (SBL) and Group Borrower (GBL) Exposure

There were no instances of exposure in excess of the prudential exposure limits during the current year for SBL (Previous year the Bank's credit exposures ceiling to individual borrowers has been exceeded in case of DLF Limited, United Spirits Limited and Totsa Total Oil Trading SA, Switzerland for which approval of the India Management Committee has been obtained for exceeding the exposure ceiling) and for GBL (Previous year Nil)

33. Unsecured Advances

There are no unsecured advances (Previous Year: Nil) for which Bank has taken charge over brand (intangible securities). The estimated value of the collateral is Nil. (Previous Year: Nil).

34. Penalties imposed by RBI

During the financial year under review, no penalty has been levied by RBI. (Previous Year: Nil).

35. Deferred Taxes

The composition of Deferred Tax Asset / (Liability) is:

Particulars	31 Mar 2016	31 Mar 2015
Deferred tax assets (A):	4,922,152	5,186,648
- Depreciation on fixed assets	66,176	84,937
- Provision on advances	4,300,334	3,249,000
- Disallowance u/s 43B of Income Tax Act 1961	28,213	29,060
- Provision for employee benefits	78,228	117,255
- Amortisation of fee income	41,471	27,352
- Carry forward Income tax losses	227,219	1,679,044
- Provision for country risk, outside SDR cases and contingent credit	180,511	-
Deferred tax liabilities (B):	(62,956)	(372)
- Amortisation of Club membership	(372)	(372)
- AS-19 Straight lining	(291)	-
- Provision u/s 36(1)(viia)	(62,293)	-
Net Deferred tax assets (A-B)	4,859,196	5,186,276

36. Subordinated Debt

The Bank has not raised any Subordinated Debt during the year ended 31 March 2016. (Previous Year: INR 16,250,000 thousands).

37. Maturity profile of assets and liabilities

	1 Day	2-7 Days	8 – 14 Days	15 – 28 Days	29 Days – 3 Months	3 – 6 Months	6 Months – 1 Year	1 – 3 Years	3 – 5 Years	Over 5 Years	Total
Deposits	4,800,500 (4,103,247)	23,558,053 (28,805,743)	26,039,895 (16,111,364)	31,957,690 (23,705,461)	68,418,028 (33,375,792)	5,713,680 (12,199,312)	37,268,646 (9,444,660)	30,168,556 (43,001,647)	5,285,871 (2,212,955)	1,064,374 (989,384)	234,275,293 (173,949,565)
Advances	12,903 (15,818,821)	2,809,295 (1,915,140)	2,636,218 (5,149,713)	6,244,895 (15,043,269)	24,549,011 (51,342,147)	13,260,264 (30,711,960)	22,826,943 (7,479,143)	89,568,021 (9,712,739)	6,144,571 (9,645,525)	8,478,874 (11,468,502)	176,530,995 (158,286,959)
Investments	81,361,010 (85,230,155)	4,829,714 (4,931,687)	2,559,956 (2,678,771)	8,955,120 (4,214,155)	12,554,184 (8,595,976)	1,279,978 (2,631,880)	9,202,735 (8,061,619)	8,545,996 (4,021,170)	3,829,620 (1,706,124)	22,721,259 (13,094,049)	155,839,572 (135,165,586)
Borrowings	738,842 (1,750,321)	57,458,101 (28,291,100)	13,980,353 (16,879,099)	9,868,682 (17,096,935)	14,553,178 (5,378,251)	1,538,157 (5,431,099)	- (8,750,000)	- (-)	17,226,300 (16,250,000)	- (-)	115,363,613 (99,826,805)
Foreign Currency Assets (*)	32,718,864 (4,811,002)	2,310,633 (228,266)	3,646,873 (1,681,945)	6,373,982 (9,722,414)	3,833,799 (11,849,555)	8,657,573 (14,852,897)	1,368,850 (31,513)	20,565,824 (632,371)	6,050,482 -	782,637 (2,353,907)	86,309,517 (46,163,870)
Foreign Currency Liabilities (*)	4,566,221 (3,967,057)	2,571,107 (71,982)	4,021,685 (879,178)	9,878,665 (9,097,155)	9,921,125 (416,349)	1,731,216 (5,701,326)	34,660,686 (8,872,878)	8,173,215 (32,126,860)	17,278,452 (18,182,470)	1,115 (2,541)	92,803,487 (79,317,796)

(Figures in brackets indicate previous year numbers)

(*) Foreign currency assets and liabilities exclude off-balance sheet assets and liabilities and consequent unrealized profit/ loss on the same.

The classification of assets and liabilities under the different maturity buckets are compiled by management on the same estimates and assumptions as used by the Bank for compiling the returns submitted to RBI.

38. Segmental Reporting

As per the guidelines issued by RBI vide DBOD.No.BP.BC.81/21.04.018/2006-07 dated April 18, 2007, the classification of exposures to the respective segments is being followed. With effect from 1st April 2012 due to internal reorganization, Funding Management Unit (FMU) which was part of treasury was carved out as a separate business segment. Accordingly the Bank has identified "Treasury", "Retail Banking" and "Corporate / Wholesale Banking" and "Funding Management Unit" as the primary reporting segments. The business segments have been identified and reported based on the organization structure, the nature of products and services offered, the internal business reporting system and the guidelines prescribed by RBI.

Treasury undertakes trading in bonds & other investment, derivatives trading and foreign exchange operations on the proprietary account and for customers. Revenues under this section primarily comprise fees, gains / losses from trading and interest income from the investment portfolio.

Retail Banking segment constitutes the business with individuals through the branch network and other delivery channels like ATM, Internet banking etc. This segment raises deposits from customers and provides fee based wealth management distribution services to such customers.

Corporate / Wholesale Banking caters to the Corporate and Institutional customers. This segment includes all advances to trusts, partnership firms, companies and statutory bodies, which are not included under "Retail Banking". These also include custody operations, payment and settlement operations and factoring advances. Small and medium enterprises are also included in Corporate / Wholesale Banking.

FMU results depicts the net impact of the internal fund transfer pricing (FTP) policy of the Bank whereby FMU charges a FTP to each respective business for the asset owned by them and provides a FTP credit for liabilities raised by each business. The capital of the bank resides with the FMU team.

Segment revenues stated below are aggregate of Schedule 13 - Interest income and Schedule 14 - Other income.

The segment expenses comprise funding costs (external and internal), personnel costs and other direct and allocated overheads.

Segment results are determined basis the segment revenue, segment cost and inter-unit notional charges / recoveries for cost of funds.

	Treasury & Markets	Corporate / Wholesale Banking	Retail Banking	Funding Management Unit	Total
Segmental Revenue (external revenue)	9,000,145 *(11,316,208)*	14,236,629 *(13,660,649)*	482,071 *(617,190)*	- *(-)*	23,718,845 *(25,594,047)*
Total Revenue					23,718,845 *(25,594,047)*
Results	1,047,863 *(419,482)*	(2,031,527) *(-7,620,365)*	(1,110,960) *(-716,494)*	2,238,427 *(3,122,342)*	143,803 *(-4,795,035)*
Unallocated expenses					- *(-)*
(Loss) /Profit before tax and extraordinary items					143,803 *(-4,795,035)*
Tax					58,205 *(-2,048,640)*
Extraordinary profit / loss					- *(-)*
Net (Loss) / Profit after Tax					**85,598** ***(-2,746,395)***

	Treasury & Markets	Corporate / Wholesale Banking	Retail Banking	Funding Management Unit	Total
Segment Assets	248,558,915 *(190,814,503)*	176,481,588 *(159,035,246)*	3,392,547 *(308,765)*	- *(-)*	428,433,050 (350,320,284)
Unallocated assets					10,021,192 (9,040,446)
Total Assets					438,454,242 (359,198,960)
Segment Liabilities	154,865,945 *(143,984,456)*	184,365,742 *(121,026,438)*	54,165,678 *(56,067,752)*	- *(-)*	393,397,365 (321,078,646)
Unallocated Liabilities					881,613 (705,321)
Capital and Reserves					44,175,264 (37,414,993)
Total Liabilities					438,454,242 (359,198,960)

(Figures in brackets and italics indicate previous year numbers)

The Bank does not have overseas operations and operates only in the domestic segment.

In computing the above information, certain assumption and estimate have been made by the management which have been relied upon by the auditors

39. Related Parties

Related parties disclosures under AS 18 include:

Ultimate Parent

DBS Group Holdings Ltd

Parent

DBS Bank Ltd., Singapore

Branches of Parent / Subsidiaries of Parent

- DBS Bank (Hong Kong) Limited
- DBS Bank Ltd., London
- DBS Bank Ltd., Tokyo
- DBS Bank Ltd., Taipei
- DBS Bank Ltd., Los Angeles
- DBS Bank (China) Limited
- PT Bank DBS Indonesia
- DBS Asia Hub 2 Private Limited

Entity over which the Bank exercises control

- DBS Bank Employees' Provident Fund Trust

Key Management Personnel

- Sanjiv Bhasin: General Manager and Chief Executive Officer upto 17 May 2015
- Surojit Shome: General Manager and Chief Executive Officer with effect from 18 May 2015

With regard to RBI Circular No. DBOD.BP.BC No.7 /21.04.018/2015-16 dated 01 July 2015, the Bank has not disclosed details pertaining to related parties where under a category, there is only one entity. Accordingly disclosures have only been made for transactions with "Branches of Parent / Subsidiaries of Parent".

Items / Related Party	31 Mar 2016	31 Mar2015
Deposit	655,449 (715,585)	68 (68)
Placement of Deposits	5,079 (3,566,253)	56,790 (5,240,992)
Borrowings	63 (1,408,082)	- (3,309,940)
Guarantees / Derivatives / Forward Contracts	4,570,409 (5,414,869)	1,699,174 (4,818,711)
Interest paid	67	470
Interest received	631	79
Rendering of services	13,157	1,269
Receiving of services	-	3,020

(Figures in brackets indicate maximum outstanding during the year)

Material related party transactions are given below:

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. Following were the material transactions between the Bank and its related parties:

Acceptance of Deposits:

Deposit placed by DBS Asia Hub 2 Private Limited INR 655,381 thousands (Previous Year: Nil)

Placement of Deposits:

Nostro deposit was placed with DBS Bank Ltd., London INR 4,110 thousands (Previous Year: INR 54,704 thousands) and DBS Bank(Hong Kong) Ltd INR 550 thousands (Previous Year: INR 1,671 thousands)

Guarantees / Derivatives / Forward Contracts:

Guarantees given on behalf of DBS Bank Ltd., London INR 3,735,669 thousands (Previous Year: INR 614,819 thousands). Guarantees given on behalf of DBS Bank Ltd., Taipei INR 783,924 thousands (Previous Year: INR 1,039,394 thousands). FX deal entered into with DBS Hong Kong INR 40,937 thousands (Previous Year: Nil)

Interest paid:

Interest on money market borrowing paid to DBS Bank Ltd., London INR 67 thousands (Previous Year: INR 470 thousands).

Interest received:

Interest on money market lending received from DBS Bank Ltd., London INR 631 thousands (Previous Year: INR 79 thousands).

Rendering of Services:

Income on rendering of employee services from DBS Asia Hub 2 Private Limited INR 11,969 thousands (Previous Year: NIL)

Receiving of Services:

Direct Billing costs pertaining to DBS Bank (Hong Kong) Limited NIL (Previous Year: INR 1,422 thousands). Direct Billing costs pertaining to DBS Bank (China) Limited NIL (Previous Year: INR 1,598 thousands).

40. Operating Leases

Operating Leases are entered into for office premises, ATM premises and staff accommodation. The total of future minimum lease payments under non-cancellable operating leases as determined by the lease agreements for each of the following periods are as follows:

Particulars	31 Mar 2016	31 Mar 2015
Not later than one year	276,098	368,215
Later than one year and not later than 5 years	34,344	259,015
Later than five years	Nil	Nil

The lease payments for the year ended 31 March 2016 charged to the Profit and Loss Account amount to INR 452,977 thousands (Previous Year: INR 424,052 thousands).

The Bank has entered into operating lease arrangements for office premises, ATM's and residential premises for select bank staff.

Certain leases are cancellable on providing notice period of 1 month to 6 months and may be renewed for a further period from 1 year to 3 years based on mutual agreement of both the parties.

41. Employee Benefits

Provident Fund: The Bank's contribution to the Employees' Provident Fund during the year was INR 104,310 thousands (Previous Year: INR 87,364 thousands).

The defined benefit obligation of interest rate guarantee on exempt Provident Fund in respect of the employees of the Bank has been determined for the year ended 31 March 2016 based on the Guidance Note (GN 29) on Valuation of Interest Rate Guarantees on Exempt Provident Funds under AS 15 (Revised) issued by The Institute of Actuaries of India. The defined benefit obligation of interest rate guarantee as at 31 March 2016 based on actuarial valuation is INR 7,136 thousands (Previous Year: INR 6,954 thousands).

Table 1: Break-down of Liability to be recognized in the Balance Sheet

	Particulars	31 Mar 2016	31 Mar 2015
A	Value of the Interest Rate Guarantee	19,625	12,576
B	Accumulated Balance in the Provident Fund	1,477,508	1,224,392
C	Present Value of the Obligation (A+B)	1,497,133	1,236,968
D	Carrying Value of Plan Assets	1,489,997	1,230,014
E	**Liability recognized in the Balance Sheet (C – D)**	7,136	6,954

Table 2: Parameters of PF investment and obligations

	Particulars	31 Mar 2016	31 Mar 2015
I	Discount rate for the term of the obligation	7.3%p.a.	7.8%p.a.
II	Average historical yield on the investment portfolio	8.8%p.a.	8.7%p.a.
III	Discount rate for the remaining term to maturity of the investment portfolio	7.3%p.a.	7.8%p.a.
IV	Expected Investment Return	8.5%-9%p.a.	8.7%-8.9%p.a.
V	Guaranteed Rate of Return	8.8%p.a.	8.75%p.a.
VI	Salary escalation rate for the term of the obligation	7%p.a.	6%p.a.

Compensated Absences: The Bank has charged INR 2,895 thousands to the Profit and Loss Account towards provision for compensated absences during the year ended 31 March 2016. (Previous Year charge of INR 4,433 thousands).

Principal Actuarial Assumptions	31 Mar 2016	31 Mar 2015
Discount Rate (per annum)	**7.5%**	7.8%
Salary Escalation Rate (per annum)	**7%**	7%
Mortality	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)
Withdrawal rate (per annum)	**17%**	16%

Gratuity: The Bank has charged INR 47,891 thousands towards provision held in the Gratuity Fund for the year ended 31 March 2016 (Previous Year charge of INR 49,037 thousands).

The following table gives the disclosures regarding the Gratuity Scheme in accordance with AS 15 (Revised) as notified by the Companies (Accounting Standards) Rules 2006.

(I)	Net Asset / (Liability) recognized in the Balance Sheet	31 Mar 2016	31 Mar 2015
	Present Value of obligations as at year end	176,358	144,059
	Fair Value of plan assets as at year end	136,625	14,807
	Net Asset / (Liability) recognised in the Balance Sheet	(39,733)	(129,252)

(II)	Changes in Defined Benefit Obligation during the Year	31 Mar 2016	31 Mar 2015
	Opening Defined Benefit Obligation (DBO)	144,059	97,976
	Interest cost	11,237	8,720
	Current Service Cost	32,024	27,082
	Past Service Cost	-	-
	Actuarial (Gain) / Losses	5,578	13,978
	Benefits Paid	(16,540)	(3,697)
	Closing Defined Benefit Obligation	176,358	144,059

(III)	Changes in fair value of Plan Assets	31 Mar 2016	31 Mar 2015
	Opening Fair Value of Plan Assets	14,807	15,421
	Expected Return on Plan Assets	694	1,085
	Actuarial Gain / (Losses)	254	(342)
	Contributions by employer	137,410	2,340
	Benefits Paid	(16,540)	(3,697)
	Closing Fair Value of Plan Assets	136,625	14,807
	Estimated Employer Contributions for the next year	40,000	20,000
	Actual Return on Plan Assets	948	743

(IV)	Amount recognized in the Profit and Loss Account	31 Mar 2016	31 Mar 2015
	Current Service Cost	32,024	27,082
	Interest on Defined Benefit Obligation	11,237	8,720
	Expected Return on Plan Assets	(694)	(1,085)
	Net Actuarial Losses / (Gains) for the current year	5,324	14,320
	Amount recognized in the Profit and Loss Account	47,891	49,037

(V)	Asset Information	31 Mar 2016	31 Mar 2015
	Insurer Managed Funds (non unit-linked)	5%	100%
	Insurer Managed Funds (unit-linked)	95%	-
	Total	100%	100%

(VI)	Experience adjustments	31 Mar 16	31 Mar 15	31 Mar 14	31 Mar 13	31 Mar 12
	Present Value of DBO	176,358	144,059	97,976	86,181	56,187
	Fair Value of Plan Assets Funded Status [Surplus/ (Deficit)]	136,625 (39,733)	14,807 (129,252)	15,421 (82,555)	22,757 (63,424)	25,692 (30,495)
	Experience adjustment on Plan Liabilities : (Gain) / Loss	3,160	(513)	4,985	6,418	(4,899)
	Experience adjustment on Plan Asset : Gain	241	(342)	159	307	306

(VII)	Principal Actuarial Assumptions	31 Mar 2016	31 Mar 2015
	Discount Rate (per annum)	7.5%	7.8%
	Expected rate of return on assets (per annum)	7.8%	8%
	Salary Escalation Rate (per annum)	7%	7%
	Attrition Rate Expected average remaining working lives of employees Mortality Rate	17% 5 years IALM 2006-08 (Ultimate).	16% 5 years IALM 2006-08 (Ultimate).

The estimate of future salary increase considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors.

42. Employee share based payments

The Bank grants shares in its ultimate parent, DBS Group Holdings Ltd, to certain eligible employees. Upon settlement the shares are transferred to its employees. The shares are awarded to the eligible employees as per the current schemes which are set out below:

a. Restricted share plan - The shares awarded under the said plan to the eligible employees could be performance-based and/or time-based. Where time-based awards are granted, they will only vest after the satisfactory completion of time-based service conditions. A time-based award comprises two elements, namely, the main award and the retention (also known as "kicker") award.

   Shares awarded vest in a graded manner whereby, thirty-three percent of the shares comprised in the main award will vest two years after the date of grant. A further thirty-three percent of the shares comprised in the main award will vest three years after the date of grant. The remainder thirty-four percent of the shares comprised in the main award, together with the shares comprised in the retention award, known as kicker will vest four years after the date of grant.

b. Chairman Recognition award – Eligible employees of the Bank are awarded ordinary shares for their excellent performance during the year. Shares awarded vest in a graded manner whereby thirty-three percent of the shares will vest two years after the date of grant, a further thirty-three percent of the shares comprised in the main award will vest three years after the date of grant and the remainder thirty-four percent of the shares will vest four years after the date of grant.

A reconciliation of employee share based payment movements in number of shares during the year ended 31 March 2016 is shown below:

(Currency: Indian rupees in thousands)

Category	Year	No. of unvested shares as at 31 March 2015	Granted	Additional shares for rights issue	Vested	Lapsed	No. of unvested shares as at 31 March 2016
Restricted Share Plan	2012	29,828	-	-	29,420	408	-
	2013	32,669	-	-	9,737	8	22,924
	2014	99,368	-	-	29,512	-	69,856
	2015	33,543	-	-	-	1,550	31,993
	2016	-	55,550	-	-	-	55,550
Chairman's Recognition Award	2012	15,722	-		11,341	4,381	-
	2013	41,133	-	-	13,951	10,416	16,766
	2014	71,600	-	-	20,900	9,890	40,810
	2015	47,753	-	-	-	3,200	44,553
	2016	-	100,573	-	-	-	100,573

The weighted average fair value of shares awarded as shown above were in the range of SGD 13.31 – SGD 19.10.

A reconciliation of employee share based payment movements in number of shares during the year ended 31 March 2015 is shown below:

Category	Year	No. of unvested shares as at 31 March 2014	Granted	Additional shares for rights issue	Vested	Lapsed	No. of unvested shares as at 31 March 2015
Restricted Share Plan	2011	39,581	-	2,163	41,744	-	-
	2012	47,087	-	740	17,999	-	29,828
	2013	50,068	-		11,975	5,424	32,669
	2014	103,468		-		4,100	99,368
	2015	-	33,543	-	-	-	33,543
Chairman's Recognition Award	2011	8,642	-		8,642	-	-
	2012	31,663	-	-	15,748	193	15,722
	2013	61,700	-	-	20,567	-	41,133
	2014	71,600	-	-	-	-	71,600
	2015	-	48,253	-	-	500	47,753

The weighted average fair value of shares awarded as shown above were in the range of SGD 14.10 – SGD 19.10.

The charge to Profit and Loss Account for the year ended 31 March 2016 was INR 83,591 thousands (Previous Year: INR 88,029 thousands).

Liability on account of share based payment as at 31 March 2015 is INR 16,382 thousands (Previous Year: INR 23,750 thousands).

43. Complaints

In terms of RBI Circular DBR.No.BP.BC.No.23 /21.04.018/2015-16 dated 1 July 2015, the details of customer complaints and Banking Ombudsman awards during the year are as under:

Particulars	31 Mar 16	31 Mar 15
No. of complaints pending at the beginning of the year	2	5
No. of complaints received during the year	535	283
No. of complaints redressed during the year	529	286
No. of complaints pending at the end of the year	8	2

Particulars	31 Mar 16	31 Mar 15
No. of unimplemented awards at the beginning of the year	-	-
No. of awards passed by the Banking Ombudsmen during the year	-	-
No. of awards implemented during the year	-	-
No. of unimplemented awards at the end of the year	-	-

44. Impairment of Assets

There is no impairment of fixed assets and as such there is no provision required in terms of Accounting Standard 28 'Impairment of Assets'.

45. Contingent Liabilities

a) *Claims against bank not acknowledged as debt*

This includes liability on account of income tax demands raised against the Bank that are referred to various authorities. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, result of operations or cash flows

b) *Liability on account of forward exchange contracts/Liability on account of outstanding Currency and Interest Rate Swap, Option contracts and Interest Rate Derivatives*

The Bank enters into foreign exchange contracts, currency options/swaps, interest rate options/swaps and forward rate agreements 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. Currency swaps are commitments to exchange cash flows by way of interest/principal in two currencies, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Forward Rate Agreements are agreements to pay or receive a certain sum based on a differential interest rate on a notional amount for an agreed period. A foreign currency option is an agreement between two parties in which one grants to the other the right, but not the obligation, to buy or sell a specified amount of currency at a specific price within a specified time period or at a specified future time. Interest Rate Futures is a standardised interest rate derivative contract traded on a recognized stock exchange to buy or sell a notional security or any other interest bearing instrument or an index of such instruments or interest rates at a specified future date, at a price determined at the time of the contract. The notional principal amounts of foreign exchange and derivatives contracts have been recorded as contingent liabilities.

c) *Guarantees given on behalf of constituents*

As a part of its banking activities, the Bank issues guarantees on behalf of its customers. Generally, guarantees represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.

d) *Acceptances, endorsements and other obligations*

These include documentary credits issued by the Bank on behalf of its customers and bills drawn by the Bank's customers that are accepted or endorsed by the Bank.

e) *Other items for which the bank is contingently liable*

Other items represent amount payable against bills re-discounted, estimated amount of contracts remaining to be executed on capital account and value of investment traded on or before the Balance Sheet date with a settlement post Balance Sheet date.

46. Disclosure under Micro, Small & Medium Enterprises Development Act, 2006

The Bank has a policy of payment to its vendors based on the agreed credit terms. Consequently, as per Bank's policy there have been no reported cases of delays in payments in excess of 45 days to Micro, Small and Medium Enterprises or of interest payments due to delays in such payments, during the year ended 31 March 2016 (Previous Year: Nil).

The above information takes into account only those suppliers who have responded to inquiries made by the bank for this purpose.

47. Movement in provisions

Disclosure of movement in provisions in accordance with AS 29 is set out below:

Particulars	31 Mar 16	31 Mar 15
Opening balance at the beginning of the year	154,414	150,912
Add : Provision made during the year	92,974	89,197
Less : Utilisation, write back of excess provisions during the year	89,197	85,695
Closing balance at the end of the year	158,191	154,414

Note: Provision represents bonus and potential claims\demand.

48. Technical Write-Offs

In terms of RBI Circular DBR.BP.BC.No.8 / 21.04.018 / 2015-16 dated 1 July 2015, the details of technical write-offs and the recoveries made thereon during the year are as under:

Particulars	31 Mar 16	31 Mar 15
Opening balance of Technical/ Prudential written-off accounts	3,337,558	Nil
Add: Technical/ Prudential write-offs during the year	657,708	3,337,558
Sub-total (A)	3,995,266	3,337,558
Less: Recoveries made from previously technical/ prudential written-off accounts during the year (B)	Nil	Nil
Closing balance as at March 31 (A-B)	3,995,266	3,337,558

49. Unhedged Foreign Currency Exposure (UFCE)

RBI has issued various guidelines advising banks to closely monitor the unhedged foreign currency exposures of their borrowing clients. However, the extent of unhedged foreign currency exposures of the entities continues to be significant and this can increase the probability of default in times of high currency volatility. RBI had, therefore, introduced incremental provisioning and capital requirements for bank exposures to entities with unhedged foreign currency exposures.

The process for ascertaining the amount of UFCE, estimating the extent of the likely loss, the riskiness of the unhedged positions, provisions thereof, etc are to be done as per the RBI Circular DBOD.No. BP.BC. 85/21.06.200/2013-14 dated January 15, 2014. DBS India's policy Guidelines for Monitoring Unhedged Foreign Currency Exposures of Corporates, Provisioning & Capital requirements encompass the RBI guidelines in this regard.

This guideline indicates the definition of "unhedged foreign currency exposure" (as per RBI) and how to estimate the extent of likely loss. Likely loss is defined as "The loss to the entity in case of movement in USD-INR exchange rate may be calculated using the annualized volatilities (currently pegged at 12.49% of notional by RBI guidelines). Once the loss figure is calculated, it may be compared with the annual EBID of the corporate as per the latest quarterly results certified by the statutory auditors. This loss may be computed as a percentage of EBID. Higher this percentage, higher will be the susceptibility of the entity to adverse exchange rate movements. Therefore, as a prudential measure, all exposures to such entities (whether in foreign currency or in INR) would attract incremental capital and provisioning requirements (i.e., over and above the present requirements) as prescribed by RBI.

As per RBI guideline, the UFCE may be obtained from entities every quarter on self-certification basis, and preferably should be internally audited by the entity concerned. However, at least on an annual basis, UFCE information should be audited and certified by the statutory auditors of the entity for its authenticity. For this purpose, for cases with large UFCE where the likely loss to EBID is over 75% are tabled at the Credit Committee on a quarterly basis.

In terms of RBI Circular DBOD.No.BP.BC. 85 /21.06.200/2013-14 dated 15 January 2014, the details of incremental provisioning and capital held by the Bank are as below:

Particulars	31 Mar 16	31 Mar 15
Incremental provision on account of UFCE	153,565	170,776
Incremental risk weighted assets on account of UFCE	6,187,833	6,217,085

50. Intra-Group Exposures

In terms of RBI circular DBOD.No.BP.BC.96/21.06.102/2013-14 dated 11 February 2014, the disclosures on intra-group exposures are as below:

Particulars	31 Mar 16	31 Mar 15
Total amount of intra-group exposures *	4,115,944	3,283,207
Total amount of top-20 intra-group exposures *	4,115,944	3,283,207
Percentage of intra-group exposures to total exposure of the bank on borrowers /customers	1.19%	1.02%
Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	Nil	Nil

* Intra - group exposure includes Nostro balance with head office and subsidiary of parent amounting to INR 1,127,055 thousands (Previous Year INR 680,763 thousands).

Total Exposure has been computed basis the guidelines provided in the exposure norms circular.

Proprietary derivative position with head office is based on the information provided by the management which has been relied upon by the auditors.

51. Transfers to Depositor Education and Awareness Fund (DEAF)

In terms of RBI circular DBR.No.BP.BC.No.23/21.04.018/2015-16 dated 1 July 2015, there is no transfer to DEAF during the year. Accordingly, the disclosures on disclosures on DEAF are as below:

Particulars	31 Mar 16	31 Mar 15
Opening balance of amounts transferred to DEAF	Nil	Nil
Add : Amounts transferred to DEAF during the year	Nil	Nil
Less : Amounts reimbursed by DEAF towards claims	Nil	Nil
Closing balance of amounts transferred to DEAF	Nil	Nil

52. Liquidity Coverage Ratio

RBI vide its circular DBOD.BP.BC.No.120 / 21.04.098/2013-14 dated 9 June 2014, notified Basel III framework on Liquidity Standards covering Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards. As per the guidelines, following is the disclosure of information on Liquidity Coverage Ratio (LCR)

Particulars	30-Jun-2015		30-Sep-2015		30-Dec-2015		31 Mar 16	
	Total Unweighted Value (average *)	Total Weighted Value (average *)	Total Unweighted Value (average *)	Total Weighted Value (average *)	Total Unweighted Value (average *)	Total Weighted Value (average *)	Total Unweighted Value (average *)	Total Weighted Value (average *)
High Quality Liquid Assets								
1. Total High Quality Liquid Assets (HQLA) (A)		**4,02,56,217**		**4,39,97,373**		**4,91,57,039**		**5,44,71,756**
Cash Outflows								
2. Retail deposits and deposits from small business customers, of which:	**6,39,05,165**	**63,74,565**	**5,94,53,472**	**59,20,987**	**2,17,13,135**	**21,68,328**	**2,26,75,063**	**22,63,330**
(i) Stable deposits	3,19,024	15,951	4,87,208	24,360	59,717	2,986	83,524	4,176
(ii) Less stable deposits	6,35,86,141	63,58,614	5,89,66,264	58,96,626	2,16,53,418	21,65,342	2,25,91,539	22,59,154
3. Unsecured wholesale funding, of which:	**11,60,42,710**	**5,45,60,241**	**11,50,64,444**	**5,54,41,881**	**13,74,41,615**	**6,53,52,553**	**16,07,86,977**	**7,06,62,412**
(i) Operational deposits (all counterparties)	2,18,22,985	54,32,095	1,90,95,732	47,37,202	2,57,24,738	63,93,075	3,34,64,377	83,27,027
(ii) Non-operational deposits (all counterparties)	9,42,19,725	4,91,28,146	9,59,68,712	5,07,04,679	11,17,16,877	5,89,59,478	12,73,22,600	6,23,35,385
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4. Secured wholesale funding				-		-		-
5. Additional requirements, of which	**1,57,95,257**	**44,53,057**	**1,74,78,587**	**44,75,567**	**1,85,35,534**	**38,14,025**	**2,15,47,789**	**54,42,849**
(i) Outflows related to derivative exposures and other collateral # requirements	24,53,850	31,18,917	30,30,787	30,30,787	21,78,302	21,78,302	36,53,411	36,53,411
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	1,33,41,407	13,34,141	1,44,47,800	14,44,780	1,63,57,231	16,35,723	1,78,94,378	17,89,438
6. Other contractual funding obligations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
7. Other contingent funding obligations	**15,51,74,428**	**77,58,721**	**15,76,65,350**	**78,83,268**	**15,57,82,624**	**77,89,131**	**15,55,64,065**	**69,54,140**
8. **Total Cash Outflows (B)**		**7,31,46,585**		**7,37,21,702**		**7,91,24,037**		**8,53,22,731**
Cash Inflows								
9. Secured lending (e.g. reverse repos)	**6,17,107**	**-**	**-**	**-**	**19,03,281**	**-**	**6,92,019**	**-**
10. Inflows from fully performing exposures	**4,46,94,538**	**3,06,79,193**	**4,57,43,532**	**3,19,65,293**	**4,59,84,480**	**3,32,52,058**	**4,84,79,907**	**3,76,76,325**
11. Other cash inflows	**2,47,25,837**	**11,25,837**	**2,49,83,917**	**8,50,584**	**2,58,43,625**	**6,43,625**	**2,54,12,604**	**17,62,604**
12. **Total Cash Inflows (C)**		**3,18,05,030**		**3,28,15,877**		**3,38,95,683**		**3,94,38,928**
		Total Adjusted Value		**Total Adjusted Value**		**Total Adjusted Value**		**Total Adjusted Value**
21. TOTAL HQLA		**4,02,56,217**		**4,39,97,373**		**4,91,57,039**		**5,44,71,756**
22. Total Net Cash Outflows (D = B-C)		**4,13,41,555**		**4,09,05,825**		**4,52,28,354**		**4,58,83,803**
23. Liquidity Coverage Ratio (%) (A)/(D)		**97.37%**		**107.56%**		**108.69%**		**118.72%**

* Average is calculated based on three month end data points for each quarter (June to March 2016).

The largest absolute net 30-day collateral flow is arrived at using data of preceding 24 months for Mar'16, and the Mar'16 collateral flow is also considered for previous periods (Apr'15 to Feb'16).

In computing the above information, certain assumption and estimate have been made by the management which have been relied upon by the auditors

Particulars	31 Mar 15	
	Total Unweighted Value (average *)	Total Weighted Value (average *)
High Quality Liquid Assets		
1. Total High Quality Liquid Assets (HQLA) (A)		44,280,949
Cash Outflows		
2. Retail deposits and deposits from small business customers, of which:	59,016,089	5,859,141
(i) Stable deposits	849,350	42,467
(ii) Less stable deposits	58,166,739	5,816,674
3. Unsecured wholesale funding, of which:		
(i) Operational deposits (all counterparties)	16,260,654	4,030,727
(ii) Non-operational deposits (all counterparties)	89,834,645	47,730,739
(iii) Unsecured debt	-	-
4. Secured wholesale funding		-
5. Additional requirements, of which	11,716,492	1,227,722
(i) Outflows related to derivative exposures and other collateral requirements	62,303	62,303
(ii) Outflows related to loss of funding on debt products	-	-
(iii) Credit and liquidity facilities	11,654,189	1,165,419
6. Other contractual funding obligations	-	-
7. Other contingent funding obligations	155,154,509	7,757,725
8. **Total Cash Outflows (B)**		**66,606,054**
Cash Inflows		
9. Secured lending (e.g. reverse repos)	979,917	-
10. Inflows from fully performing exposures	43,184,277	32,015,001
11. Other cash inflows	24,125,819	525,819
12. **Total Cash Inflows (C)**		**32,540,820**
		Total Adjusted Value
21. TOTAL HQLA		**44,280,949**
22. Total Net Cash Outflows (D = B-C)		**34,065,234**
23. Liquidity Coverage Ratio (%) (A)/(D)		**129.99%**

* Average is calculated based on three month end data points (January to March 2015).

Qualitative disclosure around LCR

The main LCR drivers for the Bank are as under (observed over 4 quarter end data):

31 Mar 2016	Average	Maximum	Minimum
HQLA	44,624,081	52,430,808	35,773,341
Total Cash Inflows	40,933,987	60,642,656	31,323,403
Total Cash Outflows	78,769,476	93,101,662	69,855,125
Total Net cash outflows	37,835,489	47,317,940	32,459,006

The main LCR drivers for the Bank are as under (observed over 3 month's daily data):

31 Mar 2015	Average	Maximum	Minimum
HQLA	46,477,028	59,916,241	26,372,532
Total Cash Inflows	35,588,306	64,658,615	20,116,912
Total Cash Outflows	70,767,255	87,848,501	52,821,508
Total Net cash outflows	35,214,678	50,171,335	20,838,272

The Bank's HQLA primarily consist of excess SLR maintained in the form of Government Securities / T-Bills, as such percentage of NDTL (as permissible by RBI), 2% MSF (as permissible by RBI), Corporate Bonds which classify as Level 2 Assets & Commercial Paper which classify as Level 2 assets.

The Bank primarily relies wholesale funding, in the form of term deposits. Further, the bank is gradually increasing its current account and savings account deposits over a period of time. The total deposits (current account, savings account and term deposits) comprise of 38% of retail clients (CBG) and 62% of corporate clients (IBG & SME).

The Bank primarily maintains margin for settlement of MTM arising from derivative deals. The same is managed on a daily basis and any top up if required is done. However, no major volatility is observed leading to liquidity risk.

The Bank monitors LCR daily on a combined basis (i.e. INR + FCY). Further the Bank raises deposits and borrowings in foreign currency which are swapped into INR and lent / invested thereafter. However, for reporting purpose the Bank does compute LCR for any currency where the exposure in a particular foreign currency is more that 5%.

The overall liquidity management is guided by ALCO which takes into account local as well as HO regulations. The relevant units (RMG MLR, CT and TLM) interact regularly with each other and respective HO counterparts as well to ensure consistency in policy framing and decision making conforming to standards set by the regulations in both the locations.

53. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013,the Bank has a CSR Committee. All the CSR projects undertaken by the Bank, were planned in a participatory manner, in consultation with the CSR committee and the India Management Committee – IMC (wherever required). The Bank's CSR agenda/ vision is to actively contribute to the social and economic development of the communities including the communities in which DBS India operate and build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

During the year, the Bank had negative average profits and hence no CSR expenditure has been debited (PY – INR 69,941 thousand) to Profit & Loss account, towards CSR activities which are specified in Schedule VII of the Companies Act, 2013.

54. Sector-wise Advances

Sector	Current Year			Previous Year		
	Outstanding Total Advances **	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances **	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A Priority Sector						
1 Agriculture and allied activities	-	-	-	-	-	-
2 Advances to industries sector eligible as priority sector lending	37,526,966	2,725,220	7.26%	32,852,791	1,702,684	5.18%
Of which Construction	1,325,100	-	-	-	-	-
3 Services	16,421,926	-	-	13,944,403	140,731	1.01%
4 Personal loans	3,280	-	-	-	-	-
Of which Home Loans	3,280	-	-	-	-	-
Sub-total (A)	**53,952,172**	**2,725,220**	**5.05%**	**46,797,194**	**1,843,415**	**3.94%**
B Non Priority Sector						
1. Agriculture and allied activities	120,299	-	-	-	-	-
2. Industry	78,843,504	11,853,093	15.03%	83,982,133	7,831,092	9.32%
Of which Construction	11,215,817	712,551	6.35%	21,320,451	712,564	3.34%
3. Services	49,171,891	1,748,741	3.56%	33,742,423	3,164,216	9.38%
Of which Commercial Real Estate	10,330,003	-	-	-	-	-
4. Personal loans*	3,265,891	-	-	190,468	-	-
Of which Home Loans	2,717,025	-	-	182,644	-	-
Of which Loans against Property	548,865	-	-	7,824	-	-
Sub-total (B)	**131,401,585**	**13,601,834**	**10.35%**	**117,915,024**	**10,995,308**	**9.32%**
Total (A+B)	**185,353,757**	**16,327,054**	**8.81%**	**164,712,218**	**12,838,723**	**7.79%**

* Personal loan includes home loans and loan against property

** Represent gross advances

For the purpose of this disclosure, the bank has compiled the data which has been relied upon by the auditor.

55. Other Disclosures

- The Bank did not hold any floating provision in its books as at 31 March 2016 (Previous Year: INR Nil).
- Deposits as reported in Schedule 3 include deposits kept by customers as margin against credit facilities INR 3,717,649 thousands (Previous Year: INR 2,646,376 thousands).
- The Bank has transferred an amount of INR 768 thousands from Investment Reserve account to Balance in Profit and Loss Account (Previous Year: The Bank had transferred an amount of INR 95,494 thousands from Balance in Profit and Loss Account to Investment Reserve account). Apart from the above, there was no drawdown from reserves during the year ended 31 March 2016.
- The Bank did not issue any Letters of Comfort (LoC) during the year ended 31 March 2016 (Previous Year: Nil).
- The Bank has not financed any margin trading activities nor securitised any assets during the current year (Previous Year: Nil).
- The Bank did not deal in any Credit default swaps during the year ended 31 March 2016. (Previous Year: Nil).
- The Bank has not sold or transferred securities to/from HTM category during the year. (Previous Year: Nil)
- The Bank has earned an amount of INR 55,369 thousands in respect of Bancassurance business undertaken during the year ended 31 March 2016 (Previous Year: INR 74,117 thousands).
- The net book value of the fixed assets includes computer software of INR 143,675 thousands as at 31 March 2016. (Previous Year: INR 153,084 thousands).
- Head office expense is arrived after the reversal of previous year provision of INR 187,475 thousands (Previous Year: Nil).
- The Bank's compensation policies including that of CEO's, is in conformity with the FSB principles and standards. In accordance with the requirements of the RBI Circular No. DBR.NO.BC.72/29.67.001/2011-12 dated 13 January 2012, the Head Office of the Bank has submitted a declaration to RBI confirming the above mentioned aspect.
- Receivables acquired under factoring (gross) as on 31 March 2016 amounts to INR 13,693,505 thousands (Previous Year: INR 7,023,153 thousands).
- During the year, the Bank has credited an amount of Rs 134,712 to profit and loss account on account of assets acquired in satisfaction of claim (Previous Year: Nil).
- During the year, there has been no conversion of debt into equity under SDR mechanism.
- Previous year's figures have been regrouped / rearranged, wherever necessary to conform to the current year's presentation.

For **DBS Bank Ltd., India**

Surojit Shome	**Rajesh Prabhu**
General Manager and Chief Executive Officer	*Managing Director and Chief Financial Officer*

Mumbai