

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DBS BANK INDIA LIMITED**Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of DBS Bank India Limited ('the Bank'), which comprise the Balance sheet as at March 31, 2019, Statement of Profit and Loss and Cash Flow Statement for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013, as amended ('the Act') in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2019, its profit and its cash flows for the period ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Bank's management is responsible for the other information. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The other information is not made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Financial Statements

The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 in so far as they apply to the Bank and the guidelines and directions issued by the Reserve Bank of India from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014.
2. As required sub section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - (c) The financial accounting systems of the Bank are centralised and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by the branches; we have visited 2 branches for the purpose of our audit.
3. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
 - (c) The 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;
 - (d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read



DBS Bank India Limited

with the Companies (Accounts) Rules, 2014;

- (e) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion, the entity being a banking company, the remuneration to whole-time directors during the period ended March 31, 2019 has been paid by the Bank in accordance with the provisions of Section 35B (1) of the Banking Regulation Act, 1949;
- (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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Schedule 18 - Note 46a 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 18 - Note 46b to the financial statements; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

per Sarvesh Warty

Partner

Membership No.: 121411

Place: Mumbai

Date: 28 June 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DBS BANK INDIA LIMITED

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

To Chief Executive Officer of DBS Bank India Limited

We have audited the internal financial controls over financial reporting of DBS Bank India Limited (the 'Bank') as of March 31, 2019 in conjunction with our audit of the financial statements of the Bank for the period 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 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 the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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 on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company'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 company; (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 company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company'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, 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 March 31, 2019, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 101049W/E300004

per Sarvesh Warty

Partner

Membership No.: 121411

Place: Mumbai

Date: 28 June 2019



DBS Bank India Limited

BALANCE SHEET AS AT 31 MARCH 2019

(Currency: Indian rupees in thousand)

	Schedule	31-Mar-19
CAPITAL AND LIABILITIES		
Capital	1	50,376,500
Reserves and Surplus	2	8,868,012
Deposits	3	338,278,379
Borrowings	4	104,463,484
Other Liabilities and Provisions	5	77,218,255
Total		579,204,630
ASSETS		
Cash and Balances with Reserve Bank of India	6	21,759,459
Balances with banks and money at call and short notice	7	84,714,250
Investments	8	209,820,457
Advances	9	181,079,424
Fixed Assets	10	683,112
Other Assets	11	81,147,928
Total		579,204,630
Contingent Liabilities	12	6,125,300,970
Bills for collection		135,745,921
Significant accounting policies & 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 S.R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration No.: 101049W/E300004

Sarvesh Warty
Partner
Membership No: 121411

Mumbai, 28 June 2019

For DBS Bank India Limited
Surojit Shome
Managing Director &
Chief Executive Officer

Rajesh Prabhu
Whole Time Director &
Chief Financial Officer

Ketan Kulkarni
Company Secretary
Mumbai 28 June 2019

PROFIT AND LOSS ACCOUNT FOR THE PERIOD 7 FEBRUARY 2018 TO 31 MARCH 2019

(Currency: Indian rupees in thousand)

	Schedule	7 Feb 2018 to 31 Mar 2019
I. INCOME		
Interest earned	13	2,815,464
Other income	14	895,674
TOTAL		3,711,138
II. EXPENDITURE		
Interest expended	15	2,115,593
Operating expenses	16	1,483,225
Provisions and contingencies	17	(92,598)
TOTAL		3,506,220
III. PROFIT/(LOSS)		
Net Profit for the period		204,918
Profit brought forward		-
TOTAL		204,918
IV. APPROPRIATIONS		
Transfer to Statutory Reserve		51,229
Transfer to/(from) Investment Reserve		153,689
Balance carried over to Balance Sheet		-
TOTAL		204,918
V. BASIC AND DILUTED EARNING PER SHARE (INR)	18[41]	0.51

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

As per our report of even date attached.

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration No.: 101049W/E300004

Sarvesh Warty
Partner
Membership No: 121411

Mumbai, 28 June 2019

For DBS Bank India Limited
Surojit Shome
Managing Director &
Chief Executive Officer

Rajesh Prabhu
Whole Time Director &
Chief Financial Officer

Ketan Kulkarni
Company Secretary
Mumbai 28 June 2019



DBS Bank India Limited

CASH FLOW STATEMENT AS AT 31 MARCH 2019

(Currency: Indian rupees in thousand)

	7 Feb 2018 to 31 Mar 2019
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Profit/(Loss) before taxation and extraordinary items	550,720
Adjustments for:	
Depreciation on Fixed Assets	23,953
Foreign exchange gain on revaluation of subordinated debt	(408,200)
Provision/(Write back) for:	
Standard Asset/Derivatives	(137,535)
Depreciation on Investments	(326,565)
Contingent credit	-
Country risk	11,518
Non Performing Assets (including write offs net of write backs)	14,182
Employee Benefits	111,652
Operating profit / (loss) before working capital changes	(160,275)
Increase in Term Deposits placed with Banks	969,850
Increase in Investments (excluding HTM investments)	(24,167,015)
Decrease in Advances	5,031,597
Increase in Other Assets	(11,968,822)
Increase in Deposits	23,536,648
Increase in Other Liabilities & Provisions	8,541,808
	1,783,791
Income Tax paid	(1,575)
Net cash from operating activities (A)	1,782,216
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed Assets (including movement in Capital Work in Progress)	(113,538)
Proceeds from Sale of Fixed Assets	-
Net cash used in investing activities (B)	(113,538)
CASH FLOWS FROM FINANCING ACTIVITIES	
Capital from Parent	475,000
Increase in Borrowings	35,669,305
Net Cash from financing activities (C)	36,144,305
Net increase in cash and cash equivalents (A+B+C)	37,812,983
Cash and cash equivalents on amalgamation by conversion of DBS India Branch Undertaking	26,741,951
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	64,554,934
Net Increase in cash and cash equivalents	37,812,983
Notes: Cash and cash equivalents represent	
Cash and Balances with Reserve Bank of India (refer schedule 6)	21,759,459
Balances with banks and money at call and short notice (refer schedule 7)	84,714,250
Less: Deposits not considered as cash and cash equivalents as per AS - 3	
Margin Deposit - Maturity greater than 90 days	(80,000)
Term Deposits with Banks - Maturity greater than 90 days	(41,838,775)
TOTAL	64,554,934

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration No.: 101049W/E300004

Sarvesh Warty
Partner
Membership No: 121411

Mumbai, 28 June 2019

For DBS Bank India Limited

Surojit Shome
Managing Director &
Chief Executive Officer

Rajesh Prabhu
Whole Time Director &
Chief Financial Officer

Ketan Kulkarni
Company Secretary
Mumbai 28 June 2019



DBS Bank India Limited

**SCHEDULES TO FINANCIAL STATEMENTS
AS AT 31 MARCH 2019**

(Currency: Indian rupees in thousand)

(Currency: Indian rupees in thousand)

	31-Mar-19
1 CAPITAL	
Authorised Capital:	
6,000,000,000 shares of INR 10 each	60,000,000
Issued, Subscribed and Paid up Capital*:	
5,037,650,000 shares of INR 10 each	50,376,500
Total	50,376,500

* During the period, 4,990,150,000 equity shares were issued to DBS Bank Ltd., Singapore on amalgamation by conversion of DBS India Branch undertaking (schedule 18 note [5]) with the Bank, pursuant to the approved Scheme of Amalgamation effective 1 March 2019.

2 RESERVES & SURPLUS	
A Statutory Reserve (refer schedule 18 note [5] and [67])	
Opening Balance	-
Additions on amalgamation by conversion of DBS India Branch undertaking	3,756,777
Additions during the period	51,229
Deduction during the period	-
	3,808,006
B Capital Reserve (refer schedule 18 note [5])	
Opening Balance	-
Additions on amalgamation by conversion of DBS India Branch undertaking	5,096
Additions during the period	-
Deduction during the period	-
	5,096
C Investment Reserve Account (refer schedule 18 note [5] and [67])	
Opening Balance	-
Additions on amalgamation by conversion of DBS India Branch undertaking	-
Additions during the period	153,689
Deduction during the period	-
	153,689
D Revenue Reserve (refer schedule 18 note [5])	
Opening Balance	-
Additions on amalgamation by conversion of DBS India Branch undertaking	12,621,872
Additions during the period	-
Deduction for Debit balance in Profit & Loss Account on amalgamation by conversion of DBS India Branch undertaking	7,721,187
Deduction during the period	-
	4,900,685
E (Debit)/ Credit balance in Profit and Loss Account	-
F Deferred Tax Reserve	536
Total	8,868,012

3 DEPOSITS	
A (I) Demand Deposits	
(i) From Banks	839,885
(ii) From Others	45,467,807
	46,307,692
(II) Saving Bank Deposits	15,404,488
(III) Certificate of Deposits	-
(IV) Term Deposits	
(i) From Banks	51,602,086
(ii) From Others	224,964,113
	276,566,199
Total	338,278,379
B (i) Deposits of branches in India	338,278,379
(ii) Deposits of branches outside India	-
Total	338,278,379

4 BORROWINGS	
(I) Borrowings in India	
(i) Reserve Bank of India	30,000,000
(ii) Other Banks	-
(iii) Other institutions and agencies	54,429,516
	84,429,516
(II) Borrowings outside India	2,053,668
(III) Subordinated debt*	17,980,300
Total	104,463,484
Secured borrowings included in I, II and III above	84,429,516

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

5 OTHER LIABILITIES & PROVISIONS	
I Bills Payable	263,049
II Inter Office adjustments (net)	-
III Interest Accrued	2,625,187
IV Contingent Provision against Standard Advances	796,685
V Contingent Provision against Derivatives exposures	233,612
VI Others (including provisions)*	73,299,722
Total	77,218,255

*includes provision for unhedged foreign currency exposure amounting to INR 208,966 thousand

6 CASH & BALANCE WITH RESERVE BANK OF INDIA	
(I) Cash in hand (including foreign currency notes)	70,038
(II) Balances with Reserve Bank of India	
(i) in Current Account	12,439,421
(ii) in Other Accounts	9,250,000
	21,689,421
Total	21,759,459

7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	
(I) In India	
(i) Balance with Banks	
(a) In Current Accounts	227,698
(b) In Other Deposit Accounts *	44,058,775
	44,286,473
(ii) Money at call and short notice	
(a) With Banks	-
(b) With other institutions	1,994,215
	1,994,215
(II) Outside India	
(i) In Current Accounts	38,433,562
(ii) In Other Deposit Accounts	-
(iii) Money at call and short notice	-
	38,433,562
Total	84,714,250

* includes fixed deposits placed under lien towards exchange traded derivatives of INR 80,000 thousand and term placement of INR 2,140,000 thousand.

8 INVESTMENTS	
(I) Investments in India in	
(i) Government Securities *	173,670,361
(ii) Other approved securities	-
(iii) Shares**	203,660
(iv) Debentures and Bonds ***	14,938,809
(v) Subsidiaries and Joint Ventures	-
(vi) Others (Certificates of Deposits, Commercial Papers and, Security Receipts of Asset Reconstruction Companies)	21,007,627
Total	209,820,457
Gross Investments in India	211,059,230



DBS Bank India Limited

(Currency: Indian rupees in thousand)

	31-Mar-19
Less: Provision for depreciation	1,238,773
Net Investments in India	209,820,457

*Includes:

(A) Securities pledged as margin with CCIL (Clearing Corporation of India Limited) were INR 15,107,011 thousand.

(B) Securities held u/s 11(2)(b) with Reserve Bank of India INR 4,187,574 thousand.

(C) Securities pledged as collateral for LAF (Liquidity Adjustment Facility) / MSF (Marginal Standing Facility) were INR 29,698,013 thousand.

(D) Securities kept as margin for RTGS (Real Time Gross Settlement) INR 23,689,341 thousand.

(E) Securities pledged as collateral with CCIL for Market repo INR 54,655,832 thousand.

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

***Includes (OCD) Optionally Convertible Debentures of INR 1,279,255 thousand received on conversion of debt.

9 ADVANCES	
A (i) Bills purchased and discounted	58,457,790
(ii) Cash credits, overdrafts and loans repayable on demand	92,504,621
(iii) Term Loans	30,117,013
Total	181,079,424
B (i) Secured by tangible assets *	72,610,620
(ii) Covered by Bank/Government Guarantees**	23,073,340
(iii) Unsecured	85,395,464
Total	181,079,424
C I Advances in India	
(i) Priority Sectors	74,586,946
(ii) Public Sectors	-
(iii) Banks	-
(iv) Others	106,492,478
II Advances outside India	-
Total	181,079,424

* includes secured by book debts and stocks

** includes advances covered by Letters of Credit issued by other banks

10 FIXED ASSETS	
I Premises	
Opening Cost	-
Additions on amalgamation by conversion of DBS India Branch Undertaking (schedule 18 note [5])	-
Additions during the period	-
Deductions during the period	-
	-
Depreciation to date	-
Net book value of Premises	-
II Other Fixed Asset (including furniture & fixture)	
Opening cost	-
Additions on amalgamation by conversion of DBS India Branch Undertaking (schedule 18 note [5])	2,873,649
Additions during the period	88,464
Deductions during the period	-
	2,962,113
Depreciation to date*	(2,450,615)
Net book value of Other Fixed Asset	511,498
III Capital work-in-progress*	171,614
Total (I + II + III)	683,112

* Includes INR 2,426,662 thousand towards depreciation till 28 February 2019 and INR 146,540 thousand towards Capital work-in-progress arising from amalgamation by conversion of DBS India Branch Undertaking (schedule 18 note [5])

11 OTHER ASSETS	
(i) Inter Office Adjustments (net)	-
(ii) Interest Accrued	4,908,514
(iii) Tax paid in advance / Tax Deducted at Source (net of provisions)	4,378,245
(iv) Stationery and Stamps	-
(v) Deferred Tax Asset (refer schedule 18 note [35])	5,542,658
(vi) Non-Banking Assets acquired in satisfaction of claims	135,100

(Currency: Indian rupees in thousand)

	31-Mar-19
(vii) Others *	66,183,411
Total	81,147,928

* Includes MAT credit entitlement of INR 490,642 thousand

12 CONTINGENT LIABILITIES	
(i) Claims against the bank not acknowledged as debts	266,971
(ii) Liability for partly paid investments	-
(iii) Liability on account of outstanding foreign exchange contracts*	1,909,538,270
(iv) Liability on account of outstanding Currency and Interest Rate Swap, Options Contracts & Interest Rate Derivatives*	4,143,893,460
(v) Guarantees given on behalf of constituents	
- in India	28,347,505
- outside India	6,844,882
(vi) Acceptances, endorsements and other obligations	36,261,064
(vii) Other items for which the Bank is contingently liable	148,818
Total	6,125,300,970

*represents notional

(Currency: Indian rupees in thousand)

	7 Feb 2018 to 31 Mar 2019
13 INTEREST EARNED	
(i) Interest / discount on advances / bills	1,135,090
(ii) Income on investments	1,253,578
(iii) Interest on balances with RBI and other inter-bank funds	177,949
(iv) Others	248,847
Total	2,815,464

14 OTHER INCOME	
(i) Commission, exchange and brokerage	253,432
(ii) Net Profit on sale of investments	178,585
(iii) Net Profit on sale of land, buildings and other assets	-
(iv) Net Profit on Foreign Exchange and Derivative transactions	456,213
(v) Income earned by way of dividends etc. from subsidiaries / companies and/or joint ventures abroad/in India	-
(vi) Miscellaneous Income	7,444
Total	895,674

15 INTEREST EXPENDED	
(i) Interest on Deposits	1,619,978
(ii) Interest on RBI / Inter-bank borrowings*	142,553
(iii) Others	353,062
Total	2,115,593

* includes interest on Subordinated Debt

16 OPERATING EXPENSES	
(i) Payments to and provisions for employees	586,795
(ii) Rent, taxes and lighting	70,503
(iii) Printing and Stationery	13,468
(iv) Advertisement and publicity	62,909
(v) Depreciation on Bank's property	23,953
(vi) Director fees allowances and expenses	2,750
(vii) Auditors fees and expenses	2,318
(viii) Law Charges	33,553
(ix) Postages, Telegrams, Telephones, etc.	8,033
(x) Repairs and maintenance	16,737
(xi) Insurance	25,212
(xii) Brokerage charges	12,503
(xiii) Professional Fees	139,963
(xiv) Computerisation & Related Exp	264,126
(xv) Travelling expenses	24,275
(xvi) Fixed Assets Written Off	-
(xvii) Other Expenditure	196,127
Total	1,483,225



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(Currency: Indian rupees in thousand)

	7 Feb 2018 to 31 Mar 2019
17 PROVISIONS & CONTINGENCIES	
(i) Provision / (Write-back of provision) for contingent credit	-
(ii) Provision for Non Performing advances / write offs (net)	14,182
(iii) Provision / (Write-back of provision) for Standard Asset (including standard asset provisioning on current credit exposure for derivatives and Unhedged Foreign Currency Exposure)	(137,535)
(iv) Write back of Provision for Depreciation on Investments	(326,565)
(v) Provision for Tax	
- Current Income-tax	-
- Deferred Tax charge	345,802
(vi) Provision for Country Risk	11,518
Total	(92,598)

SCHEDULE 18 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Background

DBS Bank India Limited (the 'Bank') incorporated in Delhi on 7 February 2018 as a Company under the Companies Act, 2013 and is a wholly owned subsidiary of DBS Bank Ltd, Singapore (the 'Parent'). Further, pursuant to approval of the Scheme of Amalgamation (SOA) approved by Reserve Bank of India ('RBI') on 4 February 2019 between DBS Bank Ltd., India Branch Undertaking (the 'Branch' or 'DBS India Branch Undertaking') with the Bank and issuance of banking license by RBI on 4 October 2018 under section 44A of the Banking Regulation Act, 1949, the Bank has commenced its Banking operations on 1 March 2019. The Bank is regulated by RBI and governed by the Banking Regulation Act, 1949.

Under the SOA, the entire undertaking of the Branch is amalgamated by conversion with the Bank with effect from 1 March 2019 ('Effective date'). The DBS India Branch Undertaking is defined as the undertaking and entire banking business of DBS India operated through a network of 12 branches across India and including without limitation, all assets, liabilities and legal proceedings in respect of the banking business of the Branch. Consequently, all the 12 Indian branches function as branches of the Bank with effect from 1 March 2019.

This is the first financial statement of the Bank. Hence, presentation of comparative number is not applicable.

2. Basis of preparation

The accompanying financial statements have been prepared under the historical cost convention except where otherwise stated, and in accordance with statutory requirements prescribed under the Banking Regulation Act 1949, circulars and guidelines issued by RBI from time to time (RBI guidelines), accounting standards referred to in Section 133 of the Companies Act, 2013 (the Act) and the relevant provisions of the Act read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act 2013 and Companies (Accounting Standard) Amendment Rules 2016 in so far as the apply to the Bank and practices prevailing within the banking industry in India.

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 recognised prospectively in current and future periods.

4. Significant accounting policies

(i) Advances

Advances are classified as performing and non-performing based on the RBI prudential norms. Advances are stated net of bills rediscounted, inter-bank participation certificates 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 Current Credit Exposure at rates as prescribed by the 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 the RBI guidelines and the same is included under Schedule 5 ('Other liabilities and Provisions') and Schedule 9 ('Advances') respectively.

In accordance with the 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 5 ('Other liabilities and Provisions').

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 the 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 the 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 recognised 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')/ Financial Benchmark India Pvt Ltd ('FBIL') as applicable. 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. All other Non SLR investments (excluding shares) 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 the RBI guidelines. Depreciation on these instruments is not offset against the appreciation in any other securities held under the AFS category.

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 the 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 the RBI guidelines, Repurchase/Reverse-repurchase transactions (including those under the Liquidity Adjustment Facility 'LAF' with



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the RBI) are accounted as collateralised 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.

Short Sale

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. The short positions reflected are included under Schedule 8 ('Investments'). Such short positions are categorised under HFT category and netted off from investments in the Balance Sheet. These positions are marked-to-market along with the other securities under HFT portfolio and the resultant mark-to-market gains/losses are accounted for as per the relevant RBI guidelines for valuation of investments discussed earlier.

(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 period are recognised 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 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 recognised 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 recognised 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 capitalised only when it increases the future benefit/functioning capability from/ of such assets.

Fixed assets individually costing less than INR 40 thousand are fully expensed in the period 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. The Bank, pursuant to the Companies Act, 2013, has carried out a technical assessment of the useful life of its assets taking into account changes in environment, changes in technology, the utility and efficacy of the asset in use. 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 period 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 recognised 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 Bank'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 period end and actuarial gains / losses are charged to the Profit and Loss Account as applicable.

(b) **Gratuity:** For defined benefit plan in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Profit and Loss Account in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

(c) **Compensated Absences:** The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise 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 utilised 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'), 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, Strategic Debt Restructuring (SDR) and Scheme for Sustainable Structuring of Stressed Assets (S4A), which is recognised on receipt basis as per the RBI norms.

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

Income on non-coupon bearing discounted instruments and instruments which carry a premia on redemption is recognised 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.



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(xi) Taxation

Provision for tax comprises of current tax and net change in deferred tax assets and liability during the period. Current tax comprise of the amount of tax for the period determined in accordance with the Income Tax Act, 1961 and the rules framed there under. Deferred tax adjustments reflect the changes in the deferred tax assets or liabilities during the period.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences.

Deferred tax asset is recognised for carried forward tax losses and unabsorbed depreciation to the extent there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. For all other temporary differences, deferred tax asset is recognised where there is reasonable certainty that taxable income will be available against which such deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Bank has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

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; 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 recognised 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 (other than employee benefits) 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, 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).

(xv) Segment Reporting

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per guidelines issued by the RBI.

(xvi) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before

tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Bank are segregated based on the available information.

(xvii) Service tax input credit / Goods & Service Tax (GST)

Service tax / GST input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

(xviii) Earnings per share

Earnings per share is calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding as at end of the period.

5. Amalgamation by conversion of DBS India Branch Undertaking

The Bank was incorporated as a Company under the Companies Act, 2013 on 7 February 2018. The Bank commenced its Banking operations on 1 March 2019, upon RBI approval on the SOA and issuance of banking license by RBI.

Pursuant to the SOA approved by RBI, the Branch was amalgamated by conversion with the Bank with effect from 1 March 2019. Accordingly, assets amounting to INR 511,199,516 thousand and liabilities amounting to INR 452,634,922 thousand resulting in net assets amounting to INR 58,564,594 thousand along with contingent liabilities of INR 7,202,228,532 thousand pertaining to the Branch was amalgamated by conversion with the Bank.

Details of the assets, liabilities and reserves acquired by the Bank are as under:

Particulars	As at 28 Feb 2019
Assets	
Cash and balances with Reserve Bank of India	19,531,912
Balances with banks and money at call and short notice	50,098,664
Investments	185,326,877
Advances	186,125,203
Fixed assets	593,527
Other assets	69,523,333
Total Assets [I]	511,199,516
Liabilities	
Deposits	314,741,731
Borrowings	69,202,379
Other liabilities and provisions	68,690,812
Total Liabilities [II]	452,634,922
Net Assets [I] - [II]	58,564,594
Net assets is represented by :	
Capital [III]	49,901,500
Reserves and Surplus	
Statutory Reserve	3,756,777
Capital Reserve	5,096
Capital Retained in India for CRAR purposes	12,621,872
Debit balance in Profit and Loss Account	(7,721,187)
Deferred Tax Reserve	536
Total Reserves and Surplus [IV]	8,663,094
Total [III] + [IV]	58,564,594

In accordance with the accounting treatment as defined in SOA approved by RBI, RBI framework for setting up of Wholly Owned Subsidiaries by Foreign Banks in India dated 6 November 2013 and section 115JG of the Income-tax Act read with the Notification Nos. 85 and 86 dated 6 December 2018, the Bank has recorded the assets, liabilities and reserves at the respective book values as appearing in the Branch at the close of business of the day immediately preceding the effective date i.e. 28 February 2019. The Bank has credited Share Capital by aggregate face value of the new equity shares issued to DBS Bank Ltd., Singapore i.e. 4,990,150,000 equity shares of INR 10 each as fully paid up, representing the capital of the branch as on that date.

6. Capital

The Bank follows the 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 the 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:



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Particulars	As at 31 Mar 2019
Common Equity Tier 1 (CET1) capital ratio (%)	14.62%
Tier 1 capital ratio (%)	14.62%
Tier 2 capital ratio (%)	5.07%
Total Capital ratio (CRAR) (%)	19.69%
Amount of equity capital raised during the period	
- Common Equity Tier 1 Capital	475,000
- Additional Tier 1 capital	-
- Tier 2 capital	-
Of which Debt capital instrument	-

7. Investments

Particulars	As at 31 Mar 19
Value of investments (*)	
Gross value of investments	211,059,230
Less: Provision for depreciation	1,238,773
Net value of investments	209,820,457
Movement in Provisions held towards depreciation on investments	
Opening balance	-
Add: Provision transferred on amalgamation by conversion of DBS India Branch Undertaking (schedule 18 note [5])	1,565,338
Add: Provisions made during the period	-
Less: Write back of excess provisions during the period to Profit and Loss account	326,565
Closing Balance	1,238,773

*All investments are held in India

8. Repo/ Reverse Repo Transactions

	Minimum outstanding during the period	Maximum outstanding during the period	Daily average outstanding during the period	As at 31 March
Securities sold under Repos				
i) Government securities	41,470,587	85,228,881	58,736,945	84,429,516
ii) Corporate debt securities	-	-	-	-
Securities purchased under Reverse Repos				
i) Government securities	-	18,200,000	9,368,052	11,244,215
ii) Corporate debt securities	-	-	-	-

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 of 31 March 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	6,924,120	6,924,120	-	-	-
(ii)	Financial Institutions*	7,985,838	7,985,838	-	-	2,473,483
(iii)	Banks	4,263,920	4,263,920	-	-	4,263,920
(iv)	Private Corporates	6,118,015	6,118,015	-	1,856,404	5,701,001
(v)	Subsidiaries / Joint ventures	-	-	-	-	-
(vi)	Others#	11,716,148	11,716,148	-	389,891	11,716,148
(vii)	Provision held towards depreciation	857,945				
	Total	36,150,096	37,008,041	-	2,246,295	24,154,552

* includes investments in NBFC

Others represent investments in security receipts of an asset reconstruction company and Pass Through Certificates

10. Non performing Non – SLR Investments

Non performing Non – SLR Investments are as under:

Particulars	As at 31 Mar 2019
Opening balance	-
Addition on amalgamation by conversion of DBS India Branch Undertaking (schedule 18 note [5])	360,794
Additions during the period	-
Reductions during the above period	-
Closing balance	360,794
Total provisions held (net)	235,690

11. Derivatives – Interest Rate Swap / Forward Rate Agreements

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

Particulars	As at 31 Mar 2019
Notional principal of Interest Rate Swaps	3,701,694,364
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	22,333,965
Collateral required by the bank upon entering into swaps	-
Concentration of credit risk arising from the swaps (exposure to banking industry)	30.48%
The fair value of the swap book asset / (liability)	182,309

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

Benchmark	Terms	31-Mar-19	
		Nos.	Notional Principal
6 Month MIFOR	Pay Fixed Receive Floating	287	147,840,000
6 Month MIFOR	Receive Fixed Pay Floating	245	154,132,000
CAD CDOR 3M	Pay Fixed Receive Floating	1	515,400
CAD CDOR 3M	Receive Fixed Pay Floating	1	515,400
OIS 1Y CMP	Pay Fixed Receive Floating	733	780,641,355
OIS 1Y CMP	Receive Fixed Pay Floating	652	739,405,287
OIS 6M COM	Pay Fixed Receive Floating	1,673	665,398,822
OIS 6M COM	Receive Fixed Pay Floating	1,439	576,307,098
USD BS Libor 1 month 3 months	Pay Floating Receive Floating	2	1,037,325
USD BS Libor 1 month 6 months	Receive Floating Pay Floating	3	7,952,825
USD BS Libor 3 months	Pay Floating Receive Floating	12	26,418,882
USD Libor 1 month	Pay Fixed Receive Floating	7	12,714,147
USD Libor 1 month	Receive Fixed Pay Floating	7	12,714,147
USD Libor 3 months	Pay Fixed Receive Floating	40	88,017,963
USD Libor 3 months	Receive Fixed Pay Floating	42	84,180,937
USD Libor 6 months	Pay Fixed Receive Floating	204	206,886,276
USD Libor 6 months	Receive Fixed Pay Floating	115	167,256,547
AUD BBSW 6M	Pay Fixed Receive Floating	3	208,335
AUD BBSW 6M	Receive Fixed Pay Floating	3	208,335
AUD BBSW S 6M	Pay Fixed Receive Floating	18	1,016,675
AUD BBSW S 6M	Receive Fixed Pay Floating	18	1,016,675
EUR EURIBOR 6M	Pay Fixed Receive Floating	21	3,154,747
EUR EURIBOR 6M	Receive Fixed Pay Floating	21	3,154,747
GBP LIBOR 6M	Pay Fixed Receive Floating	31	7,156,907
GBP LIBOR 6M	Receive Fixed Pay Floating	31	7,156,907
IN1 OIS 1Y	Pay Fixed Receive Floating	1	500,000
IN1 OIS 1Y	Receive Fixed Pay Floating	1	1,000,000
USD LIBOR 6M	Pay Floating Receive Floating	1	5,186,625
Grand Total		5,612	3,701,694,364

12. Exchange Traded Interest Rate Derivatives

During the period, the Bank did not deal in exchange traded interest rate derivatives.



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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 Market Risk Policy, Standard and Guide as approved by the Risk Committees.

Derivative exposures are subject to Market Risk Control and Risk Appetite limits separately calibrated for the Trading and Banking books. The Risk Appetite limit, by way of Expected Shortfall limits, is approved by the BRMC, while the Control limits by way of sensitivities to interest rates (IR PV01), FX (FX Delta), Risk Class Contribution grids which measure first order as well as higher order risks for interest rates and FX products, including options, JTD and CS01 limits are approved by the local MLRC. 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 desk / trader book & tenor levels for each currency and for FX at desk / trader book level for each currency.

All derivative trades entered by the Bank are undertaken in the trading book except for forward contracts entered for swapping sub-debt which are held in banking book. The Bank has also entered into inter-bank deposits and uses cross currency swaps to manage the risk arising from them. Such currency swaps too are held in the banking book.

All Derivative contracts are valued on a mark-to-market basis with appropriate market curves tagged for respective currencies except for Forward contracts in banking book which are translated at the prevailing spot rate at the time of swap. The premium / discount on the Banking Book 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 for on accrual basis.

Quantitative Disclosures

31-Mar-19			
Sr. No	Particular	Currency Derivatives #	Interest Rate Derivatives@
1	Derivatives (Notional Principal Amount)		
(a)	- For Hedging **	59,969,018	-
(b)	- For Trading	2,291,768,348	3,701,694,364
2	Marked to Market Positions		
(a)	- Asset	36,069,135	22,333,965
(b)	- Liability	38,116,908	22,151,656
3	Credit Exposure	123,159,062	52,761,268
4	Likely impact of 1% change in interest rates (100*PV01)		
(a)	- On Hedging Derivatives **	(559,425)	-
(b)	- On Trading Derivatives	(772,985)	3,074,707
5	Maximum & Minimum of 100*PV01 observed during the period		
(a)	- On Hedging** :		
	Maximum	(545,336)	-
	Minimum	(563,599)	-
(b)	- On Trading :		
	Maximum	(549,760)	3,074,707
	Minimum	(831,419)	1,660,933

Currency Derivatives includes Foreign Exchange contracts.

@ Interest rate derivatives include Interest rate futures.

** The hedges pertain to 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-19
(i) Net NPA to Net Advances (%)	0.33%
(ii) Movement in Gross NPAs	
(a) Opening Balance	-
(b) Additions on amalgamation by conversion of DBS India Branch Undertaking (schedule 18 note [5])	6,046,998
(c) Additions during the period **	5,393
Sub Total (A)	6,052,391

Particulars	31-Mar-19
Reductions during the period	
(a) Upgradations	120
(b) Recoveries	46,511
(c) Technical/ Prudential write-offs	-
(d) Write-offs	174,044
Sub Total (B)	220,675
Gross NPAs (A-B)	5,831,716
(iii) Movement in provisions for NPAs	
(a) Opening Balance	-
(b) Addition on amalgamation by conversion of DBS India Branch Undertaking (schedule 18 note [5])	5,405,415
(c) Provisions made during the period @	14,311
(d) Write off / Write back of excess provisions	176,638
(e) Closing Balance *	5,243,088

Particulars	31-Mar-19
(iv) Movement in Net NPAs	
(a) Opening Balance	-
(b) Addition on amalgamation by conversion of DBS India Branch Undertaking (schedule 18 note [5])	641,583
(c) Additions during the period	(8,918)
(d) Reductions during the period	44,037
(e) Closing Balance	588,628

* Includes an amount of INR 174,304 thousand pertaining to provision for restructured accounts classified as NPA.

** Includes fresh NPA of INR 2,319 thousand

@ Includes provision on fresh NPA of INR 1,650 thousand

15. Non-Performing Assets (NPA) provisioning coverage ratio

The NPA provisioning coverage ratio of the Bank including technical write off was 91.59% as on 31 March 2019.

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

Basis the guidelines issued by the 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 2019 is Nil and the Net value is Nil.

17. Concentration of Gross NPAs

Particulars	31-Mar-19
Total Exposure to top four NPA accounts	2,964,804

18. Sector-wise Gross NPAs

Sector	Percentage of NPAs to Total Advances in that sector	
	31-Mar-19	
Agriculture & allied activities	-	
Industry (Micro & small, Medium and Large)	3.71%	
Services	2.59%	
Personal Loans	0.29%	

19. Concentration of Deposits

Particulars	31-Mar-19
Total Deposits of twenty largest depositors	177,827,347
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	52.57%

20. Concentration of Advances*

Particulars	31-Mar-19
Total Advances* # to twenty largest borrowers	108,398,049
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	27.06%

*Advances have been computed as per the definition of Credit Exposure including derivatives as prescribed in the 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.



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21. Concentration of Exposures**

Particulars	31-Mar-19
Total Exposure** # to twenty largest borrowers/customers	112,873,550
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the Bank on borrowers/customers	26.04%

**Exposures are computed based on Credit and Investment exposure as prescribed in the 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

Particulars	31-Mar-19
Total assets	-
Total NPAs	-
Total revenue	-

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 2019.

24. Loan restructuring

S No	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
1	Restructured Accounts as on 7 February 2018	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Addition on amalgamation by conversion of DBS India Branch Undertaking (schedule 18 note [5])	No. of borrowers	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-	1	-	1	-
		Amount outstanding	-	-	148,300	-	148,300	-	-	-	-	-	-	-	-	-	-	148,300	-	148,300	-
		Provision thereon	-	-	148,300	-	148,300	-	-	-	-	-	-	-	-	-	-	148,300	-	148,300	-
3	Fresh restructuring	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Upgradations to restructured standard category during current period	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the current period and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Downgradations of restructured accounts during the current period	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Write-offs of restructured accounts during the current period	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Restructured Accounts as on 31 March 2019	No. of borrowers	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-	1	-	1	-
		Amount outstanding	-	-	148,300	-	148,300	-	-	-	-	-	-	-	-	-	-	148,300	-	148,300	-
		Provision thereon	-	-	148,300	-	148,300	-	-	-	-	-	-	-	-	-	-	148,300	-	148,300	-

Note: Amount outstanding represents Funded outstanding

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

Particulars	31-Mar-19
(i) No. of accounts	-
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	-
(iii) Aggregate consideration	-
(iv) Additional consideration realised in respect of accounts transferred in earlier period	-
(v) Aggregate (gain) / loss over net book value	-



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The disclosure pertaining to banks investments in security receipts as on 31 March 2019 is as under:

Particulars	SRs issued within past 5 years	SRs issued more than 5 years ago but within past 8 years	SRs issued more than 8 years ago
i) Book value of SRs backed by NPAs sold by the bank as underlying*	389,891	-	-
Provision held against (i)	(389,891)	-	-
ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying	-	-	-
Provision held against (ii)	-	-	-
Total (i) + (ii) (Gross)	389,891	-	-

*NPAs were sold by DBS Bank Ltd., India. SRs forming part were transferred to the Bank on amalgamation by conversion (schedule 18 note [5]).

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 period 7 February 2018 to 31 March 2019.

27. Provision for Standard Assets and Derivatives

Particulars	31-Mar-19
General Loan Loss Provision on Standard Assets (including standard asset provisioning on asset classified as standard restructured)	796,685
General Provision on Credit Exposures on Derivatives	233,612

28. Business Ratios

Particulars	31-Mar-19
i Interest Income to working funds*	0.51%
ii Non-interest income to working funds*	0.16%
iii Operating profits to working funds*	0.02%
iv Return on Assets*	0.04%
v Business (deposits plus advances) per employee	302,860
vi Net Profit per employee*	131

* P&L items primarily comprise of 1 month of banking operations and operating expenses under the bank prior to amalgamation by conversion of DBS India Branch Undertaking (schedule 18 note [5]).

- 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 1 month of the financial period.
- Return on Assets is with reference to average working funds (i.e. total of assets excluding accumulated losses, if any).
- Business volume has been computed based on advances & deposits (excluding interbank deposits) outstanding as at the period-end.
- Employee numbers are those as at the period-end.

29. Exposure to Capital Market

Sr. No.	Particulars	31-Mar-19
(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	645,168
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-

Sr. No.	Particulars	31-Mar-19
(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		645,168

Note: Securities received on account of restructuring of loan (except securities received under Scheme for Sustainable Structuring of Stressed Assets) is excluded from exposure to capital market.

30. Exposure to Real Estate Sector

Particulars	31-Mar-19
a) Direct Exposure	24,234,780
(i) Residential Mortgages -	14,449,182
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)	
(ii) Commercial Real Estate -	9,785,598
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;	
(iii) Investments in Mortgage backed Securities (MBS) and other securitised exposures -	-
a. Residential,	-
b. Commercial Real Estate.	-
b) Indirect Exposure	12,834,004
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	12,834,004
Total Exposure to Real Estate Sector	37,068,784

Note: Excludes non-banking assets acquired in satisfaction of claims.

31. Risk Category Wise Country Risk Exposure

Provision for Country Risk Exposure in terms of the 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 2019	Provision held as at 31 March 2019
Insignificant	57,245,104	21,074
Low	9,046,794	-
Moderate	186,377	-
High	472,862	-
Very high	160,236	-
Restricted	-	-
Off-credit	-	-
Total	67,111,373	21,074

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 period for SBL and for GBL.

33. Unsecured Advances

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

34. Penalties imposed by the RBI

During the financial period under review, no penalty is imposed by RBI.



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35. Deferred Taxes

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

Particulars	31-Mar-19
Deferred tax assets (A):	5,546,696
- Depreciation on fixed assets	94,777
- Provision on advances	2,388,519
- Disallowance u/s 43B of Income Tax Act 1961	76,513
- Provision for employee benefits	41,005
- Amortisation of fee income	33,132
- Carry forward Income tax losses	2,747,447
- Provision for country risk, outside SDR cases and contingent credit	133,499
- Others	31,804
Deferred tax liabilities (B):	(4,038)

Particulars	31-Mar-19
- Amortisation of Club membership	(300)
- AS 19 Straight lining	(3,738)
Net Deferred tax assets (A-B)	5,542,658

The Bank has suffered tax losses pre-amalgamation period, while operating as Branch primarily on account of non-performing assets coupled with expenses incurred on initiatives and have created deferred tax assets on such unabsorbed business losses carried forward as at the period end.

While assessing and concluding on the virtual certainty of making sufficient taxable profits in the near future to realise such unabsorbed business losses, the Management has considered Bank's current levels of income earning assets, interest bearing liabilities and operating margins, NPA recovery plans and current capital position including recent capital infusion during pre-amalgamation period.

36. Subordinated Debt

The Bank has not raised any Subordinated Debt during the period 7 February 2018 to 31 March 2019.

37. Maturity profile of assets and liabilities

	31-Mar-19											
	1 Day	2-7 Days	8 - 14 Days	15 - 30 Days	31 Days - 2 Months	2 - 3 Months	3 - 6 Months	6 Months - 1 Year	1 - 3 Years	3 - 5 Years	Over 5 Years	Total
Deposits	32,459,811	36,504,494	32,256,130	30,701,523	28,592,733	22,972,098	51,612,651	24,733,944	49,425,349	28,725,715	293,931	338,278,379
Advances	1,449,571	3,098,445	8,198,915	33,158,243	15,737,386	13,773,016	29,652,580	2,865,087	14,704,705	3,094,979	55,346,497	181,079,424
Investments	588,702	102,641,401	1,771,994	3,654,825	9,688,907	9,556,276	6,860,619	7,188,354	17,118,100	10,049,227	40,702,052	209,820,457
Borrowings	27,152	85,440,899	343,187	232,135	-	439,811	-	-	-	-	17,980,300	104,463,484
Foreign Currency Assets (*)	39,631,476	981,688	3,670,152	21,788,345	7,621,946	5,937,060	14,536,089	8,804,643	16,204,711	26,919,676	822,236	146,918,022
Foreign Currency Liabilities (*)	27,048,954	1,022,079	350,184	240,842	427,261	793,681	1,170,894	10,937,176	1,256,286	2,947,610	17,980,300	64,175,267

(*) Foreign currency assets and liabilities exclude off-balance sheet assets and liabilities and consequent unrealised 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 the RBI. This has been relied upon by the auditors.

38. Segmental Reporting

As per the guidelines issued by the 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. The Bank has identified "Treasury", "Retail Banking" and "Corporate / Wholesale Banking" and "Funding Management Unit" (FMU) as the primary reporting segments. The business segments have been identified and reported based on the organisation structure, the nature of products and services offered, the internal business reporting system and the guidelines prescribed by the 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, mobile 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 corporate unallocated assets (fixed assets, etc. excluding taxes) and liabilities of the bank reside 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	2,525,311	2,451,794	473,489	238,204	5,688,798
Less: Intersegmental Revenue					1,977,660
Unallocated Income					-
Total Revenue					3,711,138

	Treasury & Markets	Corporate / Wholesale Banking	Retail Banking	Funding Management Unit	Total
Results	704,147	221,501	(347,905)	(27,023)	550,720
Profit / Loss before tax and extraordinary items					550,720
Tax					345,802
Net Profit after Tax					204,918

	Treasury & Markets	Corporate / Wholesale Banking	Retail Banking	Funding Management Unit	Total
Segment Assets	136,009,734	329,831,852	49,496,705	52,738,429	568,076,720
Unallocated assets					11,127,910
Total Assets					579,204,630
Segment Liabilities	188,328,792	240,297,881	69,640,130	21,693,311	519,960,114
Unallocated Liabilities					59,244,516
Total Liabilities					579,204,630

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

Details of branches / subsidiaries of parent are disclosed below where the Bank has transactions during the period. Further, details of Ultimate Parent and Parent are given below:

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 India Limited

- DBS Bank Ltd., Hong Kong
- DBS Bank (Taiwan) Ltd.
- DBS Bank Ltd., Los Angeles
- DBS Bank (China) Limited
- PT Bank DBS Indonesia
- DBS Asia Hub 2 Private Limited
- DBS Bank Ltd., India (till 28 February 2019)

Entity over which the Bank exercises control

- DBS Bank Employees' Provident Fund Trust

Key Management Personnel

- Surojit Shome: Chief Executive Officer, India

With regard to the RBI Circular No. DBOD.BPBC 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-19
Deposit	926,037
	(1,465,032)
Placement of Deposits	140,325
	(215,686)
Borrowings	5,359
	(6,427)
Guarantees / Derivatives / Forward Contracts	4,395,823
	(4,544,098)
Other liabilities	2,129
Interest paid	1,668
Interest received	7,703
Rendering of services*	88
Receiving of services	182,812

(Figures in brackets indicate maximum outstanding during the period)

* (excludes Goods and Service Tax)

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 925,969 thousand

Placement of Deposits:

Nostro deposit was placed with DBS Bank Ltd., London foreign currency equivalent of INR 114,116 thousand, DBS Bank (China) Limited foreign currency equivalent of INR 17,114 thousand.

Borrowings:

Nostro overdraft with DBS Bank (Hong Kong) Ltd foreign currency equivalent of INR 5,359 thousand.

Guarantees / Derivatives / Forward Contracts:

Guarantees given on behalf of DBS Bank Ltd., London foreign currency equivalent of INR 1,291,147 thousand. Guarantees given on behalf of DBS Bank (China) Limited foreign currency equivalent of INR 699,518 thousand. Guarantees given on behalf of DBS Bank (Taiwan) Ltd. foreign currency equivalent of INR 744,799 thousand. FX deal entered into with DBS Asia Hub 2 Private Limited foreign currency equivalent of INR 1,534,250 thousand.

Other liabilities:

Other liabilities include accrued interest payable on term deposit payable to DBS Asia Hub 2 Private Limited amounting to INR 701 thousand. Other accounts payable to DBS Bank (China) Limited foreign currency equivalent of INR 1,133 thousand and to DBS Bank (Hong Kong) Limited foreign currency equivalent of INR 294 thousand.

Interest paid:

Interest paid on term deposits to DBS Asia Hub 2 Private Limited INR 1,668 thousand.

Interest received:

Interest on term deposit placed with DBS Bank Ltd., India INR 7,703 thousand.

Rendering of Services:

Guarantee commission income from DBS Bank Ltd., London foreign currency equivalent of INR 15 thousand, DBS Bank (China) Limited foreign currency equivalent of INR 62 thousand and Bank charges DBS Asia Hub 2 Private Limited INR 10 thousand.

Receiving of Services:

Reimbursement of expense to DBS Bank Ltd., India INR 182,384 thousand.

40. Operating Leases

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

Particulars	31-Mar-19
Not later than one year	342,718
Later than one year and not later than 5 years	864,398
Later than five years	-

The lease payments for the period ended 31 March 2019 charged to the Profit and Loss Account amount to INR 55,498 thousand.

The Bank has entered into operating lease arrangements for office premises, ATM's, Kiosks, vehicles 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. Earnings Per Share

Particulars	31-Mar-19
Net profit after tax	204,918
Weighted average number of equity shares outstanding	401,865,191
Basic and diluted earnings per share in INR	0.51

42. Employee Benefits

Provident Fund: The Bank's contribution to the Employees' Provident Fund during the period was INR 20,277 thousand.

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 period ended 31 March 2019 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 2019 based on actuarial valuation is INR 24,251 thousand.

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

Particulars	31-Mar-19
A Value of the Interest Rate Guarantee	27,485
B Accumulated Balance in the Provident Fund	2,578,059
C Present Value of the Obligation (A+B)	2,605,544
D Carrying Value of Plan Assets	2,581,293
E Liability recognised in the Balance Sheet (C-D)	24,251

Table 2: Parameters of PF investment and obligations

Particulars	31-Mar-19
I Discount rate for the term of the obligation	7.5% p.a
II Average historical yield on the investment portfolio	8.59% p.a
III Discount rate for the remaining term to maturity of the investment portfolio	7.5% p.a
IV Expected Investment Return	8.5% p.a
V Guaranteed Rate of Return	8.65% p.a
VI Salary escalation rate for the term of the obligation	7.5% p.a

Pursuant to the order dated 28 February 2019 from the Hon'ble Supreme Court of India relating to employer's contribution to the Provident Fund under the Provident Funds and Miscellaneous Provisions Act, 1952, the Bank's management is in the process of evaluating the said order and would consider any resulting impact in the financial statements upon receiving additional clarity on the subject.

Compensated Absences: The Bank has charged INR 9,844 thousand to the Profit and Loss Account towards provision for compensated absences during the period ended 31 March 2019.

Principal Actuarial Assumptions	31-Mar-19
Discount Rate (per annum)	6.90%
Salary Escalation Rate (per annum)	7.50%
Mortality	IALM 2012-14 (Ultimate)
Withdrawal rate (per annum)	18%

Gratuity: The Bank has charged INR 23,989 thousand towards provision held in the Gratuity Fund for the period ended 31 March 2019.

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) recognised in the Balance Sheet	31-Mar-19
Present Value of obligations as at period end	299,500
Fair Value of plan assets as at period end	259,373
Net Asset / (Liability) recognised in the Balance Sheet	(40,127)



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(II) Changes in Defined Benefit Obligation during the period	31-Mar-19
Opening Defined Benefit Obligation (DBO)	-
Addition on amalgamation by conversion of DBS India Branch Undertaking (schedule 18 note [5])	270,590
Interest cost	1,480
Current Service Cost	7,860
Past Service Cost	2,518
Actuarial (Gain) / Losses	20,679
Benefits Paid	(3,627)
Closing Defined Benefit Obligation	299,500

(III) Changes in fair value of Plan Assets	31-Mar-19
Opening Fair Value of Plan Assets	-
Addition on amalgamation by conversion of DBS India Branch Undertaking (schedule 18 note [5])	254,452
Expected Return on Plan Assets	29
Actuarial Gain / (Losses)	8,519
Contributions by employer	-
Benefits Paid	(3,627)
Closing Fair Value of Plan Assets	259,373
Estimated Employer Contributions for the next year	80,000
Actual Return on Plan Assets	20,581

(IV) Amount recognised in the Profit and Loss Account	31-Mar-19
Current Service Cost	7,860
Interest on Defined Benefit Obligation (DBO)	1,480
Expected Return on Plan Assets	(29)
Net Actuarial Losses / (Gains) for the current period	12,160
Past Service Cost	2,518
Amount recognised in the Profit and Loss Account	23,989

(V) Asset Information	31-Mar-19
Insurer Managed Funds (non unit-linked)	0.03%
Insurer Managed Funds (unit-linked)	99.97%
Total	100%

(VI) Experience adjustments	31-Mar-19
Present Value of DBO	299,500
Fair Value of Plan Assets	259,373
Funded Status [Surplus/ (Deficit)]	(40,127)
Experience adjustment on Plan Liabilities : (Gain) / Loss	8,184
Experience adjustment on Plan Asset : Gain	6,273

(VII) Principal Actuarial Assumptions	31-Mar-19
Discount Rate (per annum)	6.90%
Expected rate of return on assets (per annum)	7.10%
Salary Escalation Rate (per annum)	7.50%
Attrition Rate	18%
Expected average remaining working lives of employees	4 years
Mortality Rate	IALM 2012-14 (Ultimate).

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

In computing the above information, certain estimates have been made by the Bank's management, which have been relied upon by the auditors.

43. 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:

- 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.

- Chairman Recognition award - Eligible employees of the Bank are awarded ordinary shares for their excellent performance during the period. 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 period ended 31 March 2019 is shown below:

The weighted average fair value of shares awarded as shown above were in the range of SGD 13.31 - SGD 27.31.

Category	Year	Opening balance	Addition on amalgamation by conversion of financial undertaking	Granted	Vested	Lapsed	No. of unvested shares as at 31 March 2019
Restricted Share Plan	2016	-	25,313	-	-	-	25,313
	2017	-	56,779	-	-	-	56,779
	2018	-	60,826	-	-	-	60,826
	2019	-	166,163	-	-	-	166,163
Chairman's Recognition Award	2016	-	24,875	-	-	243	24,632
	2017	-	28,158	-	-	-	28,158
	2018	-	30,716	-	-	-	30,716

The charge to Profit and Loss Account for the period ended 31 March 2019 was INR 7,905 thousand.

Liability on account of share based payment as at 31 March 2019 is INR 5,413 thousand.

44. Complaints

In terms of the 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 period are as under:

Particulars	31-Mar-19
No. of complaints pending at the beginning of the period	-
No. of complaints added on amalgamation by conversion of DBS India Branch Undertaking (schedule 18 note [5])	32
No. of complaints received during the period	84
No. of complaints redressed during the period	76
No. of complaints pending at the end of the period	40

The above disclosure is compiled by the management and relied upon by the auditors.

Particulars	31-Mar-19
No. of unimplemented awards at the beginning of the period	-
No. of unimplemented awards added on amalgamation by conversion of DBS India Branch Undertaking (schedule 18 note [5])	-
No. of awards passed by the Banking Ombudsmen during the period	-
No. of awards implemented during the period	-
No. of unimplemented awards at the end of the period	-

The above disclosure is compiled by the management and relied upon by the auditors.

45. 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'.

46. Contingent Liabilities

- 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.



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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 recognised 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 fulfil 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 and Depositor Education and Awareness Fund (DEAF).

47. 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. The following table sets forth, for the periods indicated, details relating to enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

Sr. No.	Particulars	31-Mar-19	
		Principal	Interest
1.	The Principal amount and the interest due thereon remaining unpaid to any supplier.	-	-
2.	The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date.	-	*
3.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the period) but without adding the interest specified under MSMED Act, 2006	-	-
4.	The amount of interest accrued and remaining unpaid	-	-
5.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	-	-

* amount is negligible.

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

48. Movement in provisions

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

Particulars	31-Mar-19
Opening balance at the beginning of the period	-
Add : Addition on Amalgamation by conversion of DBS India Branch Undertaking (schedule 18 note [5])	65,217
Add : Provision made during the period	-
Less : Utilisation, write back of excess provisions during the period	-
Closing balance at the end of the period	65,217

Note: Provision represents potential claims/demand.

49. Technical Write-Offs

In terms of the 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 period are as under:

Particulars	31-Mar-19
Opening balance of Technical/ Prudential written-off accounts	-
Add: Addition on Amalgamation by conversion of DBS India Branch Undertaking (schedule 18 note [5])	1,167,427
Add: Technical/ Prudential write-offs during the period	-
Sub-total (A)	1,167,427
Less: Recoveries made from previously technical/ prudential written-off accounts during the period (B)	-
Closing balance (A-B)	1,167,427

50. Unhedged Foreign Currency Exposure (UFCE)

The 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.

The 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 the 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 annualised volatilities (currently pegged at 12.49% of notional by the 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 respective 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 the RBI.

As per the 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 the 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-19
Incremental provision on account of UFCE	208,966
Incremental risk weighted assets on account of UFCE	11,342,743

51. Intra-Group Exposures

In terms of the 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-19
Total amount of intra-group exposures	33,475,124
Total amount of top-20 intra-group exposures	33,475,124
Percentage of intra-group exposures to total exposure of the bank on borrowers /customers	7.72%
Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	Refer note below

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

Pursuant to RBI approval on the Scheme of Amalgamation, the Bank is required to monitor Intra group exposures with the Parent on the entire exposure value as compared to only proprietary derivative exposure value as applicable for branch of a foreign bank. RBI has provided the Bank staggered relaxation for two years from the effective date to comply with the RBI 'Guidelines on Management of Intra-Group Transactions and Exposures'.

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

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



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Particulars	31-Mar-19
Opening balance of amounts transferred to DEAF	-
Add: Addition on amalgamation by conversion of DBS India Branch undertaking (schedule 18 note [5])	3,297
Add : Amounts transferred to DEAF during the period	34
Less : Amounts reimbursed by DEAF towards claims	-
Closing balance of amounts transferred to DEAF	3,331

53. Liquidity Coverage Ratio

The 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	31-Mar-2019	
	Total Unweighted Value (average*)	Total Weighted Value (average*)
High Quality Liquid Assets		
1. Total High Quality Liquid Assets (HQLA) (A)	-	97,982,085
Cash Outflows		
2. Retail deposits and deposits from small business customers, of which:	60,650,118	5,799,577
(i) Stable deposits	5,308,685	265,434
(ii) Less stable deposits	55,341,433	5,534,143
3. Unsecured wholesale funding, of which:	201,276,737	91,898,698
(i) Operational deposits (all counterparties)	-	-
(ii) Non-operational deposits (all counterparties)	201,276,737	91,898,698
(iii) Unsecured debt	-	-
4. Secured wholesale funding		
5. Additional requirements, of which	30,500,609	11,115,092
(i) Outflows related to derivative exposures and other collateral	9,064,906	9,064,906
(ii) Outflows related to loss of funding on debt products	-	-
(iii) Credit and liquidity facilities	21,435,703	2,050,186
6. Other contractual funding obligations	-	-
7. Other contingent funding obligations	213,616,958	9,263,421
8. Total Cash Outflows (B)		118,076,788
Cash Inflows		
9. Secured lending (e.g. reverse repos)	1,833,050	-
10. Inflows from fully performing exposures	73,844,367	48,959,485
11. Other cash inflows	20,615,506	1,256,406
12. Total Cash Inflows (C)		50,215,891
		Total Adjusted Value
21. TOTAL HQLA		97,982,085
22. Total Net Cash Outflows (D = B-C)		67,860,897
23. Liquidity Coverage Ratio (%) (A)/(D)		144.39%

* Average is calculated based on daily data points for the period 1 March 2019 to 31 March 2019. In computing the above information, certain assumption and estimate have been made by the management which have been relied upon by the auditors.

Qualitative disclosure around LCR

The main LCR drivers for the Bank are as under (observed over 1 month end data):

31-Mar-19	Average	Maximum	Minimum
HQLA	97,982,085	110,655,371	80,885,409
Total Cash Inflows	50,215,893	80,656,777	35,503,549
Total Cash Outflows	118,076,790	134,075,239	112,120,611
Total Net Cash Outflows#	67,860,898	80,741,789	39,194,478

#The Maximum and Minimum of Total Net Cash Outflows will not equal the respective differences since the same may be of different dates

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

The Bank's HQLA primarily consist of excess SLR maintained in the form of Government Securities /T-Bills, 9% of NDTL (as permissible by the RBI), 2% MSF (as permissible by the 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 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.

The overall liquidity management is guided by the ALCO and MLRC who are guided by the Board approved internal framework of the Bank. The relevant units (RMG MLR, CT and TLM) interact regularly with each other to ensure adherence to the directions set by the Bank's committees.

54. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, DBS India Branch undertaking had a CSR Committee. All the CSR projects undertaken by DBS India Branch Undertaking were planned in a participatory manner, in consultation with the CSR committee and the India Management Committee – IMC (wherever required).

The agenda/ vision for CSR is to actively contribute to the social and economic development of the communities including the communities in which the Bank operates and build a better, sustainable way of life for the weaker sections of society and raise the country's human development index. The Bank has been incorporated as a wholly owned subsidiary of DBS Bank Ltd. – Singapore and has constituted a CSR Committee pursuant to the applicable provisions of the Companies Act, 2013 and Banking Regulation Act, 1949 and the guidelines issued by RBI from time to time in this regard.

55. Sector-wise Advances

Sector	31 March 2019		
	Outstanding Total Advances**	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A Priority Sector			
1 Agriculture and allied activities	144,124	-	0.00%
2 Advances to industries sector eligible as priority sector lending	50,585,522	126,551	0.25%
Of which – chemicals and chemical products (Dyes, Paints, etc.) – Drugs and Pharmaceuticals	13,168,401	12,448	0.09%
3 Services	23,971,560	-	0.00%
Of which - Computer Software	5,366,978	-	0.00%
Of which - Non-banking financial institutions/companies	2,767,192	-	0.00%
4 Personal loans	7,507	-	0.00%
Of which - Home Loans	5,031	-	0.00%
Of which – loan against property	2,476	-	0.00%
Sub-total (A)	74,708,713	126,551	0.17%
B Non Priority Sector			
1. Agriculture and allied activities	-	-	-
2. Industry	67,150,538	4,241,067	6.32%
Of which – chemicals and chemical products (Dyes, Paints, etc.) – Drugs and Pharmaceuticals	1,191,306	8,296	0.70%
Of which – Construction	14,805,779	1,731,602	11.70%



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Sector	31 March 2019		
	Outstanding Total Advances**	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
3. Services	31,093,189	1,425,204	4.58%
Of which - Computer Software	1,133,611	339,071	29.91%
Of which - Non-banking financial institutions/companies	10,832,337	-	0.00%
4. Personal loans*	13,370,072	38,894	0.29%
Of which Home Loans	10,094,423	17,539	0.17%
Of which Loans against Property	2,492,002	14,941	0.60%
Sub-total (B)	111,613,799	5,705,165	5.11%
Total (A+B)	186,322,512	5,831,716	3.13%

*Personal loan includes home loans and loan against property

** Represent gross advances

56. Priority Sector Lending Certificates (PSLC)(Category-wise) sold and purchased during the period

Particulars	31-Mar-19
PSLC purchased during the period	
(i) PSLC – Agriculture	-
(ii) PSLC – SF/MF	-
(iii) PSLC – Micro Enterprises	-
(iv) PSLC – General	-
Total	
PSLC sold during the period	
(i) PSLC – Agriculture	-
(ii) PSLC – SF/MF	-
(iii) PSLC – Micro Enterprises	-
(iv) PSLC – General	2,500,000
Total	2,500,000

57. Disclosures on Flexible Structuring of Existing Loans

There were no borrowers taken up for flexibility structuring during the period ended 31 March 2019.

58. Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period)

There were no accounts as on the reporting date which are under stand-still period under Strategic Debt Restructuring Scheme (SDR).

59. Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period)

There were no accounts as on the reporting date where Bank has decided to effect change in ownership outside SDR, which are currently under the stand-still period.

60. Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period)

There were no project loan accounts during the period where Bank has decided to effect change in ownership.

61. Disclosures on the Scheme for Sustainable Structuring of Stressed Assets (S4A)

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

No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision Held
		In Part A	In Part B	
Classified as Standard	1,567,733	912,109	655,623	136,245
Classified as NPA	85,921	59,998	25,923	42,088

62. Divergence in the asset classification and provisioning

There is no instance of divergence in the asset classification and provisioning of advances based on the latest inspection report published by the RBI for DBS Bank Ltd. India.

63. Provision pertaining to fraud accounts

The disclosure on provision pertaining to fraud accounts in accordance with the RBI circular DBR.No.BP.BC.92/21.04.048/2015-16 dated 18 April 2016 is as under

Particulars	31-Mar-19
No. of frauds reported during the period	4
Amount involved in fraud	49
Amount involved in fraud net of recoveries / write-offs as at the end of the period	1
Provisions held as at the end of the period	1
Amount of unamortised provision debited from "other reserves" as at the end of the period	-

64. Implementation of Indian Accounting Standards (IndAS)

The Ministry of Corporate Affairs (MCA), Government of India had notified the Companies (Indian Accounting Standards) Rules, 2015 on 16 February 2015. Further, a press release was issued by the MCA on 18 January 2016 outlining the roadmap for implementation of Indian Accounting Standards (IndAS) converged with International Financial Reporting Standards (IFRS) for banks. Banks in India shall comply with the IndAS for financial statements for accounting period beginning from 1 April 2018 onwards, with comparatives for the year ended 31 March 2018. Subsequently, in accordance with press release on 'Statement on Developmental and Regulatory Policies' dated 5 April 2018, RBI has advised deferment of implementation of IndAS by one year taking into consideration various legislative amendments required to align with IndAS requirements and implementation constraints on the banking sector in general. This was further deferred by RBI in March 2019 until further notice.

In preparedness towards achieving the same and in accordance with RBI guidelines, the Bank had prepared proforma financials as per IndAS as on 31 March 2019 as per extant regulatory guidelines and submitted the same to the RBI.

The Bank will continue its preparation towards migration to adopting IndAS as per regulatory timelines.

65. Disclosure on Remuneration

DBS Bank Ltd., India amalgamated by way of conversion to a Wholly Owned Subsidiary (WOS) i.e. DBS Bank India Limited (the 'Bank') effective 1 March 2019. Pursuant to this conversion, all regulations as applicable to domestic banks under RBI regulations and Companies Act, 2013 shall become applicable to the Bank. While the Bank has commenced its full-fledged banking operations in India w.e.f. 1 March 2019 i.e. for one calendar month during current fiscal period, the Bank is in the process of designing and formalising its compensation framework. These shall be placed for review and approval by the Nomination & Remuneration Committee (NRC) and subsequently to the Board. We shall provide complete disclosures post finalization of these framework/ guidelines for 31 March 2020.

66. Disclosure on remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of sitting fees for attending meetings of the Board and its committees. An amount of INR 2,750 thousand was paid as sitting fees to the Non-Executive Directors during the period.

67. Other Disclosures

- The Bank did not hold any floating provision in its books as at 31 March 2019.
- Deposits as reported in Schedule 3 include deposits kept by customers as margin against credit facilities INR 4,870,672 thousand.
- The Bank has transferred an amount of INR 153,689 thousand to Investment Reserve account.
- The Bank has transferred an amount of INR 51,229 thousand to Statutory Reserve account.
- The Bank did not transfer any amount to Investment Fluctuation Reserve, since no surplus balance was left post transferring the amount to Investment Reserve and Statutory reserve.
- The Bank did not issue any Letters of Comfort (LoC) during the period ended 31 March 2019.
- The Bank has not financed any margin trading activities nor securitised any assets during the current period.
- The Bank did not deal in any Credit default swaps during the period ended 31 March 2019.
- The Bank has not sold or transferred securities to/from HTM category during the period.
- The Bank has earned an amount of INR 19,532 thousand in respect of Bancassurance business undertaken during the period ended 31 March 2019.
- The net book value of the fixed assets includes computer software of INR 64,358 thousand as at 31 March 2019.
- Receivables acquired under factoring (gross) as on 31 March 2019 amounts to INR 14,316,690 thousand.

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm Registration No.: 101049W/E300004

Sarvesh Warty
Partner
Membership No: 121411

Mumbai, 28 June 2019

For DBS Bank India Limited

Surojit Shome
Managing Director &
Chief Executive Officer

Rajesh Prabhu
Whole Time Director &
Chief Financial Officer

Ketan Kulkarni
Company Secretary
Mumbai 28 June 2019