



## INDEPENDENT AUDITOR'S REPORT

To the Members of Deutsche Bank AG, India Branches

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Deutsche Bank AG, India Branches ("the Bank"), which comprise the Balance Sheet as at March 31, 2021, the Profit and Loss account and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, 2021, its profit and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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.

#### Emphasis of Matter

We draw attention to Note no.4.(h)(x) of Schedule 18 to the financial statements, which describes the extent to which the COVID-19 pandemic that continues to impact the Bank's operations and its financial metrics which are dependent on highly uncertain future developments.

Our opinion is not modified in respect of the above matter.

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

The Branch Management Board of the Bank is responsible for the other information. The other information comprises the Basel III- Pillar 3 Disclosures but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Responsibilities of Branch Management Board for Financial Statements

The Branch Management Board of the Bank 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements 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.

#### Other Matter

The financial statements of the Bank for the year ended March 31, 2020, were audited by another auditor whose report dated June 22, 2020 expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement for the year ended March 31, 2021, have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014.
2. As required by sub section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
  - (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
  - (c) The financial accounting systems of the Bank are centralized and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by its branches; we have visited 10 branches for the purpose of our audit.
3. As required by Section 143(3) of the Act, and as per the requirement of RBI circular no DOS.ARG.No6269/08.91.002/2019-20 dated March 17, 2020 for appointment of Statutory Central Auditors in Foreign Banks operating in India, 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 Accounting Standards prescribed under Section 133 of the Companies Act read with Companies (Accounting Standards) Rules, 2006 (as amended), to the extent they are not inconsistent with the guidelines prescribed by RBI;
  - (e) In our opinion, there are no material financial transactions or matters that have an adverse effect on the functioning of the Bank;
  - (f) The requirement of section 164 (2) of the Act is not applicable to the Bank considering it is a branch of Deutsche Bank AG, which is incorporated with limited liability in Germany;
  - (g) With respect to the adequacy of the internal financial controls of the Bank with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;
  - (h) In our opinion, the entity being a Banking Company, provisions of section 197 read with Schedule V of the Act are not applicable to the Bank for the year ended March 31, 2021; and
  - (i) 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 12 – Contingent Liabilities and Note 4(n)(i) and 4 (v) of Schedule 18 to the financial statements;
    - ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – refer Schedule 5 and Note 4(g), 4(h)(i) and Note 4(n)(i) of Schedule 18 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 Number: 101049W/E300004

sd/-

**per Sarvesh Warty**

Partner

Membership Number: 121411

UDIN: 21121411AAAAFX7202

Place: Mumbai

Date: June 29, 2021



## **ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DEUTSCHE BANK AG, INDIA BRANCHES**

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

We have audited the internal financial controls with reference to financial statements of Deutsche Bank AG, India Branches (the "Bank") as of March 31, 2021 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Bank's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Bank's internal financial controls with reference to these financial statements 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, 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 with reference to these financial statements.

#### **Meaning of Internal Financial Controls with Reference to these financial statements**

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

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

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements 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, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2021, 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 ICAI.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049WE300004

sd/-  
**per Sarvesh Warty**  
Partner  
Membership Number: 121411  
UDIN: 21121411AAAAX7202

Place: Mumbai  
Date: June 29, 2021



<b>Balance Sheet as on 31 March 2021</b>				<b>Profit and Loss Account for the year ended 31 March 2021</b>			
In thousands of Indian Rupees				In thousands of Indian Rupees			
Particulars	Schedule	31 March 2021	31 March 2020	Particulars	Schedule	Year ended 31 March 2021	Year ended 31 March 2020
<b>Capital and Liabilities</b>				<b>Income</b>			
Capital	1	84,431,087	75,881,087	Interest Earned	13	64,321,541	66,541,712
Reserves and Surplus	2	109,281,672	94,014,941	Other Income	14	13,187,081	7,318,779
Deposits	3	662,235,472	599,095,565	<b>Total</b>		<b>77,508,622</b>	<b>73,860,491</b>
Borrowings	4	276,549,681	139,736,932	<b>Expenditure</b>			
Other Liabilities and Provisions	5	161,801,312	303,711,894	Interest Expended	15	22,140,827	28,760,907
<b>Total</b>		<b>1,294,299,224</b>	<b>1,212,440,419</b>	Operating Expenses	16	23,060,870	19,959,024
<b>Assets</b>				Provisions and Contingencies	17	17,040,194	14,831,140
Cash and Balances				<b>Total</b>		<b>62,241,891</b>	<b>63,551,071</b>
with Reserve Bank of India	6	23,707,918	31,946,422	<b>Profit / (Loss)</b>			
Balances with Banks and Money				Net profit for the year		15,266,731	10,309,420
at Call and Short Notice	7	104,768,277	66,851,653	Profit brought forward		14,715,833	9,238,069
Investments	8	517,677,357	331,799,673	<b>Total</b>		<b>29,982,564</b>	<b>19,547,489</b>
Advances	9	524,377,619	510,677,596	<b>Appropriations</b>			
Fixed assets	10	1,783,200	1,138,329	Transfer to statutory reserve		3,816,683	2,577,355
Other assets	11	121,984,853	270,026,746	Transfer to/(from) investment fluctuation reserve		7,204,937	2,400,000
<b>Total</b>		<b>1,294,299,224</b>	<b>1,212,440,419</b>	Transfer to/(from) investment reserve		281,458	(145,699)
Contingent liabilities	12	8,837,880,425	14,090,570,798	Transfer to remittable surplus retained for CRAR requirements		13,714,471	-
Bills for collection		331,612,938	373,538,918	Remittances to Head Office made during the year		-	-
Significant accounting policies and notes to the financial statements	18			Balance carried over to Balance Sheet		4,965,015	14,715,833
The accompanying notes form an integral part of this Balance Sheet				<b>Total</b>		<b>29,982,564</b>	<b>19,547,489</b>
				Significant accounting policies and notes to the financial statements			
				18			
The accompanying notes form an integral part of this Balance Sheet				The accompanying notes form an integral part of this Profit and Loss Account.			

This is the Balance Sheet referred to in our report of even date.

This is the Profit and Loss Account referred to in our report of even date.

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

For **Deutsche Bank AG - India Branches**

Sd/-  
**Sarvesh Warty**  
Partner  
Membership No. : 121411

Sd/-  
**Kaushik Shaparia**  
Chief Executive Officer – India

Sd/-  
**Avinash Prabhu**  
Chief Financial Officer – India

Place : Mumbai  
Date : 29 June, 2021

Place : Mumbai  
Date : 29 June, 2021



**Cash Flow Statement for the year ended 31 March 2021**

In thousands of Indian Rupees

Particulars	31 March 2021	31 March 2020
<b>Cash Flow from operating activities</b>		
Net profit before Taxes	27,386,966	19,816,226
<b>Adjustment for:</b>		
Depreciation and amortisation for the year	404,586	375,487
Provision for depreciation on investments	(666,331)	2,696,443
Provision for loan loss (net)	1,612,713	1,121,733
Provision for contingent credit exposures	(633,990)	(42,906)
Bad-debts written off	4,853,513	1,049,334
Provision for country risk	181,832	21,772
Provision for standard assets	26,104	47,936
Other Provisions	(453,882)	392,522
(Profit)/Loss on sale of fixed assets (net)	12,795	116,870
	<u>32,724,306</u>	<u>25,595,417</u>
<b>Adjustment for:</b>		
Increase / (Decrease) in deposits	63,139,907	43,686,734
Increase / (Decrease) in other liabilities and provisions	(141,030,646)	122,654,469
(Increase) / Decrease in investments	(185,211,353)	(76,639,444)
(Increase) / Decrease in advances	(20,166,249)	(30,152,948)
(Increase) / Decrease in other assets	146,103,010	(110,590,785)
	<u>(104,441,025)</u>	<u>(25,446,557)</u>
Income tax paid	(10,181,352)	(10,355,531)
<b>Net cash flow from / (used in) operating activities (A)</b>	<u><b>(114,622,377)</b></u>	<u><b>(35,802,088)</b></u>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(1,009,676)	(249,041)
Capital Work-in-progress	(56,259)	(146,900)
Proceeds from sale of fixed assets	3,683	3,367
<b>Net cash flow from/(used in) investing activities (B)</b>	<u><b>(1,062,252)</b></u>	<u><b>(392,574)</b></u>
<b>Cash flows from financing activities</b>		
Increase in Capital	8,550,000	-
Remittance of profit to Head Office	-	-
Increase / (Decrease) in borrowings (net)	136,812,749	(27,515,567)
<b>Net cash flow from/(used in) financing activities (C)</b>	<u><b>145,362,749</b></u>	<u><b>(27,515,567)</b></u>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<u><b>29,678,120</b></u>	<u><b>(63,710,229)</b></u>
Cash and cash equivalents at beginning of the year	98,798,075	162,508,304
Cash and cash equivalents at end of the year	128,476,195	98,798,075
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<u><b>29,678,120</b></u>	<u><b>(63,710,229)</b></u>
<b>Notes on cash flow statement</b>		
1. Cash and balances with Reserve Bank of India	23,707,918	31,946,422
Balances with banks and money at call and short notice	104,768,277	66,851,653
<b>Cash and cash equivalents at end of the year</b>	<u><b>128,476,195</b></u>	<u><b>98,798,075</b></u>

2. The above cash flow statement has been prepared under the indirect method set out in Accounting Standard 3 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This is the Cash Flow Statement referred to in our report of even date.

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

For **Deutsche Bank AG - India Branches**

Sd/-  
**Sarvesh Warty**  
Partner  
Membership No. : 121411

Sd/-  
**Kaushik Shaparia**  
Chief Executive Officer – India

Sd/-  
**Avinash Prabhu**  
Chief Financial Officer – India

Place : Mumbai  
Date : 29 June, 2021

Place : Mumbai  
Date : 29 June, 2021



## Schedules forming part of the Balance Sheet as on 31 March 2021

In thousands of Indian Rupees

Particulars	31 March 2021	31 March 2020	Particulars	31 March 2021	31 March 2020
<b>Schedule 1 - Capital</b>			<b>Schedule 4 - Borrowings</b>		
Amount of deposit with Reserve Bank of India (at face value) under Section 11 (2) (b) of the Banking Regulation Act, 1949	33,250,000	30,750,000	<b>1 Borrowings in India</b>		
<b>Head Office Account</b>			(a) Reserve Bank of India	–	1,120,000
Opening Balance (including start-up capital of Rs 2 million and remittances from Head office)	75,881,087	75,881,087	(b) Other Banks	13,565	7,628
Additions during the year	8,550,000	–	(c) Other institutions and agencies	272,871,265	124,661,805
<b>Total</b>	<b>84,431,087</b>	<b>75,881,087</b>		<b>272,884,830</b>	<b>125,789,433</b>
<b>Schedule 2 - Reserves and Surplus</b>			<b>2 Borrowings outside India</b>		
<b>1 Statutory reserve</b>			Other Banks	3,664,851	13,947,499
Opening Balance	32,265,930	29,688,575	<b>Total</b>	<b>276,549,681</b>	<b>139,736,932</b>
Additions during the year:			<b>Secured borrowings included in 1 and 2 above</b>	<b>247,871,265</b>	<b>110,781,806</b>
Additions : Transfer from Profit and Loss Account	3,816,683	2,577,355	<b>Schedule 5 - Other Liabilities and Provisions</b>		
	<b>36,082,613</b>	<b>32,265,930</b>	<b>1 Bills payable</b>	5,204,402	2,429,930
<b>2 Capital reserve</b>			<b>2 Inter-office adjustments - branches in India (net)</b>	6,190	1,263
Opening Balance	360,607	360,607	<b>3 Interest accrued</b>	10,231,058	9,227,865
Additions during the year	–	–	<b>4 Provision for taxation (net of tax paid in advance / tax deducted at source)</b>	–	–
	<b>360,607</b>	<b>360,607</b>	<b>5 Others (including provisions) (Refer Schedule 18 Note-4 h vi - Standard Asset Provision)</b>	146,359,662	292,052,836
<b>3 Investment fluctuation reserve</b>			<b>Total</b>	<b>161,801,312</b>	<b>303,711,894</b>
Opening Balance	3,204,519	804,519	<b>Schedule 6 - Cash and Balances with Reserve Bank of India</b>		
Additions/(Deductions) : Transfer from/(to) Profit and Loss Account (Refer Schedule 18 Note-4 n iii b)	7,204,937	2,400,000	<b>1 Cash in hand (including foreign currency notes)</b>	134,223	174,570
	<b>10,409,456</b>	<b>3,204,519</b>	<b>2 Balances with Reserve Bank of India</b>		
<b>4 Investment reserve</b>			(a) in current account	23,573,695	31,771,852
Opening Balance	–	145,699	(b) in other accounts	–	–
Additions/(Deductions) : Transfer from/(to) Profit and Loss Account (Refer Schedule 18 Note-4 n iii a)	281,458	(145,699)	<b>Total</b>	<b>23,707,918</b>	<b>31,946,422</b>
	<b>281,458</b>	<b>–</b>	<b>Schedule 7 - Balances with Banks and Money at Call and Short Notice</b>		
<b>5 Balance in Profit and Loss Account</b>	<b>4,965,015</b>	<b>14,715,833</b>	<b>1 In India</b>		
<b>6 Remittable Surplus retained for CRAR requirements</b>			(a) Balances with banks		
Opening Balance	43,468,052	43,468,052	i. in current accounts	19,557	68,980
Additions : Transfer from Profit and Loss Account	13,714,471	–	ii. in other deposit accounts	552,500	552,500
	<b>57,182,523</b>	<b>43,468,052</b>	(b) Money at call and short notice		
<b>Total</b>	<b>109,281,672</b>	<b>94,014,941</b>	i. with banks	11,980,000	31,820,000
			ii. with other institutions	3,230,221	8,636,435
<b>Schedule 3 - Deposits</b>			<b>2 Outside India</b>		
<b>1 (a) Demand deposits</b>			(a) in current accounts	34,226,609	12,154,038
i. From banks	14,235,083	14,199,869	(b) in deposit accounts	50,007,240	–
ii. From others	313,851,982	300,888,085	(c) Money at call and short notice	4,752,150	13,619,700
	<b>328,087,065</b>	<b>315,087,954</b>	<b>Total</b>	<b>104,768,277</b>	<b>66,851,653</b>
<b>(b) Savings bank deposits</b>	<b>29,673,353</b>	<b>24,728,970</b>			
<b>(c) Term deposits</b>					
i. From banks	–	–			
ii. From others	304,475,054	259,278,641			
	<b>304,475,054</b>	<b>259,278,641</b>			
<b>Total</b>	<b>662,235,472</b>	<b>599,095,565</b>			
<b>2 (i) Deposits of branches in India</b>	<b>662,235,472</b>	<b>599,095,565</b>			
<b>(ii) Deposits of branches outside India</b>	<b>–</b>	<b>–</b>			
<b>Total</b>	<b>662,235,472</b>	<b>599,095,565</b>			



**Schedules forming part of the Balance Sheet as on 31 March 2021**

In thousands of Indian Rupees

Particulars	31 March 2021	31 March 2020	Particulars	31 March 2021	31 March 2020
<b>Schedule 8 - Investments</b>			<b>2 Other Fixed Assets (including furniture and fixtures)</b>		
(1) <b>Investments in India in:</b>			(a) Cost as on 31st March of the preceding year	2,318,665	2,269,670
1 Government securities	404,618,483	261,306,910	(b) Additions during the year	931,989	227,941
2 Other approved securities	—	—	(c) Deductions during the year	(119,909)	(178,947)
3 Shares	648,835	648,835	(d) Accumulated depreciation to date (Refer Schedule 18 Note-4 m vi i)	(1,893,420)	(1,666,543)
4 Debentures and bonds	16,335,184	26,516,185	<b>Net Block</b>	<b>1,237,325</b>	<b>652,121</b>
5 Others (Includes Security Receipts, Pass Through Certificates, Commercial Papers)	13,025,326	8,955,428	<b>3 Capital Work-in-progress</b>	<b>257,349</b>	<b>201,090</b>
Gross Investments in India	<b>434,627,828</b>	<b>297,427,358</b>	<b>Total</b>	<b>1,783,200</b>	<b>1,138,329</b>
Less : Provision for depreciation on investments	(2,795,430)	(3,461,761)	<b>Schedule 11 - Other Assets</b>		
<b>Total</b>	<b>431,832,398</b>	<b>293,965,597</b>	1 Inter-office adjustments - branches in India (net)	—	—
(2) <b>Investments outside India in:</b>			2 Interest accrued	8,004,825	6,017,621
1 Government securities	85,844,959	37,834,076	3 Tax paid in advance / tax deducted at source (net of provision for taxation)	2,715,801	6,522,875
Less : Provision for depreciation on investments	—	—	4 Stationery and stamps	783	549
<b>Total</b>	<b>85,844,959</b>	<b>37,834,076</b>	5 Others (including deferred tax - Refer Schedule 18 Note - 4 m iv)	111,263,444	257,485,701
<b>Total Investments</b>	<b>517,677,357</b>	<b>331,799,673</b>	<b>Total</b>	<b>121,984,853</b>	<b>270,026,746</b>
<b>Schedule 9 - Advances</b>			<b>Schedule 12 - Contingent Liabilities</b>		
1 (a) Bills purchased and discounted	95,404,040	68,081,593	1 Claims against the Bank not acknowledged as debts (including tax related matters)	2,974,934	2,808,421
(b) Cash credits, overdrafts and loans repayable on demand	167,010,959	226,440,122	2 Liability on account of outstanding foreign exchange contracts	3,383,420,226	5,918,245,182
(c) Term loans	261,962,620	216,155,881	3 Guarantees given on behalf of constituents		
<b>Total</b>	<b>524,377,619</b>	<b>510,677,596</b>	(a) In India	211,830,076	138,075,187
2 (a) Secured by tangible assets (includes advances against book debts)	259,420,627	247,541,568	(b) Outside India	40,284,282	42,400,114
(b) Covered by bank / Government guarantees	3,194,996	1,477,070	4 Acceptances, endorsements and other obligations	29,904,592	20,404,174
(c) Unsecured	261,761,996	261,658,958	5 Bills rediscounted	—	—
<b>Total</b>	<b>524,377,619</b>	<b>510,677,596</b>	6 Other Items for which the Bank is contingently liable		
3.1 Advances in India			(a) Swaps	4,789,817,548	7,283,619,067
(a) Priority sector	189,176,488	162,239,018	(b) Options	331,543,137	644,743,317
(b) Public sector	2,342,905	10,616,794	(c) Futures	—	—
(c) Banks	1,960,389	5,853,175	(d) Other items	48,105,630	40,275,336
(d) Others	330,897,837	331,968,609	<b>Total</b>	<b>8,837,880,425</b>	<b>14,090,570,798</b>
<b>Total</b>	<b>524,377,619</b>	<b>510,677,596</b>			
3.2 Advances outside India	—	—			
<b>Total Advances (3.1+3.2) Total</b>	<b>524,377,619</b>	<b>510,677,596</b>			
<b>Schedule 10 - Fixed Assets</b>					
1 <b>Premises (including leasehold improvements)</b>					
(a) Cost as on 31st March of the preceding year	1,280,447	1,263,982			
(b) Additions during the year	77,687	21,100			
(c) Deductions during the year	(27,037)	(4,635)			
(d) Accumulated depreciation to date (Refer Schedule 18 Note-4 m vi i)	(1,042,571)	(995,329)			
<b>Net Block</b>	<b>288,526</b>	<b>285,118</b>			



## Schedules forming part of the Profit and Loss Account for the year ended 31 March 2021

In thousands of Indian Rupees

Particulars	Year ended 31 March 2021	Year ended 31 March 2020	Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>Schedule 13 - Interest Earned</b>			<b>Schedule 16 - Operating Expenses</b>		
1 Interest/discounts on advances/bills	35,150,267	42,112,651	1 Payments to and provisions for employees (Refer Schedule 18 Note-4 m i) (net of cost recoveries)	5,987,751	5,651,992
2 Income on investments	24,967,571	19,581,579	2 Rent, taxes and lighting (net of cost recoveries) (Refer Schedule 18 Note-4 m v)	793,303	908,817
3 Interest on balances with Reserve Bank of India and other interbank funds	3,882,778	4,808,132	3 Printing and stationery	18,165	35,681
4 Others	320,925	39,350	4 Advertisement and publicity	29,086	80,584
<b>Total</b>	<b>64,321,541</b>	<b>66,541,712</b>	5 Depreciation on Bank's property	404,586	375,487
<b>Schedule 14 - Other Income</b>			6 Auditors' fees and expenses	4,910	5,460
1 Commission, exchange and brokerage (net) (including custodial and depository income)	4,090,105	5,259,347	7 Law charges	36,760	59,946
2 Profit / (Loss) on sale of investments (net)	(992,409)	1,150,286	8 Postage, telegrams, telephones, etc.	413,781	362,246
3 Profit / (Loss) on sale of fixed assets (net)	(12,795)	(116,870)	9 Repairs and maintenance	562,433	372,431
4 Profit / (Loss) on exchange transactions (net)	9,483,567	22,991	10 Insurance	791,281	648,005
5 Miscellaneous Income / (Loss)	618,613	1,003,025	11 Head office charges	2,166,412	2,034,573
<b>Total</b>	<b>13,187,081</b>	<b>7,318,779</b>	12 Other expenditure (net of cost recoveries)	11,852,402	9,423,802
<b>Schedule 15 - Interest Expended</b>			<b>Total</b>	<b>23,060,870</b>	<b>19,959,024</b>
1 Interest on deposits	14,655,354	21,873,459	<b>Schedule 17 - Provision and Contingencies</b>		
2 Interest on Reserve Bank of India and other interbank borrowings (including from other money market participants)	7,443,863	6,845,998	1 Provision for loan loss (net)	1,612,713	1,121,733
3 Others	41,610	41,450	2 Provision / (write back) for contingent credit exposures	(633,990)	(42,906)
<b>Total</b>	<b>22,140,827</b>	<b>28,760,907</b>	3 Provision made on sale of NPA	-	37,500
			4 Provision / (write back) for standard assets	26,104	47,936
			5 Provision / (write back) for country risk	181,832	21,772
			6 Bad debts written off	4,853,513	1,049,334
			7 Provision / (write back) for depreciation on investments	(666,331)	2,696,443
			8 Other Provisions (net)	(453,882)	392,522
			9 Provision for taxation:		
			(a) Current tax	13,988,426	10,190,689
			(b) Deferred tax (Refer Schedule 18 Note-4 m iv)	(1,868,191)	(683,883)
			<b>Total</b>	<b>17,040,194</b>	<b>14,831,140</b>

## Schedule 18: Notes forming part of the financial statements of the India Branches

For the year ended 31 March 2021

## 1. Background

The accompanying financial statements for the year ended 31 March 2021 comprise accounts of the India Branches of Deutsche Bank AG (the 'Bank') which is incorporated in Germany with limited liability.

## 2. Basis of preparation and use of estimates

The financial statements have been prepared and presented under the historical cost convention and on accrual basis of accounting, unless otherwise stated, and are in accordance with the generally accepted accounting principles and statutory provisions prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('RBI') and Accounting Standards ('AS') specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Account) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules 2016 to the extent applicable and conform to the statutory requirements prescribed by the RBI from time to time and current practices prevailing within the banking industry in India.

The preparation of the financial statements in conformity with the generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities (including contingent liabilities), revenues and expenses as at the date of the financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to the accounting estimates is recognised prospectively in the current and future periods.



### Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2021

#### 3. Significant accounting policies

##### a. Foreign currency translation

Monetary foreign currency assets, liabilities and contingent liabilities on account of guarantees, endorsements and other outstandings are translated at the Balance Sheet date at rates notified by the Foreign Exchange Dealers Association of India ('FEDAI'). Revenue and expenses in foreign currency are translated at the rates prevailing on the date of the transaction. Exchange difference arising on foreign exchange transactions settled during the year are recognized in the Profit and Loss Account. Profits/losses resulting from year-end revaluations are included in the Profit and Loss Account.

##### b. Investments

i. Investments are categorised as Held to Maturity ('HTM'), Available for Sale ('AFS') and Held for Trading ('HFT') in accordance with the RBI guidelines based on intent at the time of acquisition. However, for disclosure in the Balance Sheet, these Investments are classified as Investments in India & Outside India. These are further classified as Government securities, Other approved securities, Shares, Debentures and bonds, Investment in subsidiaries / joint ventures and other investments. These are valued in accordance with extant RBI guidelines.

Investments, which the Bank intends to hold till maturity are classified as HTM investments. Investments that are held principally for resale within 90 days are classified as HFT investments. All other investments are classified as AFS investments.

ii. Investments under HTM are carried at acquisition cost or amortised cost if acquired at a premium. The premium, if any, is amortised over the remaining life of the security on a straight line basis, while discount, if any, is ignored. Profit on sale of HTM securities is appropriated to Capital Reserve net of income tax and statutory reserve while loss, if any, is charged to the Profit and Loss Account. A provision is made for other than temporary diminution, if any, in the value of HTM investments.

iii. Investments under AFS and HFT categories are revalued periodically as per RBI guidelines. Securities under each category are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net depreciation, if any, is provided for and net appreciation, if any, is ignored. Net depreciation required to be provided for in any one classification is not reduced on account of net appreciation in any other classification.

iv. Treasury bills including foreign currency Treasury bills, commercial paper and certificate of deposits, being discounted instruments, are valued at carrying cost.

v. The market/ fair value applied for the purpose of periodical valuation of quoted investments included in the AFS and HFT categories is the market price of the scrip as available from the trades/ quotes on the stock exchanges, or the prices periodically declared by Fixed Income Money Market and Derivatives Association ('FIMMDA')/ Financial Benchmark India Private Limited ('FBIL').

vi. The market/ fair value of unquoted government securities included in the AFS and HFT category is determined as per the RBI guidelines. Further, in the case of unquoted fixed income securities (other than government securities), valuation is carried out by applying an appropriate mark-up (reflecting associated credit risk) over the Yield to Maturity ('YTM') rates of government securities of similar tenor. Such mark up and YTM rates applied are as per the relevant rates published by FIMMDA/FBIL.

vii. Investments in security receipts issued by asset reconstruction companies are valued at the latest Net Asset Values ("NAV") obtained from the asset reconstruction companies.

viii. Investments in pass through certificates (PTC's) are valued by adopting base yield curve and FIMMDA spread matrix relative to weighted average maturity of the security. Priority sector PTC's are valued at carrying cost.

ix. Quoted equity shares are valued at their closing price on a recognised stock exchange. Unquoted equity shares are valued at the book value if the latest balance sheet is available, else, at Re. 1 per company, as per relevant RBI guidelines.

x. Cost of investments is based on the weighted average cost method.

xi. Broken period interest paid at the time of acquisition of the security has been charged to the Profit and Loss Account.

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

xiii. Repurchase (repo) and reverse repurchase (reverse repo) transactions are accounted for as secured borrowing and lending contracts, respectively, in accordance with the extant RBI guidelines. The transactions with RBI under Liquidity Adjustment Facility ("LAF") are also accounted for as secured borrowing and lending transactions. These transactions are reflected under Schedule 4.1 and Schedule 7.1 accordingly.

xiv. The Bank undertakes short sale transactions in Central Government dated securities. In accordance with the RBI guidelines, such short positions are categorised as HFT and are classified under Schedule 5.5. 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.

xv. The difference between the consideration amount of first leg and second leg of the repo/ reverse repo is recognised as interest expense/ income in the Profit and Loss Account.

xvi. The Bank follows settlement date accounting for recording purchase and sale of investments.

xvii. Non-performing investments are identified and provision is made thereon based on the RBI guidelines. The provision on such non-performing investments is not set off against the appreciation in respect of other performing investments.

xviii. Transfer of investments between categories is accounted in accordance with the extant RBI guidelines.

a) Transfer from AFS/HFT to HTM is made at the lower of book value or market value at the time of transfer.

b) Transfer from HTM to AFS/HFT is made at acquisition price/book value if originally placed in HTM at a discount, and at amortised cost if originally placed in HTM at a premium.

c) Transfer from AFS to HFT category or vice-versa is made at book value and the provision for the accumulated depreciation, if any, held is transferred to the provision for depreciation against the HFT securities and vice-versa.

xix. Investment Fluctuation Reserve & Investment Reserve are created in accordance with RBI guidelines.

##### c. Derivatives transactions

i. The Bank enters into derivative contracts such as interest rate swaps, interest rate futures, currency swaps, forward rate agreements, total return swap, currency futures, foreign currency-rupee options, cross currency options and foreign exchange contracts for hedging or trading purposes.

ii. All derivative transactions are reported on a mark to market basis in the financial statements, except in the case of derivatives undertaken as hedges for risk arising from on-Balance Sheet / off-Balance Sheet exposures. The mark to market is performed based on the valuation procedures described in para 4 (g) of the Notes to the Accounts. The unrealised gains/losses are recognised in the Profit and Loss Account and the corresponding amounts are reflected as other assets/liabilities respectively in the Balance Sheet.

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**3. Significant accounting policies (Continued)****c. Derivatives transactions (continued)**

- iii. The accounting for derivatives transactions undertaken as hedges is as follows:  
Derivative contracts that hedge interest bearing assets or liabilities are valued for in the same manner as the underlying asset or liability. The bank identifies the hedged item (asset or liability) at the inception of the transaction itself.  
Gains or losses on the termination of derivative transaction would be recognised when the offsetting gain or loss is recognised on the underlying asset or liability. This implies that any gain or loss on the terminated derivative would be deferred and recognised over the shorter of the remaining contractual life of the derivative or the remaining life of the asset/liability.
- iv. Overdue receivables under derivative contracts are classified as non-performing when unpaid for a period of 90 days and recognised through the Profit and Loss Account in accordance with applicable RBI guidelines.
- v. Foreign exchange contracts outstanding at the Balance Sheet date are marked to market as per methodology and at rates notified by FEDAI for specified maturities, suitably interpolated for in-between maturity contracts as specified by FEDAI. Contracts of maturities over twelve months (Long Term Forex Contracts) are marked to market at rates derived from the Reuters curve for that respective currency. The resulting profits or losses are recognised in the Profit and Loss Account.
- vi. In case of currency option trades, the premium received / paid is reflected on the Balance Sheet and recognised in the Profit and Loss Account only on maturity of trade.

**d. Advances and provision for advances**

- i. Advances are classified as performing and non-performing based on the RBI guidelines and are stated after deduction of borrowings on inter-bank participation certificate with risk, interest in suspense, bills rediscounting and provisions on non-performing advances.
- ii. Non-performing advances are identified by periodic appraisals of the portfolio by the Management and appropriate provisions are made which meet the prudential accounting norms prescribed by the RBI for asset classification, income recognition, and provisioning after considering subsequent recoveries.  
Further to the provisions required to be held according to the asset classification status, country risk provisions are held for individual country exposures (other than for home country exposure) in accordance with RBI guidelines.
- iii. For standard assets, general provision has been made as prescribed by the RBI. In addition, the Bank also maintains a floating provision to cover potential credit losses which are inherent in any loan portfolio but not yet identified, which is included under Schedule 5.5.
- iv. Purchase / sale of non-performing assets are reflected in accordance with the RBI regulations. Provisioning for non-performing assets purchased is made appropriate to the asset classification status determined in accordance with the said guidelines. In case of sale of non-performing assets at a price below the net book value, the loss is debited to the Profit and Loss Account whereas in case of a sale at higher than the net book value, the excess provision is not reversed but retained to meet the shortfall / loss on account of sale of other non-performing financial assets, except in case of sale of non-performing assets to Securitisation Company (SC) / Reconstruction Company (RC) where any excess provision is reversed to Profit and Loss Account in accordance with applicable RBI guidelines on sale of financial assets to SC / RC. Recovery in respect of a non-performing asset purchased is first adjusted against its acquisition cost. In case of sale of non-performing assets to SC/RC, recovery in excess of the acquisition cost is recognised as gain in the Profit and Loss Account.
- v. Provisions for restructured assets are made in accordance with applicable RBI guidelines on restructuring of advances by banks.
- vi. In addition to above, the Bank on a prudential basis makes provisions on specific advances or exposures which are not NPAs, but has reasons to believe on the basis of the extant environment or specific information, the possible slippage of a specific advance or a group of advances or exposures or potential exposures. These provisions are included under Schedule 5.5.

**e. Fixed assets and depreciation**

- i. Fixed assets are stated at historical cost less accumulated depreciation and impairment, if any. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets.
- ii. Fixed assets individually costing less than Rs 30 thousand are expensed off in the Profit and Loss Account.
- iii. Depreciation is provided on a straight line basis over the estimated useful life of the asset. The useful life estimates prescribed in Part C of Schedule II to the Companies Act, 2013 are generally adhered to, except in respect of few asset classes where, based on management evaluation and past experience, a different estimate of useful life is considered suitable and is consistent with its global policy / RBI guidelines as prescribed. The rates for this purpose are as follows:

Asset Type	Estimated useful life
Cost of buildings	40 years
Other fixed assets	
■ Furniture, fixtures and office equipment	10 years
■ Vehicles	5 years
■ Electronic Data Processing (EDP) hardware	3 years
■ Communication equipment	5 years

- iv. Depreciation for the entire month is charged in the month in which the asset is purchased.
- v. Depreciation for the entire month is charged in the month of sale if the asset is sold after 15th day of the month. Depreciation is not provided for the month of sale if the asset is sold on or before 15th of the month.
- vi. Leasehold improvements are depreciated over the residual period of the lease or over a period of 10 years whichever is shorter.
- vii. Software is amortised on a straight-line basis over its estimated useful life upto 10 years.
- viii. Profit on disposal of Buildings is recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve. Losses are recognised in the Profit and Loss Account.
- ix. If at the Balance Sheet date there is an indication that an impairment of fixed assets exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of its depreciable historical cost.  
Items of fixed asset that have been retired from active use and are held for sale are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements.
- x. Leasehold land and building thereon is amortised over the period of lease. The lease period of land, acquired by the Bank from Brihanmumbai Municipal Corporation ("BMC") on which the Bank has a building has expired in year 2004. The Bank's solicitor has advised that, based on the current policy on lease renewals of the Government of Maharashtra, the lease/sublease for the bank's premises is expected to be renewed for a period of 30 years on usual term and conditions. Accordingly, the Bank has amortised the leasehold land and building for 30 years.



### Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2021

#### 3. Significant accounting policies (Continued)

##### f. Lease transactions:

Lease of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

##### g. Income recognition

- i. Revenue is recognised in accordance with the requirements of AS-9 'Revenue Recognition'. Interest income is recognised in the Profit and Loss Account on an accrual basis, except in the case of interest on non-performing assets which is recognised on receipt basis as per income recognition and asset classification norms of RBI and in accordance with AS 9.
- ii. Fee and commission income is recognised on an accrual basis. Commission income on guarantees and acceptances are recognised over the life of the contract.
- iii. Income on discounted instruments is recognized over the tenure of the instrument.
- iv. The Bank, in accordance with extant RBI guidelines, enters into transactions for sale or purchase of Priority Sector Lending Certificates (PSLC). The fee received for sale of PSLCs is recorded under Schedule 14.5 and fee paid for purchase of the PSLCs is recorded under Schedule 16.12.

##### h. Staff benefits

- i. The Bank pays gratuity to employees who retire or resign after a minimum prescribed period of continuous service. For employees who have joined the Bank on or before 31 December 2015, the Bank's Gratuity Scheme provides benefits to employees which are generally higher than those under the Payment of Gratuity Act, 1972. For employees joining on or after 1 January 2016, gratuity payment is as per the provisions of the Payment of Gratuity Act, 1972. The Bank makes contributions to a separate gratuity fund on a monthly basis subject to adjustments based on actuarial valuation. This fund is recognised by the Income-tax authorities and administered by a trust. The Gratuity Scheme is treated as a defined benefit plan and provision for gratuity expenses are made based on an independent actuarial valuation conducted by a qualified actuary at year-end as per method prescribed in AS 15, Employee benefits (revised).
- ii. The Bank contributes 12% of basic salary as employer's contribution towards Provident Fund which is administered by a trust. This Provident Fund is classified as a defined benefit plan under AS 15, Employee benefits (revised) as the same is created with a guaranteed return linked with that under Employees Provident Fund ('EPF') Scheme, 1952. The trust has the option of retaining an appropriate amount out of the amount earned, in a separate account (Surplus account) to finance future shortfalls, if any, after paying out an amount equal to or greater than the guaranteed rate of return. During the year the actuary has estimated the present value obligation (PVO) of the future guaranteed rate(s) of interest as per the guidance from the Institute of Actuaries of India in this regard. The shortfall if any of the PVO and the fair value of surplus account is reflected in the Profit and Loss Account for the year.
- iii. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the financial year are treated as short term benefits. The Bank measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.
- iv. Eligible employees of the Bank have been granted stock awards under various plans of equity shares of Deutsche Bank AG. As per the various plans, these stock awards vest in installments (tranches) over multi year periods. During the year, the Bank has charged an amount pertaining to these under the head "Payments to and provisions for employees" as compensation cost.
- v. Actuarial gains/losses are immediately taken to the Profit and Loss Account.

##### i. Taxation

- i. Income tax expense comprises the current tax (i.e. amount of tax for the year, determined in accordance with the Income Tax Act, 1961, the rules framed there under and considering the material principles set out in Income Computation and Disclosure Standards) and the deferred tax charge or credit comprises the tax effects of timing differences between accounting income and taxable income for the year.
- ii. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.
- iii. Current tax assets and Current tax liabilities are off-set as the Bank has a legal right to set off the amounts representing taxes on income levied by the same governing taxation laws and the Bank intends to settle the amounts on a net basis. Deferred tax assets and deferred tax liabilities are off-set as the Bank has a legal right to set off the assets and liabilities and the amounts are related to the taxes on income levied by the same governing taxation laws.
- iv. Deferred tax assets are reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realised.

##### j. Provisions, contingent liabilities and contingent assets

- i. The Bank creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- ii. Provisions are reviewed at each Balance-Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.
- iii. Contingent assets are not recognised or disclosed in the financial statements.

##### k. Debit Card Reward Points

The Bank estimates the probable redemption of debit card reward points based on an independent actuarial valuation conducted by a qualified actuary at year-end. Provision for the said reward points is then made based on the actuarial valuation report as furnished by the actuary and included in other liabilities and provisions.


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements**
**a. Capital adequacy ratio**

The Bank is subject to the Basel III capital adequacy guidelines stipulated by RBI with effect from April 1, 2013. The guidelines provide a transition schedule for Basel III implementation till October 1, 2021.

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

	31 March 2021	31 March 2020
i) Common Equity Tier 1 capital ratio	15.81%	14.11%
ii) Tier 1 capital ratio	15.81%	14.11%
iii) Tier 2 capital ratio	1.47%	0.82%
iv) <b>Total Capital ratio (CRAR)</b>	<b>17.28%</b>	<b>14.93%</b>
v) Percentage of the shareholding of the Government of India in public sector banks	NA	NA
vi) Amount of equity capital raised	-	-
vii) Amount of Additional Tier 1 capital raised; of which		
PNCPS:	-	-
PDI:	-	-
viii) Amount of Tier 2 capital raised; of which		
Debt capital instrument:	-	-
Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]	-	-

Capital and risk weighted assets:

(In Rs. '000)

	31 March 2021	31 March 2020
Common Equity Tier 1 (CET1) capital	176,957,316	151,390,595
Tier 1 capital	176,957,316	151,390,595
Tier 2 capital	16,496,286	8,801,955
<b>Total capital</b>	<b>193,453,602</b>	<b>160,192,550</b>
Total risk weighted assets	1,119,221,052	1,073,134,308

**b. Investments**

(In Rs. '000)

	31 March 2021	31 March 2020
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	434,627,828	297,427,358
(b) Outside India	85,844,959	37,834,076
(ii) Provisions for Depreciation		
(a) In India	(2,795,430)	(3,461,761)
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	431,832,398	293,965,597
(b) Outside India	85,844,959	37,834,076
(2) Movement of provisions held towards depreciation on Investments.		
(i) Opening balance (as on 1 April)	3,461,761	765,318
(ii) Add: Provisions made during the year	-	2,696,443
(iii) Less: Write-off/ (write-back) of excess provisions during the year	(666,331)	-
(iv) Closing balance (as on 31 March)	2,795,430	3,461,761

Investments – Government securities (Schedule 8.1) include:

- Government securities amounting to Rs. 49,750,000 thousand representing face value (Previous year: Rs. 34,900,000 thousand) are collateral holdings parked with Clearing Corporation of India Limited ('CCIL') for Securities segment and Triparty Repo ('TREPS') segment.
- Government securities amounting to Nil representing face value (Previous year Rs. 1,093,360 thousand) are reported under Liquidity Adjustment Facility ('LAF') with RBI.
- Government securities amounting to Rs. 13,350,000 thousand representing face value (Previous year: Rs. 13,350,000 thousand) are deposited with RBI in Intra Day Liquidity ('IDL') for availing Real Time Gross Settlement ('RTGS').
- Government securities amounting to Rs. 33,250,000 thousand representing face value (Previous year Rs. 30,750,000 thousand) are held with RBI under Section 11(2)(b) of the Banking Regulation Act, 1949.
- Government securities amounting to Rs. 171,901,400 thousand representing face value (Previous year Rs. 55,351,300) are given under repurchase transactions.



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)**

**c. Details of repo / reverse repo deals done during the year (in face value terms):**

(In Rs. '000)

31 March 2021	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As on 31 March 2021
Securities sold under repos				
(i) Government securities	-	215,857,123	99,646,187	190,468,565
(ii) Corporate debt Securities	-	-	-	-
Securities purchased under reverse repo				
(i) Government securities	110,646	56,474,477	8,739,644	3,230,221
(ii) Corporate debt Securities	-	-	-	-

The above figures exclude Repo & Reverse Repo transactions under LAF and Marginal Standing Facility (MSF) done with RBI. As at 31 March 2021 Outstanding Reverse repo is Rs. 11,980,000 thousand and Repo is Nil with RBI.

(In Rs. '000)

31 March 2020	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As on 31 March 2020
Securities sold under repos				
(i) Government securities	-	55,153,706	8,931,353	55,153,706
(ii) Corporate debt Securities	-	-	-	-
Securities purchased under reverse repo				
(i) Government securities	3,893,484	140,686,923	44,840,091	8,636,435
(ii) Corporate debt Securities	-	-	-	-

The above figures exclude Repo & Reverse Repo transactions under LAF and Marginal Standing Facility (MSF) done with RBI. As at 31 March 2020 Outstanding Reverse repo is Rs. 31,820,000 thousand and Repo is Rs. 1,120,000 with RBI.

**d. Issuer composition of non statutory liquidity ratio investments**

(In Rs. '000)

Issuer 31 March 2021	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities*	Extent of 'unlisted' securities
Public sector undertakings	1,436,549	-	-	-	-
Financial Institutions (FIs)	2,956,455	-	-	-	-
Banks	-	-	-	-	-
Private Corporate (Including NBFC)	12,591,016	8,461,030	-	-	1,438,564
Subsidiaries / Joint Ventures	-	-	-	-	-
Others (including SC/RC, PTC's & Foreign Currency T-Bills)	98,870,284	13,025,326	-	332,912	332,912
Provision held towards depreciation	(761,306)	(758,753)	-	(332,912)	(335,912)
<b>Total</b>	<b>115,092,998</b>	<b>20,727,603</b>	<b>-</b>	<b>-</b>	<b>1,435,564</b>

Amounts reported under the above columns are not mutually exclusive.

\*Excludes investment in equity shares

(In Rs. '000)

Issuer 31 March 2020	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities*	Extent of 'unlisted' securities
Public sector undertakings	504,679	-	-	-	-
Financial Institutions(FIs)	3,299,341	-	-	-	-
Banks	2,389,238	-	-	-	-
Private Corporate(Including NBFC)	20,971,761	16,230,963	-	-	1,909,250
Subsidiaries / Joint Ventures	-	-	-	-	-
Others (including SC/RC, PTC's & Foreign Currency T-Bills)	46,789,505	8,955,428	-	336,213	336,213
Provision held towards depreciation	(3,461,761)	(3,461,761)	-	(336,213)	(339,213)
<b>Total</b>	<b>70,492,763</b>	<b>21,724,630</b>	<b>-</b>	<b>-</b>	<b>1,906,250</b>

Amounts reported under the above columns are not mutually exclusive.

\*Excludes investment in equity shares

**e. Movement in non-performing non-SLR investments**

(In Rs. '000)

	31 March 2021	31 March 2020
Opening Balance	3,795,841	425,804
Addition during the year	-	3,370,037
Reductions during the year	(3,370,000)	-
Closing Balance	425,841	3,795,841
<b>Total Provisions held</b>	<b>425,841</b>	<b>3,125,548</b>


**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)**
**f. Sale and Transfers to/from HTM category**

During the year, the Bank has not sold /transferred securities to/from HTM category (Previous year Rs Nil).

**g. Derivatives**

## i Details of outstanding interest rate swap agreements / Forward Rate Agreement

(In Rs. '000)

	31 March 2021	31 March 2020
1. The Notional principal of swap agreements	4,420,836,170	6,868,087,138
2. Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	46,327,602	114,734,642
3. Collateral required by the bank upon entering into swaps	Nil	Nil
4. Concentration of credit risk arising from the Swaps %		
– Banks (Including CCIL)	76.68%	96.51%
– Others	23.32%	3.49%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
5. The fair value of the swap book	1,871,492	(2,714,000)

## ■ Nature and terms of interest rate swaps / Forward Rate Agreement

(In Rs. '000)

	31 March 2021	31 March 2020
Trading – MIBOR <sup>1</sup> Pay Fixed - Receive Floating	1,507,784,495	2,415,393,368
Trading – MIBOR <sup>1</sup> Pay Floating - Receive Fixed	1,580,397,522	2,378,132,533
Trading - MIFOR <sup>2</sup> Pay Fixed - Receive Floating	561,660,000	520,170,000
Trading – MIFOR <sup>2</sup> Pay Floating - Receive Fixed	310,700,000	307,000,000
Trading - INBMK <sup>3</sup> Pay Fixed - Receive Floating	4,500,000	8,250,000
Trading - INBMK <sup>3</sup> Pay Floating - Receive Fixed	1,500,000	5,500,000
Trading - Others (Incl LIBOR <sup>4</sup> ) Pay Fixed - Receive Floating	100,885,713	468,545,926
Trading - Others (Incl LIBOR <sup>4</sup> ) Pay Floating - Receive Fixed	131,616,270	536,972,087
Trading- LIBOR <sup>4</sup> Pay Floating - Receive Floating	204,013,455	225,217,997
Trading- EUBOR <sup>5</sup> Pay Floating - Receive Floating	3,009,825	2,905,227
Forward Rate Agreement	14,768,890	-
<b>Total</b>	<b>4,420,836,170</b>	<b>6,868,087,138</b>

1 Mumbai Interbank Offer Rate ; 2 Mumbai Interbank Forward Offer Rate ; 3 India Benchmark ; 4 London Interbank Offered Rate ; 5 Euro Interbank Offered Rate

## ii Exchange Traded Interest Rate Derivatives

(In Rs. '000)

	31 March 2021	31 March 2020
(i) Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)*		
a) 10 year Government Security Notional Bond	-	-
(ii) Notional principal amount of exchange traded interest rate derivatives outstanding	-	-
b) 10 year Government Security Notional Bond	-	-
(iii) Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective"	-	-
(iv) Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective"	-	-

\* Includes both purchase and sale.

## iii Disclosures on risk exposure in Derivatives

**Qualitative Disclosures**

The Bank undertakes transactions in derivative products in accordance with the extant guidelines issued by the RBI. The broad risk Management framework covering the Bank's derivative business is covered in the below paragraphs.

The Bank undertakes transactions in derivative products either in the role of a user or as market maker.

The risk governance framework at the Bank including for derivatives is designed according to a three lines of defence (3LoD) operating model in order to ensure clear accountabilities for and a comprehensive, but non-duplicative, coverage of all risk management activities across the Bank.

The Bank requires strict independence between its 3LoD in order to avoid conflicts of interest by an appropriate separation of functions and responsibilities. The Bank requires all lines of defence to establish an effective and efficient internal governance structure with well-defined roles and responsibilities.

Risk Management Council (RMC) has been established to oversee credit risk, market risk and operational risk related matters for DB India, to provide a platform for integrated risk management in line with local regulatory requirements and Bank's 3LoD.

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)****g. Derivatives (Continued)**

## iii Disclosures on risk exposure in Derivatives (Continued)

Limits are allocated to specific business lines, trading portfolio groups and geographical regions.

Amongst the most important quantitative tools and metrics currently used to measure, manage and report market risk are Value-at-Risk (VaR) and Stress Testing. The Group acknowledges the limitations in the VaR methodology by supplementing the VaR limits with other position and sensitivity limit structures, as well as with stress testing, on a consolidated basis.

To reduce derivatives related credit risk, the Bank regularly seeks the execution of master agreements (such as the International Swap Dealers Association contract) with clients.

The Bank uses Comprehensive Approach for collateral valuation.

For credit exposure measurement purposes, as the replacement values of the portfolios fluctuate with movements in market rates and with changes in the transactions in the portfolios, the Bank also estimates the potential future replacement costs of the portfolios over their lifetimes.

**Hedging**

The Bank manages its risk from derivatives activity on a portfolio basis. Specific hedges undertaken, if any, are ring fenced from the transactions undertaken for trading/market making purposes and held in a separate designated portfolio for easy identification and control.

**Accounting, Valuation & Provisioning***Accounting & Provisioning*

Refer para 3(c) of Notes to financial statements.

*Valuation*

All instruments in derivatives portfolio are valued on the basis of a common methodology, consistent with generally accepted practices. The valuation takes into consideration all relevant market factors (e.g. prices, interest rates, currency exchange rates, volatility, liquidity etc.). The accuracy and integrity of the market prices are verified independently of trading personnel.

All linear Over The Counter (OTC) instruments are valued on a discounted cash flow basis, i.e. all future cash flows (receipts and payments) are discounted to their present value using mid market data. Market prices are obtained from established and reliable information services.

OTC option instruments are valued using proprietary option models. In case of foreign currency-rupee options, the volatility used for valuation is as given by FEDAI.

Exchange traded derivative contracts are marked to market using closing price of relevant contract as published by the recognized exchange. Resultant mark to market profit / loss is settled with the exchange on a daily basis.

In case market prices do not accurately represent the fair value that would actually be realized for a position or portfolio, valuation adjustments such as market risk close-out costs, large position liquidity adjustments are made to arrive at the appropriate fair value. These adjustments may be calculated on a portfolio basis and are reported together with, or as a part of the carrying value of the positions being valued, thus reducing trading assets or increasing trading liabilities.

**Quantitative Disclosures**

(In Rs. '000)

Sr. No	31 March 2021		31 March 2020	
	Currency Derivatives*	Interest Rate Derivatives	Currency Derivatives*	Interest Rate Derivatives
1. Derivatives (Notional Principal Amounts)				
a) For hedging	-	-	-	-
b) For Trading	4,083,944,741	4,420,836,170	6,978,520,428	6,868,087,138
2. Marked to Market Positions (net)				
a) Asset (+)	35,432,871	46,327,602	118,416,994	114,734,642
b) Liability (-)	(53,078,223)	(44,456,110)	(130,692,908)	(117,448,642)
3. Credit Exposure #	151,158,124	58,938,741	319,092,732	176,016,205
4. Likely impact of one percentage change in interest rates (100 * PV01)				
a) On hedging	-	-	-	-
b) On Trading	2,575,641	14,336,364	2,666,235	2,251,094
5. Maximum of 100*PV01 observed during the year @				
a) On hedging	-	-	-	-
b) On Trading	3,160,995	14,719,457	3,932,466	4,521,459
6. Minimum of 100*PV01 observed during the year @				
a) On hedging	-	-	-	-
b) On Trading	2,484,784	2,189,500	1,386,018	183,710

# Based on Current Exposure Method prescribed vide RBI master circular on Exposure norms.

@ Maximum & Minimum of PV01 as disclosed above is based on daily risk data

\*Includes foreign exchange contracts



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)**

**h. Asset Quality**

**i Non-Performing Assets (NPAs):**

(In Rs. '000)

Movement in NPAs		31 March 2021	31 March 2020
(i)	<b>Net NPAs to Net Advances (%)</b>	<b>0.86%</b>	1.31%
(ii)	<b>Movement of Gross NPAs</b>		
a)	Opening balance	<b>15,102,753</b>	14,244,373
b)	Additions during the year	<b>7,096,128</b>	8,156,514
c)	Reductions during the year	<b>(7,632,704)</b>	(7,298,134)
d)	Closing Balance	<b>14,566,177</b>	15,102,753
(iii)	<b>Movement of Net NPAs</b>		
a)	Opening balance	<b>6,683,155</b>	6,946,507
b)	Additions during the year	<b>(77,228)</b>	5,141,861
c)	Reductions during the year	<b>(2,072,061)</b>	(5,405,213)
d)	Closing Balance	<b>4,533,866</b>	6,683,155
(iv)	<b>Movement of Provisions for NPAs</b>		
a)	Opening balance	<b>8,419,598</b>	7,297,866
b)	Provisions made during the year	<b>7,173,356</b>	3,014,653
c)	Write off/ write back of excess provisions during the year	<b>(5,560,643)</b>	(1,892,921)
d)	Closing Balance*	<b>10,032,311</b>	8,419,598

\*During the year for Retail NPA portfolio, the Bank has adopted rates which are higher than the minimum regulatory rates of provision prescribed under existing regulations by RBI. In case the provision were computed based on earlier rates, the total closing provisions would have been lower by Rs. 4,132,659 thousands.

**ii Particulars of Accounts Restructured (financial year ended 31 March 2021)**

(In Rs. '000)

SI No	Type of Restructuring* →	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total					
		Stan- dard	Sub- Stan- dard	Doubt- ful	Loss	Total	Stan- dard	Sub- Stan- dard	Doubt- ful	Loss	Total	Stan- dard	Sub- Stan- dard	Doubt- ful	Loss	Total	Stan- dard	Sub- Stan- dard	Doubt- ful	Loss	Total	
	Details ↓																					
1	Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	1	2	-	3	-	1	2	-	3
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	3,157	137,728	-	140,885	-	3,157	137,728	-	140,885
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	789	42,040	-	42,829	-	789	42,040	-	42,829
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	126	13	-	-	139	126	13	-	-	139
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	1,245,033	372,746	-	-	1,617,779	1,245,033	372,746	-	-	1,617,779
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	196,881	-	-	196,881	-	196,881	-	-	196,881
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)**

**h. Asset Quality (Continued)**

ii Particulars of Accounts Restructured (financial year ended 31 March 2021) (Continued)

(In Rs. '000)

Sl No	Type of Restructuring* → Asset Classification →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Stand-ard	Sub-Stan-dard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stan-dard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stan-dard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stan-dard	Doubt-ful	Loss	Total
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(1)	1	-	-	-	(1)	1	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(3,157)	9,955	-	6,798	-	(3,157)	9,955	-	6,798	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(789)	70,461	-	69,672	-	(789)	70,461	-	69,672	
6	Write-offs (net of recovery/ reversal) of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	385	-	385	-	-	385	-	385	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	126	13	3	-	142	126	13	3	-	142	
		Amount outstanding	-	-	-	-	-	-	-	-	-	1,245,033	372,746	147,298	-	1,765,077	1,245,033	372,746	147,298	-	1,765,077	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	196,881	112,501	-	309,382	-	196,881	112,501	-	309,382	

\* Includes Restructured under COVID-19-related Stress packages

Figures under Sr no. 6 (Others , Doubtful - Amount outstanding) includes amount recovered from restructured accounts amounting to Rs. 385 thousand

ii Particulars of Accounts Restructured (financial year ended 31 March 2020)

(In Rs. '000)

Sl No	Type of Restructuring → Asset Classification →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Stand-ard	Sub-Stan-dard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stan-dard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stan-dard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stan-dard	Doubt-ful	Loss	Total
Details ↓																						
1	Restructured Accounts as on April 1 of the FY (opening figures)	No. of borrowers	-	-	1	-	1	-	-	-	-	-	1	2	-	-	3	1	2	1	-	4
		Amount outstanding	-	-	210,000	-	210,000	-	-	-	-	-	898	141,602	-	-	142,500	898	141,602	210,000	-	352,500
		Provision thereon	-	-	210,000	-	210,000	-	-	-	-	-	-	23,439	-	-	23,439	-	23,439	210,000	-	233,439
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	1	-	-	1	-	1	-	-	-	1
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	3,157	-	-	3,157	-	3,157	-	-	-	3,157
		Provision thereon	-	-	-	-	-	-	-	-	-	-	789	-	-	789	-	789	-	-	-	789
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	1	-	-	-	1	1	-	-	-	-	1
		Amount outstanding	-	-	-	-	-	-	-	-	-	898	-	-	-	898	898	-	-	-	-	898
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradations of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	(2)	2	-	-	-	(2)	2	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	(141,602)	141,602	-	-	-	(141,602)	141,602	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	(23,439)	42,040	-	18,601	-	(23,439)	42,040	-	18,601	-



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)**

**h. Asset Quality (Continued)**

ii Particulars of Accounts Restructured (financial year ended 31 March 2020) (Continued)

(In Rs. '000)

Sl No	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification →		Stand-ard	Sub-Stan-dard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stan-dard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stan-dard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stan-dard	Doubt-ful	Loss	Total
6	Write-offs (net of recovery/ reversal) of restructured accounts during the FY	No. of borrowers	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1
		Amount outstanding	-	-	210,000	-	210,000	-	-	-	-	-	-	-	3,874	-	3,874	-	-	213,874	-	213,874
		Provision thereon	-	-	210,000	-	210,000	-	-	-	-	-	-	-	-	-	-	-	-	210,000	-	210,000
7	Restructured Accounts as on March 31 of the FY (closing figures)	No. of borrowers	-	-	-	-	-	-	-	-	-	-	1	2	-	3	-	1	2	-	3	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	3,157	137,728	-	140,885	-	3,157	137,728	-	140,885	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	789	42,040	-	42,829	-	789	42,040	-	42,829	

Figures under Sr no. 6 (Under CDR Mechanism , Doubtful - Amount outstanding) includes amount recovered from restructured accounts amounting to Rs. 98,891 thousand

Figures under Sr no. 6 (Others, Doubtful - Amount outstanding) includes amount recovered from restructured accounts amounting to Rs. 3,874 thousand

iii Divergence in Asset Classification and Provisioning for NPAs

There was no divergence observed by the RBI for the financial year 2019-20 in respect of the Bank's asset classification and provisioning under the extant prudential norms on Income Recognition, Asset Classification and Provisioning.

iv Details of financial assets sold to Securitisation Companies (SC) / Reconstruction companies (RC) for Asset Reconstruction :

The Bank has not sold any financial assets to SC/RC for Asset Reconstruction during the year ended March 31, 2021 and March 31, 2020.

v Book value and ageing of investments held in security receipts.

(In Rs. '000)

	31 March 2021	31 March 2020
Backed by NPAs sold by the bank as underlying	-	-
Backed by NPAs sold by other banks/financial institution/non-banking financial companies as underlying	332,912	336,213
<b>Total</b>	<b>332,912</b>	<b>336,213</b>

Provision held on above investments is Rs. 332,912 thousand (Previous year Rs. 336,213 thousand).

(In Rs. '000)

31 March 2021	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	-	-	-
Provision held against (i)	-	-	-
(ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non- banking financial companies as underlying	-	-	332,912
Provision held against (ii)	-	-	332,912
<b>Total (i) + (ii)</b>	<b>-</b>	<b>-</b>	<b>332,912</b>

(In Rs. '000)

31 March 2020	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	-	-	-
Provision held against (i)	-	-	-
(ii) Book value of SRs backed by NPAs sold by other banks / financial institutions / non- banking financial companies as underlying	-	-	336,213
Provision held against (ii)	-	-	336,213
<b>Total (i) + (ii)</b>	<b>-</b>	<b>-</b>	<b>336,213</b>



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)**

**h. Asset Quality (Continued)**

- vi Provision for standard assets  
Other liabilities and provisions – Others (Schedule 5.5) includes (In Rs. '000)

	31 March 2021	31 March 2020
Provision on Standard Assets	4,209,360*	4,183,256

\*Includes standard asset provision on MTM gains or losses at net level for IRS & FX transactions where settlements are guaranteed by CCIL.

- vii Details of non-performing financial assets purchased / sold: (In Rs. '000)

	31 March 2021	31 March 2020
No of accounts sold	–	6,545*
Aggregate outstanding	–	–
Aggregate consideration received	–	37,500

\*pertains to written off accounts

- viii Details of Resolution plan (RP) implemented as prescribed by RBI vide circular no RBI/2018-19/203/DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019: (In Rs. '000)

	No of Accounts	Amount Involved (including non-funded exposure)
<b>31 March 2021</b>	–	–
31 March 2020	2	1,576,671*

\* Includes Rs 37 thousand of loan where conversion of debt to equity has taken place.

- ix Details of Micro, Small and Medium Enterprises (MSME) accounts restructured as prescribed by RBI vide circular no RBI/2018-19/100 DBR. No.BP.BC.18/21.04.048/2018-19 January 1, 2019 read with RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 August 6, 2020. (In Rs. '000)

	31 March 2021	31 March 2020
No. of accounts restructured	118	–
Amounts	855,103	–

- x The Novel Coronavirus (COVID-19)

The novel coronavirus (COVID-19) pandemic continues to be an issue of concern across the globe including India. The global and Indian financial markets have experienced and may continue to experience significant volatility resulting from issues related to COVID-19. Developments around the COVID 19 disease in 2020 and 2021 so far suggest that global and domestic economic growth is expected to continue to be negatively impacted by the spread of the disease and the resulting disruption of economic activity, which could impact the Bank's performance. The extent to which the COVID-19 pandemic will impact the Bank's performance depends on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and governmental response to mitigate its impact.

The Bank continues to closely monitor the situation and in response to this health crisis, the Bank has implemented various protocols and processes to execute its business continuity plans, help protect its employees and support its clients. The Bank continues to meet its operating and financial obligations, has maintained required capital adequacy ratio and has adequate financial resources to run its business. The Management believes that it has taken into account all possible impacts of known events arising from the COVID 19 pandemic in the preparation of the financial information as at March 31, 2021. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and the Company will continue to monitor any material changes to future economic conditions.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020, the Bank had offered moratorium between 1 March 2020 and 31 August 2020.

The disclosures as required by the RBI circular dated April 17, 2020 are given below:

	(In Rs. '000)
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended <sup>1</sup>	13,420,601
(ii) Respective amount where asset classification benefits is extended.	
As at 31 March 2020	789,533
As at 31 March 2021 <sup>2</sup>	NA
(iii) Provisions made during the year	
During the financial year 2019-20	265,569
During the financial year 2020-21 <sup>3</sup>	252,483
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions <sup>4</sup>	518,052

(1) Represent amounts of borrowers overdue but standard as at 29 February 2020 where moratorium was extended and disclosed in the Financial Statements for the year ended 31 March 2020

(2) As no asset classification benefit is extended as at 31 March 2021, this is considered as "Not Applicable"

(3) Represent incremental provision created at 30 June 2020 (i.e. Q1FY2021)

(4) Provision created per (iii) is written-back to P&L in the accounting period FY 2020-21 and hence residual provisions as at 31 March 2021 is Nil



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)**

**h. Asset Quality (Continued)**

Disclosure related to Resolution Framework for COVID-19-related Stress vide circular no RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 August 6, 2020  
(In Rs. '000)

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan <sup>§</sup>
<b>Personal Loans</b>					
Corporate persons*	6	481,581	-	-	71,704
Of which, MSMEs	1	176,605	-	-	26,491
Others	2	80,228	-	-	12,034
<b>Total</b>	<b>8</b>	<b>561,809</b>	<b>-</b>	<b>-</b>	<b>83,738</b>

\*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

§ Represents additional 15% Provision over and above 5% provision of restructured loans

The aggregate amount to be refunded/adjusted to borrowers in respect "interest on interest" as per RBI circular RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 is Rs. 97,319 thousand.

**i. Business Ratios**

Year ended	31 March 2021	31 March 2020
Interest income as a percentage of working funds\$	5.46%	6.12%
Non-interest income as a percentage of working funds\$	1.12%	0.67%
Operating profit as a percentage of working funds \$	2.74%	2.32%
Return on assets #	1.30%	0.95%
Business per employee (in Rs. 000's) *@	673,393	645,214
Profit per employee (in Rs. 000's) *	8,769	6,072

\$ Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to RBI in Form X under Section 27 of the Banking Regulation Act, 1949, during the 12 months of the financial year.

# Return on Assets would be with reference to average working funds (i.e. total of assets excluding accumulated losses, if any).

@ For the purpose of computation of business per employee (deposits plus advances) interbank deposits are excluded.

\* Productivity ratios are based on year end employee numbers.

**j. Asset Liability Management**

Maturity pattern of certain items of assets and liabilities (financial year ended 31 March 2021)

(In Rs. '000)

Maturity Bucket*	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day – 1	33,714,312	1,322,358	296,960,632	230,916	39,885,949	3,814,150
2-7 Days	86,162,842	35,125,999	103,097,434	190,468,565	89,414,171	-
8-14 Days	25,955,562	24,302,701	5,943,487	2,861,050	1,850,157	-
15-30 Days	48,248,451	85,266,549	4,165,729	3,863,500	26,354,718	3,655,500
31 Days and upto 2 months	52,353,105	24,110,179	7,554,883	8,361,050	12,985,945	-
Over 2 months and upto 3 months	31,654,288	26,909,516	10,404,466	6,069,050	3,127,817	-
Over 3 Months and upto 6 months	20,675,180	24,441,939	8,946,208	16,706,350	27,024,858	-
Over 6 Months and upto 1 year	23,586,635	35,193,015	6,268,061	34,553,700	35,145	-
Over 1 Year and upto 3 years	317,711,757	120,147,651	43,206,781	13,435,500	-	21,560,355
Over 3 Year and upto 5 years	22,173,340	59,202,500	11,504,848	-	-	-
Over 5 years	-	88,355,212	19,624,828	-	4,033,024	7,558,503
<b>Total</b>	<b>662,235,472</b>	<b>524,377,619</b>	<b>517,677,357</b>	<b>276,549,681</b>	<b>204,711,784</b>	<b>36,588,508</b>

\* Maturity bucket has been revised based on RBI guideline dated March 23, 2016

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)****j. Asset Liability Management (Continued)**

Maturity pattern of certain items of assets and liabilities (financial year ended 31 March 2020)

(In Rs. '000)

Maturity Bucket*	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Day – 1	65,506,475	3,190,539	157,624,347	335,427	13,413,654	6,716,985
2-7 Days	61,853,704	42,373,762	61,011,753	64,990,156	58,032,408	9,836,743
8-14 Days	12,555,005	37,756,339	4,227,714	8,026,150	3,978,192	3,783,250
15-30 Days	33,193,252	69,641,386	3,818,360	-	15,400,437	-
31 Days and upto 2 months	22,727,571	21,945,014	3,674,655	250,900	2,259,685	-
Over 2 months and upto 3 months	19,676,892	27,511,466	2,766,781	1,650,900	2,598,298	-
Over 3 Months and upto 6 months	30,838,480	25,808,925	3,969,261	26,252,700	1,957,328	-
Over 6 Months and upto 1 year	41,998,360	41,747,971	7,558,374	12,325,400	6,204,919	-
Over 1 Year and upto 3 years	276,749,060	109,417,850	42,894,698	25,905,299	--	36,209,084
Over 3 Year and upto 5 years	33,996,766	31,132,456	10,344,828	-	1,548	-
Over 5 years	-	100,151,888	33,908,902	-	2,524,268	5,752,658
<b>Total</b>	<b>599,095,565</b>	<b>510,677,596</b>	<b>331,799,673</b>	<b>139,736,932</b>	<b>106,370,737</b>	<b>62,298,720</b>

\* Maturity bucket has been revised based on RBI guideline dated March 23, 2016

Classification of assets and liabilities under different maturity buckets are compiled by Management based on guidelines issued by the RBI and are based on the same estimates and assumptions as used by the Bank for compiling returns to be submitted to the RBI.

**k. Exposures**

i Exposure to Real Estate Sector

(In Rs. '000)

Category	31 March 2021	31 March 2020
<b>a) Direct exposure</b>		
(i) Residential Mortgages –		
(a) Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented [includes an amount of Rs 103,070 thousand (Previous year Rs 133,344 thousand) pertaining to individual housing loans eligible for priority sector advances]	<b>9,283,508</b>	7,171,964
(b) Other lendings secured by mortgage on residential property	<b>96,502,802</b>	100,324,121
(ii) Commercial Real Estate (CRE)* –	<b>41,767,838</b>	39,792,310
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) Other exposure (lendings secured by commercial property not falling under CRE definition)	<b>36,320,238</b>	37,966,735
(iv) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –	-	0
a. Residential		
b. Commercial Real Estate		
<b>b) Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	<b>24,427,975</b>	11,176,180
<b>Total</b>	<b>208,302,361</b>	<b>196,431,310</b>

\* Commercial Real Estate exposure has been computed and reported in accordance with RBI circular 'Guidelines on Classification of Exposures as Commercial Real Estate (CRE) Exposures' reference DBOD.BP.BC.No. 42 / 08.12.015/ 2009-10 dated September 9, 2009.



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)**

**k. Exposures (Continued)**

ii Exposure to Capital Market (In Rs. '000)

Items	31 March 2021	31 March 2020
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	529,841	529,841
(ii) advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds	-	-
(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	487,322	577,461
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	1,490,000	1,490,000
(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 by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) financing to stockbrokers for margin trading	-	-
(x) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
(xi) irrevocable Payment Commitments issued by custodian banks in favour of stock exchanges	6,871,163	1,101,612
<b>Total</b>	<b>9,378,326</b>	<b>3,698,914</b>

iii Risk Category wise Country Exposure (In Rs. '000)

Risk Category	31 March 2021		31 March 2020	
	Exposure(net)	Provision held	Exposure(net)	Provision held
Insignificant	335,033,585	252,723	108,384,553	86,920
Low	26,008,621	16,029	4,865,310	-
Moderately Low	54,800	-	-	-
Moderate	6,536	-	-	-
Moderately High	37,800	-	46,275	-
High	-	-	-	-
Very High	-	-	-	-
<b>Total</b>	<b>361,141,342</b>	<b>268,752</b>	<b>113,296,138</b>	<b>86,920</b>

iv Single and Group Borrower Exposures

The exposure ceiling for single borrower limit (SBL) and group borrower limit (GBL) is 15% and 40% of capital funds (i.e. Tier I & Tier II Capital) respectively, with an additional allowance of 5% and 10% of capital funds for infrastructure sector exposure. SBL is 25% of capital funds in respect of Oil companies who have been issued Oil Bonds (which do not have SLR status) by the Government of India.

Based on the above prescribed limits, during the year the Bank has exceeded the credit exposure in respect of the below mentioned entities.

- Wipro Limited\*
- Star India Private Limited\*
- Bharti Airtel Limited\*
- Federal Republic of Germany\*
- Government of the United Kingdom\*
- Government of the United States of America\*

\* Exposure is within the Large Exposure limits as prescribed under RBI circular DBR.No.BP.BC.43/21.01.003/2018-19 dated June 03, 2019

v. Unsecured Advances

The bank does not have any advances secured by an intangible asset (Previous year Rs. Nil).

**I. Disclosure of Penalties Imposed by RBI**

Penalties imposed on the Bank by the RBI under section 47A(1)(c) read with section 46(4)(i) of the Banking Regulation Act, 1949 are as follows.

(In Rs. '000)

	31 March 2021	31 March 2020
Non-compliance with certain provisions of directions issued by RBI contained in the "Reserve Bank of India (Interest Rate on Deposits) Directions, 2016"	20,000	-



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)**

**m. Disclosure requirements as per Accounting Standards**

**i AS 15 – Employee Benefits**

**Gratuity**

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity is given below.

(In Rs. '000)

	31 March 2021	31 March 2020
Defined benefit obligation	1,355,703	1,282,693
Fair value of plan assets	1,268,790	1,141,985
Deficit/(Surplus)	86,913	140,708
<b>Changes in present value of defined benefits obligations</b>		
Opening Balance	<b>1,282,693</b>	1,124,028
Current service cost	<b>125,052</b>	116,989
Interest cost	<b>82,853</b>	81,536
Benefits paid	<b>(92,172)</b>	(102,370)
Actuarial (gain)/loss recognised during the year	<b>(42,723)</b>	62,510
Closing Balance	<b>1,355,703</b>	1,282,693
<b>Changes in fair value of plan assets</b>		
Opening Balance	<b>1,141,985</b>	1,049,771
Expected return on plan assets	<b>92,774</b>	82,306
Contributions by the Bank	<b>127,554</b>	60,484
Benefits paid	<b>(92,172)</b>	(102,370)
Actuarial gain/(loss) recognised during the year	<b>(1,351)</b>	51,794
Closing Balance	<b>1,268,790</b>	1,141,985
<b>Total expense recognised in the Profit and Loss Account in schedule 16.1</b>		
Current service cost	<b>125,052</b>	116,989
Interest cost	<b>82,853</b>	81,536
Expected return on plan assets	<b>(92,774)</b>	(82,306)
Net actuarial (gain)/loss recognised during the year	<b>(41,372)</b>	10,716
Expense recognised in the Profit and Loss Account	<b>73,759</b>	126,935
<b>Actual return on plan assets</b>	<b>91,423</b>	134,100
<b>Key Assumptions</b>		
Salary Escalation	<b>10.00%</b>	10.00%
Discount rate	<b>6.70%</b>	6.70%
Expected rate of return on plan assets	<b>7.50%</b>	8.00%
Attrition rate - 0 to 5 years of service	<b>20.00%</b>	20.00%
Attrition rate - 6 to 10 years of service	<b>15.00%</b>	15.00%
Attrition rate - above 10 years of service	<b>5.00%</b>	5.00%

Gratuity Investment Pattern is as follows:

	31 March 2021	31 March 2020
Government of India Securities (Central and State)	-	29.62%
Corporate Bonds (Including Public Sector Bonds)	-	59.37%
Equity shares of listed companies	-	-
Cash & Cash equivalents (including other current assets)	-	10.86%
Others (including fixed deposit & special deposits)(including assets under scheme of Insurance)	-	0.15%
Schemes of insurance - ULIP products	<b>100.00%</b>	-
<b>Total</b>	<b>100.00%</b>	100.00%

Experience adjustments are as follows:

(In Rs. '000)

	For the financial year ended				
	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
Defined Benefit Obligation	<b>1,355,703</b>	1,282,693	1,124,028	1,148,560	1,124,791
Funded Assets	<b>1,268,790</b>	1,141,985	1,049,771	1,091,416	1,033,727
Deficit/ (Surplus)	<b>86,913</b>	140,708	74,257	57,144	91,064
Experience Gain/(Loss) adjustments on plan liabilities	<b>(17,685)</b>	42,578	(4,566)	15,207	(9,914)
Experience Gain/(Loss) adjustments on plan assets	<b>(1,351)</b>	51,794	7,015	(18,806)	40,935
Actuarial Gain/(Loss) due to change of assumptions	<b>60,408</b>	(105,088)	-	58,304	(68,875)



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)**

**m. Disclosure requirements as per Accounting Standards (Continued)**

**i AS 15 – Employee Benefits (Continued)**

**Provident fund**

The guidance note on AS-15, Employee Benefits, states that employer established provident funds, where interest is guaranteed are to be considered as defined benefit plans and the liability has to be valued. The Bank has charged Rs. 215,364 thousand (Previous year: Rs 163,419 thousand) to the Profit and Loss Account towards provident fund expenses.

Key Assumptions	31 March 2021	31 March 2020
Discount rate	6.70%	6.70%
Expected return	8.35%	8.50%

**Long-Term Award**

The Bank has discontinued Long Service Award benefit with effect from October 1, 2019. Accordingly in the previous year the Bank has reversed Rs. 30,289 thousand to the Profit and Loss Account.

**ii AS 17- Segment reporting:**

'Segment Reporting' prescribed by the AS 17 and in accordance with the guidelines issued by the RBI are given below:

(In Rs. '000)

Business Segments	Global Markets	Commercial Banking	Retail Banking	Others	Total
For the year ended 31 March 2021					
Revenue	20,421,775	30,408,244	19,903,021	6,775,582	77,508,622
Less: Inter-segment revenue	(7,342,799)	2,047,819	(635,129)	5,930,109	-
Income from operations	27,764,574	28,360,425	20,538,150	845,473	77,508,622
Results	16,156,546	10,489,995	(3,316,936)	4,057,361	27,386,966
Unallocated Expenses					-
Operating Profit before tax					27,386,966
Income Tax and Deferred Tax					(12,120,235)
Extraordinary profit/Loss (pre-tax)					-
Net Profit after tax					15,266,731
<b>Other Information</b>					
Segment Assets	498,378,427	540,704,862	237,431,402	7,908,026	1,284,422,717
Unallocated Assets					9,876,507
Total Assets					1,294,299,224
Segment Liabilities	257,265,766	614,424,828	212,973,780	209,634,850	1,294,299,224
Unallocated Liabilities					-
Total Liabilities					1,294,299,224
Capital expenditure	6,243	531,406	147,904	324,123	1,009,676
Depreciation	149,410	147,386	107,790	-	404,586

(In Rs. '000)

Business Segments	Global Markets	Commercial Banking	Retail Banking	Others	Total
For the year ended 31 March 2020					
Revenue	3,443,655	39,138,045	22,365,124	8,913,667	73,860,491
Less: Inter-segment revenue	(11,782,746)	3,451,772	(276,204)	8,607,178	-
Income from operations	15,226,401	35,686,273	22,641,328	306,489	73,860,491
Results	424,326	10,764,454	2,526,939	6,100,507	19,816,226
Unallocated Expenses					-
Operating Profit before tax					19,816,226
Income Tax and Deferred Tax					(9,506,806)
Extraordinary profit/Loss (pre-tax)					-
Net Profit after tax					10,309,420
<b>Other Information</b>					
Segment Assets	467,092,018	497,143,350	224,774,482	11,615,179	1,200,625,029
Unallocated Assets					11,815,390
Total Assets					1,212,440,419
Segment Liabilities	310,487,899	519,942,667	192,619,892	189,389,961	1,212,440,419
Unallocated Liabilities					-
Total Liabilities					1,212,440,419
Capital expenditure	70,831	2,461	119,635	56,115	249,042
Depreciation	77,730	182,176	115,581	-	375,487

In computing the above information, certain estimates, assumptions and adjustments have been made by the Management which has been relied upon by the Auditors.



## Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)

For the year ended 31 March 2021

### 4. Notes to financial statements (Continued)

#### m. Disclosure requirements as per Accounting Standards (Continued)

##### ii AS 17 – Segment Reporting (Continued)

The Bank has classified its business groups into following segments:

- Global Markets
- Commercial banking
- Retail banking
- Others

The Bank's operations predominantly comprise of its business encompassing Global Markets, Commercial banking services and Retail banking. Global Markets activities encompass trading in forex, derivatives, corporate bonds, government securities, placement of corporate debt in the market and also offering such products to the Bank's corporate and institutional customers.

Commercial banking encompasses transaction banking services, catering to working capital requirement of corporate customers and custodial and wealth management services. Principal products offered include loans, deposits, custodial services, trade services, cash management services and wealth management services.

Retail banking activities encompasses raising of deposits from retail customers and catering to loan requirements of such customers. Principal products offered include personal loan, housing loan and business loan, deposits and advisory services.

Others in segment revenue mainly includes parabanking income and revenue earned on account of the notional capital charge and notional cost of fixed asset usage charged to other segments based on internal funds transfer pricing policy of the Bank. Others also include revenue from Capital Release Unit (CRU) which is established along with other objectives to oversee a reduction in the size of lower yielding longer-dated fixed income assets and hence free up resources that can be allocated to the Banks core strengths.

Liquidity Pool Management activities are centrally managed by Treasury and are included in Others and subsequently allocated to business segments.

Segment result is net of expenses both directly attributed as well as allocated costs from internal service providers supporting the respective business groups.

Assets employed by a segment or assets that are directly attributable to that segment are included in segment assets.

Others in segment assets mainly includes fixed assets, security deposits and pre-paid expenses, the related charge of which are included in the respective segments either as directly attributable or allocated on a reasonable basis.

Liabilities that result from operations of a segment are included in segment liabilities.

Others in segment liabilities mainly include capital & reserves and surplus, the related notional charges of which are included under the respective segment.

The Bank renders its services within one geographical segment and has no offices or operations outside India.

##### iii AS 18 - Related party disclosures

Related party disclosures as required by AS 18 - 'Related Party Disclosures' and in accordance with the guidelines issued by the RBI are given below:-

#### Relationships during the year

##### i. Head office

Deutsche Bank AG and its branches

##### ii. Associate

Comfund Consulting Limited

##### iii. Other related parties of Deutsche Bank Group where common control exists at group level\*

DBOI Global Services Private Limited, Deutsche Investor Services Private Limited, Deutsche Equities India Private Limited, Deutsche Securities (India) Private Limited, Deutsche CIB Centre Private Limited, Deutsche Asset Management (India) Private Limited, Deutsche India Holdings Private Limited, Deutsche Investments India Private Limited, RREEF India Advisors Private Limited, Deutsche Trustee Services (India) Private Limited, Deutsche Bank (Malaysia) Berhad,

OOO "Deutsche Bank", Deutsche Nederland N.V., Deutsche Bank Società per Azioni, DB International (Asia) Limited, DWS Investment S.A., Deutsche Bank Trust Company Americas, Deutsche Bank, Sociedad Anónima Española, Deutsche Bank (China) Co.- Ltd., Deutsche Bank Polska Spółka Akcyjna, Deutsche Bank Trust Corporation, Deutsche Bank Securities Inc., Deutsche Knowledge Services Pte. Ltd., Manila Branch, DB UK Bank Limited, Deutsche Bank S.A. - Banco Alemão, DB Group Services (EURO), Deutsche Bank (Suisse) SA, Deutsche Asia Pacific Holdings Pte Ltd, Deutsche Bank Europe GmbH, Filiale Belgien, DBOI Global Services (UK) Limited, Deutsche Bank Nederland N.V., Joint Stock Company Deutsche Bank DBU, DB Global Technology, Inc., Deutsche Bank Europe GmbH, Filiale Portugal, DB Consorzio S. Cons. a r. l., Deutsche CIB Centre Private Limited, Birmingham Branch, DWS Distributors, Inc., Deutsche Trustees Malaysia Berhad, DB USA Core Corporation, Deutsche Bank National Trust Company, Deutsche Group Services Pty Limited, DB Service Centre Limited, DWS Alternatives Global Limited, DWS Investment Management Americas, Inc., RREEF Management L.L.C., DWS Group Services UK Limited, PT Deutsche Sekuritas Indonesia, Deutsche Bank México, S.A., Institución de Banca Múltiple, Deutsche Securities Korea Co., DEUTSCHE BANK A.S., Deutsche Securities Saudi Arabia, Deutsche Securities (Proprietary) Limited, Deutsche Bank Luxembourg S.A., Deutsche Securities Inc., DWS Investment GmbH, DWS Investments UK Limited, Deutsche Bank S.A., DWS International GmbH, DWS Beteiligungs GmbH, Deutsche International Corporate Services (Ireland) Limited, DB Privat- und Firmenkundenbank AG, Sal. Oppenheim jr. & Cie. AG & Co. Kommanditgesellschaft auf Aktien, Deutsche Securities Asia Limited, Singapore Branch, Deutsche Bank International Limited, Deutsche Bank (Portugal), S.A., Deutsche Bank Americas Holding Corp., Deutsche Bank Securities Limited, DWS Investments Japan Limited, Deutsche Bank Zártkörűen Működő Részvénytársaság, German American Capital Corporation, DB Investment Services GmbH, DB Fund Services LLC, norisbank GmbH, Gemini Technology Services Inc., DWS Service Company, DB Operaciones y Servicios Interactivos Agrupación de Interés Económico, DWS Asset Management (Korea) Company Limited, Deutsche Bank (Cayman) Limited, DWS Investments Hong Kong Limited, Deutsche Alternative Asset Management (UK) Limited, Deutsche Global Markets Limited, DB Alex. Brown LLC, DB Investment Managers, Inc., DB Services Americas, Inc., DB Investment Partners, Inc., Deutsche Trust Company Limited Japan, DB Energy Trading LLC, MortgageIT, Inc., OOO "Deutsche Bank TechCentre", DB Global Technology SRL, DWS Group GmbH & Co. KGaA, DB Servicios México, Sociedad Anónima de Capital Variable, DB HR Solutions GmbH, DB Capital Markets (Deutschland) GmbH, Deutsche Securities Asia Limited, Taipei Branch, Deutsche Securities Mauritius Limited, Deutsche Bank Trust Company, National Association, Deutsche Bank Trust Company Delaware, DBÖ Vermögensverwaltung GmbH in Liqu., Deutsche (Mauritius) Limited, Hanoi Building Commercial Joint Stock Bank, Scottish Widows Investment Solutions Funds ICVC - Fundamental Index Emerging Markets Equity Fund, Elmo Leasing Zwanzigste GmbH, EVAF B-Frost Finland Properties Oy, Hua Xia Bank Company Limited, Polski Kredyt Bank S.A., United Bank for Africa PLC.

\*Identification of the above related parties has been performed by Management which has been relied upon by the Auditors.



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)**

**m. Disclosure requirements as per Accounting Standards (Continued)**

iii AS 18 - Related party disclosures (Continued)

iv. **Key management personnel**

In accordance with the RBI circular DBR.BP.BC No.23/21.04.018/2015-16 dated 1 July 2015, only the Chief Executive Officer (CEO) of the Bank, falls under the category of key management personnel, hence no disclosures pertaining to the CEO are provided.

CEO of the Bank:

Mr. Khurshed Dordi – from 1 March 2019 to 27 May 2019

Mr. Kaushik Shaparia – from 28 May 2019

v. Transactions with the related parties in the ordinary course of business (Current year figures are shown in bold. Previous year's figures are shown in italics) :

(In Rs. '000)

Items / Related Party	Head Office (as per ownership or control)	Subsidiaries / Associates / Joint Venture	Other related parties in Deutsche Bank Group	Key Management Personnel	Relatives of Key Management Personnel	Total
Sale of fixed assets	-	-	-	-	-	-
Purchase of fixed assets	-	-	<b>727</b> <i>2,910</i>	-	-	<b>727</b> <i>2,910</i>
Interest paid	-	-	<b>548,386</b> <i>622,030</i>	-	-	<b>548,386</b> <i>622,030</i>
Interest received	-	-	<b>58,125</b> <i>286,962</i>	-	-	<b>58,125</b> <i>286,962</i>
Rendering of services - receipt	-	-	<b>236,638</b> <i>126,514</i>	-	-	<b>236,638</b> <i>126,514</i>
Receiving of services - payment	-	-	<b>1,540,722</b> <i>1,010,919</i>	-	-	<b>1,540,722</b> <i>1,010,919</i>
Management contracts	-	-	<b>(96,383)</b> <i>123,696</i>	-	-	<b>(96,383)</b> <i>123,696</i>
Purchase of securities	-	-	<b>45,281,900</b> <i>183,750,377</i>	-	-	<b>45,281,900</b> <i>183,750,377</i>
Sale of securities	-	-	<b>55,990,131</b> <i>168,304,736</i>	-	-	<b>55,990,131</b> <i>168,304,736</i>
Purchase/sale of foreign exchange contracts	-	-	<b>624,450,971</b> <i>757,219,283</i>	-	-	<b>624,450,971</b> <i>757,219,283</i>

Note: As per the guidance on compliance with the accounting standards by banks issued by the RBI on 1 July 2015, the Bank has not disclosed the details pertaining to the related party where there is only one entity / person in any category of related parties.

vi. Balances with related parties are as follows (Current year figures are shown in bold. Previous year's figures are shown in italics) :

(In Rs. '000)

Items / Related Party	Head Office (as per ownership or control)	Subsidiaries / Associates / Joint Venture	Other related parties in Deutsche Bank Group	Key Management Personnel	Relatives of Key Management Personnel	Total
Borrowings	-	-	-	-	-	-
Deposits	-	-	<b>18,769,480</b> <i>18,891,643</i>	-	-	<b>18,769,480</b> <i>18,891,643</i>
Advances	-	-	<b>1,550,100</b> <i>827,700</i>	-	-	<b>1,550,100</b> <i>827,700</i>
Balances with Banks	-	-	<b>19,107</b> <i>6,438,111</i>	-	-	<b>19,107</b> <i>6,438,111</i>
Non-funded commitments	-	-	<b>70,398,713</b> <i>485,359,896</i>	-	-	<b>70,398,713</b> <i>485,359,896</i>
Other Assets	-	-	<b>1,385,354</b> <i>1,191,201</i>	-	-	<b>1,385,354</b> <i>1,191,201</i>
Other Liabilities	-	-	<b>2,383,387</b> <i>9,662,503</i>	-	-	<b>2,383,387</b> <i>9,662,503</i>

Note: As per the guidance on compliance with the accounting standards by banks issued by the RBI on 1 July 2015, the Bank has not disclosed the details pertaining to the related party where there is only one entity / person in any category of related parties.

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)****m. Disclosure requirements as per Accounting Standards (Continued)**

## iii AS 18 - Related party disclosures (Continued)

- vii. Details of maximum balances outstanding with related parties during financial year ended 31 March 2021. (Current year figures are shown in bold. Previous year's figures are shown in italics):

(In Rs. '000)

Items / Related Party	Head Office (as per ownership or control)	Subsidiaries / Associates / Joint Venture	Other related parties in Deutsche Bank Group	Key Management Personnel	Relatives of Key Management Personnel	Total
<b>Borrowings</b>	-	-	<b>44,479,798</b>	-	-	<b>44,479,798</b>
	-	-	<i>13,538,631</i>	-	-	<i>13,538,631</i>
<b>Deposits</b>	-	-	<b>47,771,256</b>	-	-	<b>47,771,256</b>
	-	-	<i>42,054,635</i>	-	-	<i>42,054,635</i>
<b>Advances</b>	-	-	<b>2,430,728</b>	-	-	<b>2,430,728</b>
	-	-	<i>2,168,391</i>	-	-	<i>2,168,391</i>
<b>Balances with Banks</b>	-	-	<b>47,976,587</b>	-	-	<b>47,976,587</b>
	-	-	<i>40,329,047</i>	-	-	<i>40,329,047</i>
<b>Non-funded commitments</b>	-	-	<b>485,355,269</b>	-	-	<b>485,355,269</b>
	-	-	<i>551,790,316</i>	-	-	<i>551,790,316</i>
<b>Other Assets</b>	-	-	<b>1,385,354</b>	-	-	<b>1,385,354</b>
	-	-	<i>2,470,514</i>	-	-	<i>2,470,514</i>
<b>Other Liabilities</b>	-	-	<b>9,612,659</b>	-	-	<b>9,612,659</b>
	-	-	<i>9,662,503</i>	-	-	<i>9,662,503</i>

Maximum amounts outstanding for the current year have been computed based on daily balances outstanding.

Note: As per the guidance on compliance with the accounting standards by banks issued by the RBI on 1 July 2015, the Bank has not disclosed the details pertaining to the related party where there is only one entity / person in any category of related parties.

- viii. The following are the material transactions between the Bank and its related parties for the year ended 31 March 2021. A specific related party transaction is disclosed as material wherever it exceeds 10% of all related party transactions in the current year in that category and if it does not conflict with the Bank's duties of customer confidentiality.

**Rendering of services – receipt**

Income from DB International (Asia) Limited Rs. 30,109 thousand (Previous year: Rs. 26,671 thousand), Deutsche Bank Trust Company Americas Rs. 48,749 thousand (Previous year: Rs. 63,415 thousand), Deutsche Investments India Private Limited Rs. 26,639 thousand (Previous year: Rs. 16,985 thousand), DBOI Global Services Private Limited Rs. 132,003 thousand (Previous year: Rs. 15,121 thousand).

**Receiving of services – payment**

Expenses for receiving services from DBOI Global Services Private Limited Rs. 958,023 thousand (Previous year: Rs. 717,478 thousand), Deutsche Investor Services Private Limited Rs. 480,546 thousand (Previous year: Rs. 109,899 thousand).

**Management contracts**

Receipt from Deutsche Equities India Private Limited Rs 105,196 thousand (Previous Year: Rs. 74,393 thousand), DBOI Global Services Private Limited Rs. 61,915 thousand (Previous year: Rs. 258,275 thousand), Deutsche Investments India Private Limited Rs. 51,990 thousand (Previous year: Rs. 81,357 thousand), Deutsche CIB Centre Private Limited Rs. 78,412 thousand (Previous year: Rs. 83,178 thousand), DB USA Core Corporation Rs. 91,716 thousand (Previous year: Rs 3,935 thousand payment), Deutsche Investor Services Private Limited Rs. 20,278 thousand (Previous year: Rs 5,891 thousand).

Payment to DB Group Services (EURO) Rs. 149,862 thousand (Previous year: Rs. 229,633 thousand), DB Global Technology, Inc. Rs. 33,683 thousand (Previous year: Rs. 25,835 thousand), Deutsche Group Services Pty Limited Rs. 41,614 thousand (Previous year: Rs. 52,271 thousand), DBOI Global Services (UK) Limited Rs. 29,955 thousand (Previous year: Rs. 31,481 thousand), OOO "Deutsche Bank Tech Centre" Rs. 73,293 thousand (Previous year: Rs. 42,826 thousand), Deutsche Bank Securities Inc. Rs. 63,794 thousand (Previous year: Rs. 28,504 thousand), Deutsche Knowledge Services Pte. Ltd., Manila Branch Rs. 21,711 thousand (Previous year: Rs. 14,195 thousand), Deutsche Bank, Sociedad Anónima Española Rs. 13,910 thousand (Previous year: Rs. 7,987 thousand receipt), Deutsche Bank Trust Company Americas Rs. 26,664 thousand (Previous year: 74,536 thousand receipt), DB Service Centre Limited Rs 39,097 thousand (Previous year: Rs. 25,873 thousand), Deutsche Bank (Suisse) SA Rs. 14,094 thousand (Previous year: Rs 4,703 thousand receipt).

**Balance with Bank**

Balance with Deutsche Bank Trust Company Americas Rs. Nil (Previous year: Rs. 6,430,389 thousand), OOO "Deutsche Bank" Rs. 19,072 thousand (Previous year: Rs. 7,722 thousand).

**Other Assets**

DB International (Asia) Limited Rs 728,240 thousand (Previous year: Rs. 500,415 thousand), DBOI Global Services Private Limited Rs. 245,082 thousand (Previous year: 76,089 thousand), Deutsche Bank Trust Company Americas Rs. 132,014 thousand (Previous year: 374,144 thousand).

**Other Liabilities**

DBOI Global Services Private Limited Rs. 605,602 thousand (Previous year: Rs. 455,233 thousand), Deutsche Investor Services Private Limited Rs. 306,335 thousand (Previous year: Rs. 87,419 thousand), DB Group Services (EURO) Rs. 465,625 thousand (Previous year: Rs. 394,334 thousand), DB International (Asia) Limited Rs 172,779 thousand (Previous year: Rs. 7,986,328 thousand).

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)****m. Disclosure requirements as per Accounting Standards (Continued)**

## iv AS 22 - Accounting for taxes on income

Amount of provision made for income-tax during the year

*(In Rs. '000)*

Provision for	31 March 2021	31 March 2020
Current tax*	13,988,426	10,190,689
Deferred tax	(1,868,191)	(683,883)

\* Includes reversal of tax provision for earlier years of Rs. 88,090 thousand (Previous year charge Rs. 71,995 thousand).

Deferred tax is accounted for on the basis of AS 22 - 'Accounting for Taxes on Income'.

Component of deferred tax assets and deferred tax liabilities are as under:

*(In Rs. '000)*

	31 March 2021	31 March 2020
Deferred tax asset / (Deferred tax liabilities)		
Provision for bad and doubtful debts	6,261,669	4,424,450
Depreciation on fixed assets	260,044	160,501
Provision for staff compensation and benefits	209,699	175,481
Others	429,294	532,083
<b>Net Deferred tax asset / (Deferred tax Liabilities)</b>	<b>7,160,706</b>	<b>5,292,515</b>

## v AS 19 – Leases - Operating leases

Disclosures as required by AS 19 - 'Leases' pertaining to leasing arrangement entered into by the Bank are given below:-

- Cancellable leasing arrangement for premises: Total lease rental of Rs. 157,004 thousand (Previous year: Rs. 250,546 thousand) has been included under Schedule 16.2.
- Non-cancellable leasing arrangement for premises: Total lease rental of Rs. 442,092 thousand (Previous year: Rs. 424,614 thousand) has been included under Schedule 16.2.
- Non-cancellable leasing arrangement for vehicles: Total lease rental of Rs. 26,997 thousand (Previous year: Rs. 26,275 thousand) has been included under Schedule 16.12.

The future minimum lease payments under non-cancellable operating lease are as follows:

*(In Rs. '000)*

	31 March 2021	31 March 2020
Not later than one year	253,515	495,026
Later than one year and not later than five years	59,026	368,897
Later than five years	-	-

## vi Other accounting standards

## i) AS 10 – Property, Plant and Equipment - Movement in carrying amount

*(In Rs. '000)*

	31 March 2021	31 March 2020
<b>Premises</b>		
<b>Gross Carrying at Beginning of the year</b>	<b>1,280,447</b>	<b>1,263,982</b>
<b>Accumulated Depreciation at Beginning of the year</b>	<b>995,329</b>	<b>904,319</b>
<b>Opening Carrying Amount</b>	<b>285,118</b>	<b>359,663</b>
Additions during the year	77,687	21,100
Deductions (net) during the year	(389)	(14)
Depreciation for the period	(73,890)	(95,631)
<b>Closing Carrying amount</b>	<b>288,526</b>	<b>285,118</b>
<b>Gross Carrying at end of the year</b>	<b>1,331,097</b>	<b>1,280,447</b>
<b>Accumulated Depreciation at end of the year</b>	<b>1,042,571</b>	<b>995,329</b>
<b>Other Fixed Assets</b>		
<b>Gross Carrying at Beginning of the year</b>	<b>2,318,664</b>	<b>2,269,670</b>
<b>Accumulated Depreciation at Beginning of the year</b>	<b>1,666,543</b>	<b>1,445,411</b>
<b>Opening Carrying Amount</b>	<b>652,121</b>	<b>824,259</b>
Additions during the year	931,989	227,941
Deductions (net) during the year	(16,089)	(120,223)
Depreciation for the period	(330,696)	(279,856)
<b>Closing Carrying amount</b>	<b>1,237,325</b>	<b>652,121</b>
<b>Gross Carrying at end of the year</b>	<b>3,130,745</b>	<b>2,318,664</b>
<b>Accumulated Depreciation at end of the year</b>	<b>1,893,420</b>	<b>1,666,543</b>

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)****m. Disclosure requirements as per Accounting Standards (Continued)**

vi Other accounting standards (Continued)

- ii) AS 26 – Intangible assets included under Other fixed assets (including furniture and fixtures). It includes amount capitalized as software. (In Rs. '000)

	31 March 2021	31 March 2020
Cost as at 31 March of the preceding year	996,675	845,081
Addition during the year	702,813	310,327
Deduction during the year	(18,757)	(158,733)
Accumulated depreciation to date	(643,469)	(461,594)
Net Value as at 31 March of the current year	1,037,262	535,081

iii) AS 28 – Impairment of Assets – During the year provision of Rs. Nil (Previous year Rs. Nil) with respect to impairment of Fixed Assets.

iv) No disclosures are required under AS 24 on Discontinuing Operations.

v) Consolidated financial statements

The Bank has 30% of ownership interest in Comfund Consulting Limited (the Company). The Company's main objects include carrying on business as consultants and / or advisors to industries, companies and other business establishments. The Company has no operations and has filed an application with National Company Law Tribunal (NCLT) seeking initiation of Corporate Insolvency Resolution Process under Insolvency & Bankruptcy Code, 2016. The application has been accepted by the NCLT on 10 September 2020. The Resolution Professional has now filed an application for liquidation of the company and the order, on the said application, is awaited.

Investments in the Company are not held so as to lead to any economic benefits to the Bank. Accordingly no consolidation is required under Accounting Standard 21, "Consolidated Financial Statements" (AS – 21). Further the Company is under long-term restrictions that significantly impair its ability to transfer funds to the Bank. Accordingly no consolidation is required under Accounting Standard 23, "Accounting for Investments in Associates in consolidated financial statements" (AS-23).

Hence the Bank does not consolidate the Company and has accounted for the investment in the Company in accordance with Accounting Standard 13, 'Accounting for Investments'. Such non-consolidation does not have material impact on the financial results of the Bank.

**n. Additional disclosures**

i Provisions and Contingencies shown under the head Expenditure in Profit and Loss Account:

(In Rs. '000)

	31 March 2021	31 March 2020
Provision for loan loss (net)	1,612,713	1,121,733
Provision / (write back) for contingent credit exposures	(633,990)	(42,906)
Provision made on sale of NPA	-	37,500
Provision / (write back) for standard assets	26,104	47,936
Provision / (write back) for country risk	181,832	21,772
Bad debts written off	4,853,513	1,049,334
Provision / (write back) for depreciation on investments	(666,331)	2,696,443
Other Provisions (net)	(453,882)	392,522
Provision for taxation:		
(a) Current tax	13,988,426	10,190,689
(b) Deferred tax	(1,868,191)	(683,883)
<b>Total</b>	<b>17,040,194</b>	<b>14,831,140</b>

Other Provisions (net) represent provisions made on prudential basis on specific advances or exposures which are not NPAs and general provision created for accounts where moratorium is granted in accordance with RBI guidelines relating to COVID-19 Regulatory Package.

The Bank has reviewed all its pending litigations and long term contracts, including derivative contracts, to assess material foreseeable losses. At the year-end adequate provision for material foreseeable losses on such long term contracts, including derivative contracts has been made in the books of accounts in accordance with its accounting policy on provisions and contingencies.

ii Floating provision

(In Rs. '000)

	31 March 2021	31 March 2020
Opening balance	712,260	712,260
Add: Floating provisions made during the year	-	-
Less: Draw down made during the year	-	-
Closing balance	712,260	712,260

iii (a) Drawdown on reserves

The Bank has drawn down investment reserve of Nil during the year ended 31 March 2021 (Previous year: Rs. 145,699 thousand) as required by RBI circular DBR No BP.BC.6/21.04.141/2015-16 dated 1 July 2015.

iii (b) Investment Fluctuation Reserve

The Bank has created Investment Fluctuation Reserve of Rs 7,204,937 thousand during the year ended 31 March 2021 (Previous year: Rs. 2,400,000 thousand) as required by RBI circular DBR.No.BP.BC.102/21.04.048/2017-18 dated 2 April 2018.

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)****n. Additional disclosures (Continued)**

## iv Customer complaints

Summary information on complaints received by the bank from customers and from the Offices of Banking Ombudsman (OBOs)			31 March 2021	31 March 2020
<b>A</b>	<b>Complaints received by the bank from its customers</b>			
1		Number of complaints pending at beginning of the year	26	15
2		Number of complaints received during the year	1,971	2,236
3		Number of complaints disposed during the year	1,915	2,225
	3.1	<i>Of which, number of complaints rejected by the Bank</i>	286	253
4		Number of complaints pending at the end of the year	82	26
<b>B</b>	<b>Maintainable complaints received by the bank from OBOs</b>			
5		Number of maintainable complaints received by the Bank from OBOs*	115	70
	5.1	<i>Of 5, number of complaints resolved in favour of the bank by BOs</i>	107	67
	5.2	<i>Of 5, number of complaints resolved through conciliation/mediation/ / advisories issued by BOs</i>	2	3
	5.3	<i>Of 5, number of complaints resolved after passing of Awards by BOs against the bank</i>	–	–
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	–	–

\* 6 complaints pending as at 31 March 2021

Top five grounds of complaints received :					
Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
<b>31 March 2021</b>					
ATM/Debit Cards	23	1,127	-29%	52	47
Internet/Mobile/Electronic Banking	0	485	84%	20	2
Loans and advances	0	150	384%	5	0
Account opening/difficulty in operation of accounts	1	117	-6%	5	0
Levy of charges without prior notice/ excessive charges/foreclosure charges	1	43	-33%	3	0
Others	1	164	-31%	3	1
<b>Total</b>	<b>26</b>	<b>2,086</b>	<b>-10%</b>	<b>88</b>	<b>50</b>
<b>31 March 2020</b>					
ATM/Debit Cards	12	1,587	6%	23	15
Internet/Mobile/Electronic Banking	1	263	-25%	0	0
Account opening/difficulty in operation of accounts	0	124	-11%	1	0
Levy of charges without prior notice/excessive charges/foreclosure charges	0	64	113%	1	1
Bank Guarantees/Letter of Credit and documentary credits	0	45	15%	0	0
Others	2	223	-23%	1	0
<b>Total</b>	<b>15</b>	<b>2,306</b>	<b>-2%</b>	<b>26</b>	<b>16</b>

## v Letter of comfort

The Bank has not issued any letter of comfort during the year ended March 31, 2021 and March 31, 2020.

## vi Provisioning Coverage Ratio as at 31 March 2021 is 68.87% (Previous year 55.75%)



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)**

**m. Disclosure requirements as per Accounting Standards (Continued)**

vii Bancassurance business

Fees / remuneration received in respect of bancassurance business during the year is as follows:

(In Rs. '000)

	31 March 2021	31 March 2020
For selling life insurance products	56,159	62,826
For selling non life insurance products	20,920	26,202
For selling Mutual fund products	322,411	335,468
For selling PMS products	63,231	100,655
Others	11,388	19,600
Total	474,109	544,751

viii Concentration of Deposits, Advances, Exposures and NPAs

i Concentration of Deposits

(In Rs. '000)

	31 March 2021	31 March 2020
Total Deposits of twenty largest depositors	181,844,818	141,029,483
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	27.46%	23.54%

ii Concentration of Advances\*

(In Rs. '000)

	31 March 2021	31 March 2020
Total Advances to twenty largest borrowers	451,666,649	640,005,973
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	29.09%	41.05%

\*Advances are computed as per definition of Credit Exposure including derivatives furnished in RBI's Master Circular on Exposure Norms.

iii Concentration of Exposures\*\*

(In Rs. '000)

	31 March 2021	31 March 2020
Total Exposure to twenty largest borrowers/customers	506,018,888	670,116,705
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	30.33%	41.05%

\*\*Exposures are computed based on credit and investment exposure as prescribed in RBI's Master Circular on Exposure Norms.

iv Concentration of NPAs

(In Rs. '000)

	31 March 2021	31 March 2020
Total Exposure to top four NPA accounts	2,033,038	8,977,246

**ix Sector-wise Advances and NPAs**

(In Rs. '000)

Sector / Sub-Sector *	31 March 2021			31 March 2020		
	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
<b>A PRIORITY SECTOR</b>						
<b>1 Agriculture and allied activities</b>	-	-	-	-	-	-
<b>2 Advances to industries sector eligible as priority sector lending, of which :</b>	<b>103,781,292</b>	<b>1,652,820</b>	<b>1.59%</b>	101,453,968	1,484,667	1.46%
Petroleum, Coal Products and Nuclear Fuels	17,095,247	-	-	-	-	-
Chemicals and Chemical Products	22,148,472	17,079	0.08%	23,075,849	9,769	0.04%
Basic Metal and Metal Products	11,404,067	164,998	1.45%	-	-	-
All Engineering	14,918,188	509,245	3.41%	20,649,541	620,987	3.01%
<b>3 Services, of which :</b>	<b>87,732,379</b>	<b>1,876,072</b>	<b>2.14%</b>	61,386,120	812,913	1.32%
Computer Software	28,896,265	80,026	0.28%	21,890,102	44,108	0.20%
Other Services	16,602,250	891,709	5.37%	13,552,087	330,966	2.44%
Banking and finance other than NBFC and MFs	25,127,788	-	-	7,843,107	-	-
Non-Banking Financial Companies	-	-	-	8,100,000	-	-
<b>4 Personal loans, of which :</b>	<b>101,695</b>	<b>1,630</b>	<b>1.60%</b>	131,560	3,290	2.50%
Housing Loans	101,695	1,630	1.60%	131,560	3,290	2.50%
<b>Total PRIORITY SECTOR (A)</b>	<b>191,615,366</b>	<b>3,530,522</b>	<b>1.84%</b>	162,971,648	2,300,870	1.41%

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)****n. Additional disclosures (Continued)**

## ix Sector-wise Advances and NPAs (Continued)

(In Rs. '000)

Sector / Sub-Sector *	31 March 2021			31 March 2020		
	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	% of Gross NPAs to Total Advances in that sector
<b>B NON PRIORITY SECTOR</b>						
<b>1 Agriculture and allied activities</b>	-	-	-	-	-	-
<b>2 Industry, of which :</b>	<b>108,538,613</b>	<b>1,869,644</b>	<b>1.72%</b>	128,917,155	5,173,915	4.01%
All Engineering	22,126,319	574,632	2.60%	21,360,000	499,325	2.34%
Vehicles, Vehicle Parts and Transport Equipments	-	-	-	14,908,597	3,491,044	23.42%
Infrastructure	27,471,500	-	-	43,719,249	-	-
<b>3 Services, of which :</b>	<b>181,791,701</b>	<b>3,365,690</b>	<b>1.85%</b>	168,829,097	2,609,470	1.55%
Trade	45,436,789	2,454,329	5.40%	41,670,089	1,384,433	3.32%
Commercial real Estate	35,303,990	-	-	29,280,713	2,338	0.01%
Non-Banking Financial Companies	72,264,712	-	-	52,825,217	-	-
<b>4 Personal loans, of which :</b>	<b>52,464,250</b>	<b>5,800,321</b>	<b>11.06%</b>	58,379,294	5,018,498	8.60%
Housing Loans	9,111,009	571,138	6.27%	6,907,214	298,696	4.32%
Other Personal Loans	42,767,400	5,229,183	12.23%	50,962,457	4,719,801	9.26%
<b>Total NON PRIORITY SECTOR (B)</b>	<b>342,794,564</b>	<b>11,035,655</b>	<b>3.22%</b>	356,125,546	12,801,883	3.59%
<b>Total (A) + (B)</b>	<b>534,409,930</b>	<b>14,566,177</b>	<b>2.73%</b>	519,097,194	15,102,753	2.91%

\* Sub-sector wise Advances are shown where the outstanding advances exceed 10% of the outstanding advances of that sector.

## x Movement of NPAs

(In Rs. '000)

	31 March 2021	31 March 2020
Gross NPAs as on 1 April (Opening Balance)	15,102,753	14,244,373
Additions (Fresh NPAs) during the year	7,096,128	8,156,514
Sub-total (A)	22,198,881	22,400,887
Less:-		
(i) Up gradations	1,011,124	1,843,732
(ii) Recoveries (excluding recoveries made from upgraded accounts)	1,768,067	4,405,068
(iii) Technical/Prudential write-offs	-	-
(iv) Write-offs other than those under (iii) above	4,853,513	1,049,334
Sub-total (B)	7,632,704	7,298,134
Gross NPAs as on 31 March (closing balance) (A-B)	14,566,177	15,102,753

The Bank does not have any advances which are outstanding in the books of the branches, but have been written-off (fully or partially) at the Bank level.

## xi Overseas Assets, NPAs and Revenue

(In Rs. '000)

	31 March 2021	31 March 2020
Total Assets	174,830,958	63,607,814
Total NPAs	-	-
Total Revenue	73,617	447,075

xii There are no off-balance sheet SPVs sponsored by the Bank.

## xiii Disclosure requirements for remuneration

In accordance with the requirements of the RBI Circular No. DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019, (for foreign banks operating in India under branch mode) the Bank has submitted a declaration to RBI annually from its Head Offices to the effect that their compensation structures in India, including that of CEO's, is in conformity with the Financial Stability Board (FSB) Principles and Standards.



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)**

**n. Additional disclosures (Continued)**

xiv Disclosures relating to Securitisation

During the year, the Bank has not entered into any securitisation transactions (Previous year Rs Nil).

xv Credit Default Swaps

During the year, the Bank has not entered into credit default swaps (Previous year Rs Nil).

xvi Intra-Group Exposures

The details of Intra-Group transaction are as follows:

(In Rs. '000)

	31 March 2021	31 March 2020
Total amount of Intra-group exposures	11,166,095	16,065,737
Total amount of top 20 intra group exposures	11,166,095	16,065,737
% of intra-group exposure to total exposure of the bank on borrowers / customers	0.67%	0.98%
Breach of limits on intra group exposures	No	No

xvii Transfers to Depositor Education and Awareness Fund (DEAF)

(In Rs. '000)

	31 March 2021	31 March 2020
Opening balance of amounts transferred to DEAF	455,658	394,960
Add : Amounts transferred to DEAF during the year	88,104	63,038
Less : Amounts reimbursed by DEAF towards claims	(824)	(2,340)
Closing balance of amounts transferred to DEAF	542,938	455,658

xviii Unhedged Foreign Currency Exposure

The Bank has in place a policy on managing credit risk arising out of Unhedged Foreign Currency Exposures of its borrowers. In order to minimize risk arising out of exposure to corporates, all foreign currency loans granted by the Bank in excess of USD 10 million are subject to being mandatorily hedged for foreign currency risk by the corporate, except in the following cases:

- Foreign currency loans extended to finance exports provided customers have uncovered receivables to cover the loan amount.
- Foreign currency loans extended for meeting foreign currency expenditure.

In addition to the above, foreign exchange (FX) risk on unhedged exposures is a crucial part of the risk assessment of the Bank as under:

- FX risk on account of unhedged exposures is factored in during the initial and annual rating exercise based on its impact on the credit profile of the counterparty. The counterparty rating is a critical determinant of all credit reviews and credit decisions.
- FX Hedging policy of clients is discussed in detail during periodic client meetings and information is obtained about existing hedged and unhedged positions of the client and policy on hedging.
- The FX risk of unhedged positions is also qualitatively assessed based on natural hedge available to the counterparty, under business economics/type of exposure to be hedged.
- Rapid portfolio reviews are also conducted during periods of relative currency volatility and appropriate action is taken at a counterparty level to manage credit risks.

The Bank has maintained incremental standard asset provision of Rs. 1,153,364 thousand (Previous year Rs. 942,748 thousand) and incremental capital of Rs. 7,171,622 thousand (Previous year Rs. 4,775,703 thousand) on account of Unhedged Foreign Currency Exposure of its borrowers.

xix The Bank has outstanding factoring exposure of Rs. 62,628,702 thousand (Previous year: Rs. 38,516,980 thousand). The same has been included under the head 'Bills purchased and discounted' in Schedule 9.1.



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**  
For the year ended 31 March 2021

**4. Notes to financial statements (Continued)**

**o. Liquidity Coverage Ratio**

(In Rs. '000)

	Daily average for Quarter ended 30 June, 2020		Daily average for Quarter ended 30 September, 2020		Daily average for Quarter ended 31 December, 2020		Daily average for Quarter ended 31 March, 2021	
	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
<b>High Quality Liquid Assets</b>								
1 Total high-quality liquid assets (HQLA)		233,376,184		338,201,233		398,870,439		369,441,068
<b>Cash Outflows</b>								
2 Retail deposits and deposits from small business customers, of which:	92,165,641	9,096,336	92,444,981	9,055,512	91,394,331	8,843,747	89,033,634	8,605,635
(i) Stable deposits	2,404,571	120,229	3,779,722	188,986	5,913,716	295,686	5,954,569	297,728
(ii) Less stable deposits	89,761,070	8,976,107	88,665,259	8,866,526	85,480,615	8,548,061	83,079,065	8,307,907
3 Unsecured wholesale funding, of which:	369,862,201	133,041,865	425,859,913	170,996,392	478,862,261	190,330,620	467,243,870	182,197,207
(i) Operational deposits (all counterparties) and deposits in networks of cooperative banks	214,557,302	53,605,232	219,702,029	54,845,613	248,614,262	62,003,545	261,081,609	65,123,016
(ii) Non-operational deposits (all counterparties)	155,304,899	79,436,633	206,157,884	116,150,779	230,247,999	128,327,075	206,162,261	117,074,191
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding	-	-	-	-	-	-	-	-
5 Additional requirements, of which:	304,879,210	20,294,639	329,387,175	22,138,527	365,833,099	28,452,516	402,508,323	31,110,412
(i) Outflows related to derivative exposures and other collateral requirements	-	3,752,395	-	4,288,275	-	8,146,869	-	8,378,518
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	304,879,210	16,542,244	329,387,175	17,850,252	365,833,099	20,305,647	402,508,323	22,731,894
6 Other contractual funding obligations	920,908	920,908	949,537	949,537	902,919	902,919	844,802	844,802
7 Other contingent funding obligations	202,810,360	6,084,311	193,251,128	5,797,534	221,873,762	6,656,213	240,698,872	7,220,966
<b>8 Total Cash Outflows</b>		<b>169,438,059</b>		<b>208,937,502</b>		<b>235,186,015</b>		<b>229,979,022</b>
<b>Cash inflows</b>								
9 Secured lending (eg. reverse repos)	35,430,122	-	85,054,606	-	166,902,940	-	122,581,994	-
10 Inflows from fully performing exposures	184,267,907	107,653,444	141,212,136	86,082,965	120,371,585	72,324,087	130,298,986	76,277,355
11 Other cash inflows	7,770,366	7,571,800	5,341,856	4,924,209	4,343,985	4,327,387	4,855,614	4,833,954
<b>12 Total Cash Inflows</b>	<b>227,468,395</b>	<b>115,225,244</b>	<b>231,608,598</b>	<b>91,007,174</b>	<b>291,618,510</b>	<b>76,651,474</b>	<b>257,736,594</b>	<b>81,111,309</b>
		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE
<b>13 Total HQLA</b>		<b>233,376,184</b>		<b>338,201,233</b>		<b>398,870,439</b>		<b>369,441,068</b>
<b>14 Total Net Cash Outflows*</b>		<b>54,212,815</b>		<b>117,930,328</b>		<b>158,534,541</b>		<b>148,867,713</b>
<b>15 Liquidity Coverage Ratio (%)</b>		<b>430.48%</b>		<b>286.78%</b>		<b>251.60%</b>		<b>248.17%</b>

\* Total Net Cash Outflows is capped to 25% of Cash outflows

(In Rs. '000)

	Daily average for Quarter ended 30 June, 2019		Daily average for Quarter ended 30 September, 2019		Daily average for Quarter ended 31 December, 2019		Daily average for Quarter ended 31 March, 2020	
	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
<b>High Quality Liquid Assets</b>								
1 Total high-quality liquid assets (HQLA)		241,070,159		261,860,933		274,053,012		276,011,729
<b>Cash Outflows</b>								
2 Retail deposits and deposits from small business customers, of which:	80,709,254	7,965,307	83,560,739	8,252,500	84,596,010	8,355,803	84,792,572	8,375,041
(i) Stable deposits	2,112,378	105,619	2,071,493	103,575	2,075,964	103,798	2,084,324	104,216
(ii) Less stable deposits	78,596,876	7,859,688	81,489,246	8,148,925	82,520,046	8,252,005	82,708,248	8,270,825
3 Unsecured wholesale funding, of which:	347,924,575	136,880,960	368,069,675	145,708,164	373,912,995	145,878,325	390,749,408	158,795,752
(i) Operational deposits (all counterparties) and deposits in networks of cooperative banks	183,323,428	45,797,856	184,610,515	46,119,788	208,245,627	52,028,337	211,272,375	52,783,663
(ii) Non-operational deposits (all counterparties)	164,601,147	91,083,104	183,459,160	99,588,376	165,667,368	93,849,988	179,477,033	106,012,089
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding	-	-	-	-	-	-	-	-
5 Additional requirements, of which:	323,476,291	29,310,242	314,712,874	26,407,352	328,893,642	22,187,941	324,226,128	23,993,857
(i) Outflows related to derivative exposures and other collateral requirements	-	10,273,946	-	8,378,129	-	4,143,220	-	6,361,266
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	32,34,76,291	1,90,36,296	31,47,12,874	1,80,29,223	32,88,93,642	1,80,44,721	32,42,26,128	1,76,32,591
6 Other contractual funding obligations	10,35,570	10,35,570	11,87,113	11,87,113	10,10,722	10,10,722	9,38,387	9,38,387
7 Other contingent funding obligations	20,55,21,652	61,65,650	20,99,79,669	62,99,390	21,07,07,953	63,21,239	19,91,75,620	59,75,269
<b>8 Total Cash Outflows</b>		<b>181,357,729</b>		<b>187,854,519</b>		<b>183,754,030</b>		<b>198,078,306</b>
<b>Cash inflows</b>								
9 Secured lending (eg. reverse repos)	51,431,440	-	57,653,569	-	90,970,290	-	85,653,794	-
10 Inflows from fully performing exposures	193,367,099	125,913,764	193,935,876	128,094,564	201,139,715	144,796,364	193,792,080	133,064,713
11 Other cash inflows	6,342,430	5,321,687	3,940,347	3,793,539	2,921,121	2,729,605	7,269,479	6,802,733
<b>12 Total Cash Inflows</b>	<b>251,140,969</b>	<b>131,235,451</b>	<b>255,529,792</b>	<b>131,888,103</b>	<b>295,031,126</b>	<b>147,525,969</b>	<b>286,715,353</b>	<b>139,867,446</b>
		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE		TOTAL ADJUSTED VALUE
<b>13 Total HQLA</b>		<b>241,070,159</b>		<b>261,860,933</b>		<b>274,053,012</b>		<b>276,011,729</b>
<b>14 Total Net Cash Outflows*</b>		<b>50,122,278</b>		<b>55,966,416</b>		<b>45,938,507</b>		<b>58,210,860</b>
<b>15 Liquidity Coverage Ratio (%)</b>		<b>480.96%</b>		<b>467.89%</b>		<b>596.56%</b>		<b>474.16%</b>

\* Total Net Cash Outflows is capped to 25% of Cash outflows



**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)**

**o. Liquidity Coverage Ratio (Continued)**

**Qualitative Disclosure around LCR**

The Bank measures and monitors the Liquidity Coverage Ratio (LCR) in line with the extant RBI guidelines. The LCR is intended to improve the short-term resilience of a bank's liquidity risk profile over a 30 day stress scenario. The ratio is defined as the amount of High Quality Liquid Assets ("HQLA") that could be used to raise liquidity, measured against the total volume of net cash outflows, arising from both actual and contingent exposures, in a stressed scenario. The minimum LCR requirement from 1st January 2019 till 27th March 2020 was 100%, it reduced to 80% from 28 March 2020 till 30 September 2020. As per the RBI circular minimum LCR should be 90% from 1 October 2020 till 31 March 2021, from April 1 2021 onwards minimum LCR will be 100%.

The Bank's average LCR for the quarter ended March 2021 stood at 248.17% as against 474.16% for the quarter ended March 2020. In accordance with RBI guidelines dated 31st March 2015, the LCR ratio is computed on daily LCR observations.

The Bank maintains HQLA primarily in the form of cash including excess CRR with the RBI, unencumbered SLR holdings over and above the mandatory SLR requirement, the portion of mandatory SLR holdings that are allowed by the RBI to be counted towards HQLA through the Marginal Standing Facility (MSF), the Facility to Avail Liquidity for Liquidity Coverage Ratio (FALLCR) and AAA rated government bonds issued by foreign sovereigns.

The Bank has maintained an average HQLA of Rs. 369,441,068 thousand for quarter ended March 2021 as against Rs. 276,011,729 thousand for quarter ended March 2020.

The Bank's average net cash outflows stood at Rs. 148,867,713 thousand for quarter ended March 2021 as against Rs. 58,210,860 thousand for quarter ended March 2020. The main drivers for cash outflows are operational and non-operational deposits from corporate and retail customers, short-term borrowings and contingent outflows from credit and liquidity facilities, letters of credit, guarantees and trade finance facilities granted to corporate customers. The main LCR inflow driver is inflows from fully performing exposures, representing inflows from loans extended to retail and corporate customers.

The Bank's Asset Liability Committee (ALCO) manages and defines its funding strategy to maintain a stress-compliant and diversified funding profile based on LCR requirements, the Bank's liquidity risk appetite and the Bank's internal liquidity risk management framework. The ALCO manages the liquidity requirements of all of the Bank's Indian branches and business centrally and holistically, meetings are chaired by the Bank's Treasurer and attended by the CEO, CFO, COO, the Bank's business heads and infrastructure function heads.

**p. Corporate Social Responsibility ('CSR')**

The Bank continues to have a strong focus on CSR and has put in place a very strong governance process around project adoption and funds disbursement. The Bank's CSR Policy document sets out the following primary objectives:

- i. **Education** - Enabling underprivileged children and youth overcome poverty through education and to reach their full potential, by boosting their aspirations, improving their skill set and by making vocational training and job placements available to them. The Bank will work across the education continuum – primary, secondary and tertiary levels leading up to employability.
- ii. **Healthcare** - Providing end-to-end access to affordable and quality healthcare to children, youth and adults from socially and economically backward background. This includes preventive & early screening of diseases, curative & operative healthcare for fatal diseases as well as capacity building for hospitals & institutions.
- iii. **Social & Environment Sustainability** - Developing sustainable ideas that drive social and environmental change for increasing the country's forest and water reserves and usage of renewable energy.
- iv. **Disaster Relief** - Enabling funds directly or through implementing partners to support natural disaster relief efforts as may be required in the country from time to time.
- v. CSR activities falling within the scope of Schedule VII of Section 135 of the Companies Act, 2013.

Based on the above, the Bank has identified and executed on CSR activities.

- a. Gross amount required to be spent by the Bank is Rs. 393,629 thousand (Previous year Rs. 390,711 thousand)
- b. Amount spent during the year is Rs. 397,888 thousand (Previous year Rs. 394,192 thousand), in accordance with the Companies Act, 2013, expenditure towards corporate social responsibility is recognized in the Profit and Loss account.

The details of amount spent during the respective year towards CSR are as under

(In Rs. '000)

	31 March 2021			31 March 2020		
	Amount spent	Amount Unpaid/ provision	Total	Amount spent	Amount Unpaid/ provision	Total
1 Construction / acquisition of any asset	-	-	-	-	-	-
2 On purpose other than (i) above	397,888	-	397,888	394,192	-	394,192

**q. Disclosure on provisioning pertaining to fraud accounts**

(In Rs. '000)

	31 March 2021	31 March 2020
Number of frauds reported during the year	29	46
Amounts involved	2,699,990	152,492
Provisions made during the year	281,513	134,219
Unamortised provision debited from 'other reserves' as at the end of the year	-	-

**r. Priority Sector Lending Certificates (PSLCs) purchased / sold**

(In Rs. '000)

Type of PSLCs	31 March 2021		31 March 2020	
	Purchased	Sold	Purchased	Sold
PSLC - Agriculture	-	-	-	-
PSLC - SF / MF	-	-	-	-
PSLC - Micro Enterprises	-	-	-	-
PSLC - General	60,230,000	15,500,000	49,000,000	-
<b>Total</b>	<b>60,230,000</b>	<b>15,500,000</b>	<b>49,000,000</b>	<b>-</b>

**s. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED), certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the Management and confirmation sought from suppliers by the Bank on registration with specified authority under MSMED, principal amount unpaid to such enterprises as at end of the year is Rs. 7,861 thousand (Previous year

**Schedule 18: Notes forming part of the financial statements of the India Branches (Continued)**

For the year ended 31 March 2021

**4. Notes to financial statements (Continued)****s. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 (Continued)**

Rs. 1,288 thousand) and interest thereon is Rs Nil (Previous year Rs. Nil), principal amount paid after the due date to such enterprises is Rs. 733 thousand (Previous year Rs. 881 thousand) and the interest payable as at 31 March 2021 to such enterprises is Rs. 1 thousand (Previous year Rs. 1 thousand).

**t. Implementation of Indian Accounting Standards (Ind AS)**

The Ministry of Corporate Affairs (MCA), on 18 January 2016 issued a press release setting out the dates of Indian Accounting Standards (Ind AS) applicability for banks from the accounting period beginning 1 April 2019. The RBI had also advised that the Banks in India are required to implement Ind AS from 1 April 2019. Subsequently implementation of Ind AS was deferred by one year by RBI as the necessary legislative amendments to make the formats of financial statements compatible with Ind AS were under consideration of the Government. Further, RBI vide its notification dated 22 March 2019 has deferred the implementation of Ind AS till further notice.

Based on RBI directions, the Bank continues to submit proforma Ind AS financials to RBI on a quarterly basis. The Ind AS guidelines converge substantially with International Financial Reporting Standards (IFRS) and the Bank already prepares its financial statements for Head Office Reporting based on IFRS. Hence, the Bank has approached Ind AS implementation primarily as a review and analysis of existing IFRS reporting practices vis-à-vis Ind AS.

**u. Movement in provision for debit card reward points***(In Rs. '000)*

	31 March 2021	31 March 2020
Opening provision	7,453	7,484
Provision made during the year	2,091	5,919
Utilization of provision during the year	(4,017)	(5,950)
Closing provision	5,527	7,453

**v. Provisions, Contingent liabilities and contingent asset**

Sr. No	Contingent Liabilities	Brief
1)	Claims against the Bank not acknowledged as debts	The Bank is a party to various legal proceedings in the normal course of business. The Bank's pending claims and litigations comprise of claims & litigations against the Bank by clients and proceedings pending with Income tax authorities, which are disputed by the bank and possible to be held against the bank.
2)	Liability on account of foreign exchange and derivative contracts	The Bank enters into foreign exchange contracts, currency options, forward rate agreements, currency swaps, total return swap, exchange traded derivatives and interest rate swaps with interbank participants/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 one currency against another, based on predetermined rates. Exchange traded derivatives are standardized future dated derivative contracts traded in a recognized stock exchange. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. Forward rate agreements are over-the-counter contracts between parties that determine the rate of interest to be paid on an agreed-upon date in the future. A total return swap is an agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset. The notional amounts that are recorded as contingent liabilities are typically amounts used as benchmark for the calculation of the interest component of the contracts.
3)	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As part of its commercial banking activities the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.
4)	Other items for which the Bank is contingently liable- Others	These include undrawn commitments, capital commitments, amount transferred to the RBI under the Depositor Education and Awareness Fund (DEAF), forward asset purchases and value of investments traded on or before the Balance Sheet date with a settlement post the Balance Sheet date.

**Provident fund liability**

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Bank will evaluate the rules, assess the impact, if any and account for the same once the rules are notified and become effective.

**w. Comparative figures**

Certain comparative figures have been reclassified to conform to the current year's presentation.

The previous year comparative numbers were audited by a firm of Chartered Accountants other than S. R. Batliboi & Associates. LLP.

Signatures to Schedule 1 to 18 form part of the Financial Statements and to the above notes.

The schedules referred to above and the attached notes form an integral part of the Financial Statements.

As per our Report of even date.

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

For **Deutsche Bank AG - India Branches**

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**Sarvesh Warty**  
Partner  
Membership No: 121411

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**Kaushik Shaparia**  
Chief Executive Officer India

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**Avinash Prabhu**  
Chief Financial Officer India

Place: Mumbai  
Date: 29 June 2021