

INDEPENDENT AUDITOR'S REPORT

To the Chief Executive Officer
Credit Suisse AG – Mumbai Branch

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Credit Suisse AG – Mumbai Branch (“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 accompanying financial statements.

Other Information

The Bank's Management is responsible for the other information. The other information received by us comprises the information included in the Basel III - Pillar 3 disclosures but does not include the financial statements and our auditor's reports 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 identified above 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 on the other information that we have obtained prior to the date of this auditor's report, 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 Management and those Charged with Governance for the accompanying Financial Statements

The Bank's Management and those Charged with Governance 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.

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 the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014.
2. As required by sub section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
 - (c) The financial accounting systems of the Bank are centralised and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by the branches; the Bank has only one branch which we have visited for the purpose of our audit; and
3. As required by Section 143(3) of the Act, and as per the requirement of RBI letter no DOS.ARG.No. PS-62/08.54.006/2020-21 dated January 5, 2021 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 provisions of Section 29 of 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;

- (e) Reporting requirement pursuant to Section 164 (2) of the Companies Act 2013, are not applicable considering the Bank is a branch of Credit Suisse AG incorporated in Switzerland with limited liability;
- (f) In our opinion, there are no material financial transactions or matters that have an adverse effect on the functioning of the Bank;
- (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, the provisions of section 197 read with Schedule V of the Act are not applicable to the Bank for the year ended March 31, 2021.
- (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 - I and Note 23 of Schedule 18 to the financial statements;
 - ii. The Bank has made provision, as required under the applicable law and accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 8 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 No.: 101049W/E300004

per Sarvesh Warty
Partner
Membership Number: 121411
UDIN: 21121411AAAAGH9497
Place of Signature: Mumbai
Date: 30 June 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CREDIT SUISSE AG - MUMBAI BRANCH

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

To the Chief Executive Officer
Credit Suisse AG, Mumbai Branch

We have audited the internal financial controls with reference to financial statements of Credit Suisse AG - Mumbai Branch ("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 the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 company'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 company'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 company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Credit Suisse AG, Mumbai Branch

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Independent Auditor's Report

authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls 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, an 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 No.: 101049W/E300004

per Sarvesh Warty

Partner

Membership Number: 121411

UDIN: 21121411AAAAGH9497

Place of Signature: Mumbai

Date: 30 June 2021

Balance Sheet as at 31 March, 2021
 (Currency: Indian rupees in thousands)

	Schedule	2021	2020
CAPITAL AND LIABILITIES			
Capital	1	32,250,000	17,750,000
Reserves & surplus	2	12,089,544	8,786,300
Deposits	3	52,545,622	28,317,446
Borrowings	4	92,431,482	40,294,864
Other liabilities and provisions	5	2,578,185	4,366,670
Total		191,894,833	99,515,280
ASSETS			
Cash and balances with Reserve Bank of India	6	6,920,326	2,949,616
Balances with banks and Money at call and short notice	7	30,918,947	531,900
Investments	8	133,901,958	75,346,622
Advances	9	12,700,000	12,269,950
Fixed assets	10	110,654	86,286
Other assets	11	7,342,948	8,330,906
Total		191,894,833	99,515,280
Contingent liabilities	12	1,344,153,337	712,628,943
Bills for collection			
Significant accounting policies & notes to accounts	17, 18		

Schedules referred to above form an integral part of the Balance Sheet.
As per our report of even date attached

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

Sarvesh Warty
Partner
 Membership No. : 121411

 Place : Mumbai
 Date : 30 June 2021

 For **Credit Suisse AG - Mumbai branch**

 Digitally signed by
SANDEEP SHYAMSUNDER AGARWAL
 Date: 2021.06.30
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Sandeep Agarwal
Chief Executive Officer

 Place : Mumbai
 Date : 30 June 2021

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NIRAJ KHANDELWAL
 Date: 2021.06.30
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Niraj Khandelwal
Vice President - Finance

Profit and Loss Account for the year ended 31 March, 2021
(Currency: Indian rupees in thousands)

	Schedule	2021	2020
I. INCOME			
Interest earned	13	7,650,931	4,593,006
Other income	14	1,841,508	(696,557)
TOTAL		9,492,439	3,896,449
II. EXPENDITURE			
Interest expended	15	2,541,252	1,743,403
Operating expenses	16	776,578	590,466
Provisions and contingencies	18.23	2,871,365	2,701,675
TOTAL		6,189,195	5,035,544
III. PROFIT			
Net profit for the period		3,303,244	(1,139,095)
Profit brought forward		-	-
TOTAL		3,303,244	(1,139,095)
IV. APPROPRIATIONS			
Transfers to / (from)			
Statutory Reserves		825,811	-
Investment Reserve		-	(9,293)
Investment Fluctuation Reserve		2,477,433	-
Other reserves		-	-
Remittable surplus retained in India for CRAR purposes		-	-
Profit Remitted to Head Office		-	-
Balance carried over to the balance sheet		-	(1,129,802)
TOTAL		3,303,244	(1,139,095)
Significant accounting policies & notes to accounts	17, 18		

Schedules referred to above form an integral part of the profit and loss account.

As per our report of even date attached

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

Sarvesh Warty
Partner
Membership No. : 121411

Place : Mumbai
Date : 30 June 2021

For **Credit Suisse AG - Mumbai branch**

SANDEEP SHYAMSUNDER ER AGARWAL
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SANDEEP SHYAMSUNDER
AGARWAL
Date: 2021.06.30 11:26:26
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Sandeep Agarwal
Chief Executive Officer

Place : Mumbai
Date : 30 June 2021

NIRAJ KHANDELWAL
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Date: 2021.06.30
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Niraj Khandelwal
Vice President - Finance

Credit Suisse AG, Mumbai branch
Cash flow statement for the year ended 31 March, 2021
 (Currency: Indian rupees in thousands)

	Schedule	2021	2020
Cash flows from operating activities			
Net profit before tax		5,964,024	(1,989,034)
<u>Adjustments for -</u>			
Depreciation/ write-off on fixed assets		22,194	5,172
Provision for standard asset (including provision toward unhedged foreign currency exposure)		(89,887)	16,735
Provision for / (Write Back of) non performing advances		-	(1,523,066)
Write-off of bad debts		-	2,600,000
Provision for country risk		18,648	(40,274)
Provision for depreciation on investments		636,317	2,431,251
Other provision		(354,494)	66,968
		6,196,802	1,567,752
<u>Adjustments for -</u>			
(Increase)/Decrease in investments		(59,191,653)	(29,118,338)
(Increase)/Decrease in advances		(430,050)	(565,454)
Increase/(Decrease) in deposits		24,228,176	(6,140,405)
(Increase)/Decrease in other assets		(647,821)	(3,446,618)
Increase/(Decrease) in other liabilities and provisions		(1,362,752)	1,886,964
		(37,404,100)	(37,383,851)
Taxes paid		1,025,000	94,355
Net cash used in operating activities	(A)	(32,232,298)	(35,910,454)
Cash flows from investing activities			
Purchase of fixed assets (including capital work-in-progress)		(46,562)	(55,278)
Net cash used in investing activities	(B)	(46,562)	(55,278)
Cash flows from financing activities			
Proceeds from issuance of Capital		14,500,000	-
Increase/(Decrease) in borrowings		52,136,617	20,765,572
Net cash generated from financing activities	(C)	66,636,617	20,765,572
	A+B+C	34,357,757	(15,200,160)
Cash and cash equivalents as at 1st April		3,481,516	18,681,676
Cash and cash equivalents as at 31 March		37,839,273	3,481,516
Notes to cash flow statement:			
1 Cash and cash equivalents includes the following:			
Cash and Balances with Reserve Bank of India		6,920,326	2,949,616
Balances with Banks and Money at Call and Short Notice		30,918,947	531,900
		37,839,273	3,481,516
2 Figures in brackets indicate cash outflow.			

As per our report of even date attached

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

 Sarvesh Warty
 Partner
 Membership No. : 121411

 Place : Mumbai
 Date : 30 June 2021

 For **Credit Suisse AG - Mumbai branch**

 Digitally signed by
SANDEEP SHYAMSUNDER ER AGARWAL
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 Date: 2021.06.30 11:28:30 +05'30'

 Sandeep Agarwal
 Chief Executive Officer

 Place : Mumbai
 Date : 30 June 2021

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NIRAJ KHANDELWAL
 NIRAJ KHANDELWAL
 Date: 2021.06.30 11:13:45 +05'30'

 Niraj Khandelwal
 Vice President - Finance

Credit Suisse AG, Mumbai branch

Schedules annexed to and forming part of the Balance Sheet as at 31 March, 2021
(Currency: Indian rupees in thousands)

	2021	2020
Schedule 1 : Capital		
<u>Head Office Account</u>		
At the beginning of the period	17,750,000	17,750,000
Additions during the period	14,500,000	-
Total	32,250,000	17,750,000
Deposit kept with the Reserve Bank of India under Section 11 (2) (b) of the Banking Regulation Act, 1949.	2,600,000	2,850,000
Schedule 2 : Reserves and Surplus		
I. <u>Statutory Reserves</u>		
Opening balance	2,501,296	2,501,296
Additions during the period	825,811	-
Deductions during the period	-	-
	3,327,107	2,501,296
II. <u>Capital Reserves</u>		
Opening balance	-	-
Additions during the period	-	-
Deductions during the period	-	-
	-	-
III. <u>Share Premium</u>		
Opening balance	-	-
Additions during the period	-	-
Deductions during the period	-	-
	-	-
IV. <u>Investment Reserve</u>		
Opening balance	-	9,293
Additions during the period	-	-
Deductions during the period	-	9,293
	-	-
V. <u>Investment Fluctuation Reserve</u>		
Opening balance	-	-
Additions during the period	2,477,433	-
Deductions during the period	-	-
	2,477,433	-
VI. <u>Remittable surplus retained in India for CRAR purposes</u>		
Opening balance	7,414,806	7,414,806
Additions during the period	-	-
Deductions during the period	-	-
	7,414,806	7,414,806
VII. <u>Balance in Profit and Loss Account</u>		
Opening balance	(1,129,802)	-
Additions during the period	-	(1,129,802)
Deductions during the period (transferred to remittable surplus retained in India for CRAR purposes)	-	-
	(1,129,802)	(1,129,802)
Total (I + II + III + IV + V + VI + VII)	12,089,544	8,786,300

Credit Suisse AG, Mumbai branch

Schedules annexed to and forming part of the Balance Sheet as at 31 March, 2021
(Currency: Indian rupees in thousands)

	2021	2020
Schedule 3 : Deposits		
A. I Demand deposits		
i) From banks	-	-
ii) From others	1,669,557	3,819,327
II Saving bank deposits	600,283	70,128
III Term deposits		
i) From banks	4,940,751	-
ii) From others	45,335,031	24,427,991
Total (I + II + III)	52,545,622	28,317,446
B. i) Deposits of branches in India	52,545,622	28,317,446
ii) Deposits of branches outside India	-	-
Total	52,545,622	28,317,446
Schedule 4 : Borrowings		
I. Borrowings in India		
i) Reserve Bank of India	-	10,720,000
ii) Other banks	-	-
iii) Other institutions and agencies	90,969,282	19,360,089
	90,969,282	30,080,089
II. Borrowings outside India (Head Office Borrowing)	1,462,200	10,214,775
Total (I + II)	92,431,482	40,294,864
Secured borrowings included in I and II above	90,969,282	30,080,089
Schedule 5 : Other liabilities and provisions		
I. Bills payable	-	-
II. Inter-office adjustments (net)	-	-
III. Interest accrued	183,883	297,790
IV. Provision for taxes (net)	-	-
V. Provision against standard assets - including UFCE provision of Rs. 8,768 ('000) (Previous Year: Rs. 100,088 ('000))	73,623	163,509
VI. Others (including provisions)	2,320,679	3,905,371
Total (I + II + III + IV + V + VI)	2,578,185	4,366,670

Credit Suisse AG, Mumbai branch

Schedules annexed to and forming part of the Balance Sheet as at 31 March, 2021
(Currency: Indian rupees in thousands)

	2021	2020
Schedule 6 : Cash and balances with Reserve Bank of India		
I. Cash in hand	5,304	9,837
II. Balances with Reserve Bank of India		
i) In current account	1,105,022	1,109,779
ii) In other accounts*	5,810,000	1,830,000
Total (I + II)	6,920,326	2,949,616
*LAF lending to RBI		
Schedule 7 : Balances with banks and Money at call and short notice		
I. In India		
i) Balance with banks		
(a) in current accounts	98,537	105,638
(b) in other deposit accounts	-	-
ii) Money at call and short notice		
(a) with banks	-	-
(b) with other institutions	23,345,319	210,999
Total	23,443,856	316,637
II. Outside India		
i) in current accounts	7,475,091	215,263
ii) in other deposit accounts	-	-
iii) Money at call and short notice	-	-
Total	7,475,091	215,263
Total (I + II)	30,918,947	531,900
Schedule 8 : Investments		
I. Investments in India in		
i) Government securities	127,944,755	63,671,305
ii) Other approved securities	-	-
iii) Shares	-	-
iv) Debentures and bonds	5,335,310	6,635,660
v) Subsidiaries and/or joint ventures	-	-
vi) Others (Pass Through Certificate)	3,689,462	7,470,908
Total	136,969,527	77,777,873
Less: Provision for depreciation	3,067,569	2,431,251
Total (I)	133,901,958	75,346,622
II. Investments outside India in		
i) Government securities (including local authorities)	-	-
ii) Subsidiaries and/or joint ventures abroad	-	-
iii) Other investments	-	-
Total	-	-
Provision for Depreciation	-	-
Total (II)	-	-
Total (I + II)	133,901,958	75,346,622

Credit Suisse AG, Mumbai branch

Schedules annexed to and forming part of the Balance Sheet as at 31 March, 2021
(Currency: Indian rupees in thousands)

	2021	2020
Schedule 9 : Advances		
A.		
i) Bills purchased and discounted	-	-
ii) Cash credits, overdrafts and loans repayable on demand	8,450,000	7,269,950
iii) Term loans	4,250,000	5,000,000
Total	12,700,000	12,269,950
B.		
i) Secured by tangible assets (including advances against loan portfolio/ book debts)	4,250,000	7,500,000
ii) Covered by bank/Government guarantees	7,800,000	-
iii) Unsecured	650,000	4,769,950
Total	12,700,000	12,269,950
C.I.		
Advances in India		
i) Priority sectors - excluding Priority Sector Lending Certificates 6,960,000('000) (Previous Year: 3,100,000 ('000)) and Eligible Priority Sector Lending Pass Through Certificates Nil (Previous Year: 202,439 ('000))	-	2,269,950
ii) Public sector	-	-
iii) Banks	-	-
iv) Others	12,700,000	10,000,000
Total	12,700,000	12,269,950
C.II.		
Advances outside India		
i) Due from banks	-	-
ii) Due from others		
(a) Bills purchased and discounted	-	-
(b) Syndicated loans	-	-
(c) Others	-	-
Total	-	-
Total (C.I and C.II)	12,700,000	12,269,950

Credit Suisse AG, Mumbai branch

Schedules annexed to and forming part of the Balance Sheet as at 31 March, 2021
(Currency: Indian rupees in thousands)

	2021	2020
Schedule 10 : Fixed assets		
I. Premises		
At cost at the beginning of the year	-	-
Additions during the year	-	-
Deductions during the year	-	-
Depreciation to date	-	-
Total	-	-
II. Other Fixed Assets (including furniture and fixtures)		
At cost at the beginning of the year	88,063	83,515
Additions during the year	99,480	5,346
	187,543	88,861
Deductions during the year	-	(798)
	187,543	88,063
Depreciation to date	(99,862)	(77,668)
Total	87,681	10,395
III. Capital Work in Progress	22,973	75,891
Total (I + II+ III)	110,654	86,286
Schedule 11 : Other assets		
I. Interest accrued	1,657,206	992,935
II. Tax paid in advance / tax deducted at source (Net of provisions)	522,916	508,413
III. Deferred tax assets (Net)	152,534	1,802,817
IV. Stationery and stamps	-	-
V. Non-banking assets acquired in satisfaction of claims	-	-
VI. Others	5,010,292	5,026,741
Total	7,342,948	8,330,906
Schedule 12 : Contingent liabilities		
I. Claims against the Bank not acknowledged as debts	17,385	-
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding foreign exchange contracts	829,419,366	452,849,852
IV. Guarantees given on behalf of constituents		
i) In India	-	-
ii) Outside India	-	-
V. Acceptances, endorsements and other obligations	-	-
VI. Other items for which the Bank is contingently liable		
i) Capital commitment	2,081	15,147
ii) Committed lines of credit	-	100,000
iii) Purchase of investments	-	211,207
iv) Liability on account of outstanding derivative contracts	514,714,505	259,452,737
Total	1,344,153,337	712,628,943

Credit Suisse AG, Mumbai branch
Schedules Annexed To and Forming Part of the Profit and Loss Account for the year ended 31 March, 2021
(Currency: Indian rupees in thousands)

	2021	2020
<u>Schedule 13 : Interest earned</u>		
I. Interest / discount on advances / bills	609,713	889,651
II. Income on investments	6,732,139	3,254,981
III. Interest on balances with Reserve Bank of India and other inter-bank funds	31,444	52,538
IV. Others	277,635	395,836
Total	7,650,931	4,593,006
<u>Schedule 14 : Other income</u>		
I. Commission, exchange and brokerage	173,543	302,499
II. Profit / (loss) on sale of investments (net)	671,075	41,939
III. Profit / (loss) on revaluation of investments (net)	-	-
IV. Profit / (loss) on sale of land, buildings and other assets (net)	-	-
V. Profit / (loss) on exchange transactions (net) (including profit / (loss) on derivative transactions)	835,026	(1,153,954)
VI. Income earned by way of dividends etc. from subsidiaries, companies and / or joint ventures abroad / in India	-	-
VII. Miscellaneous income	161,864	112,959
Total	1,841,508	(696,557)
<u>Schedule 15 : Interest Expended</u>		
I. Interest on deposits	645,558	1,269,767
II. Interest on Reserve Bank of India / inter-bank borrowings	220,083	313,561
III. Others	1,675,611	160,075
Total	2,541,252	1,743,403
<u>Schedule 16 : Operating Expenses</u>		
I. Payments to and provisions for employees	466,174	315,160
II. Rent, taxes and lighting	34,535	38,721
III. Printing and stationery	1,080	475
IV. Advertisement and publicity	-	-
V. Depreciation and amortization expense	22,194	4,971
VI. Directors' fees, allowances and expenses	-	-
VII. Auditors' fees and expenses	5,376	4,748
VIII. Law charges	16,504	3,439
IX. Postages, telegrams, telephones, etc.	39,275	30,850
X. Repairs and maintenance	16,128	20,578
XI. Insurance	35,990	36,527
XII. Other expenditure	139,322	134,997
- including group cost allocation expenses Rs. 27,183 thousand (Previous Year: Rs. 29,542 thousand)		
- including group cost allocation recovery Rs. 29,038 thousand (Previous Year: Rs. 11,093 thousand)		
- including Corporate Social Responsibility expenses Rs. 1,593 thousand (Previous Year: Rs. 43,404 thousand)		
Total	776,578	590,466

**Schedules forming part of the Financial Statements for the year ended March 31, 2021.
Schedule 17 – Significant Accounting Policies**

a) General

i) Background

The accompanying financial statements for the year ended March 31, 2021 comprise the accounts of the Mumbai branch (referred to as 'the Bank') of Credit Suisse AG which is incorporated in Switzerland, with limited liability.

In August 2010, the Bank's head office at Zurich, Credit Suisse AG, received the approval of the Reserve Bank of India ('RBI') for setting up a Bank Branch. The Bank commenced its banking business with effect from February 15, 2011 after obtaining the necessary clearances and approvals from the RBI.

ii) Basis of preparation

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

iii) Use of Estimates:

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

b) Investments

Classification and valuation of investments is carried out in accordance with extent RBI guidelines on investment classification and valuation.

Classification:

Investments are accounted for on settlement date basis and are classified at the date of purchase, based on the intention at the time of acquisition, into Held for Trading ('HFT'), Available for Sale ('AFS') or Held to Maturity ('HTM'). Under each of these categories, investments are further classified under six groups viz. Government Securities, Other approved securities, Shares, Debentures and Bonds, Subsidiaries and / or joint ventures and Others.

Acquisition cost:

Cost of investment excludes broken period interest paid on acquisition of investments. Brokerage and commission on debt instruments paid at the time of acquisition are charged to Profit and Loss Account. Cost of investments is determined on the weighted average cost basis.

Disposal of Investments:

Profit / Loss on sale of investments under 'Available for Sale' and 'Held for Trading' categories are taken to the Profit and Loss Account.

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

Valuation:

Investments classified under the 'Available for Sale' and 'Held for Trading' categories are valued periodically as per RBI guidelines. The market/fair value for the purpose of periodical valuation of quoted investments included in the 'Available for Sale' and 'Held for Trading' categories is the market price of the security available from trades/quotes on the recognized stock exchanges, subsidiary general ledger account transactions, price list of RBI or prices declared by Financial Benchmarks India Pvt. Ltd. (FBIL), periodically. Other unquoted fixed income securities, wherever linked to the Yield-to-Maturity (YTM) rates, are valued by applying the mark up over the YTM rates for GOI securities of similar maturities published by FIMMDA/FBIL as directed by RBI. The net depreciation, if any, in each classification as mentioned in Schedule – 8 – 'Investments' is recognized in the Profit and Loss Account. The net appreciation, if any, is ignored.

Pass Through Certificates (PTC) are valued by using FIMMDA credit spread as applicable for the NBFC category, based on the credit rating and weighted average maturity of the respective PTC over the YTM rates for government securities published by FIMMDA / FBIL.

Discounted instruments like treasury bills, certificate of deposits, commercial papers are valued at carrying cost.

Securities categorized under HTM are carried at acquisition cost, or at amortized cost if acquired at a premium over the face value. Such premium is amortized over the remaining period to maturity of the relevant security on a straight-line basis. Where in the opinion of management, a diminution, other than temporary in the value of investments classified under HTM has taken place, suitable provisions are made.

Investment Reserve Account:

Provision for depreciation on investments in the AFS and HFT categories, if excessive of required amount in any year, is credited to Profit and Loss account and equivalent amount (net of taxes and net of transfer to Statutory Reserve as applicable) is appropriated to an Investment Reserve Account in Schedule 2 – Reserves and Surplus under the head Investment Reserve Account.

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

Transfer between categories:

Transfer of securities between categories of investments, if any, is carried out in accordance with the RBI guidelines. Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In the case of transfer of securities from HTM to AFS / HFT category, the investments held under HTM at a discount are transferred to AFS / HFT category at the acquisition price and investments placed in the HTM category at a premium are transferred to AFS / HFT at the amortized cost.

Transfer of investments from AFS to HFT or vice-a-versa is done at the book value. Depreciation carried, if any, on such investments is also transferred from one category to another.

Repurchase (Repo) and reverse repurchase transactions:

Repo, Reverse repo transactions (including Tri-party Repo and Reverse Repo and Liquidity Adjustment Facility (LAF)) are considered as lending and borrowing transactions and reflected in assets and liabilities, as the case may be. The difference between the clean price of the first leg and the clean price of the second leg is recognized as interest expense/income over the period of the transaction.

Short Sales:

In accordance with the RBI guidelines, the Bank undertakes short sale transactions in Central Government dated securities. Such short positions are categorized under HFT category. 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 as stated above.

RBI through circular RBI/2017-18/147 DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018, advised all banks to create an Investment fluctuation reserve (IFR) with effect from the FY 2018-19. The amount transferred to IFR will be lower of the following (i) net profit on sale of investments during the year or (ii) net profit for the year less mandatory appropriations, until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.

Non-performing investments are identified and depreciation / provision are made thereon based on RBI guidelines. The depreciation / provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognized in the Profit & Loss Account until received.

c) Advances

Advances are classified into standard, sub-standard, doubtful and loss assets, as applicable, in accordance with the RBI guidelines and are stated net of provisions, if any, (except general provision) made towards non-performing advances (NPAs) in line with RBI guidelines.

Specific loan loss provisions in respect of NPAs are made based on the Management's assessment of the degree of impairment of the advances after considering the prudential norms on provisioning as prescribed by RBI. Fraud provisions on advances, if any, are made in line with the requirement of extant RBI directions.

The Bank also maintains a general provision on standard assets (including derivatives) to cover potential credit losses, in accordance with the RBI guidelines.

The Bank estimates the inherent risk of the unhedged foreign currency exposures (including derivatives) of its borrowers as per the regulatory guidelines stipulated by the RBI from time to time and recognizes incremental provisions on exposures to such entities as per methodology prescribed. These provisions are included in Provision for Standard Assets and reported under Other Liabilities.

The Bank in accordance with RBI circular FIDD.CO.Plan. BC.23/ 04.09.01/2015-16 dated April 7, 2016, trades in priority sector portfolio by buying PSLC. There is no transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an expense.

d) Country risk exposure provision

The Bank maintains provision for individual country exposures (other than for home country) in accordance with RBI guidelines.

e) Derivatives

The Bank enters into derivative contracts such as interest rate swaps, forward rate agreement, cross currency swaps, currency options, foreign exchange contracts, currency futures contracts and interest rate futures contracts for trading purposes.

These trading derivatives are recognized at their fair values on inception and subsequently marked to market (MTM) on a daily basis. The resultant gain or loss is recognized in the Profit and Loss Account. Unrealized gain or loss on these products is reflected in the Balance Sheet under Other Assets or Other Liabilities respectively.

The Bank records MTM gain or loss at net level for the outstanding IRS and FX transactions respectively which are settled through CCIL based on the RBI Basel III Capital Regulations and the legal opinion obtained by the Bank.

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

Currency futures contracts are marked to market using daily settlement price on a trading day, which is the closing price of the respective futures contracts on that day.

Valuation of exchange traded interest rate future contracts are carried out on the basis of the daily settlement price of each individual contract provided by the exchange. The resultant profits or losses are recognized in the profit and loss account.

The Bank also maintains a general provision on derivative exposures computed on the marked to market value of the contracts in accordance with the RBI guidelines.

The Bank estimates the inherent risk of the unhedged foreign currency exposures of its borrowers as per the regulatory guidelines stipulated by the RBI from time to time and recognizes incremental provisions on exposures to such entities as per methodology prescribed. These provisions are included in Provision for Standard Assets and reported under Other Liabilities.

f) Fixed Assets and Depreciation

Fixed assets are stated at historical cost less accumulated depreciation. Cost includes all expenses incidental to acquisition of the assets.

Depreciation on fixed assets is provided on a straight-line method over the economic useful life of the asset as determined by the management. Depreciation on additions to fixed assets is provided from the month in which the asset is capitalized. In respect of sales/disposals no depreciation is provided in the month in which the asset is sold / disposed off. Depreciation on the following items of Fixed Assets is charged over the estimated useful life of the assets on a straight line basis which is equal to the rates prescribed under Schedule II of the Companies Act, 2013:

Asset	Depreciation
Leasehold improvements	Lower of useful life or period of lease
Furniture and fixtures	10.00%
Office equipment	20.00%
<u>Computer Equipment</u>	
Distributed technology	16.67%
End user technologies	33.33%
Network	16.67%
Cabling	16.67%
Intangibles	20.00%

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

g) Transactions involving Foreign Exchange

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

Foreign currency transactions are recorded using the rate of exchange on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of Profit and Loss Account.

Outstanding foreign exchange contracts in the trading book are revalued at the rates prescribed by FEDAI as at the Balance Sheet date and for the foreign exchange contracts with longer maturities where exchange rates are not notified by FEDAI are revalued at the exchange rates implied by the swap curves in respective currencies. These values are discounted using appropriate curves and the resulting profit or loss is recognized in the Profit and Loss Account.

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

h) Revenue Recognition

- Interest income is recognized in the Profit and Loss Account on an accrual basis except in the case of NPAs where it is recognized on the receipt basis in accordance with the RBI guidelines and as per the Accounting Standards issued by The Institute of Chartered Accountant of India.
- Accretion of discounts is recognized as interest income over the life of the discounted instrument.
- Fee income on loan is recognized over the tenor of the underlying loans on a straight line basis.
- Commission on guarantees issued by the Bank is recognized as income over the tenor of the guarantee.
- Other fees and commission income are recognized on an accrual basis in accordance with the terms of agreement.

i) Taxation

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

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized when there is reasonable certainty that the assets can be realized in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized to the extent there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

j) Accounting for Provisions, Contingent Liabilities and Contingent Assets

The Bank creates a provision when there is a 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 a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

k) Operating lease transactions

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

l) Employee benefits

a) Provident Fund

The Bank makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Bank's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

b) Gratuity

The Bank's gratuity benefit scheme is a defined benefit plan.

The Bank's net obligation in respect of the defined benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of any plan assets are deducted. The calculation of the Bank's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

The Bank recognizes all actuarial gains and losses arising from defined benefit plans immediately in the statement of profit and loss. All expenses related to defined benefit plans are recognized in employee benefits expense in the statement of profit and loss.

c) Compensated absences

The Bank has a leave encashment scheme for its award staff which is a defined benefit plan. The Bank provides for the leave encashment liability based on an actuarial valuation using the projected unit credit method at the balance sheet date carried out by an independent qualified actuary.

Actuarial gains/losses for the leave encashment liability are recognized in the profit and loss account.

m) Share based payments

The Branch grants shares in its ultimate parent, Credit Suisse Group (CSG) to certain employees. The Branch pays for CSG shares at market value at the time of settlement to employees. The share-based awards are classified as a cash-settled share based payment plan. A liability equal to the portion of the services received is recognised at the current market value determined at each balance sheet date.

The expense for share-based payments is determined by treating each tranche as a separate grant of share awards and is accrued over the vesting period for each tranche, unless the employee is eligible for early retirement or retirement before the end of the vesting period, in which case recognition of the expense would be accelerated over the shorter period.

Share awards are made to employees in one of the following ways:

- i. Phantom Share awards
- ii. Performance Share awards

Phantom shares and Performance share awards are accrued over the vesting period, which generally range between 3 to 7 years. Certain awards vest at grant date and are therefore accrued fully at grant date. Special awards are accrued over the vesting period as per award terms. Changes in foreign exchange and market value of the above share plan obligations between grant date and settlement date are expensed within operating expenses. Total value of awards accrued and outstanding at end of the accounting period is classified as a liability.

The majority of share awards granted include the right to receive dividend equivalents on vested shares.

n) Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

Schedule 18 – Notes forming part of the Financial Statements for the year ended 31, 2021
(Currency: Indian rupees in crores)

1. Capital

(i) The head office has infused capital during the current year of Rs. 1,450 crores (Previous year: Nil)

(ii) Capital Adequacy

The Bank's Capital to Risk-weighted Asset Ratio ('Capital Adequacy Ratio') is calculated in accordance with the RBI's 'Basel III Capital Regulations' ('Basel III'). Under the Basel III framework, for the year ended March 31, 2021, the Bank is required to maintain a minimum capital adequacy ratio of 11.875% (including Capital Conservation Buffer (CCB) of 1.875% and Global Systemically Important Bank (G-SIB) charge of 1%) on an ongoing basis for credit risk, market risk and operational risk.

The Bank's capital adequacy ratio, calculated in accordance with the RBI guidelines for Basel III framework, is as follows:

Sr. No.	Particulars	March 31, 2021	March 31, 2020
i)	Common Equity Tier 1 capital ratio (%)	32.61%	33.56%
ii)	Tier 1 Capital ratio (%)	32.61%	33.56%
iii)	Tier 2 Capital ratio (%)	2.01%	0.22%
iv)	Total Capital ratio (CRAR) (%)	34.62%	33.78%
v)	Percentage of the shareholding of the Government of India in public sector banks	-	-
vi)	Amount of equity capital raised (Capital received from HO) (<i>Rs in crore</i>)	1,450	-
vii)	Amount of Additional Tier 1 capital raised; of which <i>Perpetual Non Cumulative Preference Shares (PNCPS):</i> <i>Perpetual Debt Instruments (PDI):</i>	-	-
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)]	-	-

2. Investments

The following table sets forth, for the periods indicated, the details of investments and the movement of provision held towards depreciation on investments of the Bank.

(Rs in crore)

Particulars	March 31, 2021	March 31, 2020
1. Value of Investments		
(i) Gross value of investments		
a) In India	13,696.95	7,777.79
b) Outside India	-	-
(ii) Provision for depreciation		
a) In India	306.76	243.13
b) Outside India	-	-
(iii) Net value of investments		
a) In India	13,390.19	7,534.66
b) Outside India	-	-
2. Movement of provisions held towards depreciation on investments		
(i) Opening balance	243.13	-
(ii) Add : Provisions made during the year	63.63	243.13
(iii) Less : Write-off/ write back of excess provisions during the year	-	-
(iv) Closing balance	306.76	243.13

3. Repo transactions

The following table sets forth, for the period indicated, the details of securities sold and purchased under repo and reverse repo in face value terms:

(Rs in crore)

Year ended March 31, 2021	Minimum outstanding balance during the year ¹	Maximum outstanding balance during the year	Daily average outstanding balance during the year	Outstanding balance
Securities sold under repo				
i. Government securities	2,515.79	9,090.17	5,298.68	8,705.73
ii. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities ²	3.62	3,833.49	934.01	2,859.62
ii. Corporate debt securities	13.10	205.30	14.17	-

1. Minimum outstanding during the year excludes days with Nil outstanding.

2. Includes LAF done with RBI.

(Rs in crore)

Year ended March 31, 2020	Minimum outstanding balance during the year ¹	Maximum outstanding balance during the year	Daily average outstanding balance during the year	Outstanding balance
Securities sold under repo				
iii. Government securities	1.01	3,686.65	384.82	2,831.33
iv. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo				
iii. Government securities ²	2.83	3,406.71	788.70	185.20
iv. Corporate debt securities	-	-	-	-

1. Minimum outstanding during the year excludes days with Nil outstanding.

2. Includes LAF done with RBI

4. Non-SLR investment portfolio

i) Issuer composition of Non SLR investments

The following table sets forth, the issuer composition of investments of the Bank in securities, other than government and other approved securities at March 31, 2021.

(Rs in crore)

Sr. No.	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities*
(i)	PSUs	-	-	-	-	-
(ii)	FIs	786.20	593.95	249.50	-	368.95
(iii)	Banks	10.71	-	-	-	-
(iv)	Private corporates	105.57	-	80.57	-	-
(v)	Subsidiaries / Joint ventures	-	-	-	-	-
(vi)	Others	-	-	-	-	-
(vii)	Provision held towards depreciation	(249.50)				
	Total	652.98	593.95	330.07	-	368.95

* Investment in Pass-through certificates amounting to Rs. 368.95 crores are exempted from applicability of RBI prudential limit for Unlisted Non-SLR securities.

The following table sets forth, the issuer composition of investments of the Bank in securities, other than government and other approved securities at March 31, 2020.

(Rs in crore)

Sr. No.	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities*
(i)	PSUs	-	-	-	-	-
(ii)	FIs	1,279.18	972.09	249.50	-	747.09
(iii)	Banks	36.69	-	-	-	-
(iv)	Private corporates	94.79	-	94.79	-	-
(v)	Subsidiaries / Joint ventures	-	-	-	-	-
(vi)	Others	-	-	-	-	-
(vii)	Provision held towards depreciation	(242.43)				
	Total	1,168.23	972.09	344.29	-	747.09

* Investment in Pass-through certificates amounting to Rs. 747.09 crores are exempted from applicability of RBI prudential limit for Unlisted Non-SLR securities.

ii) Non performing Non-SLR investments

(Rs in crore)

Particulars	March 31, 2021	March 31, 2020
Opening balance	249.50	-
Additions during the year since 1st April	-	249.50
Reductions during the above period	-	-
Closing balance	249.50	249.50
Total provisions held	(249.50)	(237.00)

5. Sale and transfer to/from HTM category

There were no sales or transfer to/from HTM category during the current year and previous year.

6. Forward Rate Agreement (FRA) / Interest Rate Swaps

The following table sets forth, for the periods indicated, the details of the Forward Rate Agreement (FRA) / Interest Rate Swaps.

(Rs in crore)		
Particulars	March 31, 2021	March 31, 2020
i) The notional principal of swap agreements ¹	48,286.71	24,333.05
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements ²	229.40	113.06
iii) Collateral required by the Bank upon entering into swaps ³	27.35	11.72
iv) Concentration of credit risk arising from the swaps (% exposure to banking sector) ⁴	16.94%	43.56%
v) The fair value of trading swap book	94.85	(23.53)

1. Excludes cross currency interest rate swaps.

2. Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements represent gross positive mark-to-market.

3. Represents cash collateral accepted from counterparty in respect of FRA contracts.

4. Concentration of credit risk arising from the swaps for % exposure to banking sector excludes trades novated with Clearing Corporation of India Limited (CCIL).

Nature and terms of Forward rate agreement (FRA) / Interest Rate Swaps

(Rs in crore)				
Nature	Benchmark Index	Terms	March 31, 2021	March 31, 2020
Trading	MIBOR/OIS	Fixed Payable v/s Floating Receivable	21,812.64	9,595.67
Trading	MIBOR/OIS	Fixed Receivable v/s Floating Payable	8,412.27	4,598.29
Trading	MIFOR	Fixed Payable v/s Floating Receivable	4,055.00	3,935.00
Trading	MIFOR	Fixed Receivable v/s Floating Payable	3,820.00	3,835.00
Trading	GSEC	Fixed Receivable v/s Floating Payable	10,186.80	2,369.09
		Total	48,286.71	24,333.05

7. Exchange traded interest rate derivatives

(Rs in crore)			
Sr. No.	Particulars	March 31, 2021	March 31, 2020
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	-	-
	a) JUN 19 NIRC795GS2032 (Sell)	-	200
	b) JUN 19 NIRC795GS2032 (Buy)	-	400
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on	-	-
(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'	-	-

8. Risk exposure in derivatives

a) Structure and organization for management of risk exposure in derivatives

The Bank is supervised by the Chief Executive Officer (“CEO”) and the Local Management Committee (“LMC”) comprising of key senior management in the Bank and permanent invitees from various functions with Credit Suisse. The LMC is supported by other committees for specific areas like the Asset Liability Management Committee (“ALCO”), Credit Committee, Audit Committee, Compliance Committee etc.

There are processes and policies in place to support activities planned in the Bank. Apart from local policies, the Bank also adheres to Global Credit Suisse policies and best practices.

b) Scope and nature of risk measurement, risk reporting, risk monitoring systems and policies for mitigating risk

Credit risk management

Credit risk implies probable financial loss the Bank may ultimately incur, if the counter parties fail to meet their obligations. In the Bank, each facility (funded and non-funded) and / or counterparty exposure (investments, derivatives etc.) is approved by the Credit Approval Committee (CAC) of the Bank. The committee jointly undertakes to approve new credit bearing transactions and annual review of existing credit lines in Bank.

Within Credit Suisse globally, Credit Risk Management (CRM) establishes broad policies and guidelines governing Credit Suisse’s credit risk appetite. CRM is part of the Group’s Risk function and Credit authorization is separated from line functions. Once the Bank CAC approval is obtained, global CRM functional approval will be obtained as per the relevant credit approval authorities grid. Both approvals are required (Bank CAC approval + global CRM functional approval) for the limits to be effective for Bank. Credit authority for global CRM functional signoff is delegated by the CCO to specific senior CRM team personnel based on each person’s knowledge, experience and capability. These delegations of credit authority are reviewed periodically. At headquarters in Zurich, the Capital Allocation and Risk Management Committee (‘CARMC’) regularly reviews credit limits measuring country, geographic region and product concentrations, as well as impaired assets and recommended loan loss provisions.

Credit Suisse globally utilizes an internal counterparty rating scale to assess the probability of default, which approximates that used by the major international public rating agencies (ranging from AAA as the best to D as the worst; international scale) and applies this grading measure against all of its counterparties. Credit Suisse globally takes a proactive approach to rating each of its counterparties and obligors and, as a result, internal ratings may deviate from those assigned by public rating agencies. All counterparties are assigned a credit rating as noted above. The intensity and depth of analysis is related to the amount, duration and level of risk being proposed together with the perceived credit quality of the counterparty/issuer/obligor in question. Analysis consists of a quantitative and qualitative portion and strives to be forward looking, concentrating on economic trends and financial fundamentals. In addition, analysts make use of peer analysis, industry comparisons and other quantitative tools, including a quantitative model based rating system. All final ratings also require the consideration of qualitative factors relating to the company, its industry and management. In addition to the aforementioned analysis, all counterparty ratings are subject to the rating of the country in which they are domiciled. Analysis of key sovereign and economic issues for all jurisdictions is undertaken and these are considered when assigning the rating and risk appetite for individual counterparties.

Exposure monitoring is performed by Credit Control (part of CRM function) on a daily basis for all outstanding exposures/trades against approved counterparty limits. Credit Control is an independent team within the CRM Department that is tasked with maintaining a robust, controlled environment supporting the credit risk approval and monitoring processes, in accordance with Credit Suisse Credit Policy.

On a daily basis the Credit Control team will identify all limit excesses which are first reviewed for accuracy and validity. All breaches/excesses that are found to be valid are raised.

Credit Control also reports on a regular basis to the senior management of CRM all upcoming credit reviews in the next 3 months and any overdue reviews for the current month. New facilities, limit changes, renewals, and excesses are also reported by Credit Control to the Credit Committee on quarterly basis.

Market risk management

Market risk deals with the probable losses the Bank may ultimately incur as a result of movement in exchange rates, benchmark interest rates, credit spreads etc.

Globally, Credit Suisse ensures that market risk is comprehensively captured, accurately modeled, reported and effectively managed. Trading and non-trading portfolios are managed at various organizational levels, from the overall risk positions at the Group level down to specific portfolios. Credit Suisse uses market risk measurement and management methods designed to meet or exceed industry standards. These include both general tools capable of calculating comparable exposures across our many activities as well as focused tools that can specifically model unique characteristics of certain instruments or portfolios. The tools are used for internal market risk management, internal market risk reporting and external disclosure purposes. The principal measurement methodologies are VaR, risk sensitivities and scenario analysis. Additionally, the market risk exposures are also reflected in our economic capital calculations. The risk management techniques and policies are regularly reviewed to ensure that they remain appropriate.

The Bank uses Value at Risk (VaR) and Interest Rate Sensitivity (Dv01) as some of the key measures of monitoring market risk arising from transactions. Market Risk Management (MRM) reviews the Bank's business requirements and approve suitable limits in consultation with the business.

The Bank's market risk exposure is an aggregate of banking book and trading book exposures. Treasury desk is responsible for banking book exposures within the Bank, unless another desk is specifically authorized to run such exposures. Trading desk (FX/Derivatives/Bonds etc.) would run positions within their mandated market risk exposure limits.

c) Refer note e and g under 'Schedule 17 – Significant Accounting Policies' for accounting policy on derivatives

The following table sets forth the details of derivative positions at March 31, 2021

(Rs in crore)

Sr. No.	Particulars	Currency derivatives ¹	Interest rate derivatives
(i)	Derivatives (Notional Principal Amount)		
	a) For hedging	-	-
	b) For trading	86,126.68	48,286.71
(ii)	Marked to Market Positions ²		
	a) Asset (+)	105.71	229.40
	b) Liability (-)	31.20	134.55
(iii)	Credit Exposure	1,990.55	748.11
(iv)	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives	-	-
	b) on trading derivatives	(1.27)	1,248.24
(v)	Maximum and Minimum of 100*PV01 observed during the year		
	a) i) on hedging (Maximum)	-	-
	ii) on hedging (Minimum)	-	-
	b) i) on trading (Maximum)	1.90	1251.04
	ii) on trading (Minimum)	(2.39)	335.76

1. Includes forward exchange contracts.

2. Pertains to MTM on trading positions.

The following table sets forth the details of derivative positions at March 31, 2020

(Rs in crore)

Sr. No.	Particulars	Currency derivatives ¹	Interest rate derivatives
(i)	Derivatives (Notional Principal Amount)		
	a) For hedging	-	-
	b) For trading	46,897.21	24,333.05
(ii)	Marked to Market Positions ²		
	a) Asset (+)	245.47	113.06
	b) Liability (-)	173.55	136.58
(iii)	Credit Exposure	1,343.43	321.63
(iv)	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives	-	-
	b) on trading derivatives	1.62	370.19
(v)	Maximum and Minimum of 100*PV01 observed during the year		
	a) i) on hedging (Maximum)	-	-
	ii) on hedging (Minimum)	-	-
	b) i) on trading (Maximum)	1.75	377.88
	ii) on trading (Minimum)	(2.07)	(6.89)

1. Includes forward exchange contracts.

2. Pertains to MTM on trading positions.

9. Asset Quality

I. Non-Performing Assets

Particulars	(Rs in crore)	
	March 31, 2021	March 31, 2020
(i) Net NPAs to Net Advances (%)	-	-
(ii) Movement of NPAs (Gross)		
(a) Opening balance	-	260.00
(b) Additions during the year	-	-
(c) Reductions during the year	-	260.00
(d) Closing balance	-	-
(iii) Movement of Net NPAs		
(a) Opening balance	-	107.69
(b) Additions during the year	-	-
(c) Reductions during the year	-	107.69
(d) Closing balance	-	-
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	-	152.31
(b) Provisions made during the year	-	107.69
(c) Write of / write back of excess provisions	-	(260.00)
(d) Closing balance	-	-

- II. The Bank has no accounts restructured, sale of financial assets to Securitization / Reconstruction company or purchase / sale of non-performing financial assets during the year ended March 31, 2021 (Previous Year: Nil).
- III. The Bank has not invested in security receipts backed by NPAs, sold by the Bank as underlying or backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying during the year ended March 31, 2021 (Previous Year: Nil).
- IV. There was no divergence in asset classification and provisioning exceeding the specified thresholds and hence, detailed disclosures are not applicable pursuant to RBI circular no. DBR.BP.BC.No.63/21.04.018/2016-17 dated 18 April 2017 & DBR.BP.BC.No.32/21.04.018/2018-19 dated 01 April 2019 (Previous Year: Nil).

10. Provisions on Standard Assets

The Bank makes provision on standard assets as per applicable RBI guidelines. The provision on standard assets (including provision towards unhedged foreign currency exposure of Rs.0.88 crores (Previous year: Rs.10.01 crores) held by the Bank as at March 31, 2021 was Rs.7.36 crores (Previous Year: Rs.16.35 crores).

11. Business Ratios

Particulars	March 31, 2021	March 31, 2020
Interest income as a percentage to working funds ¹	5.94%	6.32%
Non-interest income as a percentage to working funds	1.43%	-0.96%
Operating profit ² as a percentage to working funds ¹	4.79%	2.15%
Return on assets ³	2.56%	-1.57%
Business (Deposits plus advances) per employee ⁴ (Rs in crore)	116.51	101.47
Profit per employee ⁴ (Rs in crore)	5.90	(2.85)

Definitions:

- Working funds is taken as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949.
- Profit before taxes and provision is considered as operating profit.
- Return on assets is with reference to average working funds (i.e. total of assets excluding accumulated losses, if any).
- Number of employees as at year end has been considered (56 employees (PY 40 employees)).

12. Maturity Pattern of Key Assets and Liabilities

(Rs in crore)

As at March 31, 2021	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days and up to 2 months	More than 2 months and up to 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 Years	Total
Deposits ^{1,3}	67.79	1,979.62	16.34	754.77	88.52	1,718.72	271.61	311.87	45.32	-	-	5,254.56
Loans & Advances ¹	-	-	-	-	-	780.00	-	113.90	293.40	82.70	-	1,270.00
Investments ³	12,221.08	652.97	-	64.47	34.56	88.59	218.25	85.38	23.79	-	1.11	13,390.20
Borrowings ¹	-	7,361.27	-	53.57	226.76	1,455.33	-	-	146.22	-	-	9,243.15
Foreign Currency Assets ^{2,3}	747.53	-	-	-	4.66	-	-	0.05	-	-	51.18	803.42
Foreign Currency Liabilities ^{2,3}	-	-	-	1.69	0.29	3.06	1.71	1.17	147.26	0.12	-	155.30

- Includes foreign currency balances.
- Foreign currency assets and liabilities denote all assets and liabilities excluding off-Balance Sheet items.
- Classification of assets and liabilities under the different maturity buckets are compiled by the Management on same estimates and assumptions as used by the Bank for compiling the returns submitted to the RBI.

(Rs in crore)

As at March 31, 2020	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days and up to 2 months	More than 2 months and up to 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 Years	Total
Deposits ^{1,3}	23.06	488.59	224.02	264.27	578.44	54.56	599.34	496.31	103.15	-	-	2,831.74
Loans & Advances ¹	-	-	-	250.00	-	-	500.00	477.00	-	-	-	1,227.00
Investments ³	5,805.11	1,188.04	15.85	71.13	60.45	111.40	19.35	173.15	76.91	12.50	0.77	7,534.66
Borrowings ¹	-	1,936.01	660.00	-	-	-	-	1,015.32	418.16	-	-	4,029.49
Foreign Currency Assets ^{2,3}	21.53	-	0.43	0.01	4.87	-	-	227.00	-	-	52.97	306.81
Foreign Currency Liabilities ^{2,3}	-	-	195.58	195.92	0.88	-	1.54	1,030.36	-	-	-	1,424.28

1. Includes foreign currency balances.
2. Foreign currency assets and liabilities denote all assets and liabilities excluding off-Balance Sheet items.
3. Classification of assets and liabilities under the different maturity buckets are compiled by the Management on same estimates and assumptions as used by the Bank for compiling the returns submitted to the RBI.

13. Exposure

13.1 Exposure to Real Estate Sector

The following table sets forth, for the periods indicated, the details of exposure to real estate sector.

(Rs in crore)

Category	March 31, 2021	March 31, 2020
a) Direct exposure		
(i) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans eligible for inclusion in priority sector advances may be shown separately)	-	-
(ii) Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures – a. Residential, b. Commercial Real Estate.	-	-
b) Indirect Exposure		
(i) Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	249.50	254.50
(ii) Other Indirect Exposures*	-	-
Total Exposure to Real Estate Sector	249.50	254.50

13.2 Exposure to Capital Market

(Rs in crore)

Particulars	March 31, 2021	March 31, 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;	-	-
(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;	-	500.00
(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;	-	-
(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)	-	-
Total Exposure to Capital Market	-	500.00

14. Risk Category wise Country Exposure

The following table sets forth, for the periods indicated, the details of exposure (net) and provision held by the Bank.

(Rs in crore)

Risk category	Exposure (net) at March 31, 2021	Provision held at March 31, 2021	Exposure (net) at March 31, 2020	Provision held at March 31, 2020
Insignificant	759.49	1.86	117.19	-
Low	0.00*	-	-	-
Moderate	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	759.49	1.86	117.19	-
-Of which: funded	759.49	1.86	34.89	-

*Denotes value below rounding off rules applicable

15. Details of Single Borrower Limit and Borrower Group Limit exceeded by the Bank

RBI vide their master circulars nos. DBR.No.BP.BC.43/21.01.003/2016-17 dated December 01, 2016, DBR.No.BP.BC.31/21.01.003/2018-19 dated April 01, 2019 and DBR.No.BP.BC.31/21.01.003/2018-19 dated June 03, 2019 on "Large Exposures Framework (LEF)" has prescribed exposure limits for banks in respect of their lending to Single and Group Borrowers which has come into effect from April 1, 2019.

Single Counterparty: The sum of all the exposure values of a bank to a single counterparty must not be higher than 20 percent of the bank's available eligible capital base at all times. In exceptional cases, Board of banks may allow an additional 5 percent exposure of the bank's available eligible capital base. Banks shall lay down a Board approved policy in this regard.

Groups of Connected Counterparties: The sum of all the exposure values of a bank to a group of connected counterparties must not be higher than 25 percent of the bank's available eligible capital base at all times.

During the year ended March 31, 2021, the Bank has not enhanced the credit exposure by an additional 5 per cent of bank's available eligible capital base.

During the year ended March 31, 2020, the Bank has enhanced the credit exposure by an additional 5 per cent of bank's available eligible capital base in respect of the below mentioned client with approval of the Bank's Board.

Single Counterparty Limit:-

- Piramal Enterprises Limited

16. Unsecured advances

In accordance with RBI Circular RBI/2015-16/99 DBR.BP.BC No.23/21.04.018/2015-16 dated July 1, 2015, for determining the amount of unsecured advances for reflecting in Schedule 9 of the balance sheet, the rights, licenses, authorizations, etc., charged to the Bank as collateral in respect of projects (including infrastructure projects) financed by the Bank, are not reckoned as tangible security. Hence, such advances are reported as unsecured in Schedule 9 of the balance sheet.

The Bank has not made any advances against intangible securities such as charge over the rights, licenses or authorizations etc. for the year ended March 31, 2021 (Previous Year: Nil). This excludes advances backed by guarantees.

17. Penalties levied by the RBI

No penalties have been imposed on the Bank during the year by the RBI (Previous Year: Nil).

18. Employee Benefits

1. Provident Fund

Amount of Rs. 2.25 crores (Previous Year: Rs 1.83 crores) is recognized as expense and included in "Employee benefit expenses"

2. Gratuity

(Rs in crore)

Particulars	March 31, 2021	March 31, 2020
Reconciliation of opening and closing balance of the present value of the defined benefit obligation		
Present value of obligation as at April 1	5.04	4.36
Interest cost	0.33	0.29
Current service cost	0.82	0.70
Benefits paid		(0.83)
Actuarial (gain)/loss on obligation	0.76	0.51
Present value of obligation as at March 31	6.95	5.03
Reconciliation of opening and closing balance of the fair value of the plan assets		
Fair value of plan assets as at April 1	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at March 31	-	-
Amount recognized in Balance Sheet		
Fair value of plan assets as at March 31	-	-
Present value of obligation as at March 31	6.95	5.03
Asset/(Liability) as at March 31	(6.95)	(5.03)
Expenses recognized in Profit and Loss Account		
Interest cost	0.33	0.29
Current service cost	0.82	0.70
Expected return on plan assets		-
Net Actuarial (gain)/loss recognized in the year	0.76	0.51
Net Cost	1.91	1.50
Assumptions	March 31, 2021	March 31, 2020
Valuation method	Projected Unit Credit	Projected Unit Credit
Discount rate	6.45% per annum	6.50% per annum
Expected return on plan assets	N.A.	N.A.
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Salary escalation rate	8.00% per annum	8.00% per annum
Retirement	58 years	58 years

Details of plan assets, defined benefit obligations and experience adjustments

(Rs in crore)

Particulars	Gratuity				
	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17
Defined benefit obligations	6.95	5.03	4.36	4.22	3.54
Plan assets	-	-	-	-	-
(Surplus) / deficit	6.95	5.03	4.36	4.22	3.54
Experience adjustments on plan assets	-	-	-	-	-
(Gains) / losses due to change in Assumptions	0.02	0.28	0.08	(0.13)	(1.56)
Experience adjustments on plan liabilities	0.74	0.23	(0.58)	(0.19)	(0.18)
Total (Gain) / Loss	0.76	0.51	(0.51)	(0.32)	(1.74)

3. Compensated Absence

Assumptions	March 31, 2021	March 31, 2020
Valuation Method	Projected Unit Credit	Projected Unit Credit
Discount rate	6.45% per annum	6.50% per annum
Employee Turnover Rate	10.00%	10.00%
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Salary escalation rate	8.00% per annum	8.00% per annum
Retirement	58 years	58 years

(Rs. in Crore)

Present value of obligation	March 31, 2021	March 31, 2020
Current Liability	0.17	0.10
Non-Current Liability	1.61	1.03
Present value of obligation as at March 31	1.78	1.13

19. Employees Share-based Payments

The Bank grants shares in its ultimate parent, Credit Suisse Group to certain employees. The Bank has various schemes to grant share based awards to its employees, details of the current schemes are set out below. In conformity with the Guidance note on “Accounting for Employee Share-based Payments” issued by The Institute of Chartered Accountants of India in respect of the grants made on or after 01 April 2005, the following disclosures are made:

- 1) **Phantom Share awards** granted in February 2021 are similar to those granted in February 2020. Each share award granted entitles the holder of the award to receive one Credit Suisse Group (“CSG”) share, subject to service conditions. Share awards vest over three years with one third of the share awards vesting on each of the three anniversaries of the grant date (ratable vesting). Share awards are expensed over the service period of the awards. The value of the share awards is solely dependent on the CSG share price at the time of delivery. The majority of share awards granted include the right to receive dividend equivalents on vested shares.

2) **Performance share awards** - Certain employees received a portion of their deferred variable compensation in the form of performance share awards. Performance share awards are similar to share awards, except that the full balance of outstanding performance share awards, including those awarded in prior years, are subject to performance-based malus provisions. Performance share awards are subject to a negative adjustment in the event of a divisional loss by the division in which the employees worked as of December 31, 2020, or a negative CSG ROE, whichever results in a larger adjustment. For employees in Corporate Functions and the Asset Resolution Unit, the negative adjustment only applies in the event of a negative CSG ROE and is not linked to the performance of the divisions. The basis for the ROE calculation may vary from year to year, depending on the Compensation Committee's determination for the year in which the performance shares are granted.

The majority of performance share awards granted include the right to receive dividend equivalents on vested shares.

a. Method adopted for valuation:

Stock compensation expenses under the "Fair Value Method" are determined based on the "Fair Value of the Share Awards" and amortized over the vesting period.

b. Nature and extent of Employee Share-based Payment Plans:

Phantom Share Awards, Performance Share Awards.

c. Number of stock awards granted during the current year ended 31 March 2021

53,054 Phantom Share Award (previous year: 18,994) granted during the year;
11,094 Performance Share Award (previous year: Nil) granted during the year;
The average weighted fair value of awards granted was CHF 12.59 (previous year: CHF 10.96).

d. Method and assumptions for Fair Value of Share Awards

For other Employee Share based Payment Plans:

The fair value of share awards is equal to the fair value of the shares at the grant date, adjusted for changes in market price as at the balance sheet date.

e. Expenses recognized on account of "Employees Share-based Payment" is Rs. 1.88 crores (previous year: Rs. 1.08 crores) and carrying amount as at 31 March 2021 is Rs. 2.45 crores (previous year: Rs. 2.26 crores).

20. Segment Reporting

The segmental classification to the respective segments conforms to the guidelines issued by RBI vide DBOD.No.BP.BC.81/21.01.018/2006-07 dated April 18, 2007. As required under the above guidelines the following business segments have been reported

- **Treasury** primarily includes trading and money market operations, Investment Banking, derivatives and foreign exchange operations
- **Wholesale Banking** This segment comprises banking services / facilities to corporates and other business entities.
- **Retail Banking** constitutes banking services/ facilities to individuals.
Revenues and expenses directly attributable to each segment are included in determining the segments result. Assets employed by a segment or assets that are directly attributable to that segment are included in segment assets. Liabilities that result from operations of a segment,

Head office account and Reserves and surplus are included in segment liabilities. Segment revenue includes earnings from external customers. All liabilities are managed by central treasury unit, which pools all funds and lends to the business units at appropriate rates based on the relevant maturity of assets.

Geographic Segments

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

Segment reporting for the year ended March 31, 2021 is given below

(Rs in crore)						
Sr. No.	Particulars	Treasury	Wholesale	Retail	Other banking business	Total
1	Segment revenue	900.45	146.68	0.51	-	1,047.64
2	Less: Inter segment revenue	33.70	64.19	0.51	-	98.40
3	Income from operations (1) – (2)	866.75	82.49	-	-	949.24
4	Segment results	559.67	38.88	(2.15)	-	596.40
5	Unallocated expenses					-
6	Operating profit / (loss) (4) – (5)					596.40
7	Income taxes (incl. deferred tax)					266.08
8	Extraordinary profit / (loss)					-
9	Net profit / (loss) (6) – (7) – (8)					330.32
10	Segment assets	17,837.00	1,284.94	-	-	19,121.94
11	Unallocated assets ¹					67.54
12	Total assets (10) + (11)					19,189.48
13	Segment liabilities ²	14,901.69	4,218.04	69.75	-	19,189.48
14	Unallocated liabilities					-
15	Total liabilities (13) + (14)					19,189.48
16	Capital expenditure	0.25	4.41	-	-	4.66
17	Depreciation	0.46	1.76	-	-	2.22

1. Represents advance tax (net) and deferred tax asset (net)
2. Includes share capital and reserves and surplus.

Segment reporting for the year ended March 31, 2020 is given below

						(Rs in crore)
Sr. No.	Particulars	Treasury	Wholesale	Retail	Other banking business	Total
1	Segment revenue	356.91	201.99	16.54	-	575.44
2	Less: Inter segment revenue	62.87	106.39	16.54	-	185.80
3	Income from operations (1) – (2)	294.04	95.60	-	-	389.64
4	Segment results	(96.80)	(98.52)	(3.58)	-	(198.90)
5	Unallocated expenses					-
6	Operating profit / (loss) (4) – (5)					(198.90)
7	Income taxes (incl. deferred tax)					(84.99)
8	Extraordinary profit / (loss)					-
9	Net profit / (loss) (6) – (7) – (8)					(113.91)
10	Segment assets	8,484.83	1,235.08	0.50	-	9,720.41
11	Unallocated assets ¹					231.12
12	Total assets (10) + (11)					9,951.53
13	Segment liabilities ²	7,071.85	2,442.41	437.27	-	9,951.53
14	Unallocated liabilities					-
15	Total liabilities (13) + (14)					9,951.53
16	Capital expenditure	0.33	5.18	0.02	-	5.53
17	Depreciation	0.31	0.18	0.01	-	0.50

1. Represents advance tax (net) and deferred tax asset (net)
2. Includes share capital and reserves and surplus.

21. Related Party Disclosures

As per AS - 18, Related Party Disclosure, issued by the ICAI, the Bank's related parties are disclosed below:

Parent of Head office

Credit Suisse Group AG

Parent and its branches

Credit Suisse AG and its branches

Enterprises under common control with whom the Bank has had transactions during the year

Credit Suisse Consulting (India) Private Limited
Credit Suisse Securities (India) Private Limited
Credit Suisse Finance (India) Private Limited
Credit Suisse Business Analytics (India) Private Limited
Credit Suisse Business Management (India) Private Limited
Credit Suisse Services (India) Private Limited
CJSC "Bank Credit Suisse (Moscow)"
Credit Suisse Securities (Europe) Limited
Credit Suisse (Singapore) Limited
Credit Suisse (Hong Kong) Limited
Credit Suisse Securities (USA) LLC
Credit Suisse Securities (Japan) Limited
Credit Suisse International

Key Management Personnel

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

The Bank's related party balances and transactions as on / for the year ended March 31, 2021 are summarized as follows:

	(Rs in crore)			
Items	Parent and its branches	Maximum outstanding during the year	Enterprises under common control	Maximum outstanding during the year
Transactions during the year				
Rent and reimbursements	(0.02)		4.47	
Profit / (loss) on derivative transaction	42.50		(2.37)	
Income for services rendered	13.35		2.84	
Interest on borrowings	5.25		-	
Interest on deposits	-		40.46	
Interest income on advances	-		1.21	
Borrowings	7,383.22		-	
Term deposits	-		7,520.00	
Current deposit received during the year	-		(208.42)	
Advances given during the year	-		65.00	
Purchase of fixed asset	-		0.20	
Purchase of investment	-		526.55	
Sale of investment	-		1,075.12	
Derivatives (notional)	20,211.29		428.60	
Loan commitment	-		-	
Closing balances				
Payable to related parties	0.04	1.06	1.23	2.32
Mark to Market on derivatives receivable*	7.31	67.15	-	6.57
Mark to Market on derivatives payable*	0.01	97.86	-	2.90
Receivable from related parties	4.69	6.37	1.15	1.74
Interest payable	0.16	3.59	7.00	21.08
Current deposits	-	-	164.63	1,393.95
Term deposits	-	-	1,159.00	2,341.00
Borrowings	146.22	1,211.68	-	-
Nostro balance	1.23	2.03	-	-
Advances	-	-	65.00	250.00
Interest receivable on advances	-	-	0.09	0.09
Derivatives (notional)	0.56	4397.54	-	270.01
Loan commitment	-	-	-	-

The Bank's related party balances and transactions as on / for the year ended March 31, 2020 are summarized as follows:

	(Rs in crore)			
Items	Parent and its branches	Maximum outstanding during the year	Enterprises under common control	Maximum outstanding during the year
Transactions during the year				
Rent and reimbursements	2.52		6.57	
Profit / (loss) on derivative transaction	(8.99)		3.32	
Income for services rendered	9.21		1.46	
Interest on borrowings	28.06		-	
Interest on deposits	-		93.23	
Interest income on advances	-		1.39	
Borrowings	2,432.87		-	
Term deposits	-		8,093.30	
Current deposit received during the year	-		279.84	
Advances given during the year	-		250.00	
Purchase of fixed asset	-		-	
Purchase of investment	-		-	
Sale of investment	73.67		329.85	
Derivatives (notional)	42,394.90		96.91	
Loan commitment	-		260.00	
Closing balances				
Payable to related parties	0.05	8.71	1.73	3.79
Mark to Market on derivatives receivable*	9.11	33.56	5.46	6.44
Mark to Market on derivatives payable*	87.64	199.45	-	0.02
Receivable from related parties	4.24	6.30	1.22	1.57
Interest payable	2.74	18.53	8.19	31.55
Current deposits	-	-	373.05	855.02
Term deposits	-	-	1485.00	2328.30
Borrowings	1021.48	1518.87	-	-
Nostro balance	0.10	2.89	-	-
Advances	-	-	250.00	250.00
Interest receivable on advances	-	-	0.05	1.11
Derivatives (notional)	4,114.87	6218.33	270.00	295.35
Loan commitment	-	-	10.00	260.00

* Mark to Market on derivatives represents net receivable/payable at counterparty level as the required information is not easily available.

Material transaction with related party

The following table sets forth, for the periods indicated, the material transactions between the Bank and its related parties. A specific related party transaction is disclosed as a material related party transaction wherever it exceeds 10% of all related party transactions in that category.

(Rs in crore)

Particulars	March 31, 2021	March 31, 2020
Rent and reimbursements		
Credit Suisse Securities (India) Private Limited	3.93	5.87
Profit / (loss) on derivative transaction		
Credit Suisse Securities (India) Private Limited	(3.43)	(0.09)
Credit Suisse Finance (India) Private Limited	1.06	3.40
Interest on deposits		
Credit Suisse Securities (India) Private Limited	30.99	72.68
Credit Suisse Finance (India) Private Limited	8.86	19.89
Income for services rendered		
Credit Suisse Finance (India) Private Limited	2.84	1.46
Interest income on advances		
Credit Suisse Finance (India) Private Limited	1.21	1.39
Fixed asset purchased		
Credit Suisse Securities (India) Private Limited	0.20	-
Purchase of investment		
Credit Suisse Finance (India) Private Limited	526.55	-
Sale of investment		
Credit Suisse Finance (India) Private Limited	1,075.12	270.27
Receivable from related parties		
Credit Suisse Finance (India) Private Limited	0.95	0.96
Credit Suisse Services (India) Private Limited	0.05	0.14
Mark to Market on derivatives receivable		
Credit Suisse Finance (India) Private Limited	-	5.46
Payable to related parties		
Credit Suisse Securities (India) Private Limited	0.60	1.42
Credit Suisse (Hong Kong) Limited	0.13	0.08
Credit Suisse Securities (USA) LLC	0.21	0.06
Credit Suisse International	0.29	0.02
Interest payable		
Credit Suisse Securities (India) Private Limited	6.67	8.05
Current deposits		
Credit Suisse Securities (India) Private Limited	145.04	151.69
Credit Suisse Finance (India) Private Limited	14.66	216.89
Term deposits		
Credit Suisse Securities (India) Private Limited	900.00	1,250.00
Credit Suisse Finance (India) Private Limited	-	225.00
Credit Suisse Services (India) Private Limited	200.00	-
Advances		
Credit Suisse Finance (India) Private Limited	65.00	250.00
Interest receivable on advances		
Credit Suisse Finance (India) Private Limited	0.09	0.05
Derivatives (notional)		
Credit Suisse Finance (India) Private Limited	-	270.00
Loan commitment		
Credit Suisse Finance (India) Private Limited	-	10.00

22. Provision for income tax made during the year

(Rs in crore)

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Provision for income tax (including deferred tax)	266.08	(84.99)

23. Provisions and Contingencies

Description of Contingent liabilities:

i) Claims against the Bank not acknowledged as debts

The above represents demand raised by the Tax authorities and disputed by the Bank.

ii) Liability on account of outstanding derivative and forward exchange contracts

The reported numbers under contingent liability represents the notional principal on outstanding cross currency swaps, currency options, forward rate agreements, interest rate swaps, interest rate futures and interest rate options.

iii) Other items for which the Bank is contingently liable

Other items includes estimated amount of contracts remaining to be executed on a capital account and committed lines of credit.

The break-up of 'Provisions and contingencies' included in the Profit and Loss Account is given below:

(Rs in crore)

Particulars	March 31, 2021	March 31, 2020
Provision for Income Tax – Current	101.05	-
Provision for Income Tax – Deferred	165.03	(84.99)
Standard asset provisioning (including UFCE provision of Rs. 9.13 crores [Previous Year Rs. (0.60) crores])	(8.99)	1.67
Country Risk provision	1.86	(4.03)
Provision for depreciation on investment (represents markdown on trading securities as per RBI guidelines)	63.63	243.13
Provision/ (Write back) for Non-Performing Advances	-	(152.31)
Write Off on Loan Losses	-	260.00
Other General Provisions	(35.45)	6.70
Total	287.13	270.17

24. Floating provisions

The Bank has no floating provisions for the year ended March 31, 2021 (Previous Year: Nil).

25. Investment Fluctuation Reserve (IFR)

With a view to building up of adequate reserves to protect against increase in yields, RBI through circular number RBI/2-17-18/147 DBR.No.BP.BC.102/21.04.048/2017-18 dated April 2, 2018, advised all banks to create an IFR with effect from the FY 2018-19 until the amount of IFR is at least 2 percent of the HFT and AFS portfolio, on a continuing basis. Where feasible, banks have been advised to achieve this within a period of 3 years. Accordingly, the Bank continues to build up the IFR and has appropriated Rs. 247.74 crores (Previous year: Nil) as at March 31, 2021. The Bank had a shortfall of Rs. 20.06 crores from achieving the 2 percent reserve amount as at March 31, 2021 and will therefore continue to build the reserves in line with the extant RBI guidelines.

26. Drawdown from reserves

During the current year and previous year there were no draw down from any of the reserves other than those disclosed in financial statements.

27. Disclosure of complaints

Summary information on complaints received by the bank from customers and from the OBOs:

Sr no.	Particulars	March 31, 2021	March 31, 2020
Complaints received by the bank from its customers			
1.	Number of complaints pending at beginning of the year	-	-
2.	Number of complaints received during the year	-	-
3.	Number of complaints disposed during the year	-	-
3.1	Of which, number of complaints rejected by the bank	-	-
4.	Number of complaints pending at the end of the year	-	-
Maintainable complaints received by the bank from OBOs			
5.	Number of maintainable complaints received by the bank from OBOs	-	-
5.1	Of 5, number of complaints resolved in favour of the bank by BOs	-	-
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	-	-
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

In accordance with the requirements of the RBI Circular No. CEPD.CO.PRD.Cir.No.01/13.01.013/2020-21 dated 27 January 2021, Top five grounds of complaints received by the bank from customer is not applicable as the number of complaints are NIL for 31 March 2021 (Previous Year: Nil).

28. Disclosure on letters of comfort (LoCs) issued by the Bank

The Bank has not issued any letters of comfort for the year ended March 31, 2021 (Previous Year: Nil).

29. Provisioning coverage ratio

The Bank has no non-performing advances as on March 31, 2021 (Previous Year: Nil).

30. Insurance business

The Bank has not earned fees/brokerage in respect of insurance broking, agency and bancassurance business for the year ended March 31, 2021 (Previous Year: Nil).

31. Concentration of deposits, advances, exposures and NPAs

i) Concentration of deposits

	(Rs in crore)	
	March 31, 2021	March 31, 2020
Total deposits of twenty largest depositors	5,224.83	2,826.99
Percentage of deposits of twenty largest depositors to total deposits of the bank	99.43%	99.83%

ii) Concentration of advances*

	(Rs in crore)	
	March 31, 2021	March 31, 2020
Total advances to twenty largest borrowers (including banks)	4,008.41	2,894.14
Percentage of advances to twenty largest borrowers to total advances of the bank	99.99%	100.00%

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

**Includes Exposure to CCIL

iii) Concentration of exposures**

	(Rs in crore)	
	March 31, 2021	March 31, 2020
Total exposure to twenty largest borrowers / customers	4,800.10	4,190.33
Percentage of exposures to twenty largest borrowers / customers to total exposure of the bank on borrowers / customers	97.74%	97.34%

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

iv) Concentration of NPAs

	(Rs in crore)	
	March 31, 2021	March 31, 2020
Total Exposure to top four NPA accounts	-	-

Note – Represent exposure to Gross NPA

32. Sector wise NPAs

(Rs in crore)

Sl. No.	Sector	March 31, 2021			March 31, 2020		
		Outstanding Total Advances (Gross)	Gross NPAs	Percentage of Gross NPAs to Total Advances (Gross) in that sector	Outstanding Total Advances (Gross)	Gross NPAs	Percentage of Gross NPAs to Total Advances (Gross) in that sector
A	Priority Sector						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Advances to industries sector eligible as priority sector lending	-	-	-	227.00	-	-
3	Services	-	-	-	-	-	-
4	Personal loans	-	-	-	-	-	-
	Sub-total (A)	-	-	-	227.00	-	-
B	Non Priority Sector	-			-		
1	Agriculture and allied activities	-	-	-	-	-	-
2	Industry	780.00	-	-	500.00	-	-
3	Services	490.00	-	-	500.00	-	-
3.1	NBFC	490.00	-	-	250.00	-	-
3.2	Others	-	-	-	250.00	-	-
4	Personal loans	-	-	-	-	-	-
	Sub-total (B)	1270.00	-	-	1000.00	-	-
	Total (A+B)	1270.00	-	-	1227.00	-	-

Sub-sectors have been disclosed where advances in that sector exceed 10% of total advances at reporting date.

33. Movement of Gross NPAs

(Rs in crore)

Particulars	March 31, 2021	March 31, 2020
Gross NPAs as om 1st April of particular year (Opening Balance)	-	260.00
Additions (Fresh NPAs) during the year		-
Sub-total (A)	-	260.00
Less :-		
(i) Upgradations	-	-
(ii) Recoveries (excluding recoveries made from upgraded accounts)	-	-
(iii) Technical / Prudential Write offs	-	-
(iv) Write offs other than those under (iii) above	-	260.00
Sub-total (B)	-	260.00
Gross NPAs as on 31st March (closing balance) (A-B)	-	-

34. Overseas assets, NPAs and Revenue

The Bank has no overseas operations and hence this disclosure in not applicable (Previous Year: NA).

35. Off-Balance Sheet SPVs sponsored

There are no off-Balance Sheet SPVs sponsored by the Bank for the year ended March 31, 2021 (Previous Year: Nil)

36. Disclosures on Remuneration

The Bank's compensation policies including that of CEO's, is in conformity with the Financial Stability Board principles and standards. In accordance with the requirements of the RBI Circular No. DBOD No.BC.23/29.67/001/2019-20 dated 4 November 2019, the Regional Office of the Bank has submitted a declaration to RBI confirming the aforesaid matter. Accordingly, no disclosure is required to be made in this regard.

37. Disclosures relating to securitization

The Bank has not sponsored any SPVs for securitization transactions during the year and there is no securitization transaction outstanding as at March 31, 2021 (Previous Year: Nil).

38. Credit Default Swaps

During the year, the Bank has not entered into credit default swap transactions (Previous Year: Nil).

39. Intra-Group Exposures

(Rs in crore)

	March 31, 2021	March 31, 2020
Total amount of intra-group exposures	72.32	256.86
Total amount of top-20 intra-group exposures	72.32	256.86
Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	1.47%	5.97%
Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	No Breach	No Breach

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

The Bank has no Unclaimed liabilities as at March 31, 2021 (Previous Year: Nil), hence this disclosure is not applicable.

41. Unhedged Foreign Currency Exposure

Unhedged foreign currency exposure of corporates poses risk to them and also to the entire financial system. If the unhedged position is large, it can have serious consequences for the solvency of corporates in the event of large depreciation of the home currency and can result in large credit losses to the financing banks.

The bank has a policy of managing credit risk arising out of unhedged foreign currency exposure of its borrowers. The Bank reviews un-hedged foreign currency exposures as part of its credit analysis of all borrowers at the time of initial sanction as well as part of the annual renewal of exposures. The Bank also review the hedging policy of the counterparty as part its credit analysis to assess the risks related to its foreign currency exposures. The risks related to unhedged foreign currency exposures is captured in the overall counterparty's credit rating (for e.g., if the corporate is running large unhedged foreign currency risk, its overall rating will be lower) which in turn will drive the credit risk

premium to be charged to meet the minimum target return on the Risk Weighted Asset (RWA). In addition, the Board of the Bank has also approved specific criteria (based on amount of exposure, relative size of unhedged foreign currency exposure with respect to net-worth, etc.) which if met would result in the Bank stipulating a limit on unhedged foreign currency positions of borrowers. Accordingly, this limit becomes part of the approval conditions stipulated to the borrower and will be monitored accordingly.

The Bank reviews the unhedged foreign currency exposure on periodic basis and maintains incremental provision towards unhedged foreign currency of its borrowers in line with RBI guidelines DBOD.No. BP.BC. 85/21.06.200/2013-14 issued on 15th January 2014 and clarifications DBOD.No.BP.BC.116/21.06.200/2013-14 issued on 3rd June 2014. The Bank has maintained provision of Rs 0.88 crores (Previous Year: Rs. 10.01 crores) and additional capital Rs 5.43 crores (Previous Year: Rs. 26.65 crores) on account of unhedged foreign currency exposure of its borrowers as on March 31, 2021.

42. Liquidity Coverage Ratio ('LCR')

(i) Quantitative disclosures

The Bank's LCR related information is disclosed for all four quarters for the year ending March 31, 2021. The quarterly averages are calculated based on simple averages of daily data.

(Rs in crore)

		Quarter Ended							
		Mar 31, 2021		Dec 31, 2020		Sep 30, 2020		Jun 30, 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)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	4,029	4,025	3,184	3,180	3,314	3,306	2,775	2,756
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	74	7	38	4	41	4	75	8
i)	Stable deposits	-	-	-	-	-	-	-	-
(ii)	Less stable deposits	74	7	38	4	41	4	75	8
3	Unsecured wholesale funding, of which:	2,479	1,874	2,237	1,903	2,365	2,020	1,698	1,594
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	2,479	1,874	2,237	1,903	2,365	2,020	1,698	1,594
4	Secured wholesale Funding	6,007	-	5,347	-	4,115	-	2,942	-
5	Additional requirements, of which	366	366	319	315	563	421	570	440
(i)	Outflows related to derivative exposures and other collateral requirements	366	366	312	312	326	326	353	353
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	7	3	236	95	217	87
6	Other contractual funding obligations	80	80	17	17	14	14	14	14
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	TOTAL CASH OUTFLOWS	9,006	2,328	7,958	2,239	7,097	2,459	5,299	2,054

Cash Inflows									
9	Secured lending (e.g. reverse repos)	1,954	-	1,010	-	698	-	256	-
10	Inflows from fully performing exposures	1,542	611	790	256	1,308	220	1,182	256
11	Other cash inflows	-	-	-	-	-	-	-	-
12	TOTAL CASH INFLOWS	3,496	611	1,800	256	2,006	220	1,439	256
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
21	Total HQLA		4,025		3,180		3,306		2,756
22	Total Net Cash Outflows		1,717		1,983		2,239		1,798
23	Liquidity Coverage Ratio (%)		234		160		148		153

The Bank's LCR related information is disclosed for all four quarters for the year ending March 31, 2020. The quarterly averages are calculated based on simple averages of daily data.

(Rs in crore)

		Quarter Ended							
		Mar 31, 2020		Dec 31, 2019		Sep 30, 2019		Jun 30, 2019	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	2,936	2,928	3,797	3,791	3,764	3,674	3,632	3,522
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	404	40	401	40	382	38	884	88
i)	Stable deposits	-	-	-	-	-	-	-	-
(ii)	Less stable deposits	404	40	401	40	382	38	884	88
3	Unsecured wholesale funding, of which:	1,562	1,505	1,879	1,778	1,863	1,763	1,861	1,797
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	1,562	1,505	1,879	1,778	1,863	1,763	1,861	1,797
4	Secured wholesale Funding	1,178	-	5	-	8	-	246	-
5	Additional requirements, of which	500	358	521	364	534	378	535	398
(i)	Outflows related to derivative exposures and other collateral requirements	264	264	224	224	229	229	262	262
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	236	94	297	141	305	149	273	136
6	Other contractual funding obligations	31	31	141	141	129	129	84	84
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	TOTAL CASH OUTFLOWS	3,675	1,934	2,947	2,324	2,916	2,308	3,610	2,367
Cash Inflows									
9	Secured lending (e.g. reverse repos)	213	-	1,552	-	1,181	-	402	-
10	Inflows from fully performing exposures	1,045	170	706	169	204	108	485	155

11	Other cash inflows	-	-	-	-	-	-	-	-
12	TOTAL CASH INFLOWS	1,258	170	2,258	169	1,385	108	887	155
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
21	Total HQLA		2,928		3,791		3,674		3,522
22	Total Net Cash Outflows		1,764		2,155		2,200		2,212
23	Liquidity Coverage Ratio (%)		166		176		167		159

(ii) **Qualitative disclosure around LCR –**

The Bank measures and monitors the LCR in line with the Reserve Bank of India's circulars on "Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards".

Banks are required to maintain High Quality Liquid Assets (HQLA) of a minimum % of Net Cash Outflows per table below to meet the RBI stipulated LCR limit.

Reporting Period	LCR
Prior 17-Apr-2020	100%
17-Apr-2020 to 30-Sep-2020	80%
01-Oct-2020 to 31-Mar-2021	90%
01-Apr 2021 Onwards	100%

This is achieved through maintaining HQLA above net cash outflows.

The Bank has been maintaining HQLA primarily in the form of SLR investments over and above mandatory requirement and corporate bonds issued by non-financial entities with rating BBB- and above. SLR investments as well as the corporate bond portfolio of the Bank considered for HQLA is well diversified and would provide the Bank with adequate and timely liquidity, where required.

The Bank's funding sources are driven from a diversified mix comprising of capital injection; unsecured deposits; issuances of certificate of deposits; money market borrowings and repo borrowings.

The Local Management Committee of the Bank has empowered ALCO and Investment Committee to monitor the liquidity profile of the Bank. Funding strategies are managed by Treasury to ensure compliance with both regulatory and internal liquidity metric and also in line with business requirements and growth strategy. This process is overseen by ALCO and Investment Committee and India Risk Management Committee ("RMC"). The objective of the funding strategy is to achieve an optimal funding mix which is consistent with prudent liquidity, diversification of sources and servicing costs. Diversification of the funding mix in terms of investor types, products and instruments is an important part of liquidity risk and funding management within the Bank. The Bank estimates daily liquidity requirement of the various business segments and manages the same on consolidated basis.

43. Corporate Social Responsibility

Details of CSR expenditure:

Particulars	(Rs in crore)	
	31-Mar-21	31-Mar-20
Gross amount required to be spent by the Group during the year	0.16	4.31
Amount approved by the Board to be spent during the year	0.51	4.34

Amount spent during the year ending on 31March 2021:	(Rs in crore)		
	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above*	0.51	-	0.51

Amount spent during the year ending on 31March 2020:	(Rs in crore)		
	In Cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above**	4.34	-	4.34

Details related to spent / unspent obligations:	(Rs in crore)	
	31-Mar-21	31-Mar-20
i) Contribution to Public Trust	0.50	3.63
ii) Contribution to Charitable Trust	-	0.55
iii) Unspent amount in relation to:	-	-
- Ongoing project	-	-
- Other than ongoing project	-	-

*The amount of Rs 0.51 crores includes Rs 0.005 crores spent on Capacity Building.

** The amount of Rs 4.34 crores includes IRs 0.15 crores spent on Capacity Building.

Details of ongoing project and other than ongoing project

(Rs in crore)						
In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
	Not Applicable	Not Applicable	-	-	-	-

(Rs in crore)				
In case of S. 135(5) (Other than ongoing project)				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year **	Closing Balance
-	Not Applicable	0.16	0.51	-

**The amount of Rs 0.51crores includes Rs 0.005 crores spent on Capacity Building.

(Rs in crore)

In case of S. 135(5) Excess amount spent			
Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	0.16	0.51	0.35

44. Deferred tax asset / liability

Other Assets include deferred tax asset (net) of Rs 15.25 crores (Previous Year: Rs 180.28 crores). The break-up of the same is as follows:

(Rs in crore)

Particulars	March 31, 2021	March 31, 2020
Deferred tax asset arising out of:		
Employee benefits	6.15	4.59
Standard asset provisioning	3.22	7.14
Depreciation	0.34	0.65
Country risk provisioning	0.81	-
Provision for doubtful debts	-	-
Tax Losses	-	148.02
General provision on investment	3.82	19.31
Others	0.91	0.57
Total	15.25	180.28
Deferred tax liability:	-	-
Total	-	-
	-	-
Deferred tax asset (net)	15.25	180.28

45. Other expenses

Other expenses include group cost allocation expenses of Rs. 2.72 crores (Previous Year: Rs. 2.95 crores) and group cost allocation recovery of Rs. 2.90 crores (Previous Year: Rs. 1.11crores). Corporate Social Responsibility expense of Rs. 0.16 crores (Previous Year: Rs. 4.34 crores).

46. Small and Micro Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises.

(Rs in crore)

Particulars	31 March 2021	31 March 2020
(i) Principal amount remaining unpaid to MSME suppliers as on year end	0.02	-
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	0.00*	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	0.67	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	0.01	-
(v) The amount of interest accrued and remaining unpaid as on year end	0.00*	0.00*

*Denotes value below rounding off rules applicable

47. Provision for long term contracts

The Bank has a process whereby periodically all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Bank has reviewed and recorded adequate provision as required under any law/accounting standards for material foreseeable losses on such long-term contracts (including derivative contracts) in the books of account and disclosed the same under the relevant notes in the financial statements.

48. Indian Accounting Standard (Ind-AS)

The Ministry of Corporate Affairs (MCA), Government of India has notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015. Further, a press release was issued by the MCA on January 18, 2016 outlining the road map for implementation of Indian Accounting Standards (Ind-AS) converged with International Financial Reporting Standards (IFRS) for banks. Banks in India had to comply with the Ind-AS for financial statements for the accounting period beginning from April 01, 2018 onwards, with comparatives for the period ending March 31, 2018 or thereafter. However, necessary legislative amendments to make the format of financial statements, prescribed in the Third Schedule to Banking Regulation Act 1949, compatible with accounts under Ind AS are under consideration of the Government of India. In view of this implementation of Ind AS has been deferred till further notice. During the year ending March 31, 2021 the Bank had prepared proforma Ind AS financial statements as on June 30, 2020, September 30, 2020, December 31, 2020 and March 31, 2021 and submitted the same to the RBI. The Bank will continue its preparation towards migration to adopting Ind-AS as per regulatory requirement.

49. Disclosure on provisioning pertaining to fraud accounts

As per RBI Circular No.DBR. No. BP.BC.92/21.04.048/2015-16 dated April 18, 2016 required details are furnished:

Particulars	(Rs in crore)	
	March 31, 2021	March 31, 2020
Number of frauds reported during the year	1	-
Amounts involved	249.50	-
Quantum of provision made during the year ¹	249.50	-
Quantum of unamortized provision debited from 'Other Reserves'	-	-

¹ Quantum of provision made during the year amounted to Rs.12.5 crores resulting in total gross provision on account of fraud to Rs.249.50 crores as reported above.

50. Priority Sector Lending Certificates (PSLCs) purchased / sold during the year ending March 31, 2021

Type of PSLC	(Rs in crore)	
	PSLC purchased	PSLC sold
PSLC - Agriculture	-	-
PSLC - SF/MF	-	-
PSLC - Micro Enterprises	282.00	-
PSLC - General	414.00	-
Total	696.00	-

Priority Sector Lending Certificates (PSLCs) purchased / sold during the year ending March 31, 2020

Type of PSLC	(Rs in crore)	
	PSLC purchased	PSLC sold
PSLC - Agriculture	-	-
PSLC – SF/MF	-	-
PSLC - Micro Enterprises	105.00	-
PSLC – General	205.00	-
Total	310.00	-

51. Interest Moratorium

In accordance with the RBI's instructions RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 07, 2021, the Bank cannot charge 'interest on interest' to any borrower, irrespective of whether moratorium was fully availed, partially availed or not availed by such borrower. Pursuant to these instructions, the Bank has created liability as at 31 March 2021 towards interest refund of Rs. 0.04 crores payable to borrowers and reduced the same from the interest income for the year.

52. Restructured MSME Accounts

This disclosure is made pursuant to RBI circular RBI/2018-19/100 DBR.No.BP.BC.18/21.04.048/2018-19 dated 1 January 2019 read with RBI/2019-20/160 DOR.No.BP.BC.34/21.04.048/2019-20 dated 11 February 2020, and read with RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated 6 August 2020 is as below –

Year	(Rs in crore)	
	No. of account restructured	Amount
2020-21	-	-
2019-20	-	-

53. Covid-19 Regulatory Package

The disclosure as required by RBI circular RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2020-21 dated 17 April 2020 are given below –

Particulars	(Rs in crore)	
	31 March 2021	31 March 2020
Amount in SMA / Overdue categories, where moratorium / Deferment was extended	-	-
Amount where asset classification benefit was extended	-	-
Provision made on the accounts	-	-
Provision adjusted during the respective accounting periods against slippages / Written back Residual provision	-	-

In accordance with the RBI Guidelines relating to Covid 19 Regulatory package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets, resolution period has not been extended for any loan.

54. Resolution Framework for Covid-19 related stress

Details of resolution plan implemented under the Resolution Framework for Covid-19 related stress as per the RBI circular dated 6 August 2020, are given below –

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 (in crore)	(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
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

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

55. The Novel Corona virus ('COVID-19') which was declared as a pandemic by the WHO on March 11, 2020 continues to spread across the globe including India. The extent to which the COVID-19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the Bank's provision on assets and future results will depend on ongoing as well as future developments, such as volatility in financial markets and decrease in global and India's economic activities. Based on the information available till date, the Bank has used the principles of prudence in applying judgments, estimates and possible forward looking scenarios to assess and provide for the impact of the pandemic on the financial statements. However, due to the uncertainties associated with the pandemic, the actual impact may be different from the estimate as at the date of approval of these financial statements and the Bank will continue to closely monitor any material changes to future economic conditions, which will be given effect to in the respective future period.

56. Comparative figures

Figures of the previous period have been re-grouped to conform to the current year presentation.

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

For **Credit Suisse AG - Mumbai branch**

SANDEEP
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Date: 2021.06.30
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NIRAJ
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Date: 2021.06.30
11:15:11 +05'30'

Sarvesh Warty
Partner
Membership No. : 121411

Sandeep Agarwal
Chief Executive Officer

Niraj Khandelwal
Vice President – Finance

Place: Mumbai
Date : 30 June 2021

Place: Mumbai
Date : 30 June 2021