

# B S R & Associates LLP

Chartered Accountants

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## Independent Auditor's Report

To the Chief Executive Officer

Credit Suisse AG – Mumbai Branch

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by Reserve Bank of India from time-to-time.

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the applicable provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Bank in accordance with Standards on Auditing ('the Standards') specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

## **Independent Auditor's Report (Continued)**

### **Credit Suisse AG – Mumbai Branch**

#### **Auditor's Responsibility (Continued)**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Bank's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013, in the manner so required for banking companies and give a true and fair view in conformity with accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Bank as at 31 March 2016;
- (b) in the case of the Profit and Loss Account, of the profit of the Bank for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Bank for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

As required by Sub section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:

- (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
- (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

Further, as required by Section 143(3) of the Companies Act, 2013, we further report that:

- (i) we have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books;
- (iii) the Bank has only one branch and the financial accounting systems of the Bank are centralized, therefore accounting returns are not required to be submitted;
- (iv) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

**Independent Auditor's Report (Continued)**

**Credit Suisse AG – Mumbai Branch**

**Report on Other Legal and Regulatory Requirements (Continued)**

- (v) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting policies prescribed by the Reserve Bank of India;
- (vi) the requirements of Section 164(2) of the Act are not applicable considering the Bank is a branch of Credit Suisse AG, which is incorporated and registered in Switzerland;
- (vii) with respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate report in "Annexure A"
- (viii) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (a) the Bank does not have any pending litigations which would impact its financial position;
  - (b) the Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, wherever required, on long-term contracts including derivative contracts -Refer schedule 5 and 12 to the financial statements;
  - (c) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.

For B S R & Associates LLP

*Chartered Accountants*

Firm's Registration No: 116231W/W-100024

**Ashwin Suvarna**

*Partner*

Membership No: 109503

**Mumbai**  
24 June 2016

**Annexure A to the Independent Auditor's Report of even date on 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')**

We have audited the internal financial controls over financial reporting of Credit Suisse AG - Mumbai Branch ('the Bank') as at 31 March 2016 in conjunction with our audit of financial statements of the Bank for the year ended on that date.

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

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('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 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

**Report on the Internal Financial Controls (Continued)**  
**Credit Suisse AG – Mumbai Branch**

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

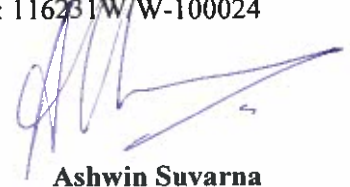
**Opinion**

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **B S R & Associates LLP**

*Chartered Accountants*

Firm's Registration No: 116231W/W-100024



**Ashwin Suvarna**

*Partner*

Membership No: 109503

Mumbai  
24 June 2016

# CREDIT SUISSE

## Credit Suisse AG, Mumbai branch

Balance Sheet as at 31 March, 2016  
(Currency: Indian rupees in thousands)

	Schedule	2016	2015
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	11,350,000	11,350,000
Reserves & surplus	2	6,290,473	4,843,908
Deposits	3	66,975,648	62,824,624
Borrowings	4	19,840,601	24,540,734
Other liabilities and provisions	5	9,773,458	7,141,879
<b>Total</b>		<b>114,230,180</b>	<b>110,701,145</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	6	1,038,440	1,156,528
Balances with banks and Money at call and short notice	7	18,312,253	7,649,695
Investments	8	68,611,387	81,773,944
Advances	9	18,198,145	13,678,798
Fixed assets	10	5,702	14,038
Other assets	11	8,064,253	6,428,142
<b>Total</b>		<b>114,230,180</b>	<b>110,701,145</b>
Contingent liabilities	12	1,408,750,708	1,600,389,265
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 B S R & Associates LLP  
Chartered Accountants  
Firm Registration No.: 116231W/W-100024



**Ashwin Suvarna**  
Partner  
Membership No. : 109503

For Credit Suisse AG - Mumbai branch

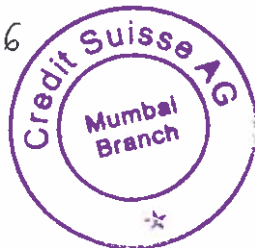


**Rajiv Baruah**  
Chief Executive Officer



**Reetesh Gupta**  
Director - Finance

Place: Mumbai  
Date: 24 June 2016



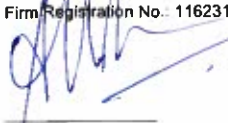
Place: Mumbai  
Date: 24 June 2016

**Profit and Loss Account for the year ended 31 March, 2016**  
 (Currency: Indian rupees in thousands)

	<i>Schedule</i>	2016	2015
<b>I. INCOME</b>			
Interest earned	13	7,249,797	6,926,878
Other income	14	873,574	2,892,341
<b>TOTAL</b>		<b>8,123,371</b>	<b>9,819,019</b>
<b>II. EXPENDITURE</b>			
Interest expended	15	4,758,767	4,598,707
Operating expenses	16	772,175	765,488
Provisions and contingencies		1,145,864	2,024,714
<b>TOTAL</b>		<b>6,676,806</b>	<b>7,388,909</b>
<b>III. PROFIT</b>			
Net profit for the period		1,446,565	2,430,110
Profit brought forward		-	513,944
<b>TOTAL</b>		<b>1,446,565</b>	<b>2,944,054</b>
<b>IV. APPROPRIATIONS</b>			
Transfers to			
Statutory Reserves		361,641	607,528
Investment Reserve		-	-
Remittable surplus retained in India for CRAR purposes		1,084,924	2,336,526
Profit Remitted to Head Office		-	-
Balance carried over to the balance sheet		-	-
<b>TOTAL</b>		<b>1,446,565</b>	<b>2,944,054</b>
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**

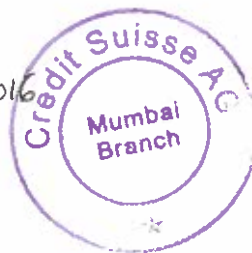
 For B S R & Associates LLP  
 Chartered Accountants  
 Firm Registration No.: 116231W/W-109024


**Ashwin Suvarna**  
 Partner  
 Membership No. : 109503

For Credit Suisse AG - Mumbai branch


**Rajiv Baruah**  
 Chief Executive Officer


**Reetesh Gupta**  
 Director - Finance

 Place : Mumbai  
 Date : 24 June 2016

 Place : Mumbai  
 Date : 24 June 2016



Cash flow statement for the year ended 31 March, 2016  
(Currency: Indian rupees in thousands)

	2016	2015
<b>Cash flows from operating activities</b>		
Net profit before tax	2,539,079	4,329,067
<b>Adjustments for -</b>		
Depreciation on fixed assets	8,697	9,989
Provision for standard asset (including provision toward unhedged foreign currency exposure)	27,494	102,235
Provision for country risk	25,856	23,522
Fixed asset written off	-	147
	2,601,126	4,464,960
<b>Adjustments for -</b>		
(Increase) in investments	13,162,557	(17,238,129)
(Increase) in advances	(4,519,347)	(5,098,245)
Increase in deposits	4,151,024	10,150,570
Increase / (Decrease) in borrowings	(4,700,133)	17,975,488
(Increase) / Decrease in other assets	(1,558,619)	13,640,200
Increase / (Decrease) in other liabilities and provisions	2,578,229	(14,327,406)
	9,113,711	5,102,478
Taxes paid	1,170,006	1,940,000
<b>Net cash from operating activities</b>	<b>(A) 10,544,831</b>	<b>7,627,438</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets (including capital work-in-progress)	(361)	(562)
<b>Net cash used in investing activities</b>	<b>(B) (361)</b>	<b>(562)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of Capital	-	-
<b>Net cash generated from financing activities</b>	<b>(C) -</b>	<b>-</b>
	<b>10,544,470</b>	<b>7,626,876</b>
Cash and cash equivalents as at 1st April	8,806,223	1,179,347
Cash and cash equivalents as at 31 March	19,350,693	8,806,223
Notes to cash flow statement:		
1 Cash and cash equivalents includes the following:		
Cash and Balances with Reserve Bank of India	1,038,440	1,156,528
Balances with Banks and Money at Call and Short Notice	18,312,253	7,649,695
	<b>19,350,693</b>	<b>8,806,223</b>
2 Figures in brackets indicate cash outflow.		

As per our report of even date attached

For B. S. R. & Associates LLP  
Chartered Accountants  
Firm Registration No. 116231WW-100024

Ashwin Suvarna  
Partner  
Membership No. : 109503

Place : Mumbai  
Date : 24 June 2016



For Credit Suisse AG - Mumbai branch

*Rajiv Baruah*  
Rajiv Baruah  
Chief Executive Officer

*Reemesh Gupta*  
Reemesh Gupta  
Director - Finance

Place : Mumbai  
Date : 24 June 2016



Schedules annexed to and forming part of the Balance Sheet as at 31 March, 2016

(Currency: Indian rupees in thousands)

	2016	2015
<b>Schedule 1 : Capital</b>		
<u>Head Office Account</u>		
At the beginning of the period	11,350,000	11,350,000
Additions during the period	-	-
<b>Total</b>	<b>11,350,000</b>	<b>11,350,000</b>
Deposit kept with the Reserve Bank of India under Section 11 (2) (b) of the Banking Regulation Act, 1949	<b>1,250,000</b>	<b>650,000</b>
<b>Schedule 2 : Reserves and Surplus</b>		
I. <u>Statutory Reserves</u>		
Opening balance	1,230,924	623,396
Additions during the period	361,641	607,528
Deductions during the period	-	-
	1,592,565	1,230,924
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	9,320	9,320
Additions during the period	-	-
Deductions during the period	-	-
	9,320	9,320
V. <u>Remittable surplus retained in India for CRAR purposes</u>		
Opening balance	3,603,664	1,267,138
Additions during the period	1,084,924	2,336,526
Deductions during the period	-	-
	4,688,588	3,603,664
VI. <u>Balance in Profit and Loss Account</u>		
<b>Total (I + II + III + IV + V + VI)</b>	<b>6,290,473</b>	<b>4,843,908</b>

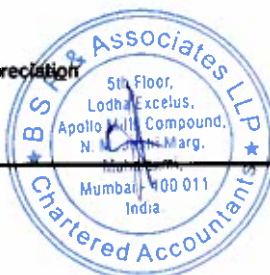


	2016	2015
<b>Schedule 3 : Deposits</b>		
A. I Demand deposits		
i) From banks	105,492	404,292
ii) From others		
II Saving bank deposits	34,264	24,171
III Term deposits		
i) From banks		
ii) From others	66,835,892	62,396,161
<b>Total (I + II + III)</b>	<b>66,975,648</b>	<b>62,824,624</b>
B. i) Deposits of branches in India	66,975,648	62,824,624
ii) Deposits of branches outside India		
<b>Total</b>	<b>66,975,648</b>	<b>62,824,624</b>
<b>Schedule 4 : Borrowings</b>		
I. Borrowings in India		
i) Reserve Bank of India	-	-
ii) Other banks		
iii) Other institutions and agencies	19,840,601	24,540,734
	<b>19,840,601</b>	<b>24,540,734</b>
II. Borrowings outside India		
<b>Total (I + II)</b>	<b>19,840,601</b>	<b>24,540,734</b>
Secured borrowings included in I and II above	19,840,601	24,540,734
<b>Schedule 5 : Other liabilities and provisions</b>		
I. Bills payable	-	-
II. Inter-office adjustments (net)		
III. Interest accrued	3,615,879	2,125,007
IV. Provision against standard assets - including UJFCE provision of Rs 135,818 thousand (Previous Year: Rs 100,088 thousand)	318,425	290,931
V. Others (including provisions)	5,839,154	4,725,941
<b>Total (I + II + III + IV + V)</b>	<b>9,773,458</b>	<b>7,141,879</b>



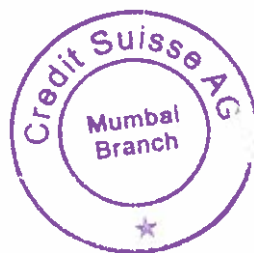
**Schedules annexed to and forming part of the Balance Sheet as at 31 March, 2016**
**(Currency: Indian rupees in thousands)**

	2016	2015
<b>Schedule 6 : Cash and balances with Reserve Bank of India</b>		
I. Cash in hand	305	226
II. Balances with Reserve Bank of India		
i) In current account	1,038,135	1,156,302
ii) In other accounts	-	-
<b>Total (I + II)</b>	<b>1,038,440</b>	<b>1,156,528</b>
<b>Schedule 7 : Balances with banks and Money at call and short notice</b>		
I. <b>In India</b>		
i) Balance with banks		
(a) in current accounts	412,869	140,974
(b) in other deposit accounts	-	-
ii) Money at call and short notice		
(a) with banks	-	-
(b) with other institutions	613,774	84,893
<b>Total</b>	<b>1,026,643</b>	<b>225,867</b>
II. <b>Outside India</b>		
i) in current accounts	17,285,610	7,423,828
ii) in other deposit accounts	-	-
iii) Money at call and short notice	-	-
<b>Total</b>	<b>17,285,610</b>	<b>7,423,828</b>
<b>Total (I + II)</b>	<b>18,312,253</b>	<b>7,649,695</b>
<b>Schedule 8 : Investments</b>		
I. <b>Investments in India in</b>		
i) Government securities	35,642,743	53,643,186
ii) Other approved securities	-	-
iii) Shares	-	-
iv) Debentures and bonds	32,493,399	17,740,153
v) Subsidiaries and/or joint ventures	-	-
vi) Others (March 2016 - Commercial Papers and March 2015 - Certificate of Deposits)	475,245	10,390,605
<b>Total</b>	<b>68,611,387</b>	<b>81,773,944</b>
<b>Less: Provision for depreciation</b>	-	-
<b>Total (I)</b>	<b>68,611,387</b>	<b>81,773,944</b>

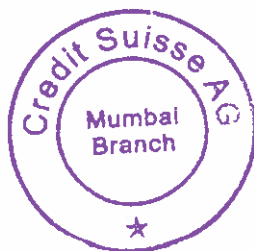


**Schedules annexed to and forming part of the Balance Sheet as at 31 March, 2016**
**(Currency: Indian rupees in thousands)**

	2016	2015
<b>II. Investments outside India in</b>		
i) Government securities (including local authorities)	-	-
ii) Subsidiaries and/or joint ventures abroad	-	-
iii) Other investments	-	-
<b>Total</b>	-	-
<b>Provision for Depreciation</b>	-	-
<b>Total (II)</b>	-	-
<b>Total (I + II)</b>	<b>68,611,387</b>	<b>81,773,944</b>
<b>Schedule 9 : Advances</b>		
<b>A.</b>		
i) Bills purchased and discounted	-	-
ii) Cash credits, overdrafts and loans repayable on demand	9,827,985	5,078,798
iii) Term loans	8,370,160	8,600,000
<b>Total</b>	<b>18,198,145</b>	<b>13,678,798</b>
<b>B.</b>		
i) Secured by tangible assets	2,239,419	2,000,000
ii) Covered by bank/Government guarantees	-	-
iii) Unsecured	15,958,726	11,678,798
<b>Total</b>	<b>18,198,145</b>	<b>13,678,798</b>
<b>C.I. Advances in India</b>		
i) Priority sectors	4,108,726	3,078,798
ii) Public sector	-	-
iii) Banks	-	-
iv) Others	14,089,419	10,600,000
<b>Total</b>	<b>18,198,145</b>	<b>13,678,798</b>



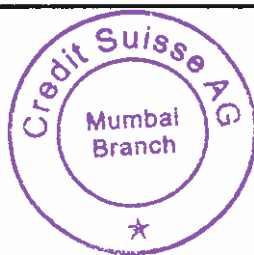
	2016	2015
<b>C.II. Advances outside India</b>		
i) Due from banks	-	-
ii) Due from others		
(a) Bills purchased and discounted	-	-
(b) Syndicated loans	-	-
(c) Others	-	-
<b>Total</b>	-	-
<b>Total (C.I and C.II)</b>	<b>18,198,145</b>	<b>13,678,798</b>
<b>Schedule 10 : Fixed assets</b>		
<b>I. Premises</b>		
At cost at the beginning of the year	-	-
Additions during the year	-	-
Deductions during the year	-	-
Depreciation to date	-	-
<b>Total</b>	-	-
<b>II. Other Fixed Assets (including furniture and fixtures)</b>		
At cost at the beginning of the year	71,103	70,997
Additions during the year	361	562
	<b>71,464</b>	<b>71,559</b>
Deductions during the year	-	(456)
	<b>71,464</b>	<b>71,103</b>
Depreciation to date	(65,762)	(57,065)
<b>Total</b>	<b>5,702</b>	<b>14,038</b>
<b>Total (I + II)</b>	<b>5,702</b>	<b>14,038</b>



Schedules annexed to and forming part of the Balance Sheet as at 31 March, 2016

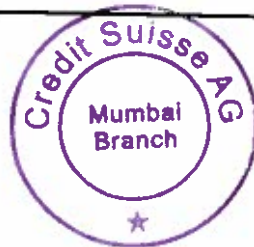
(Currency: Indian rupees in thousands)

	2016	2015
<b>Schedule 11 : Other assets</b>		
I. Interest accrued	1,878,738	1,910,671
II. Tax paid in advance / tax deducted at source (Net of provisions)	312,241	254,881
III. Deferred tax assets (Net)	247,595	227,463
IV. Stationery and stamps	-	-
V. Non-banking assets acquired in satisfaction of claims	-	-
VI. Others	5,625,679	4,035,127
<b>Total</b>	<b>8,064,253</b>	<b>6,428,142</b>
<b>Schedule 12 : Contingent liabilities</b>		
I. Claims against the Bank not acknowledged as debts	-	-
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding Foreign exchange contracts	1,153,578,205	1,335,779,457
IV. Guarantees given on behalf of constituents	-	-
(a) In India	-	-
(b) Outside India	-	-
V. Acceptances, endorsements and other obligations	-	-
VI. Other items for which the Bank is contingently liable	-	-
(i) Capital commitments not provided	-	-
(ii) Purchase of investments	-	2,360,649
(iii) Liability on account of outstanding derivative contracts	255,172,503	262,249,159
<b>Total</b>	<b>1,408,750,708</b>	<b>1,600,389,265</b>



**Schedules Annexed To and Forming Part of the Profit and Loss Account for the year ended 31 March, 2016**

	2016	2015
<b>Schedule 13 : Interest earned</b>		
I. Interest / discount on advances / bills	1,138,360	892,880
II. Income on investments	6,054,643	5,992,545
III. Interest on balances with Reserve Bank of India and other inter-bank funds	914	374
IV. Others	55,880	40,879
<b>Total</b>	<b>7,249,797</b>	<b>6,926,678</b>
<b>Schedule 14 : Other income</b>		
I. Commission, exchange and brokerage	22,786	61,335
II. Profit / (loss) on sale of investments (net)	(106,890)	970,376
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)	913,085	1,814,069
VI. Income earned by way of dividends etc. from subsidiaries, companies and / or joint ventures abroad / in India	-	-
VII. Miscellaneous income	44,593	46,561
<b>Total</b>	<b>873,574</b>	<b>2,892,341</b>
<b>Schedule 15 : Interest Expended</b>		
I. Interest on deposits	2,464,586	2,212,772
II. Interest on Reserve Bank of India / inter-bank borrowings	3	548
III. Others	2,294,178	2,385,387
<b>Total</b>	<b>4,758,767</b>	<b>4,598,707</b>
<b>Schedule 16 : Operating Expenses</b>		
I. Payments to and provisions for employees	466,682	478,139
II. Rent, taxes and lighting	50,476	51,900
III. Printing and stationery	1,267	1,143
IV. Advertisement and publicity	247	25
V. Depreciation on Bank's property	8,697	9,989
VI. Directors' fees, allowances and expenses	-	-
VII. Auditors' fees and expenses	2,825	2,634
VIII. Law charges	-	-
IX. Postages, telegrams, telephones, etc.	40,408	44,601
X. Repairs and maintenance	8,931	3,661
XI. Insurance	72,594	64,563
XII. Other expenditure	120,048	108,834
- including group cost allocation expenses Rs 24,834 thousand (Previous Year: 24,349 thousand)		
- including Corporate Social Responsibility expenses Rs 46,249 thousand (Previous Year: Rs 28,934 thousand)		
<b>Total</b>	<b>772,175</b>	<b>765,488</b>





**Schedules forming part of the Financial Statements for the year ended March 31, 2016.  
Schedule 17 – Significant Accounting Policies**

**a) General**

**i) Background**

The accompanying financial statements for the year ended March 31, 2016 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 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 is recognised prospectively in the current and future periods.

**b) Investments**

Classification and valuation of investments is carried out in accordance with extant 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 Primary Dealers Association of India jointly with Fixed Income Money Market and Derivatives Association (FIMMDA), periodically. All non-SLR securities are valued by applying the mark up above the corresponding yield on GOI securities 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.

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

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

Utilisation: 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 accounted for at the acquisition cost / book value/ market value, whichever is lower, as on the date of transfer.

**Repurchase (Repo) and reverse repurchase transactions:**

Repo, Reverse repo transactions and Collateralised Borrowing and Lending Obligations (CBLO) entered with CCIL 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 recognised as interest expense/income over the period of the transaction.



**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 in line with RBI guidelines.

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 recognises 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.

**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, cross currency swaps, options and foreign exchange contracts for trading purposes.

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

Foreign currency options are marked to market and premium received / paid is recognized in the Profit and Loss Account upon expiry or exercise of the options whichever is earlier.

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 recognises 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 capitalised. 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	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%

Assets costing less than Rs.4,50,000 (CHF 10,000 approx) are written off in the year of purchase / acquisition. The threshold for write off is subject to the following conditions:

- Furniture and fixtures are capitalised if the aggregate cost of a purchase order for procurement exceeds Rs.4,50,000 (CHF 10,000 approx).
- Computer equipment including workstations, laptops, printers, monitors, servers, peripherals and technical equipment are capitalised regardless of purchase cost. All other computer related equipment such as mainframes, tape drives, power supplies and data center equipment are capitalised only if individual cost exceeds Rs. 4,50,000 (CHF 10,000 approx).
- 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.

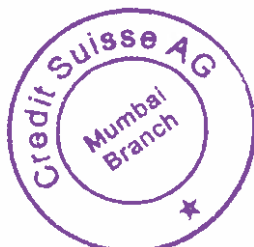
**g) Transactions involving Foreign Exchange**

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 recognised 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 recognised 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 recognised in the Profit and Loss Account.

In respect of foreign currency deposits, which are swapped into Indian Rupees under the special window of the RBI notified under FMD.MOAG.No.84/01.06.016/2013-14 dated September 06,2013, the forward premia (i.e. the difference between spot and forward rates of exchange) is pro-rated over the tenure of the swap and recognised in the Profit and Loss Account. The exchange difference on a forward exchange contract i.e. the difference between (a) the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and (b) the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date, is recognised in the Profit and Loss Account.



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

**h) Revenue Recognition**

- Interest income is recognised in the Profit and Loss Account on an accrual basis.
- Accretion of discounts is recognised as interest income over the life of the discounted instrument.
- Fee income on loans are recognized over the tenor of the underlying loans on a straight line basis.
- Other fees and commission income is recognised 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 recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised when there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised to the extent there is virtual certainty of realisation 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 realised.

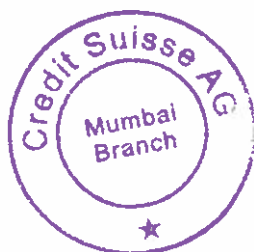
**j) Accounting for Provisions, Contingent Liabilities and Contingent Assets**

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 recognised 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 recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.





**I) Employee benefits**

**Short-term employee benefits**

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

Employees can carry forward a portion of unutilised accrued compensated absences and utilise it within three months following the year in which it accrues, failing which it lapses.

**Post employment benefits**

**a) Defined contribution plan**

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 recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

**b) Defined benefit plan**

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 unrecognised 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 recognises 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 recognised in employee benefits expense in the statement of profit and loss.

**Share based payments**

The Bank grants shares in its ultimate parent, Credit Suisse Group to certain employees. Upon settlement the shares are transferred to its employees. The Bank has various schemes to grant share based awards to its employees.

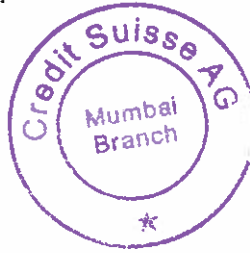
All the schemes are classified as cash settled schemes. The cost of these cash-settled transactions is measured initially at fair value at the grant date. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each balance sheet date up to and including the settlement date with



changes in fair value recognised in the statement of profit and loss for the period. In case an employee is eligible for early retirement or retirement before the end of the vesting period, the recognition of the expense is accelerated over the shorter period up to retirement. Changes in foreign exchange and market value of the above liability between grant date and settlement date are expensed to the statement of profit and loss.

**m) 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, 2016**

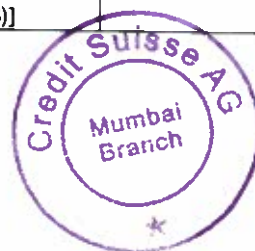
(Currency: Indian rupees in crores)

**1. 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, 2016, the Bank is required to maintain a minimum capital adequacy ratio of 9.625% (including Capital Conservation Buffer (CCB) of 0.625%) 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, 2016	March 31, 2015
i)	Common Equity Tier 1 capital ratio (%)	25.62%	19.65%
ii)	Tier 1 capital ratio (%)	25.62%	19.65%
iii)	Tier 2 capital ratio (%)	0.55%	0.37%
iv)	Total Capital ratio (CRAR) (%)	26.17%	20.02%
v)	Percentage of the shareholding of the Government of India in public sector banks	-	-
vi)	Amount of equity capital raised	-	-
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.

Particulars	(Rs in crore)	
	March 31, 2016	March 31, 2015
1. Value of Investments		
(i) Gross value of investments		
a) In India	6,861.14	8,177.39
b) Outside India	-	-
(ii) Provision for depreciation		
a) In India	-	-
b) Outside India	-	-
(iii) Net value of investments		
a) In India	6,861.14	8,177.39
b) Outside India	-	-
2. Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off/ write back of excess provisions during the year	-	-
(iv) Closing balance	-	-

## 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:

Year ended March 31, 2016	(Rs in crore)			
	Minimum outstanding balance during the year <sup>1</sup>	Maximum outstanding balance during the year	Daily average outstanding balance during the year	Outstanding balance
Securities sold under repo				
i. Government securities	1.00	1,754.66	710.45	1,541.90
ii. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	4.90	854.61	52.70	60.00
ii. Corporate debt securities	-	-	-	-

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

Year ended March 31, 2015	(Rs in crore)			
	Minimum outstanding balance during the year <sup>1</sup>	Maximum outstanding balance during the year	Daily average outstanding balance during the year	Outstanding balance
Securities sold under repo				
i. Government securities	30.21	2,504.91	779.67	1,516.46
ii. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	4.20	284.25	19.75	-
ii. Corporate debt securities	-	-	-	-

Minimum outstanding during the year excludes days with Nil outstanding.



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, 2016.

(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	174.73	-	-	-	-
(ii)	FIs	1,254.61	100.00	-	-	-
(iii)	Banks	506.10	-	-	-	-
(iv)	Private corporates	1,361.42	360.28	-	-	100.00
(v)	Subsidiaries / Joint ventures	-	-	-	-	-
(vi)	Others	-	-	-	-	-
(vii)	Provision held towards depreciation	-	-	-	-	-
	<b>Total</b>	<b>3,296.86</b>	<b>460.28</b>	-	-	<b>100.00</b>

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, 2015.

(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	39.03	-	-	-	-
(ii)	FIs	678.37	30.00	-	-	-
(iii)	Banks <sup>1</sup>	709.15	-	-	-	-
(iv)	Private corporates	1,386.53	685.58	-	-	709.15
(v)	Subsidiaries / Joint ventures	-	-	-	-	-
(vi)	Others	-	-	-	-	-
(vii)	Provision held towards depreciation	-	-	-	-	-
	<b>Total</b>	<b>2,813.08</b>	<b>715.58</b>	-	-	<b>709.15</b>

1. Represents certificate of deposits.

ii) Non performing Non-SLR investments

The bank did not have any non performing non-SLR investments as at / for the year ended March 31, 2016 (Previous Year: Nil).



**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 Bank has not traded in FRA during the year and hence disclosure pertaining to FRA is not applicable. (Previous Year: Nil).

The following table sets forth, for the periods indicated, the details of the interest rate swaps.

Particulars	(Rs in crore)	
	March 31, 2016	March 31, 2015
i) The notional principal of swap agreements <sup>1</sup>	25,063.66	25,808.05
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements <sup>2</sup>	142.75	181.77
iii) Collateral required by the Bank upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps (% exposure to banking sector)	92.53%	91.15%
v) The fair value of trading swap book	62.34	74.47

1. Excludes cross currency interest rate swaps.

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

**Nature and terms of interest rate swaps**

Nature	Benchmark Index	Terms	(Rs in crore)	
			March 31, 2016	March 31, 2015
Trading	MIBOR	Fixed Payable v/s Floating Receivable	3,789.17	5,582.97
Trading	MIBOR	Fixed Receivable v/s Floating Payable	3,000.86	4,436.83
Trading	MIFOR	Fixed Payable v/s Floating Receivable	11,811.00	10,103.00
Trading	MIFOR	Fixed Receivable v/s Floating Payable	6,244.00	5,479.00
Trading	LIBOR	Fixed Receivable v/s Floating Payable	218.63	206.25
		<b>Total</b>	<b>25,063.66</b>	<b>25,808.05</b>

**7. Exchange traded interest rate derivatives**

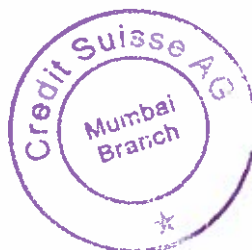
The Bank did not enter into any exchange traded interest rate derivatives during the year ended March 31, 2016 (Previous Year: Nil).

**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, Investment 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**

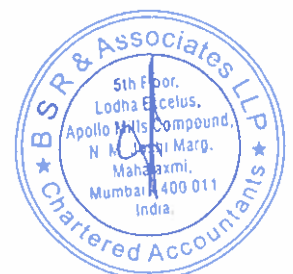
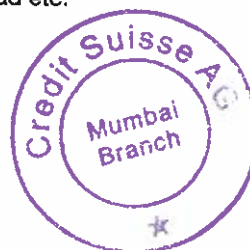
Credit risk implies probable financial loss the Bank may ultimately incur, if the counter parties fail to meet their obligations. Within Credit Suisse, the Credit Risk Management ('CRM') is responsible for managing Credit Suisse's portfolio of credit risk and establishes broad policies and guidelines governing Credit Suisse's credit risk appetite. CRM team is headed globally by the Chief Credit Officer ('CCO') who reports directly to the Chief Risk Officer ('CRO') of Credit Suisse. Credit authority 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. Credit authorisation is separated from line functions. At Headquarters in Zurich, the Capital Allocation and Risk Management Committee ('CARMC'), in addition to its responsibilities for market risk described below, is also responsible for maintaining credit policies and processes, evaluating country, counterparty and transaction risk issues, applying senior level oversight for the credit review process and ensuring global consistency and quality of the credit portfolio. CARMC regularly reviews credit limits measuring country, geographic region and product concentrations, as well as impaired assets and recommended loan loss provisions.

Credit Suisse utilises an internal counterparty rating scale assess the probability of default, which approximates that used by the major public rating agencies (ranging from AAA as the best to D as the worst) and applies this grading measure against all of its counterparties. Credit Suisse 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.

Each facility (funded and non funded) is approved by senior CRM team personnel who are experienced in making lending decisions. The Bank leverages the CRM team expertise and processes within Credit Suisse to manage credit exposures arising from business transactions. The Businesses would be responsible for managing transactions within specified counterparty credit limits like Single Borrower and Group Borrower limits as prescribed by RBI, in consultation with CRM team.

**Market risk management**

Market risk deals with the probable loss the Bank may ultimately incur as a result of movement in exchange rates, benchmark interest rates, credit spread 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 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. SRM reviews the Bank's business requirements and approve suitable limits in consultation with the business. Scenario analysis results are reported to the ALCO & Local Management committee on quarterly basis.

The Bank 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 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, 2016

(Rs in crore)			
Sr. No	Particulars	Currency derivatives <sup>1</sup>	Interest rate derivatives
(i)	Derivatives (Notional Principal Amount)		
	a) For hedging	4,936.00	-
	b) For trading	110,875.41	25,063.66
(ii)	Marked to Market Positions <sup>2</sup>		
	a) Asset (+)	60.55	142.75
	b) Liability (-)	64.19	80.41
(iii)	Credit Exposure	2,388.49	356.85
(iv)	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives	(0.74)	-
	b) on trading derivatives	1.52	(22.27)
(v)	Maximum and Minimum of 100*PV01 observed during the year		
	a) i) on hedging (Maximum)	(0.74)	-
	ii) on hedging (Minimum)	(4.02)	-
	b) i) on trading (Maximum)	4.52	44.14
	ii) on trading (Minimum)	1.52	(22.27)

1. Includes forward exchange contracts and cross currency interest rate swaps.
2. Pertains to MTM on trading positions.





The following table sets forth the details of derivative positions at March 31, 2015

Sr. No	Particulars	(Rs in crore)	
		Currency derivatives <sup>1</sup>	Interest rate derivatives
(i)	Derivatives (Notional Principal Amount)		
	a) For hedging	4,656.25	-
	b) For trading	129,338.56	25,808.05
(ii)	Marked to Market Positions <sup>2</sup>		
	a) Asset (+)	114.57	181.77
	b) Liability (-)	87.41	107.30
(iii)	Credit Exposure	2,979.69	423.51
(iv)	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives	(2.36)	-
	b) on trading derivatives	10.12	27.04
(v)	Maximum and Minimum of 100*PV01 observed during the year		
	a) i) on hedging (Maximum)	(0.60)	-
	ii) on hedging (Minimum)	(9.54)	-
	b) i) on trading (Maximum)	14.88	40.95
	ii) on trading (Minimum)	6.70	(30.55)

1. Includes forward exchange contracts and cross currency interest rate swaps.
2. Pertains to MTM on trading positions.

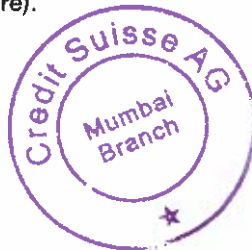
#### 9. Asset Quality

The Bank has no non-performing advances, accounts restructured, sale of financial assets to Securitisation / Reconstruction company or purchase / sale of non-performing financial assets during the year ended March 31, 2016 (Previous Year: Nil).

Additionally, 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, 2016 (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 13.58 crore (Previous year: Rs. 10.01 crore)) held by the Bank as at March 31, 2016 was Rs. 31.84 crore (Previous Year: Rs. 29.09 crore).





(Rs in crore)

As at March 31, 2015	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	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 <sup>1</sup>	2.99	9.49	32.87	3.80	309.49	124.36	475.06	153.87	5,170.52	-	-	6,282.46
Loans & advances <sup>1</sup>	-	100.00	125.00	107.58	100.00	-	225.30	495.00	215.00	-	-	1,367.88
Investments	4,938.70	3,056.99	3.27	1.09	31.13	31.13	47.38	16.10	51.19	-	0.41	8,177.39
Borrowings <sup>1</sup>	-	2,454.07	-	-	-	-	-	-	-	-	-	2,454.07
Foreign Currency Assets <sup>2</sup>	742.38	0.01	125.00	107.70	1.15	-	75.30	200.00	-	-	75.00	1,326.55
Foreign Currency Liabilities <sup>2</sup>	-	-	-	0.29	-	-	-	24.21	4,849.58	-	-	4,874.08

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.

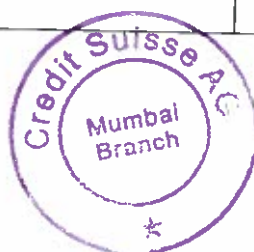
### 13. Exposure

#### 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, 2016	March 31, 2015
<b>a) Direct exposure</b>		
(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 securitised exposures – a. Residential, b. Commercial Real Estate.		
<b>b) Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	378.66	283.70
<b>Total Exposure to Real Estate Sector</b>	<b>378.66</b>	<b>283.70</b>



### 13.2 Exposure to Capital Market

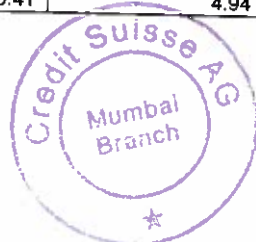
Particulars	(Rs in crore)	
	March 31, 2016	March 31, 2015
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) advances against shares / bonds / debentures 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;	-	-
(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)	-	-
<b>Total Exposure to Capital Market</b>	-	-

Note: The Bank has invested in Non-Convertible Debenture of book value Rs. 100 Cr (Previous Year: Nil) having maturity of less than a year secured by pledge of shares.

### 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.

Risk category	(Rs in crore)			
	Exposure (net) at March 31, 2016	Provision held at March 31, 2016	Exposure (net) at March 31, 2015	Provision held at March 31, 2015
Insignificant	2,054.45	4.94	1,080.96	2.35
Low	2.29	-	-	-
Moderate	-	-	2.74	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	2,056.73	4.94	1,083.70	2.35
-Of which: funded	1990.41	4.94	943.88	-



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

The Bank's exposure to single and group borrowers has been within limits\* as specified by RBI during the year ended March 31, 2016 and March 31, 2015.

\*During the year ended March 31, 2016, there was an instance of a technical excess of Single Borrower Limit ('SBL') in respect of one counterparty on account of exchange fluctuation on loans in foreign currencies. Due to this technical excess, the SBL of 15% was exceeded, however, it was below 20%. In accordance with the RBI's Master circular on exposure norms, the Local Management Committee has ratified this technical excess. Further, this matter was also informed to the RBI.

**16. Unsecured advances**

The Bank has not made any unsecured advances against intangible securities such as charge over the rights, licenses or authorisations etc. for the year ended March 31, 2016 (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).

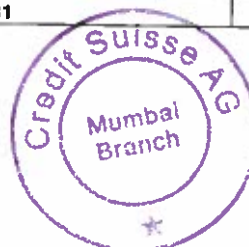
**18. Employee Benefits**

**1. Provident Fund**

Amount of Rs. 2.08 crore (Previous Year: Rs 1.77 crore) is recognised as expense and included in "Employee benefit expenses"

**2. Gratuity**

Particulars	(Rs in crore)	
	March 31, 2016	March 31, 2015
<b>Reconciliation of opening and closing balance of the present value of the defined benefit obligation</b>		
Present value of obligation as at April 1	3.65	2.34
Interest cost	0.28	0.20
Current service cost	1.20	0.85
Benefits paid	(0.05)	(0.27)
Actuarial (gain)/loss on obligation	(0.61)	0.53
<b>Present value of obligation as at March 31</b>	<b>4.48</b>	<b>3.65</b>
<b>Reconciliation of opening and closing balance of the fair value of the plan assets</b>		
Fair value of plan assets as at April 1	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
<b>Fair value of plan assets as at March 31</b>	<b>-</b>	<b>-</b>



<b>Amount recognised in Balance Sheet</b>		
Fair value of plan assets as at March 31	-	-
Present value of obligation as at March 31	4.48	3.64
Asset/(Liability) as at March 31	(4.48)	(3.65)
<b>Expenses recognised in Profit and Loss Account</b>		
Interest Cost	0.28	0.20
Current Service cost	1.20	0.85
Expected return on plan assets	-	-
Net Actuarial (gain)/loss recognised in the year	(0.61)	0.53
<b>Net Cost</b>	<b>0.87</b>	<b>1.58</b>
<b>Assumptions</b>		
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Valuation Method	Projected Unit Credit	Projected Unit Credit
Discount rate	7.95% per annum	7.85% per annum
Expected return on plan assets	N.A.	N.A.
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Salary escalation rate	11.00% per annum	12.0% per annum
Retirement	58 years	56 years

**Details of plan assets, defined benefit obligations and experience adjustments**

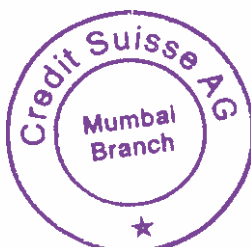
(Rs in crore)

Particulars	Gratuity				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Defined benefit obligations	4.48	3.65	2.34	1.30	0.63
Plan assets	-	-	-	-	-
(Surplus) / deficit	4.48	3.65	2.34	1.30	0.63
Experience adjustments on plan assets	-	-	-	-	-
(Gains) / losses due to change in Assumptions	(0.29)	0.52	0.21	0.09	(1.34)
Experience adjustments on plan liabilities	(0.31)	0.01	0.03	(0.11)	0.87
Total (Gain) / Loss	(0.61)	0.53	0.24	(0.02)	(0.47)

**19. Employees Share-based Payments**

**Employees Share-based Payments**

The Branch grants shares in its ultimate parent, Credit Suisse Group ('CSG') to certain employees. The Branch 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:



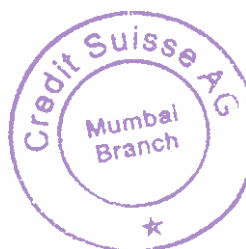
- (1) Special awards, which are typically awarded upon hiring of certain management personnel or in relation to business acquisitions. The terms (including amount, vesting, settlement, etc) of special awards vary significantly from award to award. Shares awarded to employees as Special awards are accrued over the vesting period as per award terms.
- (2) January 2012/Jan 2013/Jan 2014/Jan 2015/Jan 2016 Phantom shares vest in three equal instalments on each of the first, second and third anniversaries of the grant date and will be delivered to award holders within 120 days of vesting. The share awards replace other plans introduced in prior years, including SISUs and ISUs in an effort to make the design of the company's compensation instruments simpler, more transparent and less leveraged and to better align the interests of the employees with those of the shareholders.
- (3) In March 2016, the CSG executed a voluntary exchange offer, under which employees had the right to voluntarily convert all or a portion of their respective CCA into Contingent Capital share awards at a conversion price of CHF 14.57. Each Contingent Capital share award had a grant-date fair value of CHF 14.45 and contains the same contractual term, vesting period, performance criteria and other terms and conditions as the original CCA.

(4) **Performance share awards**

Certain employees received a portion of their deferred variable compensation in the form of performance share awards, which are subject to explicit performance-related claw-back provisions. Performance share awards vest over three years, such that one third of the share awards vest on each of the three anniversaries of the date of the award. Each performance share award granted entitles the holder of award to receive one CSG share. Unlike the Phantom share awards, however, the unvested performance share awards are subject to a negative adjustment in the event of a divisional loss or a negative CSG ROE. Unvested performance shares are subject to a negative adjustment in the event of a divisional loss, unless there is a negative CSG ROE that would call for a negative adjustment greater than the divisional adjustment for the year, in which case the negative adjustment is based on the CSG's negative ROE. For employees in Shared Services, the negative adjustment only applies in the event of a negative CSG ROE and is not linked to the performance of the divisions. Performance share awards include a two-year moratorium on early retirement, determined from the grant date.

(5) **Plus Bond Awards**

Certain employees received a portion of 2012 deferred variable compensation in the form of Plus Bond awards. The Plus Bond award is essentially a fixed income instrument, denominated in US dollars, which provides a coupon payment that is commensurate with market-based pricing. Plus Bond award holders are entitled to receive semi-annual cash payments on their adjusted award amounts at the rate of LIBOR plus 7.875% per annum until settlement. The Plus Bond will settle in the July 2016 based on the amount of the initial award less portfolio losses, if any, in excess of a first loss portion retained by CSG of USD 600 million. The value of the Plus Bond awards is based on the performance of a portfolio of unrated and sub-investment-grade asset-backed securities (ABS) that are held in inventory by various trading desks. While the Plus Bond award is a cash-based instrument, CSG reserves the right to settle the award in CSG shares based on the share price at the time of final distribution. In addition, subject to oversight procedures, CSG retains the right to prepay all or a portion of the Plus Bond award in cash at any time and, in the event of certain regulatory developments or changes in capital treatment, exchange the award into CSG shares. The Plus Bond award plan contributes to a reduction of CSG's risk-weighted assets and constitutes a risk transfer from CSG to the Plus Bond award holders.





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, Special Share Awards, Performance Share Awards, PAF 2 Awards and Plus Bond Awards.

c. **Number of stock awards granted during the current year ended March 31, 2016**

1,465 Special Phantom Share Awards (previous year: NIL) granted during the year;

44,508 Performance Share Awards (previous year: 26,842) granted during the year;

49,714 Phantom Share Award (previous year: 43,976) granted during the year;

Plus Bond Awards equivalent of Rs Nil (previous year : Rs Nil) granted during the year.

The average weighted fair value of awards granted was CHF 18.12 (previous year: CHF 16.94) excluding Plus Bond awards.

d. **Method and assumptions for Fair Value of Share Awards**

i) For Plus Bond Deferred Cash Awards;

The fair value of share awards is derived from underlying fair value of the reference portfolio

ii) 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. 2.55 crore (previous year: Rs. 8.11 crore) and carrying amount as at March 31, 2016 is Rs. 8.71 crore (previous year: Rs. 14.16 crore).

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.

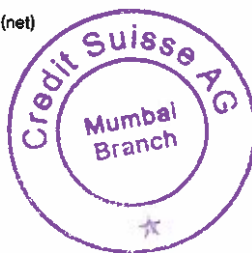
### Geographic Segments

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, 2016 is given below

Sr. No.	Particulars					(Rs in crore)
		Treasury	Wholesale	Retail	Other banking business	Total
1	Segment revenue	786.91	216.14	147.69	-	1,150.74
2	Less: Inter segment revenue	90.40	100.32	147.69	-	338.41
3	Income from operations (1) – (2)	696.51	115.83	-	-	812.34
4	Segment results	256.71	50.81	(53.61)	-	253.91
5	Unallocated expenses					-
6	Operating Profit / (loss) (4) – (5)					253.91
7	Income taxes (incl. deferred tax)					109.25
8	Extraordinary profit / (loss)					-
9	Net profit / (loss) (6) – (7) – (8)					144.66
10	Segment assets	9,542.22	1,823.81	1.00	-	11,367.03
11	Unallocated assets <sup>1</sup>					55.99
12	Total assets (10) + (11)					11,423.02
13	Segment liabilities <sup>2</sup>	4,332.96	1,295.71	5,794.35	-	11,423.02
14	Unallocated liabilities					-
15	Total liabilities (13) + (14)					11,423.02
16	Capital expenditure	0.02	0.01	0.01	-	0.04
17	Depreciation	0.59	0.16	0.12	-	0.87

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, 2015 is given below

Sr. No.	Particulars					(Rs in crore)
		Treasury	Wholesale	Retail	Other banking business	Total
1	Segment revenue	955.56	180.18	137.45	-	1,273.19
2	Less: Inter segment revenue	69.09	84.75	137.45	-	291.29
3	Income from operations (1) – (2)	886.47	95.43	-	-	981.90
4	Segment results	424.74	25.64	(17.47)	-	432.91
5	Unallocated expenses					-
6	Operating Profit / (loss) (4) – (5)					432.91
7	Income taxes (incl. deferred tax)					189.90
8	Extraordinary profit / (loss)					-
9	Net profit / (loss) (6) – (7) – (8)					243.01
10	Segment assets	9,649.53	1,371.03	1.32	-	11,021.88
11	Unallocated assets <sup>1</sup>					48.23
12	Total assets (10) + (11)					11,070.11
13	Segment liabilities <sup>2</sup>	4,562.33	982.03	5,525.75	-	11,070.11
14	Unallocated liabilities					-
15	Total liabilities (13) + (14)					11,070.11
16	Capital expenditure	0.04	0.01	0.01	-	0.06
17	Depreciation	0.75	0.14	0.11	-	1.00

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

## 21. Related Party Disclosures

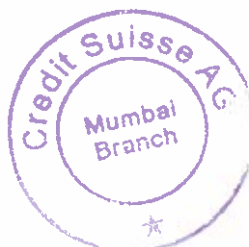
As per AS - 18, Related Party Disclosure, issued by the ICAI, the Bank's related parties are disclosed below:

**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 Securities USA LLC

**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.

Chief Executive Officer of the Bank:

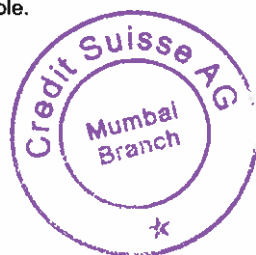
1. Mr. Ajit Hebbar (Interim Chief Executive Officer) – upto 23 August, 2015
2. Mr. Rajiv Baruah (Chief Executive Officer) - From 24 August, 2015

The Bank's related party balances and transactions as on / for the year ended March 31, 2016 are summarised as follows:

Items	(Rs in crore)			
	Parent and its branches	Maximum outstanding during the year	Enterprises under common control	Maximum outstanding during the year
<b>Transactions during the year</b>				
Rent and reimbursements	7.85		9.15	
Profit / (Loss) on derivative transaction	(13.38)		90.96	
Income for services rendered	4.46		-	
Interest on borrowings*	0.00		-	
Interest on deposits	-		52.96	
Borrowings	13.25		-	
Term Deposits	-		4,187.80	
Derivatives (Notional)	6,215.29		32,333.57	
<b>Closing balances</b>				
Payable to related parties	0.08	6.18	0.71	2.72
Security deposit receivable	-	-	2.55	2.55
Mark to Market on derivatives receivable**	40.47	26.27	27.36	78.47
Mark to Market on derivatives payable**	53.18	36.12	-	0.74
Receivable from related parties	0.35	1.82	0.14	0.14
Interest payable*	-	0.00	3.59	20.89
Current deposits	-	-	8.20	1,350.20
Term deposits	-	-	832.45	1,336.45
Borrowings	-	13.25	-	-
Nostro Balance	0.10	0.14	2.29	63.72
Derivatives (Notional)	1,411.00	2,617.01	900.00	3,650.88

\*Interest of borrowing from Branches is Rs 3,425 (March 2015: Rs 547,817)

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



The Bank's related party balances and transactions as on / for the year ended March 31, 2015 are summarised as follows:

Items	(Rs in crore)			
	Parent and its branches	Maximum outstanding during the year	Enterprises under common control	Maximum outstanding during the year
<b>Transactions during the year</b>				
Rent and reimbursements	4.20		8.07	
Profit on derivative transaction	81.41		31.95	
Income for services rendered	4.66		-	
Interest on borrowings	0.05		-	
Interest on deposits	-		71.26	
Fixed Asset purchased	-		0.04	
Borrowings	262.50		-	
Term Deposits	-		4,260.65	
Derivatives (Notional)	16,856.41		25,203.54	
<b>Closing balances</b>				
Payable to related parties	0.02	4.38	1.20	2.31
Security deposit receivable	-	-	2.55	2.55
Mark to Market on derivatives receivable <sup>1</sup>	37.56	83.78	8.66	29.28
Mark to Market on derivatives payable <sup>1</sup>	3.24	5.42	-	0.74
Receivable from related parties	1.15	1.16	-	-
Interest payable	-	0.09	9.00	23.41
Current deposits	-	-	39.66	220.68
Term deposits	-	-	895.15	1,209.15
Borrowings	-	85.21	-	-
Nostro Balance	0.13	6.42	2.74	119.09
Derivatives (Notional)	2,043.04	11,463.64	490.00	3,235.14

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

#### Material related party transactions are given below:

The following were the material transactions between the Bank and its related parties for the year ended March 31, 2016. A specific related party transaction is disclosed as a material related party transaction wherever it exceeds 10% of all related party transactions in that category.

#### Rent and reimbursements

Employee share expenses reimbursed to Credit Suisse Singapore Branch Rs 7.85 cr (Previous Year: Rs 4.20 cr). Rent and other expenses reimbursed to Credit Suisse Securities (India) Private Limited Rs 3.56 cr (Previous Year: Rs 3.20 cr) and Credit Suisse Consulting (India) Private Limited Rs 4.15 cr (Previous Year: Rs 4.16 cr)

#### Profit / (Loss) on derivative transaction

Profit / (Loss) on derivative transaction from Credit Suisse London Branch Rs. (24.80) cr (Previous Year: (13.04) cr, Credit Suisse Singapore Branch Rs 10.48 cr (Previous Year: Rs 94.44 cr) and Credit Suisse (Singapore) Limited Rs 84.96 cr (Previous Year: Rs 29.72 cr).



**Income for services rendered:**

Income for services rendered to Credit Suisse Singapore Branch Rs 4.46 cr (Previous Year: Rs 2.84 cr) and Head office is "NIL" in current year (Previous Year: Rs.1.82 cr)

**Interest on borrowings**

Interest expense on borrowings from Credit Suisse London Branch is Rs 1,712 (Previous Year: Rs 7,956) and Credit Suisse Singapore Branch is Rs 1,712 (Previous Year: Rs 0.05 cr).

**Interest on deposits**

Interest expense on Term deposits to Credit Suisse Securities (India) Private Limited Rs 40.61 cr (Previous Year: Rs 58.85 cr) and Credit Suisse Services (India) Private Limited Rs 8.85 cr (Previous Year: Rs 8.03 cr).

**Borrowings**

Borrowings from Credit Suisse London Branch is Rs. 6.63 cr( Previous Year Rs. 12.50 cr) and Credit Suisse Singapore Branch Rs 6.63 cr (Previous Year: Rs 187.50 cr).

**Term Deposits**

Term deposits placed by Credit Suisse Securities (India) Private Limited Rs 1,622.00 cr (Previous Year: Rs 2,143.00 cr) and Credit Suisse Services (India) Private Limited Rs 1,991.00 cr (Previous Year: Rs 1,639.00 cr).

**Derivatives (Notional)**

Derivative transactions entered with Credit Suisse Singapore Branch Rs 24,225.63 cr (Previous Year: Rs 18,694.53 cr), Credit Suisse London Branch Rs 4,985.93 cr (Previous Year: Rs 14,534.96 cr) and Credit Suisse (Singapore) Limited Rs 6,359.06 cr (Previous Year: Rs 6,697.10 cr)

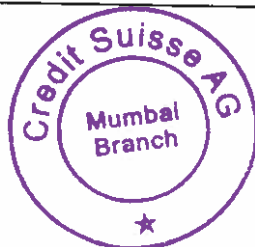
**22. Provision for income tax made during the year**

Particulars	(Rs in crore)	
	Year ended	
	March 31, 2016	March 31, 2015
Provision for income tax (including deferred tax)	109.25	189.90

**23. Provisions and Contingencies**

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

Particulars	(Rs in crore)	
	March 31, 2016	March 31, 2015
Provision for Income Tax – Current	111.26	195.44
Provision for Income Tax – Deferred	(2.01)	(5.54)
Standard asset provisioning - including UFCE provision of Rs 3.57cr (Previous Year: 10.01 cr).	2.75	10.22
Country Risk provision	2.59	2.35
<b>Total</b>	<b>114.59</b>	<b>202.47</b>



**24. Floating provisions**

The Bank has no floating provisions for the year ended March 31, 2016 (Previous Year: Nil).

**25. Drawdown from reserves**

The Bank has not drawn down any amount from reserves for the year ended March 31, 2016 (Previous Year: Nil).

**26. Disclosure of complaints**

The following table sets forth status of customer complaints

	Particulars	March 31, 2016	March 31, 2015
a)	No. of complaints pending at the beginning of the year	-	-
b)	No. of complaints received during the year	-	-
c)	No. of complaints redressed during the year	-	-
d)	No. of complaints pending at the end of the year	-	-

The following table sets forth status of awards

	Particulars	March 31, 2016	March 31, 2015
a)	No. of unimplemented awards at the beginning of the year	-	-
b)	No. of awards passed by the Banking Ombudsmen during the year	-	-
c)	No. of awards implemented during the year	-	-
d)	No. of unimplemented awards at the end of the year	-	-

**27. 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, 2016 (Previous Year: Nil).

**28. Provisioning coverage ratio**

The Bank has no non performing advances as on March 31, 2016 (Previous Year: Nil).

**29. Insurance business**

The Bank has not earned fees/brokerage in respect of insurance broking, agency and bancassurance business for the year ended March 31, 2016 (Previous Year: Nil).



**30. Concentration of deposits, advances, exposures and NPAs**

**i) Concentration of deposits**

	(Rs in crore)	
	March 31, 2016	March 31, 2015
Total deposits of twenty largest depositors	4,048.70	4,059.12
Percentage of deposits of twenty largest depositors to total deposits of the bank	60.45%	64.61%

**ii) Concentration of advances\***

	(Rs in crore)	
	March 31, 2016	March 31, 2015
Total advances to twenty largest borrowers (including banks)	4,408.33	4,568.28
Percentage of advances to twenty largest borrowers to total advances of the bank	96.56%	95.75%

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

**iii) Concentration of exposures\*\***

	(Rs in crore)	
	March 31, 2016	March 31, 2015
Total exposure to twenty largest borrowers / customers	6,294.38	5,386.70
Percentage of exposures to twenty largest borrowers / customers to total exposure of the bank on borrowers / customers	80.06%	78.35%

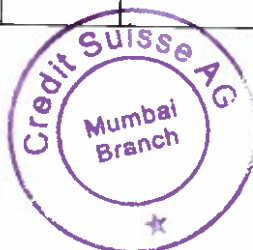
\*\*Exposures are computed based on credit and investment exposure as prescribed in RBI's Master Circular on Exposure Norms.

**iv) Concentration of NPAs**

The Bank has no NPAs as on March 31, 2016 (Previous Year: Nil).

**31. Sector wise NPAs**

Sl. No.	Sector	March 31, 2016			March 31, 2015		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Advances to industries sector eligible as priority sector lending 1	311.49	-	-	214.13	-	-
3	Services 1	99.38	-	-	93.75	-	-
4	Personal loans	-	-	-	-	-	-
	<b>Sub-total (A)</b>	<b>410.87</b>	<b>-</b>	<b>-</b>	<b>307.88</b>	<b>-</b>	<b>-</b>





B	Non Priority Sector						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Industry <sup>2</sup>	310.00	-	-	-	-	-
3	Services	1,098.94	-	-	1060.00	-	-
4	Personal loans	-	-	-	-	-	-
	<b>Sub-total (B)</b>	<b>1,408.94</b>	-	-	<b>1060.00</b>	-	-
	<b>Total (A+B)</b>	<b>1,819.81</b>	-	-	<b>1,367.88</b>	-	-

1. Represent export loans under priority sector.
2. Represent loans for Infrastructure - Roads

**32. Movement of NPAs**

The Bank has no NPAs during the year March 31, 2016 (Previous Year: Nil).

**33. Overseas assets, NPAs and Revenue**

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

**34. Off-Balance Sheet SPVs sponsored**

There are no off-Balance Sheet SPVs sponsored by the Bank for the year ended March 31, 2016 (Previous Year: Nil)

**35. Disclosures on Remuneration**

Bank has complied with the Compensation Guidelines issued by RBI vide DBOD No.BC. 72 /29.67.001/2011-12 dated January 13, 2012, hence this disclosure is not applicable.

**36. Disclosures relating to securitisation**

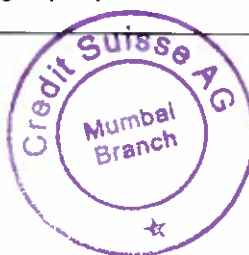
The Bank has not sponsored any SPVs for securitization transactions during the year and there is no securitization transaction outstanding as at March 31, 2016 (Previous Year: Nil).

**37. Credit Default Swaps**

During the year, the bank has not entered into credit default swaps (Previous Year: Nil).

**38. Intra-Group Exposures**

	(Rs in crore)	
	March 31, 2016	March 31, 2015
Total amount of intra-group exposures	59.17	61.97
Total amount of top-20 intra-group exposures	59.17	61.97
Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	0.79%	0.01%
Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	No Breach	No Breach





**39. Transfers to Depositor Education and Awareness Fund (DEAF)**

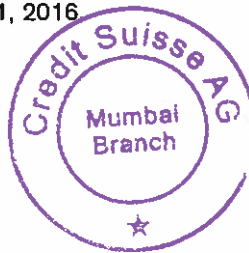
The Bank has no Unclaimed liabilities as at March 31, 2016 (Previous Year: Nil), hence this disclosure is not applicable.

**40. 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 will 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 un hedged foreign currency exposures will be captured in the overall counterparty's credit rating (for e.g., if the corporate is running large un-hedged 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 un-hedged 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 15<sup>th</sup> January 2014 and clarifications DBOD.No.BP.BC.116/21.06.200/2013-14 issued on 3<sup>rd</sup> June 2014. The bank has maintained provision of Rs 13.58 crores (Previous Year: Rs. 10.01 crores) and additional capital Rs 37.98 crores (Previous Year: Rs. 28.18 crores) on account of unhedged foreign currency exposure of its borrowers as on March 31, 2016.



**41. Liquidity Coverage Ratio ('LCR')**

**Quantitative disclosures**

The Bank's LCR related information is disclosed for all four quarters for the year ending March 31, 2016.

(Rs in crore)

Particulars		Quarter Ended							
		Mar 31, 2016		Dec 31, 2015		Sep 30, 2015		Jun 30, 2015	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
<b>High Quality Liquid Assets</b>									
1	Total High Quality Liquid Assets (HQLA)	2,325.99	2,259.37	3,220.30	3,165.01	3,759.34	3,666.63	3,516.77	3,444.72
<b>Cash Outflows</b>									
2	Retail deposits and deposits from small business customers, of which:								
		5,031.32	503.13	4,922.44	492.24	4,930.66	493.07	4,744.87	474.49
i)	Stable deposits	-	-	-	-	-	-	-	-
ii)	Less stable deposits	5,031.32	503.13	4,922.44	492.24	4,930.66	493.07	4,744.87	474.49
3	Unsecured wholesale funding, of which:								
		926.70	909.85	713.30	696.79	749.54	736.47	353.76	346.34
ii)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
ii)	Non operational deposits (all counterparties)	926.70	909.85	713.30	696.79	749.54	736.47	353.76	346.34
iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale Funding	1,380.00	-	187.99	-	997.11	-	982.23	-
5	Additional requirements, of which								
		243.21	243.21	478.62	478.62	443.00	430.00	441.45	441.45
i)	Outflows related to derivative exposures and other collateral requirements	243.21	243.21	478.62	478.62	421.33	421.33	441.45	441.45
ii)	Outflows related to loss of funding on debt products								
iii)	Credit and liquidity facilities	0	0	0	0	21.67	8.67		
6	Other contractual funding obligations	372.24	372.24	315.68	315.68	278.05	278.05	228.49	228.49
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	<b>TOTAL CASH OUTFLOWS</b>	<b>7,953.44</b>	<b>2,028.43</b>	<b>6,618.03</b>	<b>1,983.33</b>	<b>7,398.37</b>	<b>1,937.59</b>	<b>6,750.79</b>	<b>1,490.77</b>



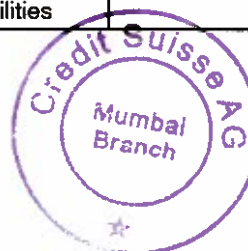
Cash Inflows									
9	Secured lending (e.g. reverse repos)	62.25	-	315.36	-	66.67	-	1.66	-
10	Inflows from fully performing exposures	1,124.21	1,073.15	277.82	277.82	451.34	378.40	179.28	179.28
11	Other cash inflows	-	-	-	-	-	-	-	-
12	<b>TOTAL CASH INFLOWS</b>	<b>1,186.46</b>	<b>1,073.15</b>	<b>593.17</b>	<b>277.82</b>	<b>518.00</b>	<b>378.40</b>	<b>180.94</b>	<b>179.28</b>
			<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>
21	<b>Total HQLA</b>		<b>2,259.37</b>		<b>3,165.01</b>		<b>3,666.63</b>		<b>3,444.72</b>
22	<b>Total Net Cash Outflows</b>		<b>955.28</b>		<b>1,705.52</b>		<b>1,559.20</b>		<b>1,311.49</b>
23	<b>Liquidity Coverage Ratio (%)</b>		<b>236.51</b>		<b>185.58</b>		<b>235.16</b>		<b>282.66</b>

Note:- Data presented above are simple averages of monthly observations over the previous quarter (i.e. the average is calculated over a period of 90 days).

The LCR related information was, required to be furnished only for the quarter ending March 31, 2015,  
Accordingly, the LCR related information for the quarter ending March 31, 2015 –

(Rs in crore)

SI No		Total Unweighted Value	Total Weighted Value
	<b>High Quality Liquid Assets</b>		
1	Total High Quality Liquid Assets (HQLA)	2,691.90	2,629.02
	<b>Cash outflows</b>		
2	Retail deposits and deposits from small business customers, of which: (i) Stable deposits (ii) Less stable deposits	4,660.37 - 4,660.37	466.04 - 466.04
3	Unsecured wholesale funding, of which: (i) Operational deposits (all counterparties) (ii) Non-operational deposits (all counterparties) (iii) Unsecured debt	72.71 - 72.71 -	68.41 - 68.41 -
4	Secured wholesale funding	2,454.07	-
5	Additional requirements, of which (i) Outflows related to derivative exposures and other collateral requirements (ii) Outflows related to loss of funding on debt products (iii) Credit and liquidity facilities	510.06 510.06 - -	510.06 510.06 - -

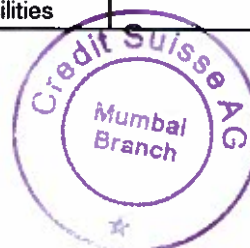


Cash Inflows									
9	Secured lending (e.g. reverse repos)	62.25	-	315.36	-	66.67	-	1.66	-
10	Inflows from fully performing exposures	1,124.21	1,073.15	277.82	277.82	451.34	378.40	179.28	179.28
11	Other cash inflows	-	-	-	-	-	-	-	-
12	<b>TOTAL CASH INFLOWS</b>	<b>1,186.46</b>	<b>1,073.15</b>	<b>593.17</b>	<b>277.82</b>	<b>518.00</b>	<b>378.40</b>	<b>180.94</b>	<b>179.28</b>
			<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>
21	Total HQLA		2,259.37		3,165.01		3,666.63		3,444.72
22	Total Net Cash Outflows		955.28		1,705.52		1,559.20		1,311.49
23	Liquidity Coverage Ratio (%)		238.51		185.58		235.16		262.66

Note:- Data presented above are simple averages of monthly observations over the previous quarter (i.e. the average is calculated over a period of 90 days).

The LCR related information was, required to be furnished only for the quarter ending March 31, 2015,  
Accordingly, the LCR related information for the quarter ending March 31, 2015 –

(Rs in crore)			
SI No		Total Unweighted Value	Total Weighted Value
	<b>High Quality Liquid Assets</b>		
1	Total High Quality Liquid Assets (HQLA)	2,691.90	2,629.02
	<b>Cash outflows</b>		
2	Retail deposits and deposits from small business customers, of which:	4,660.37	466.04
	(i) Stable deposits	-	-
	(ii) Less stable deposits	4,660.37	466.04
3	Unsecured wholesale funding, of which:	72.71	68.41
	(i) Operational deposits (all counterparties)	-	-
	(ii) Non-operational deposits (all counterparties)	72.71	68.41
	(iii) Unsecured debt	-	-
4	Secured wholesale funding	2,454.07	-
5	Additional requirements, of which	510.06	510.06
	(i) Outflows related to derivative exposures and other collateral requirements	510.06	510.06
	(ii) Outflows related to loss of funding on debt products	-	-
	(iii) Credit and liquidity facilities	-	-



SI No		Total Unweighted Value	Total Weighted Value
6	Other contractual funding obligations	202.70	202.70
7	Other contingent funding obligations	-	-
8	Total cash outflows	7,899.91	1,247.21
	<b>Cash inflows</b>		
9	Secured lending (eg: reverse repos)	-	-
10	Inflows from fully performing exposures	1,123.32	1,069.53
11	Other cash inflows	-	-
12	Total cash inflows	1,123.32	1,069.53
	<b>TOTAL HQLA</b>		2,629.02
	<b>Total net cash outflows</b>		177.68
	<b>Liquidity coverage ratio (%)</b>		843.16

ii) **Qualitative disclosure around LCR -**

The Bank measures and monitors the LCR in line with the Reserve Bank of India's circular dated June 9, 2014 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 100% of its Net Cash Outflows by January 1, 2019. However, with a view to provide transition time, the guidelines mandate a minimum requirement of 60% w.e.f January 1, 2015 and a step up of 10% every year to reach the minimum requirement of 100% by January 1, 2019.

The Bank has maintained LCR ratio above the required regulatory limit of 60% (from April 1, 2015 to December, 31 2016) and 70% (w.e.f January 1, 2016). This is achieved through maintaining HQLA above net cash outflows primarily driven from the Bank's deposit base.

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 AA- 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. There is no requirement to maintain HQLA in foreign currency for foreign banks.

The Bank's funding sources are driven from a diversified mix of unsecured deposits from individuals; corporates and financial institutions; repo transactions and CBLO borrowings. The Bank's deposit base is the key driver of net cash outflows in the entity along with derivative outflows arising from foreign exchange and interest rate transactions. All inflows and outflows which might have a material impact under the liquidity stress scenario have been considered for the purpose of LCR.

The Local Management Committee of the Bank has empowered ALCO to monitor the liquidity profile of the Bank. Funding strategies are formulated by ALCO in line with business requirements and growth strategy. The objective of the funding strategy is to achieve an optimal funding mix which is consistent with prudent liquidity, diversity 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.

#### 42. Corporate Social Responsibility

- a) Gross amount required to be spent by the Bank during the year Rs 4.74 crore (Previous Year: 2.89 crore)  
Amount spent during the year:-

Sr No	Particulars	(Rs in crore)					
		March 31, 2016			March 31, 2015		
		Paid during the year	Yet to be paid	Total	Paid during the year	Yet to be paid	Total
i)	Construction / acquisition of any asset	-	-	-	-	-	-
ii)	On purposes other than (i) above	4.62	-	4.62	2.89	-	2.89
	<b>Total</b>	<b>4.62</b>	<b>-</b>	<b>4.62</b>	<b>2.89</b>	<b>-</b>	<b>2.89</b>

#### 43. Deferred tax asset / liability

Other Assets include deferred tax asset (net) of Rs 24.76 crore (Previous Year: Rs 22.75 crore). The break-up of the same is as follows:

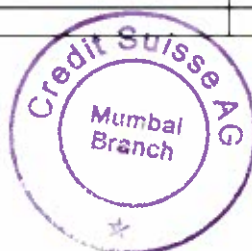
Particulars	(Rs in crore)	
	March 31, 2016	March 31, 2015
<b>Deferred tax asset arising out of:</b>		
Employee Benefits	7.33	6.98
Standard asset provisioning	13.78	12.59
Depreciation	0.80	0.59
Others	2.85	2.59
<b>Total</b>	<b>24.76</b>	<b>22.75</b>
<b>Deferred tax liability:</b>	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Deferred tax asset (net)</b>	<b>24.76</b>	<b>22.75</b>

#### 44. Leases

The Bank entered into leasing arrangements for commercial properties. The lease rental of Rs 4.52 crore (Previous Year: Rs 4.65 crore) has been included under Operating Expenses – Rent, Taxes and Lighting (Schedule 16 II) in the Profit and Loss Account.

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

Particulars	(Rs in crore)	
	March 31, 2016	March 31, 2015
Not later than one year	4.14	4.40
Later than one year and not later than five years	15.97	0.78
Later than five years	0.33	-
<b>Total</b>	<b>20.44</b>	<b>5.18</b>



**45. Other expenses**

Other expenses include cost allocation expenses of Rs 2.48 crore (Previous Year: Rs 2.43 crore) and Corporate Social Responsibility expense of Rs 4.62 crore (Previous Year: Rs. 2.89).

**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. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments.

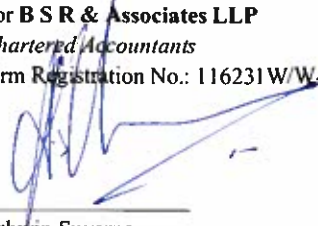
**47. Provision for long term contracts**

At the year end, the Bank has reviewed long term contracts (including derivative contracts) and no provision has been made for material foreseeable losses on such contracts other than standard asset provisions (refer note 10) as stipulated by RBI.


**48. Comparative figures**

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

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Partner  
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For Credit Suisse AG - Mumbai branch

  
Rajiv Baruah  
Chief Executive Officer

  
Reetesh Gupta  
Director - Finance

