Related Party Transactions Policy

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J&K Bank
Serving To Empower

Document Control

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1. INTRODUCTION:

The Companies Act, 2013 ('Companies Act' or 'the Act') has introduced Section 177 and 188 which contain provisions regarding related party transactions. These sections, along with the relevant Rules framed under the Companies Act, have introduced certain compliance and approval requirements regarding the related party transactions.

The Board of Directors (the "Board") of J&K Bank Limited (the "Bank"), acting upon the recommendation of its Audit Committee has adopted the following policy (the "policy") and procedures with regard to Related Party Transactions ("RPT"). This policy was framed as per requirement of Regulation 23 of the SEBI (LODR) Regulations, 2015, approved by the Board on January 31, 2018and lastly reviewed on April 22, 2020.

2. OBJECTIVE

The objective of this policy and procedure is to ensure that transactions between the Bank and its related parties are based on principles of transparency and arm's length pricing. Likewise, this policy aims at preventing and providing guidance in situations of potential conflict of interests in the implementation of transactions involving such related parties.

3. DEFINITIONS

a) "**Audit Committee**" means the Audit Committee of the Board constituted by the Board of Directors of the Bank from time to time under the provisions of the Companies Act, 2013 and the Listing Regulations and in pursuance of the directives of Reserve Bank of India.
b) "**Associate company**" in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.
c) "**Arm Length Price**" means the price between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest and as defined in Section 188 of the Act.
d) "**Joint venture**" means a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control.
e) "**Material related party transaction**" A transaction with a related party shall be considered material if *the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower..*

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

f) **"Related Party"** shall mean a person or entity that is related to the company as defined under Section 2(76) of the Companies Act, 2013 read with Regulation 2(1)(zb) of the SEBI (LODR) Regulations, 2015 & Accounting Standard 18 as reproduced hereunder:

- Section 2(76) of the Companies Act, 2013

  A related party, with reference to a company, means—

  i) a director or his relative;

  ii) a key managerial personnel or his relative;

  iii) a firm, in which a director, manager or his relative is a partner;

  iv) a private company in which a director or manager is a member or director;

  v) a public company in which a director or manager is a director or holds along with his relatives, more than two per cent of its paid-up share capital;

  vi) any body corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;

  vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:

  Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

  viii) any company which is —

  (A) a holding, subsidiary or an associate company of such company; or

  (B) a subsidiary of a holding company to which it is also a subsidiary;

  ix) such other person as may be prescribed;

- Regulation 2(1)(zb) SEBI(LODR) Regulation 2015

  "Related party" means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

  Provided that:

  (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or

  (b) any person or any entity, holding equity shares:

  (i) of twenty per cent or more; or

  (ii) of ten per cent or more, with effect from April 1, 2023;

in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year;
shall be deemed to be a related party

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

- Accounting Standard 18

  Related party - parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

g) "**Related Party Transaction**" *means a transaction involving a transfer of resources, services or obligations between:*
(i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
(ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023;
regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract:
Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);"

h) "**Key Managerial Personnel**" shall have the same meaning as defined under Section 2(51) of the Companies Act, 2013

i) "**Relative**" means relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if -

   i. They are members of a Hindu undivided family;
   ii. They are husband and wife; or
   iii. Father (including step-father)
   iv. Mother (including step-mother)
   v. Son (including step-son)
   vi. Son's wife
   vii. Daughter
   viii. Daughter's husband
   ix. Brother (including step-brother)
   x. Sister (including step-sister)

j) “**Subsidiary company**” or “subsidiary”, in relation to any other company (that is to say the holding company), means a company in which the holding company:
   i. Controls the composition of the Board of Directors; or
   ii. Exercises or controls more than one-half of the total share capital either at its own or together with one or more of its subsidiary companies.
   iii. Explanation. For the purposes of this clause:
      a. a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company
      b. the composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;
      c. the expression “company” includes any body corporate;
      d. “layer” in relation to a holding company means its subsidiary or subsidiaries;

k) “**Significant influence**” means control of at least twenty per cent of total share capital, or of business decisions under an agreement

l) “**Turnover**” has been defined as the aggregate value of the realization of amount made from sale, supply or distribution of goods or on account of services rendered, or both, by the company during a financial year. Accordingly, for the Bank, the ‘turnover' is considered as the ‘Total Income', i.e., total of interest income and other income.

m) “**Total share capital**” means the aggregate of the paid-up equity share capital of the Bank.

n) **Material Modifications:** “Material modifications in relation to a related party transaction means;
   i) any amendment or waiver, or something supplementing to the existing transaction.
   ii) a change in actuarial value.
   iii) any amendment, waiver, consent or any modification or supplement or inaction in relation to any specific document.”

4. APPROVAL OF RELATED PARTY TRANSACTIONS (Audit Committee)

All the transactions of the Bank which are identified as related party transactions and subsequent material modifications should be pre-approved by the independent directors of Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval. The Audit Committee shall after considering the materials placed before them also judge if the transaction is in the ordinary course of business and meets the arm's length price requirements.

Provided further that a related party transaction to which the subsidiary of a Bank is a party but the Bank itself is not a party, shall require prior approval of the audit committee of the Bank if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Bank.

However, with effect from April 1, 2023, a related party transaction to which the subsidiary of a Bank is a party but the Bank itself is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

Any member of the Committee who has a potential interest in any related party transaction will rescue himself and abstain from discussion and voting on the approval of the related party transaction. A related party transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board of Directors or of shareholders as discussed subsequently.

The Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Bank subject to such conditions as may be prescribed.

Audit Committee shall review, on a quarterly basis, the details of related party transactions, if any, entered into by the Bank pursuant to the omnibus approval. In connection with any review of a related party transaction, the Committee has authority to modify or waive any procedural requirements of this policy.

A related party transaction entered into by the Bank, which is not under the omnibus approval or otherwise pre-approved by the Committee, will be placed before the Committee for ratification.

5. APPROVAL OF RELATED PARTY TRANSACTIONS (Board of Directors)

In case any related party transactions are referred by the Bank to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any related party transaction will rescue himself and abstain from discussion and voting on the approval of the related party transaction.

6. APPROVAL OF RELATED PARTY TRANSACTIONS (Shareholders)

If a related party transaction is (i) a material transaction and subsequent material modifications or (ii) not in the ordinary course of business or not at arm's length price and exceeds thresholds prescribed under the Companies Act, 2013, it shall require shareholders' approval by way of ordinary resolution. In such a case, any member of the Bank who is a related party, shall not vote on resolution passed for approving such related party transaction.

7. TYPE OF RELATED PARTY TRANSACTIONS TO BE COVERED

In line with the Companies Act, 2013, read with Listing Regulation and RBI Master Circular DBOD.BP.BC.No.8/21.04.018/2014-15 dated July 1, 2014- Disclosure in Financial Statements - Notes to Accounts (Accounting Standard 18), the following transactions will be covered such as:

i. Borrowings
ii. Deposit
iii. Placement of deposits
iv. Advances
v. Investments
vi. Non-funded commitments
vii. Leasing/HP arrangements availed
viii. Leasing/HP arrangements provided
ix. Purchase of fixed assets
x. Sale of fixed assets
xi. Interest paid
xii. Interest received
xiii. Rendering of services
xiv. Receiving of services
xv. Management contracts

8. DISCLOSURES AND REPORTING

a) In compliance to the Listing Regulations, the policy will be posted on the Bank's website and the necessary disclosure about the Policy will also be made in the Annual Report of the Bank as per requirements of RBI circular and Schedule V of the SEBI (LODR) Regulations, 2015 (Attached as Annexure 1 & 2 respectively).
b) The Bank shall disclose the details of all material Related Party Transactions on a quarterly basis along with the compliance report on corporate

governance filed with the stock exchanges under Regulation 27 of the Listing Regulations.

c) The Bank shall submit disclosures of related party transactions per the periodicity mentioned in SEBI Regulations, 2015.

9. OWNERSHIP & REVIEW OF THE POLICY

The policy shall be reviewed at least once every three years by the Board upon the recommendations of the Audit Committee of the Board. The Board Secretariat shall be responsible for placing the review of the Policy before the ACB and the Board. Approved revised Policy & Guidelines will remain in force till next review. In case of exigencies and to be in line with regulatory / statutory guidelines the Managing Director is empowered to approve changes /modifications/ amendments/ relaxations/exemptions, if any, required to be made in the policy and same will be placed before the Board for ratification.

Any guideline(s) issued by Regulator/s with regard to Related party transactions and / or any other matter dealt with by this Policy shall be deemed to be part & parcel of this policy for operational purpose with immediate effect.

Annexures 1 & 2

Annexure 1: RBI Circular

Annexure 2: Schedule V of the SEBI (LODR) Regulations, 2015

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www.jkbank.com

भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

www.rbi.org.in

RBI/2014-15/60

DBOD.BP.BC No.8/21.04.018/2014-15 **July 1, 2014**

The Chairmen/Chief Executives of
All Commercial Banks
(excluding RRBs)

Dear Sir,

Master Circular - Disclosure in Financial Statements - Notes to Accounts

Please refer to the Master Circular DBOD.BP. BC.No.7/21.04.018/2013-14 dated July 1, 2013 consolidating all operative instructions issued to banks till June 30, 2013 on matters relating to disclosures in the 'Notes to Accounts' to the Financial Statements. The Master Circular has now been suitably updated by incorporating instructions issued upto June 30, 2014. The Master Circular has also been placed on the RBI web-site (http://www.rbi.org.in).

2. It may be noted that all relevant instructions on the above subject contained in the circulars listed in the Annex have been consolidated. In addition, disclosure requirements contained in "Master Circular on Basel III Capital Regulations" will be applicable.

Yours faithfully,

(Rajesh Verma)
Chief General Manager-in-Charge

बैंकिंग परिचालन और विकास विभाग, केंद्रीय कार्यालय, 12 वीं और 13 वीं मंजिल, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई -400 001
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Purpose

To provide a detailed guidance to banks in the matter of disclosures in the 'Notes to Accounts' to the Financial Statements.

Classification

A statutory guideline issued by the Reserve Bank of India under Section 35A of the Banking Regulation Act 1949.

Previous Guidelines superseded

Master Circular on 'Disclosure in Financial Statements – Notes to Accounts' issued vide DBOD.BP.BC No.7/21.04.018/2012-13 dated July 1, 2013.

Scope of application

To all scheduled commercial banks (excluding RRBs).

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1. Introduction

The users of the financial statements need information about the financial position and performance of the bank in making economic decisions. They are interested in its liquidity and solvency and the risks related to the assets and liabilities recognised on its balance sheet and to its off balance sheet items. In the interest of full and complete disclosure, some very useful information is better provided, or can only be provided, by notes to the financial statements. The use of notes and supplementary information provides the means to explain and document certain items, which are either presented in the financial statements or otherwise affect the financial position and performance of the reporting enterprise. Recently, a lot of attention has been paid to the issue of market discipline in the banking sector. Market discipline, however, works only if market participants have access to timely and reliable information, which enables them to assess banks' activities and the risks inherent in these activities. Enabling market discipline may have several benefits. Market discipline has been given due importance under Basel II framework on capital adequacy by recognizing it as one of its three Pillars.

2.1 Presentation

Summary of Significant Accounting Policies' and 'Notes to Accounts' may be shown under Schedule 17 and Schedule 18 respectively, to maintain uniformity.

2.2 Minimum Disclosures

At a minimum, the items listed in the circular should be disclosed in the 'Notes to Accounts'. Banks are also encouraged to make more comprehensive disclosures than the minimum required under the circular if they become significant and aid in the understanding of the financial position and performance of the bank. The disclosure listed is intended only to supplement, and not to replace, other disclosure requirements under relevant legislation or accounting and financial reporting standards. Where relevant, a bank should comply with such other disclosure requirements as applicable.

2.3 Summary of Significant Accounting Policies

Banks should disclose the accounting policies regarding key areas of operations at one place (under Schedule 17) along with Notes to Accounts in their financial statements. A suggestive list includes - Basis of Accounting, Transactions involving Foreign Exchange, Investments – Classification, Valuation, etc, Advances and Provisions thereon, Fixed

Assets and Depreciation, Revenue Recognition, Employee Benefits, Provision for Taxation, Net Profit, etc.

2.4 Disclosure Requirements

In order to encourage market discipline, Reserve Bank has over the years developed a set of disclosure requirements which allow the market participants to assess key pieces of information on capital adequacy, risk exposures, risk assessment processes and key business parameters which provide a consistent and understandable disclosure framework that enhances comparability. Banks are also required to comply with the Accounting Standard 1 (AS 1) on Disclosure of Accounting Policies issued by the Institute of Chartered Accountants of India (ICAI). The enhanced disclosures have been achieved through revision of Balance Sheet and Profit & Loss Account of banks and enlarging the scope of disclosures to be made in “Notes to Accounts”. In addition to the 16 detailed prescribed schedules to the balance sheet, banks are required to furnish the following information in the “Notes to Accounts”:

3.1 Capital

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Common Equity Tier 1 capital ratio (%)		
ii)	Tier 1 capital ratio (%)		
iii)	Tier 2 capital ratio (%)		
iv)	Total Capital ratio (CRAR) (%)		
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* PNCPS: PDI:		
viii)	Amount of Tier 2 capital raised; *of which* Debt capital instrument: Preference Share Capital Instruments: [*Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]*		

3.2 Investments

(Amount in ₹ crore)

Particulars	*Current Year*	*Previous Year*
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India		
(b) Outside India		
(ii) Provisions for Depreciation		
(a) In India		
(b) Outside India		
(iii) Net Value of Investments		
(a) In India		
(b) Outsid e 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		

3.2.1 Repo Transactions (in face value terms)

(Amount in ₹ crore)

	Minimum outstanding during the year	*Maximum outstanding during the year*	*Daily Average outstanding during the year*	*Outstanding as on March 31*
Securities sold under repo i. Government securities ii. Corporate debt securities				
Securities purchased under reverse repo i. Government securities ii. Corporate debt securities				

3.2.2. Non-SLR Investment Portfolio

i) <u>Issuer composition of Non SLR investments</u>

(Amount in ₹ crore)

No.	*Issuer*	*Amount*	*Extent of Private Placement*	*Extent of 'Below Investment Grade' Securities*	*Extent of 'Unrated' Securities*	*Extent of 'Unlisted' Securities*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs					
(ii)	FIs					
(iii)	Banks					
(iv)	Private Corporates					
(v)	Subsidiaries/ Joint Ventures					
(vi)	Others					
(vii)	Provision held towards depreciation		X X X	X X X	X X X	X X X
	Total *****					

Note: (1) * Total under column 3 should tally with the total of Investments included under the following categories in Schedule 8 to the balance sheet:

a) Shares
b) Debentures & Bonds
c) Subsidiaries/joint ventures
d) Others

(2) Amounts reported under columns 4, 5, 6 and 7 above may not be mutually exclusive.

ii) <u>Non performing Non-SLR investments</u>

(Amount in ₹ crore)

Particulars	
Opening balance	
Additions during the year since 1st April	
Reductions during the above period	
Closing balance	
Total provisions held	

3.2.3 Sale and Transfers to/ from HTM Category

If the value of sales and transfers of securities to / from HTM category exceeds 5 per cent of the book value of investments held in HTM category at the beginning of the year, bank should disclose the market value of the investments held in the HTM category and indicate the excess of book value over market value for which provision is not made. This disclosure is required to be made in 'Notes to Accounts' in banks' audited Annual Financial Statements. The 5 per cent threshold referred to above will exclude the one -

time transfer of securities to / from HTM category with the approval of Board of Directors permitted to be undertaken by banks at the beginning of the accounting year and sales to the Reserve Bank of India under pre-announced OMO auctions. Further, the repurchase of Government securities by Government of India from banks will also be excluded from the 5 per cent cap of HTM.

3.3 Derivatives

3.3.1 Forward Rate Agreement/ Interest Rate Swap

(Amount in ₹ crore)

	Particulars	*Current year*	*Previous year*
i)	The notional principal of swap agreements		
ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements		
iii)	Collateral required by the bank upon entering into swaps		
iv)	Concentration of credit risk arising from the swaps **$**		
v)	The fair value of the swap book @		

Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed.
$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.
@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the bank would receive or pay to terminate the swap agreements as on the balance sheet date. For a trading swap the fair value would be its mark to market value.

3.3.2 Exchange Traded Interest Rate Derivatives

(Amount in ₹ crore)

S.No.	*Particulars*	
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise) a) b) c)	
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March ….. (instrument-wise) a) b) c)	
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise) a) b) c)	
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise) a) b) c)	

3.3.3 Disclosures on risk exposure in derivatives

Qualitative Disclosure

Banks shall discuss their risk management policies pertaining to derivatives with particular reference to the extent to which derivatives are used, the associated risks and business purposes served. The discussion shall also include:

a) the structure and organization for management of risk in derivatives trading,
b) the scope and nature of risk measurement, risk reporting and risk monitoring systems,
c) policies for hedging and/ or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants, and
d) accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation.

Quantitative Disclosures

(Amount in ₹ crore)

Sl. No	*Particular*	*Currency Derivatives*	*Interest rate derivatives*
(i)	Derivatives (Notional Principal Amount)		
	a) For hedging		
	b) For trading		
(ii)	Marked to Market Positions [1]		
	a) Asset (+)		
	b) Liability (-)		
(iii)	Credit Exposure [2]		
(iv)	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives		
	b) on trading derivatives		
(v)	Maximum and Minimum of 100*PV01 observed during the year		
	a) on hedging		
	b) on trading		

3.4 Asset Quality

3.4.1 Non-Performing Assets

(Amount in ₹ crore)

Particulars	*Current Year*	*Previous Year*
(i) Net NPAs to Net Advances (%)		
(ii) Movement of NPAs (Gross)		
(a) Opening balance		
(b) Additions during the year		
(c) Reductions during the year		
(d) Closing balance		
(iii) Movement of Net NPAs		
(a) Opening balance		
(b) Additions during the year		
(c) Reductions during the year		
(d) Closing balance		
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance		
(b) Provisions made during the year		
(c) Write-off/ write-back of excess provisions		
(d) Closing balance		

3.4.2 Particulars of Accounts Restructured

(Amount in ₹ crore)

Sl No	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification →		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details ↓																					
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers																				
		Amount outstanding																				
		Provision thereon																				

Sl No	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification → Details ↓		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
2	Fresh restructuring during the year	No. of borrowers																				
		Amount outstanding																				
		Provision thereon																				
3	Upgradations to restructured standard category during the FY	No. of borrowers																				
		Amount outstanding																				
		Provision thereon																				
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers																				
		Amount outstanding																				
		Provision thereon																				
5	Downgradations of restructured accounts during the FY	No. of borrowers																				
		Amount outstanding																				
		Provision thereon																				
6	Write-offs of restructured accounts during the FY	No. of borrowers																				
		Amount outstanding																				
7	Restructured Accounts as on March 31 of the FY (closing	No. of borrowers																				
		Amount outstanding																				

Sl No	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification →		Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
	Details ↓																					
	figures*)	Provision thereon																				

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

For the purpose of disclosure in the above Format, the following instructions are required to be followed:

(i) Advances restructured under CDR Mechanism, SME Debt Restructuring Mechanism and other categories of restructuring should be shown separately.

(ii) Under each of the above categories, restructured advances under their present asset classification, i.e. standard, sub-standard, doubtful and loss should be shown separately.

(iii) Under the 'standard' restructured accounts; accounts, which have objective evidence of no longer having inherent credit weakness, need not be disclosed. For this purpose, an objective criteria for accounts not having inherent credit weakness is discussed below :

(a) As regards restructured accounts classified as standard advances, in view of the inherent credit weakness in such accounts, banks are required to make a general provision higher than what is required for otherwise standard accounts in the first two years from the date of restructuring. In case of moratorium on payment of interest / principal after restructuring, such advances attract the higher general provision for the period covering moratorium and two years thereafter.

(b) Further, restructured standard unrated corporate exposures and housing loans are also subjected to an additional risk weight of 25 percentage point with a view to reflect the higher element of inherent risk which may be latent in such entities (cf. paragraph 5.8.3 of circular DBOD.No.BP.BC. 90/20.06.001/2006-07 dated April 27, 2007 on 'Prudential Guidelines on Capital Adequacy and Market Discipline - Implementation of the New Capital Adequacy Framework' and paragraph 4 of circular DBOD.No.BP. BC.76/21.04.0132/2008-09 dated November 3, 2008 on 'Prudential Guidelines on Restructuring of Advances by Banks' respectively).

(c) The aforementioned [(a) and (b)] additional / higher provision and risk weight cease to be applicable after the prescribed period if the performance is as per the rescheduled programme. However, the diminution in the fair value will have to be assessed on each balance sheet date and provision should be made as required.

(d) Restructured accounts classified as sub-standard and doubtful (non-performing) advances, when upgraded to standard category also attract a general provision higher than what is required for otherwise standard accounts for the first year from the date of up-gradation, in terms of extant guidelines on provisioning requirement of restructured accounts. This higher provision ceases to be applicable after one year from the date of upgradation if the performance of the account is as per the rescheduled programme. However, the diminution in the fair value will have to be assessed on each balance sheet date and provision made as required.

(e) Once the higher provisions and / or risk weights (if applicable and as prescribed from time to time by RBI) on restructured standard advances revert to the normal level on account of satisfactory performance during the prescribed periods as indicated above, such advances, henceforth, would no longer be required to be disclosed by banks as restructured standard accounts in the "Notes on Accounts" in their Annual Balance Sheets. However, banks should keep an internal record of such restructured accounts till the provisions for diminution in fair value of such accounts are maintained.

(iv) Disclosures should also indicate the intra category movements both on upgradation of restructured NPA accounts as well as on slippage. These disclosures would show the movement in restructured accounts during the financial year on account of addition, upgradation, downgradation, write off, etc.

(v) While disclosing the position of restructured accounts, banks must disclose the total amount outstanding in all the accounts / facilities of borrowers whose accounts have been restructured along with the restructured part or facility. This means that even if only one of the facilities / accounts of a borrower has been restructured, the bank should also disclose the entire outstanding amount pertaining to all the facilities / accounts of that particular borrower.

(vi) Upgradation during the year (Sl No. 3 in the Disclosure Format) means movement of 'restructured NPA' accounts to 'standard asset classification from substandard or doubtful category' as the case may be. These will attract higher provisioning and / or risk weight' during the 'prescribed period' as prescribed from time to time. Movement from one category into another will be indicated by a (-) and a (+) sign respectively in the relevant category.

(vii) Movement of Restructured standard advances (Sr. No. 4 in the Disclosure Format) out of the category into normal standard advances will be indicated by a (-) sign in the column "Standard".

(viii) Downgradation from one category to another would be indicated by (-) ve and (+) ve sign in the relevant categories.

(ix) Upgradation, downgradation and write-offs are from their existing asset classifications.

(x) All disclosures are on the basis of current asset classification and not 'pre-restructuring' asset classification.

(xi) Additional/fresh sanctions made to an existing restructured account can be shown under Sr. No. 2 'Fresh Restructuring during the year' with a footnote stating that the figures under Sr. No.2 include Rs. xxx crore of fresh/additional sanction (number of accounts and provision thereto also) to existing restructured accounts. Similarly, reductions in the quantity of restructured accounts can be shown under Sr.No. 6 'write-offs of restructured accounts during the year' with a footnote stating that that it includes Rs. xxx crore (no. of accounts and provision thereto also) of reduction from existing restructured accounts by way of sale / recovery.

(xii) Closing balance as on March 31st of a FY should tally arithmetically with opening balance as on April 1st of the FY + Fresh Restructuring during the year including additional /fresh sanctions to existing restructured accounts + Adjustments for movement across asset categories – Restructured standard advances which cease to attract higher risk weight and/or provision – reductions due to write-offs/sale/recovery, etc. However, if due to some unforeseen/ any other reason, arithmetical accuracy is not achieved, then the difference should be reconciled and explained by way of a foot-note.

3.4.3 Details of financial assets sold to Securitisation/ Reconstruction Company for Asset Reconstruction

(Amount in ₹ crore)

Particulars	*Current year*	*Previous Year*
(i) No. of accounts		
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC		
(iii) Aggregate consideration		
(iv) Additional consideration realized in respect of accounts transferred in earlier years		
(v) Aggregate gain/loss over net book value		

3.4.4 Details of non-performing financial assets purchased/sold

Banks which purchase non-performing financial assets from other banks shall be required to make the following disclosures in the Notes to Accounts to their Balance sheets:

A. Details of non-performing financial assets purchased:

(Amount in ₹ crore)

Particulars	*Current year*	*Previous Year*
1. (a) No. of accounts purchased during the year		
(b) Aggregate outstanding		
2. (a) Of these, number of accounts restructured during the year		
(b) Aggregate outstanding		

B. Details of non-performing financial assets sold:

(Amount in ₹ crore)

Particulars	*Current year*	*Previous Year*
1. No. of accounts sold		
2. Aggregate outstanding		
3. Aggregate consideration received		

With a view to incentivising banks to recover appropriate value in respect of their NPAs promptly, henceforth, banks can reverse the excess provision on sale of NPA if the sale is for a value higher than the net book value (NBV) to its profit and loss account in the year the amounts are received. Further, as an incentive for early sale of NPAs, banks can spread over any shortfall, if the sale value is lower than the NBV, over a period of two years. This facility of spreading over the shortfall would however be available for NPAs sold up to March 31, 2015 and will be subject to necessary disclosures in the Notes to Account.

3.4.5 Provisions on Standard Assets

(Amount in ₹ crore)

Particulars	*Current year*	*Previous Year*
Provisions towards Standard Assets		

Note: Provisions towards Standard Assets need not be netted from gross advances but shown separately as 'Provisions against Standard Assets', under 'Other Liabilities and Provisions - Others' in Schedule No. 5 of the balance sheet.

3.5. Business Ratios

Particulars	*Current year*	*Previous Year*
(i) Interest Income as a percentage to Working Funds **$**		
(ii) Non-interest income as a percentage to Working Funds		
(iii) Operating Profit as a percentage to Working Funds **$**		
(iv) Return on Assets@		
(v) Business (Deposits plus advances) per employee # (₹ in crore)		
(vi) Profit per employee (₹ in crore)		

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

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

For the purpose of computation of business per employee (deposits plus advances) inter bank deposits may be excluded.

3.6 Asset Liability Management

<u>Maturity pattern of certain items of assets and liabilities</u>

(Amount in ₹ crore)

	Day 1	*2 to 7 days*	*8 to 14 days*	*15 to 28 days*	*29 days to 3 month*	*Over 3 month & up to 6 month*	*Over 6 Month & up to 1 year*	*Over 1 year & up to 3 years*	*Over 3 years & up to 5 years*	*Over 5 years*	*Total*
Deposits											
Advances											
Investments											
Borrowings											
Foreign Currency											

	Day 1	2 to 7 days	8 to 14 days	15 to 28 days	29 days to 3 month	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
assets											
Foreign Currency liabilities											

3.7 Exposures

3.7.1 Exposure to Real Estate Sector

(Amount in ₹ crore)

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

3.7.2 Exposure to Capital Market

(Amount in ₹ crore)

	Particulars	*Current year*	*Previous Year*
(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		

Particulars		*Current year*	*Previous Year*
	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)		
	Total Exposure to Capital Market		

For restructuring of dues in respect of listed companies, lenders may be ab initio compensated for their loss / sacrifice (diminution in fair value of account in net present value terms) by way of issuance of equities of the company upfront, subject to the extant regulations and statutory requirements. If such acquisition of equity shares results in exceeding the extant regulatory Capital Market Exposure (CME) limit, the same should be disclosed in the Notes to Accounts in the Annual Financial Statements.

3.7.3 Risk Category wise Country Exposure

(Amount in ₹ crore)

*Risk Category**	*Exposure (net) as at March… (Current Year)*	*Provision held as at March… (Current Year)*	*Exposure (net) as at March… (Previous Year)*	*Provision held as at March… (Previous Year)*
Insignificant				
Low				
Moderate				
High				
Very High				

Risk Category*	*Exposure (net) as at March… (Current Year)*	*Provision held as at March… (Current Year)*	*Exposure (net) as at March… (Previous Year)*	*Provision held as at March… (Previous Year)*
Restricted				
Off-credit				
Total				

*Till such time, as banks move over to internal rating systems, banks may use the seven category classification followed by Export Credit Guarantee Corporation of India Ltd. (ECGC) for the purpose of classification and making provisions for country risk exposures. ECGC shall provide to banks, on request, quarterly updates of their country classifications and shall also inform all banks in case of any sudden major changes in country classification in the interim period.

3.7.4 Details of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) exceeded by the bank.

The bank should make appropriate disclosure in the 'Notes to Account' to the annual financial statements in respect of the exposures where the bank had exceeded the prudential exposure limits during the year. The sanctioned limit or entire outstanding, whichever is high, shall be reckoned for arriving at exposure limit and for disclosure purpose.

3.7.5 Unsecured Advances

In order to enhance transparency and ensure correct reflection of the unsecured advances in Schedule 9 of the banks' balance sheet, it is advised as under:

a) For determining the amount of unsecured advances for reflecting in Schedule 9 of the published balance sheet, the rights, licenses, authorisations, etc., charged to the banks as collateral in respect of projects (including infrastructure projects) financed by them, should not be reckoned as tangible security. Hence such advances shall be reckoned as unsecured.

b) Banks should also disclose the total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral. The disclosure may be made under a separate head in "Notes to Accounts". This would differentiate such loans from other entirely unsecured loans.

3.8 Disclosure of Penalties imposed by RBI

At present, Reserve Bank is empowered to impose penalties on a commercial bank under the provision of Section 46 (4) of the Banking Regulation Act, 1949, for contraventions of any of the provisions of the Act or non- compliance with any other requirements of the Banking Regulation Act, 1949; order, rule or condition specified by

Reserve Bank under the Act. Consistent with the international best practices in disclosure of penalties imposed by the regulator, placing the details of the levy of penalty on a bank in public domain will be in the interests of the investors and depositors. Further, strictures or directions on the basis of inspection reports or other adverse findings should also be placed in the public domain. The penalty should also be disclosed in the "Notes to Accounts" to the Balance Sheet.

4. Disclosure Requirements as per Accounting Standards where RBI has issued guidelines in respect of disclosure items for 'Notes to Accounts':

4.1 Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in accounting policies.

Since the format of the profit and loss account of banks prescribed in Form B under Third Schedule to the Banking Regulation Act 1949 does not specifically provide for disclosure of the impact of prior period items on the current year's profit and loss, such disclosures, wherever warranted, may be made in the 'Notes to Accounts' to the balance sheet of banks.

4.2 Accounting Standard 9 – Revenue Recognition

This Standard requires that in addition to the disclosures required by Accounting Standard 1 on 'Disclosure of Accounting Policies' (AS 1), an enterprise should also disclose the circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

4.3 Accounting Standard 15 – Employee Benefits

Banks may follow the disclosure requirements prescribed under AS 15 (revised) on 'Employees Benefits' issued by ICAI.

4.4 Accounting Standard 17 – Segment Reporting

While complying with the above Accounting Standard, banks are required to adopt the following:

a) The business segment should ordinarily be considered as the primary reporting format and geographical segment would be the secondary reporting format.
b) The business segments will be 'Treasury', 'Corporate/Wholesale Banking', 'Retail Banking' and 'Other banking operations'.
c) 'Domestic' and 'International' segments will be the geographic segments for disclosure.

d) Banks may adopt their own methods, on a reasonable and consistent basis, for allocation of expenditure among the segments.

<u>Accounting Standard 17 - Format for disclosure under segment reporting</u>

Part A: Business segments

(Amounts in ₹ crore)

Business Segments →	Treasury		Corporate /Wholesale Banking		Retail Banking		Other Banking Operations		Total	
Particulars ↓	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue										
Result										
Unallocated expenses										
Operating profit										
Income taxes										
Extraordinary profit/ loss										
Net profit										
Other information:										
Segment assets										
Unallocated assets										
Total assets										
Segment liabilities										
Unallocated liabilities										
Total liabilities										

Note: No disclosure need be made in the shaded portion

Part B: Geographic segments

(Amount in ₹ crore)

	Domestic		*International*		*Total*	
	Current Year	*Previous Year*	*Current Year*	*Previous Year*	*Current Year*	*Previous Year*
Revenue						
Assets						

4.5 Accounting Standard 18 – Related Party Disclosures

This Standard is applied in reporting related party relationships and transactions between a reporting enterprise and its related parties. The illustrative disclosure format recommended by the ICAI as a part of General Clarification (GC) 2/ 2002 has been suitably modified to suit banks. The illustrative format of disclosure by banks for the AS 18 is furnished below:

Accounting Standard 18 - Format for Related Party Disclosures

The manner of disclosu res required by paragraphs 23 and 26 of AS 18 is illustr ated below. It may be noted that the format is merely illustrative and is not exhaustive.

(Amount in ₹ crore)

Items/Related Party	*Parent (as per ownership or control)*	*Subsidiaries*	*Associates / Joint ventures*	*Key Manageme nt Personnel @*	*Relatives of Key Management Personnel*	*Total*
Borrowings #						
Deposit#						
Placement of deposits #						
Advances #						
Investments#						
Non-funded commitments#						
Leasing/HP arrangements availed #						
Leasing/HP arrangements provided #						
Purchase of fixed assets						
Sale of fixed assets						
Interest paid						
Interest received						
Rendering of services *						
Receiving of services *						
Management contracts*						

Note: Where there is only one entity in any category of related party, banks need not disclose any details pertaining to that related party other than the relationship with that related party

* Contract services etc. and not services like remittance facilities, locker facilities etc.

@ Whole time directors of the Board and CEOs of the branches of foreign banks in India.

\# The outstanding at the year-end and the maximum during the year are to be disclosed.

Illustrative disclosure of names of the related parties and their relationship with the bank

1. Parent A Ltd
2. Subsidiaries B Ltd and C Ltd
3. Associates P Ltd, Q Ltd and R Ltd
4. Jointly controlled entity L Ltd
5. Key Management Personnel Mr.M and Mr.N
6. Relatives of Key Management Personnel Mr.D and Mr.E

4.6 Accounting Standard 21 – Consolidated Financial Statements (CFS)

As regards disclosures in the 'Notes to Accounts' to the Consolidated Financial Statements, banks may be guided by general clarifications issued by Institute of Chartered Accountants of India from time to time.

A parent company, presenting the CFS, should consolidate the financial statements of all subsidiaries - domestic as well as foreign, except those specifically permitted to be excluded under the AS-21. The reasons for not consolidating a subsidiary should be disclosed in the CFS. The responsibility of determining whether a particular entity should be included or not for consolidation would be that of the Management of the parent entity. In case, its Statutory Auditors are of the opinion that an entity, which ought to have been consolidated, has been omitted, they should incorporate their comments in this regard in the "Auditors Report".

4.7 Accounting Standard 22 – Accounting for Taxes on Income

This Standard is applied in accounting for taxes on income. This includes the determination of the amount of the expense or saving related to taxes on income in respect of an accounting period and the disclosure of such an amount in the financial statements. Adoption of AS 22 may give rise to creation of either a deferred tax asset (DTA) or a deferred tax liability (DTL) in the books of accounts of banks and creation of DTA or DTL would give rise to certain issues which have a bearing on the computation of capital adequacy ratio and banks' ability to declare dividends. In this regard it is clarified as under:

- DTL created by debit to opening balance of Revenue Reserves on the first day of application of the Accounting Standards 22 or to Profit and Loss account for the current year should be included under item (vi) 'others (including provisions)' of Schedule 5 - 'Other Liabilities and Provisions' in the balance sheet. The balance in DTL account will not be eligible for inclusion in Tier I or Tier II capital for capital adequacy purpose as it is not an eligible item of capital.

- DTA created by credit to opening balance of Revenue Reserves on the first day of application of Accounting Standards 22 or to Profit and Loss account for the current year should be included under item (vi) 'others' of Schedule 11 'Other Assets' in the balance sheet.

- The DTA computed as under should be deducted from Tier I capital:
    i) DTA associated with accumulated losses; and

ii) The DTA (excluding DTA associated with accumulated losses), net of DTL. Where DTL is in excess of the DTA (excluding DTA associated with accumulated losses), the excess shall neither be adjusted against item (i) nor added to Tier I capital.

The matter regarding creation of DTL on Special Reserve under Section 36(1) (viii) (hereinafter referred to as Special Reserve) of the Income Tax Act, 1961 was examined and banks were advised that, as a matter of prudence, DTL should be created on such Special Reserve. If the expenditure due to the creation of DTL on Special Reserve as at March 31, 2013 has not been fully charged to the Profit and Loss account, banks may adjust the same directly from Reserves. The amount so adjusted may be appropriately disclosed in the Notes to Accounts of the financial statements for the financial year 2013-14. DTL for amounts transferred to Special Reserve from the year ending March 31, 2014 onwards should be charged to the Profit and Loss Account of that year.

4.8 Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements

This Accounting Standard sets out principles and procedures for recognising, in the consolidated financial statements, the effects of the investments in associates on the financial position and operating results of a group. A bank may acquire more than 20% of voting power in the borrower entity in satisfaction of its advances and it may be able to demonstrate that it does not have the power to exercise significant influence since the rights exercised by it are protective in nature and not participative. In such a circumstance, such investment may not be treated as investment in associate under this Accounting Standard. Hence the test should not be merely the proportion of investment but the intention to acquire the power to exercise significant influence.

4.9 Accounting Standard 24 – Discontinuing Operations

Merger/ closure of branches of banks by transferring the assets/ liabilities to the other branches of the same bank may not be deemed as a discontinuing operation and hence this Accounting Standard will not be applicable to merger / closure of branches of banks by transferring the assets/ liabilities to the other branches of the same bank.

Disclosures would be required under the Standard only when:

a) discontinuing of the operation has resulted in shedding of liability and realisation of the assets by the bank or

   decision to discontinue an operation which will have the above effect has been finalised by the bank and

b) the discontinued operation is substantial in its entirety.

4.10 Accounting Standard 25 – Interim Financial Reporting

The half yearly review prescribed by RBI for public sector banks, in consultation with SEBI, vide circular DBS. ARS. No. BC 13/ 08.91.001/ 2000-01 dated 17th May 2001 is extended to all banks (both listed and unlisted) with a view to ensure uniformity in disclosures. Banks may also refer to circulars DBS.ARS.No.BC.4/08.91.001/2001-02 dated October 25, 2001 and DBS.ARS.No.BC.17/08.91.001/2002-03 dated June 5, 2003 and adopt the format prescribed by the RBI for the purpose.

4.11 Other Accounting Standards

Banks are required to comply with the disclosure norms stipulated under the various Accounting Standards issued by the Institute of Chartered Accountants of India.

5. Additional Disclosures

5.1 Provisions and Contingencies

To facilitate easy reading of the financial statements and to make the information on all Provisions and Contingencies available at one place, banks are required to disclose in the 'Notes to Accounts' the following information:

(Amount in ₹ crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	*Current Year*	*Previous Year*
Provisions for depreciation on Investment Provision towards NPA Provision made towards Income tax Other Provision and Contingencies (with details)		

5.2 Floating Provisions

Banks should make comprehensive disclosures on floating provisions in the "Notes to Accounts" to the balance sheet as follows:

(Amount in ₹ crore)

Particulars	*Current year*	*Previous year*
(a) Opening balance in the floating provisions account (b) The quantum of floating provisions made in the accounting year (c) Amount of draw down made during the accounting year (d) Closing balance in the floating provisions account		

Note: The purpose of draw down made during the accounting year may be mentioned

5.3 Draw Down from Reserves

Suitable disclosures are to be made regarding any draw down of reserves in the 'Notes to Accounts' to the Balance Sheet.

5.4 Disclosure of complaints

Banks are also advised to disclose the following brief details along with their financial results.

A. Customer Complaints

(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	

B. Awards passed by the Banking Ombudsman

(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	

It is clarified that banks should include all customer complaints pertaining to Automated Teller Machine (ATM) cards issued by them in the disclosure format specified above. Where the card issuing bank can specifically attribute ATM related customer complaints to the acquiring bank, the same may be clarified by way of a note after including the same in the total number of complaints received.

5.5 Disclosure of Letters of Comfort (LoCs) issued by banks

Banks should disclose full particulars of all the Letters of Comfort (LoCs) issued by them during the year, including their assessed financial impact, as also their assessed cumulative financial obligations under the LoCs issued by them in the past and outstanding, in its published financial statements, as part of the 'Notes to Accounts".

5.6 Provisioning Coverage Ratio (PCR)

The PCR (ratio of provisioning to gross non-performing assets) should be disclosed in the Notes to Accounts to the Balance Sheet.

5.7 Bancassurance Business

Banks should disclose in the 'Notes to Accounts', from the year ending March 31, 2010, the details of fees/remuneration received in respect of the bancassurance business undertaken by them.

5.8 Concentration of Deposits, Advances, Exposures and NPAs

5.8.1 Concentration of Deposits

(Amount in ₹ crore)

Total Deposits of twenty largest depositors	
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	

5.8.2 Concentration of Advances*

(Amount in ₹ crore)

Total Advances to twenty largest borrowers	
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	

*Advances should be computed as per definition of Credit Exposure including derivatives furnished in our Master Circular on Exposure Norms.

5.8.3 Concentration of Exposures**

(Amount in ₹ crore)

Total Exposure to twenty largest borrowers/customers	
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	

**Exposures should be computed based on credit and investment exposure as prescribed in our Master Circular on Exposure Norms.

5.8.4 Concentration of NPAs

(Amount in ₹ crore)

Total Exposure to top four NPA accounts	

5.9 Sector-wise advances

(Amounts in ₹ crore)

Sl. No.	Sector*	Current year			Previous year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities						
2	Advances to industries sector eligible as priority sector lending						
3	Services						
4	Personal loans						
	Sub-total (A)						
B	Non Priority Sector						
1	Agriculture and allied activities						
2	Industry						
3	Services						
4	Personal loans						
	Sub-total (B)						
	Total (A+B)						

**Banks may also disclose in the format above, sub sectors where the outstanding advances exceeds 10 percent of the outstanding total advances to that sector. For instance, if a bank's outstanding advances to the mining industry exceed 10 percent of the outstanding total advances to 'Industry' sector it should disclose details of its outstanding advances to mining separately in the format above under the 'Industry' sector.*

5.10 Movement of NPAs

(Amount in ₹ crore)

Particulars	Current year	Previous year
Gross NPAs[1] as on April 1 of particular year (Opening Balance)		
Additions (Fresh NPAs) during the year		
Sub-total (A)		
Less :-		
(i) Upgradations		

[1] Gross NPAs as per item 2 of Annex to DBOD Circular DBOD.BP.BC.No.46/21.04.048/2009-10 dated September 24, 2009 which specified a uniform method to compute Gross Advances, Net Advances, Gross NPAs and Net NPAs.

(ii) Recoveries (excluding recoveries made from upgraded accounts)		
(iii) Technical/Prudential[2] Write-offs		
(iv) Write-offs other than those under (iii) above		
Sub-total (B)		
Gross NPAs as on 31st March of following year (closing balance) (A-B)		

Further, banks should disclose the stock of technical write-offs and the recoveries made thereon as per the format below:

(Amount in ₹ crore)

Particulars	Current year	Previous year
Opening balance of Technical / Prudential written-off accounts as at April 1		
Add : Technical / Prudential write-offs during the year		
Sub-total (A)		
Less : Recoveries made from previously technical / prudential written-off accounts during the year (B)		
Closing balance as at March 31 (A-B)		

5.11 Overseas Assets, NPAs and Revenue

(Amount in ₹ crore)

Particulars	
Total Assets	
Total NPAs	
Total Revenue	

5.12 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	**Overseas**

[2] Technical or prudential write-off is the amount of non-performing loans which are outstanding in the books of the branches, but have been written-off (fully or partially) at Head Office level. Amount of Technical write-off should be certified by statutory auditors. (Defined in our circular reference DBOD.No.BP.BC.64/21.04.048/2009-10 dated December 1, 2009 on Provisioning Coverage for Advances)

5.13 Unamortised Pension and Gratuity Liabilities

Appropriate disclosures of the accounting policy followed in regard to amortization of pension and gratuity expenditure may be made in the Notes to Accounts to the financial statements.

5.14 Disclosures on Remuneration

In terms of Compensation Guidelines, private sector banks and foreign banks (to the extent applicable), are advised to disclose the following information in their notes to accounts.

Qualitative disclosures	(a)	Information relating to the composition and mandate of the Remuneration Committee.
	(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.
	(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.
	(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.
	(e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.
	(f)	Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.

			Current Year	Previous Year
Quantitative disclosures (The quantitative disclosures should only cover Whole Time	(g)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.		
	(h)	(i) Number of employees having		

			Current Year	Previous Year
Directors / Chief Executive Officer/ Other Risk Takers)		received a variable remuneration award during the financial year. (ii) Number and total amount of sign-on awards made during the financial year. (iii) Details of guaranteed bonus, if any, paid as joining / sign on bonus (iv) Details of severance pay, in addition to accrued benefits, if any.		
	(i)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. (ii) Total amount of deferred remuneration paid out in the financial year.		
	(j)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.		
	(k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments. (ii) Total amount of reductions during the financial year due to ex- post explicit adjustments. (iii) Total amount of reductions during the financial year due to ex- post implicit adjustments.		

5.15 Disclosures relating to Securitisation

The Notes to Accounts of the originating banks should indicate the outstanding amount of securitised assets as per books of the SPVs sponsored by the bank and total amount of exposures retained by the bank as on the date of balance sheet to comply with the Minimum Retention Requirements (MRR). These figures should be based on the information duly certified by the SPV's auditors obtained by the originating bank from the SPV. These disclosures should be made in the format given below.

S. No.	Particulars	No. / Amount in ₹ crore
1.	No of SPVs sponsored by the bank for securitisation transactions*	
2.	Total amount of securitised assets as per books of the SPVs sponsored by the bank	
3.	Total amount of exposures retained by the bank to comply with MRR as on the date of balance sheet	
	a) Off-balance sheet exposures	
	First loss	
	Others	
	b) On-balance sheet exposures	
	First loss	
	Others	
4	Amount of exposures to securitisation transactions other than MRR	
	a) Off-balance sheet exposures	
	i) Exposure to own securitizations	
	First loss	
	Loss	
	ii) Exposure to third party securitisations	
	First loss	
	Others	
	b) On-balance sheet exposures	
	i) Exposure to own securitisations	
	First loss	
	Others	
	ii) Exposure to third party securitisations	
	First loss	
	Others	

*Only the SPVs relating to outstanding securitisation transactions may be reported here

5.16 Credit Default Swaps

Banks using a proprietary model for pricing CDS, shall disclose both the proprietary model price and the standard model price in terms of extant guidelines in the Notes to the Accounts and should also include an explanation of the rationale behind using a particular model over another.

5.17 Intra-Group Exposures

With the developments of financial markets in India, banks have increasingly expanded their presence in permitted financial activities through entities that are owned by them fully or partly. As a result, banks' exposure to the group entities has increased and may rise further going forward. In order to ensure transparency in their dealings with group entities, banks should make the following disclosures:

(a) Total amount of intra-group exposures
(b) Total amount of top-20 intra-group exposures
(c) Percentage of intra-group exposures to total exposure of the bank on borrowers / customers
(d) Details of breach of limits on intra-group exposures and regulatory action thereon, if any.

5.18 Transfers to Depositor Education and Awareness Fund (DEAF)

Unclaimed liabilities where amount due has been transferred to DEAF may be reflected as "Contingent Liability - Others, items for which the bank is contingently liable" under Schedule 12 of the annual financial statements. Banks are also advised to disclose the amounts transferred to DEAF under the notes to accounts as per the format given below.

(Amount in ₹ crore)

Particulars	Current year	Previous year
Opening balance of amounts transferred to DEAF		
Add : Amounts transferred to DEAF during the year		
Less : Amounts reimbursed by DEAF towards claims		
Closing balance of amounts transferred to DEAF		

5.19 Unhedged Foreign Currency Exposure

Banks should disclose their policies to manage currency induced credit risk as a part of financial statements certified by statutory auditors. In addition, banks should also disclose the incremental provisioning and capital held by them towards this risk.

6. Liquidity Coverage Ratio

6.1 Disclosure format

Banks are required to disclose information on their Liquidity Coverage Ratio (LCR) in their annual financial statements under Notes to Accounts, starting with the financial year ending March 31, 2015, for which the LCR related information needs to be furnished only for the quarter ending March 31, 2015. However, in subsequent annual financial statements, the disclosure should cover all the four quarters of the relevant financial year. The disclosure format is given below.

(All Amounts in ₹ crore)

		Current year		**Previous Year**	
		Total Unweighted[3] Value (average)	**Total Weighted[4] Value (average)**	**Total Unweighted[3] Value (average)**	**Total Weighted[4] Value (average)**
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)				
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:				
(i)	Stable deposits				
(ii)	Less stable deposits				
3	Unsecured wholesale funding, of which:				
(i)	Operational deposits (all counterparties)				
(ii)	Non-operational deposits (all counterparties)				
(iii)	Unsecured debt				
4	Secured wholesale funding				
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*				

[3] Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows) except where otherwise mentioned in the circular and LCR template.

[4] Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

		Current year		Previous Year	
		Total Unweighted[3] Value (average)	**Total Weighted[4] Value (average)**	**Total Unweighted[3] Value (average)**	**Total Weighted[4] Value (average)**
	facilities				
6	Other contractual funding obligations				
7	Other contingent funding obligations				
8	**Total Cash Outflows**				
Cash Inflows					
9	Secured lending (e.g. reverse repos)				
10	Inflows from fully performing exposures				
11	Other cash inflows				
12	**Total Cash Inflows**				
			Total Adjusted[5] Value		Total Adjusted Value
21	**TOTAL HQLA**				
22	**Total Net Cash Outflows**				
23	**Liquidity Coverage Ratio (%)**				
Note – Data to be entered only in blank and light grey cells					

Data must be presented as simple averages of monthly observations over the previous quarter (i.e. the average is calculated over a period of 90 days). However, with effect from the financial year ending March 31, 2017, the simple average should be calculated on daily observations. For most data items, both unweighted and weighted values of the LCR components must be disclosed as given in the disclosure format. The unweighted value of inflows and outflows is to be calculated as the outstanding balances of various categories or types of liabilities, off-balance sheet items or contractual receivables. The "weighted" value of HQLA is to be calculated as the value after haircuts are applied. The "weighted" value for inflows and outflows is to be calculated as the value after the inflow and outflow rates are applied. Total HQLA and total net cash outflows must be disclosed as the adjusted value, where the "adjusted" value of HQLA is the value of total HQLA after the application of both haircuts and any applicable caps on

[5] Adjusted values must be calculated after the application of both (i) haircuts and inflow and outflow rates *and* (ii) any applicable caps (i.e. cap on Level 2B and Level 2 assets for HQLA and cap on inflows).

Level 2B and Level 2 assets as indicated in this Framework. The adjusted value of net cash outflows is to be calculated after the cap on inflows is applied, if applicable.

6.2 Qualitative disclosure around LCR

In addition to the disclosures required by the format given above, banks should provide sufficient qualitative discussion (in their annual financial statements under Notes to Accounts) around the LCR to facilitate understanding of the results and data provided. For example, where significant to the LCR, banks could discuss:

(a) the main drivers of their LCR results and the evolution of the contribution of inputs to the LCR's calculation over time;

(b) intra-period changes as well as changes over time;

(c) the composition of HQLA;

(d) concentration of funding sources;

(e) derivative exposures and potential collateral calls;

(f) currency mismatch in the LCR;

(g) a description of the degree of centralisation of liquidity management and interaction between the group's units; and

(h) other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile.

Annex

List of Circulars consolidated by the Master Circular

No	Circular No.	Date	Relevant Para No of the circular	Subject	Para No of the Master Circular
1.	DBOD.No.BP.BC.91/C.686-91	Feb 28, 1991	All	Accounting Policies - Need for Disclosure in the Financial Statements of Banks	2
2.	DBOD.No.BP.BC.78/C.686-91	Feb 06, 1992	3,4	Revised Format of the Balance Sheet and Profit & Loss Account	2
3.	DBOD.No.BP.BC.59/21.04.048/97	May 21, 1997	1,2,3	Balance Sheets of Banks – Disclosures	3.1(i)(iv)(v);3.2.(1):3.4.1(i) 3.8
4.	DBOD.No.BP.BC.9/21.04.018/98	Jan 27, 1998	2	Balance Sheet of Banks – Disclosures	3.1(ii)(iii) 3.5(i) to (vi)
5.	DBOD.No.BP.BC.32/21.04.018/98	Apr 29, 1998	(ii)(a)(b)	Capital Adequacy-Disclosures in Balance Sheets	3.5(i) to (vi)
6.	DBOD.No.BP.BC.9/21.04.018/99	Feb 10, 1999	3,4	Balance Sheet of Banks - Disclosure of Information	3.4.1(ii)(iii); 3.6
7.	MPD.BC.187/07.01. 279/1999-2000	July 7, 1999	1,Annex 3 (v)	Forward Rate Agreements / Interest Rate Swaps	3.3.1
8.	DBOD.No.BP.BC.164/21.04.048/2000	Apr 24, 2000	3	Prudential Norms on Capital Adequacy, Income Recognition, Asset Classification and Provisioning etc.	3.4.5
9.	DBOD.BP.BC.27/21.04.137/2001	Sep 22, 2001	6	Bank Financing for Margin Trading	3.7.2 (ix)
10.	DBOD.BP.BC.38/21.04.018/2001-2002	Oct 27, 2001	2(i)(ii)	Monetary and Credit Policy Measures - Mid-Term Review for the year 2001-2002 - Balance Sheet Disclosures	3.2(2); 3.4.1(iv)

No	Circular No.	Date	Relevant Para No of the circular	Subject	Para No of the Master Circular
11.	DBOD.No.IBS.BC.65/23.10.015/2001-02	Feb 14, 2002	1,10	Subordinated Debt for Inclusion in Tier II Capital - Head Office Borrowings in Foreign Currency by Foreign Banks Operating in India	3.1 explanation
12.	DBOD.No.BP.BC.84/21.04.018/2001-02	Mar 27, 2002	2	Balance Sheet of Banks – Disclosure of Information	3.2(2)
13.	DBOD.BP.BC.71/21.04.103/2002-03	Feb 19, 2003	Annex 24 (a) (b)	Guidelines on Country Risk Management by banks in India	3.7.3
14.	DBOD.No.BP.BC.72/21.04.018/2001-02	Feb 25, 2003	16	Guidelines for Consolidated Accounting and Other Quantitative Methods to Facilitate Consolidated Supervision	4.6
15.	DBOD.No.BP.BC.89/21.04.018/2002-03	Mar 29, 2003	4.3.2, 5.1, 6.3.1, 7.3.2, 8.3.1	Guidelines on Compliance with Accounting Standards (AS) by Banks	4.1 to 4.5
16.	DBOD.No.BP.BC.96/21.04.048/2002-03	Apr 23, 2003	1, Annex 6	Guidelines on Sale of Financial Assets to SC/RC (Created under the SARFAESI Act, 2002) and Related Issues	3.4.3
17.	IDMC.MSRD.4801/06.01.03/200203	Jun 3, 2003	4(x)	Guidelines on Exchange Traded Interest Rate Derivatives	3.3.2
18.	DBOD.BP.BC.44/21.04.141/2003-04	Nov 12, 2003	Appendix 11 (4)	Prudential Guidelines on Banks' Investment in Non-SLR Securities	3.2.2
19.	DBOD.No.BP.BC.82/21.04.018/2003-04	Apr 30, 2004	4.3.2	Guidelines on compliance with Accounting Standards (AS) by banks	4.9
20.	DBOD.No.BP.BC.100/21.03.054/2003-04	Jun 21, 2004	2(v)	Annual Policy Statement for the year 2004-05 - Prudential Credit Exposure Limits by Banks	3.7.4

No	Circular No.	Date	Relevant Para No of the circular	Subject	Para No of the Master Circular
21.	DBOD.BP.BC.49/21.04.018/2004 -2005	Oct 19, 2004	5	Enhancement of Transparency on Bank's Affairs through Disclosure	3.8
22.	DBOD.No.BP.BC.72/21.04.018/2004-05	Mar 3, 2005	Annex	Disclosures on risk exposure in derivatives	3.3.3
23.	DBS.CO.PP.BC.21/11.01.005/2004-05	Jun 29, 2005	2. (a) (b)	Exposure to Real Estate Sector	3.7.1
24.	DBOD.NO.BP.BC.16/21.04.048/2005-06	Jul 13 2005	7	Guidelines on purchase/sale of Non Performing Assets	3.4.4
25.	DBOD.BP.BC.86/21.04.018/2005-06	May 29, 2006	3	Disclosure in Balance Sheets – Provisions and Contingencies	5.1
26.	DBOD.NO.BP.BC.89/21.04.048/2005-06	Jun 22, 2006	2.(iv)	Prudential norms on creation and utilisation of floating provisions	5.2
27.	DBOD.BP.BC.31/21.04.018/2006-07	Sep 20, 2006	3.(iii)	Section 17 (2) of Banking Regulation Act, 1949 – Appropriation from Reserve Fund	5.3
28.	DBOD.No.Dir.BC.47/13.07.05/2006-2007	Dec 15, 2006	2.1	Banks' exposure to Capital Markets – Rationalization of Norms	3.7.2
29.	DBOD.No.Leg BC.60/09.07.005/2006-07	Feb 22, 2007	3.	Analysis and Disclosure of complaints - Disclosure of complaints / unimplemented awards of Banking Ombudsmen along with Financial Results	5.4
30.	DBOD.No.BP.BC.81/21.04.018/2006-07	Apr18, 2007	4	Guidelines - Accounting Standard 17(Segment Reporting) – Enhancement of disclosures	4.4
31.	DBOD.No.BP.BC.90/20.06.001/2006-07	Apr 27, 2007	10	"Implementation of the New Capital Adequacy Framework"	

No	Circular No.	Date	Relevant Para No of the circular	Subject	Para No of the Master Circular
32.	DBOD No.BP.BC.65/21.04.009/2007-08	Mar 4, 2008	2.(iv)	Prudential Norms for Issuance of Letters of Comfort by Banks regarding their Subsidiaries	5.5
33.	DBOD.No.BP.BC.37/21.04.132/2008-09	Aug 27, 2008	Annex 3	Prudential Guidelines on Restructuring of Advances by Banks	3.4.2
34.	DBOD.No.BP.BC.124/21.04.132/2008-09	Apr 17, 2009	Annex	Prudential guidelines on restructuring of advances	3.4.2
35.	DBOD.No.BP.BC.125/21.04.048/2008-09	Apr 17, 2009	2	Prudential Norms on Unsecured Advances	3.7.5
36.	DBOD.No.BP.BC.64/21.04.048/2009-10	Dec 1, 2009	5	Second Quarter Review of Monetary Policy for the Year 2009-10 –Provisioning Coverage for Advances	5.6
37.	DBOD.No.FSD.BC.67/24.01.001/2009-10	Jan 7, 2010	2	Disclosure in Balance Sheet – Bancassurance Business	5.7
38.	DBOD.BP.BC.79/21.04.018/2009-10	Mar 15, 2010	Annex	Additional Disclosures by banks in Notes to Accounts	5.8, 5.10, 5.11, 5.12
39.	IDMD/4135/11.08.43/ 2009-10	Mar 23, 2010	9	Guidelines for Accounting of Repo / Reverse Repo Transactions	3.2.1
40.	DBOD.No.BP.BC.34/21.04.141/2010-11	Aug 6, 2010	3	Sale of Investments held under Held to Maturity (HTM) Category	3.2.3
41.	DBOD.No.BP.BC.56/21.04.141/2010-11	Nov 1, 2010	1	Sale of Investments held under Held to Maturity (HTM) Category	3.2.3

No	Circular No.	Date	Relevant Para No of the circular	Subject	Para No of the Master Circular
42.	DBOD.No.BP.BC.80/21.04.018/2010-11	Feb 9, 2011	4	Re-opening of Pension Option to Employees of Public Sector Banks and Enhancement in Gratuity Limits - Prudential Regulatory Treatment	5.13
43.	DBOD.No.BC.72/29.67.001/2011-12	Jan 13, 2012	B.3.2	Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Risk takers and Control function staff, etc.	5.14
44.	DBOD.No.BP.BC-103/21.04.177/2011-12	May 7, 2012	1.6.2	Revisions to the Guidelines on Securitisation Transactions	5.15
45.	IDMD.PCD. No. 5053/14.03.04/2010-11	May 23, 2011	2.14.3	Guidelines on Credit Default Swaps for Corporate Bonds	5.16
46.	DBOD.BP.BC.No.80/21.04.132/2012-13	Jan 31, 2013	Annex	Disclosure Requirements on Advances Restructured by Banks and Financial Institutions	3.4.2
47.	DBOD.BP.BC.No.49/21.04.018/2013-14	Sep 3, 2013	2	Disclosure of Customer Complaints and Unreconciled Balances on Account of ATM Transactions	5.4
48.	DBOD.No.BP.BC.77/21.04.018/2013-14	Dec 20, 2013	4(a)	Deferred Tax Liability on Special Reserve created under Section 36(1) (viii) of the Income Tax Act, 1961	4.7
49.	DBOD.No.BP.BC.85/21.06.200/2013-14	Jan 15, 2014	8	Capital and Provisioning Requirements for Exposures to entities with Unhedged Foreign Currency Exposure	5.19
50.	DBOD.No.BP.BC.96/21.06.102/2013-14	Feb 11, 2014	Annex, para 8	Guidelines on Management of Intra-Group Transactions and Exposures	5.17

No	Circular No.	Date	Relevant Para No of the circular	Subject	Para No of the Master Circular
51.	DBOD.BP.BC.No.97/21.04.132/2013-14	Feb 26, 2014	5.6	Framework for Revitalising Distressed Assets in the Economy - Guidelines on Joint Lenders' Forum (JLF) and Corrective Action Plan (CAP)	3.7.2
52.	DBOD.BP.BC.No.98/21.04.132/2013-14	Feb 26, 2014	3.4, 8.3	Framework for Revitalising Distressed Assets in the Economy -Refinancing of Project Loans, Sale of NPA and Other Regulatory Measures	3.4.4(B), 5.10
53.	Mailbox clarification	Mar 21, 2014	-	Sale of Investments held under Held to Maturity (HTM) Category	3.2.3
54.	DBOD.No.DEAF.Cell.BC.114/30.01.002/2013-14	May 27, 2014	8	The Depositor Education and Awareness Fund Scheme, 2014 -Section 26A of Banking Regulation Act, 1949 - Operational Guidelines	5.18
55.	DBOD.BP.BC.No.120/21.04.098/2013-14	Jun 9,2014	Annex, para 9	Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards	6
56.	DBOD.No.BP.BC.121/21.04.018/2013-14	Jun 18, 2014	Para 2, Annex	Disclosure of sector-wise advances	5.9

SCHEDULE V: ANNUAL REPORT
[*See* Regulation 34(3) and 53(f)]

The annual report shall contain the following additional disclosures:

A. **Related Party Disclosure:**

1. The listed entity shall make disclosures in compliance with the Accounting Standard on "Related Party Disclosures".

2. The disclosure requirements shall be as follows:

Sr. no.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	Holding Company	• Loans and advances in the nature of loans to subsidiaries by name and amount. • Loans and advances in the nature of loans to associates by name and amount. • Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.
2	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company.
3	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.

For the purpose of above disclosures directors' interest shall have the same meaning as given in Section184 of Companies Act, 2013.

[136][(2A) Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results.]

3. The above disclosures shall be applicable to all listed entities except for listed banks.

B. **Management Discussion and Analysis:**

1. This section shall include discussion on the following matters within the limits set by the listed entity's competitive position:
   (a) Industry structure and developments.
   (b) Opportunities and Threats.
   (c) Segment–wise or product-wise performance.
   (d) Outlook
   (e) Risks and concerns.
   (f) Internal control systems and their adequacy.
   (g) Discussion on financial performance with respect to operational performance.

[136] Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f. 1.4.2019.

(h) Material developments in Human Resources / Industrial Relations front, including number of people employed.

[137][(i) details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

(i) Debtors Turnover

(ii) Inventory Turnover

(iii) Interest Coverage Ratio

(iv) Current Ratio

(v) Debt Equity Ratio

(vi) Operating Profit Margin (%)

(vii) Net Profit Margin (%)

or sector-specific equivalent ratios, as applicable.

(j) details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.]

2. **Disclosure of Accounting Treatment:**

Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction.

C. **Corporate Governance Report:** The following disclosures shall be made in the section on the corporate governance of the annual report.

(1) A brief statement on listed entity's philosophy on code of governance.

(2) Board of directors:

(a) composition and category of directors (e.g. promoter, executive, non-executive, independent non-executive, nominee director - institution represented and whether as lender or as equity investor);

(b) attendance of each director at the meeting of the board of directors and the last annual general meeting;

(c) number of other board of directors or committees in which a directors is a member or chairperson[138][, and with effect from the Annual Report for the year ended 31st March 2019, including separately the names of the listed entities where the person is a director and the category of directorship];

(d) number of meetings of the board of directors held and dates on which held;

(e) disclosure of relationships between directors inter-se;

(f) number of shares and convertible instruments held by non- executive directors;

(g) web link where details of familiarisation programmes imparted to independent directors is disclosed.

[139][(h) A chart or a matrix setting out the skills/expertise/competence of the

[137] Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f. 1.4.2019.

[138] Inserted ibid., w.e.f from the date specified in the provision.

[139] Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f. 1.4.2019.

board of directors specifying the following:

(i) With effect from the financial year ending March 31, 2019, the list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board; and

(ii) With effect from the financial year ended March 31, 2020, the names of directors who have such skills / expertise / competence

(i) confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

(j) detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided.]

(3) Audit committee:
(a) brief description of terms of reference;
(b) composition, name of members and chairperson;
(c) meetings and attendance during the year.

(4) Nomination and Remuneration Committee:
(a) brief description of terms of reference;
(b) composition, name of members and chairperson;
(c) meeting and attendance during the year;
(d) performance evaluation criteria for independent directors.

(5) Remuneration of Directors:
(a) all pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity shall be disclosed in the annual report;
(b) criteria of making payments to non-executive directors. alternatively, this may be disseminated on the listed entity's website and reference drawn thereto in the annual report;
(c) disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made:
(i) all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;
(ii) details of fixed component and performance linked incentives, along with the performance criteria;
(iii) service contracts, notice period, severance fees;
(iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.

(6) Stakeholders' grievance committee:
(a) name of non-executive director heading the committee;
(b) name and designation of compliance officer;
(c) number of shareholders' complaints received so far;
(d) number not solved to the satisfaction of shareholders;
(e) number of pending complaints.

(7) General body meetings:
   (a) location and time, where last three annual general meetings held;
   (b) whether any special resolutions passed in the previous three annual general meetings;
   (c) whether any special resolution passed last year through postal ballot – details of voting pattern;
   (d) person who conducted the postal ballot exercise;
   (e) whether any special resolution is proposed to be conducted through postal ballot;
   (f) procedure for postal ballot.

(8) Means of communication:
   (a) quarterly results;
   (b) newspapers wherein results normally published;
   (c) any website, where displayed;
   (d) whether it also displays official news releases; and
   (e) presentations made to institutional investors or to the analysts.

(9) General shareholder information:
   (a) annual general meeting - date, time and venue;
   (b) financial year;
   (c) dividend payment date;
   (d) the name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);
   (e) stock code;
   (f) market price data- high, low during each month in last financial year;
   (g) performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc;
   (h) in case the securities are suspended from trading, the directors report shall explain the reason thereof;
   (i) registrar to an issue and share transfer agents;
   (j) share transfer system;
   (k) distribution of shareholding;
   (l) dematerialization of shares and liquidity;
   (m) outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;
   (n) commodity price risk or foreign exchange risk and hedging activities;
   (o) plant locations;
   (p) address for correspondence.
   [140][(q) list of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.]

(10) Other Disclosures:

[140] Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f. 1.4.2019.

(a) disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;
(b) details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;
(c) details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;
(d) details of compliance with mandatory requirements and adoption of the non-mandatory requirements;
(e) web link where policy for determining 'material' subsidiaries is disclosed;
(f) web link where policy on dealing with related party transactions;
(g) disclosure of commodity price risks and commodity hedging activities.

[141][(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

(i) a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

(j) where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:

Provided that the clause shall only apply where recommendation of / submission by the committee is required for the approval of the Board of Directors and shall not apply where prior approval of the relevant committee is required for undertaking any transaction under these Regulations.

(k) total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.]

[142][(l) disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year
b. number of complaints disposed of during the financial year
c. number of complaints pending as on end of the financial year.]

(11) Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed.

(12) The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.

(13) The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report.

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[141] Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f. 1.4.2019.

[142] Inserted by SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2018, w.e.f. 16.11.2018.

D. **Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.**

E. **Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report.**

F. **Disclosures with respect to demat suspense account/ unclaimed suspense account**

(1) The listed entity shall disclose the following details in its annual report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable :

(a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;

(b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year;

(c) number of shareholders to whom shares were transferred from suspense account during the year;

(d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;

(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

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SCHEDULE VI: MANNER OF DEALING WITH UNCLAIMED SHARES [*See* Regulation 39(4)]

A. The listed entity may delegate the following procedural requirements to a share transfer agent.

B. Reminders to be sent

(1) The listed entity shall send at least three reminders at the address as mentioned below:

(a) For shares in physical form, reminders shall be sent to the address given in the application form as well as last available address as per listed entity's record.

(b) For shares in demat form, reminders shall be sent to the address captured in depository's database or address given in the application form, in case of application made in physical form.

C. Procedure in case of non receipt of response to reminders

(1) For shares in demat form, the unclaimed shares shall be credited to a demat suspense account with one of the Depository Participants, opened by the listed entity for this purpose.

(2) For shares in physical form, the listed entity shall transfer all the shares into one folio in the name of "Unclaimed Suspense Account" and shall dematerialise the shares held in the Unclaimed Suspense Account with one of the Depository Participants.