भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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**RBI/DBR/2015-16/26**
**Master Direction DBR.FID.No.108/01.02.000/2015-16**

**June 23, 2016**

# Master Direction - Reserve Bank of India (Financial Statements of All India Financial Institutions - Presentation, Disclosure and Reporting) Directions, 2016

In exercise of the powers conferred by Section 45 L of the Reserve Bank of India Act, 1934, the Reserve Bank of India being satisfied that it is necessary and expedient in the public interest and in the interest of financial sector policy so to do, hereby, issues the Directions hereinafter specified.

## CHAPTER – I
## PRELIMINARY

### 1. Short Title and Commencement

(a) These Directions shall be called the Reserve Bank of India (Financial Statements of All India Financial Institutions - Presentation, Disclosures and Reporting) Directions, 2016.

(b) These Directions shall come into effect on the day these are placed on the official website of the Reserve Bank of India.

### 2. Applicability

These Directions shall be applicable to the All India Financial Institutions (AIFIs) regulated by Reserve Bank of India viz. EXIM Bank, NABARD, NHB and SIDBI with effect from the quarter ended December 2016[1].

[1] Until September 30, 2016, the existing instructions contained in Master Circular dated July 1, 2015 on Disclosure Norms for Financial Institutions shall continue to apply.

## CHAPTER – II

## FORMAT OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT AND PREPARATION OF CONSOLIDATED FINACIAL STATEMENTS

**3.** The AIFIs shall, in respect of all business transacted by them, prepare a balance-sheet and profit and loss account as on the last working day of the year or the period, as the case may be, in the form and manner prescribed under the respective Acts governing their functioning.

**4.** In addition to solo level financial statements, the AIFIs shall also prepare and disclose Consolidated Financial Statements.

**5.** The Consolidated Financial Statements shall be prepared in terms of Accounting Standard (AS) 21 –Consolidated Financial Statements (CFS) and other related accounting standards – AS 23- Accounting for Investments in Associates in Consolidated Financial Statements and AS 27- Financial Reporting of Interests in Joint Ventures. For the purpose, the terms 'parent', 'subsidiary', ‘associate’, ‘joint venture’, 'control' and 'group' shall have the same meaning as ascribed to them in the above accounting standards.

**6.** A parent AIFI presenting CFS shall consolidate all subsidiaries - domestic as well as foreign, except those specifically permitted to be excluded under AS 21. The reasons for not consolidating a subsidiary shall be disclosed in CFS. The responsibility of determining whether a particular entity shall be included or not for consolidation would be that of the Management of the parent entity and the Statutory Auditors shall comment in this regard if they are of the opinion that an entity which ought to have been consolidated had been omitted.

**7.** CFS shall normally include consolidated balance sheet, consolidated statement of profit and loss, principal accounting policies and notes to accounts.

**8.** The financial statements used in the consolidation shall be drawn up as of the same reporting date. If that is not possible, AS 21 allows adoption of six month old balance sheet of subsidiaries and prescribes that adjustments shall be made for the effects of significant transactions or other events that have occurred during the intervening period. In case that the balance sheet dates of parent and subsidiaries are different, inter-group netting shall be done as on the balance sheet date of the parent entity. In the cases where the balance sheet date coincides with that of the AIFI, the AIFI shall publish its CFS without waiting for the audit of their subsidiaries by the Comptroller and Auditor General. However, the AIFI shall ensure completion of statutory audit of the accounts of such subsidiaries before consolidation with the parent's accounts.

**9.** The CFS shall be prepared using uniform accounting policies for like transactions and other events in similar circumstances. If it is not practicable to do so, that fact shall be disclosed together with the proportions of the items in the consolidated financial statements to which the different accounting policies have been applied. For the purpose of preparing the CFS using uniform accounting policies, the AIFIs shall rely on a Statement of Adjustments for non-uniform accounting policies, furnished by the Statutory Auditors of the subsidiaries.

**10.** In cases where different entities in a group are governed by different accounting norms laid down by the concerned regulator for different businesses, the AIFI shall use for consolidation purposes the rules and regulatory requirements applicable to the AIFIs in respect of like transactions and other events in similar circumstances. In situations where regulatory norms have been prescribed by RBI, the norms as applicable according to the accounting standards may be followed.

**11.** For the purpose of valuation, the investments in associates (other than those specifically excluded under AS 23) shall be accounted for under the "Equity Method" of accounting in accordance with AS 23.

**12.** The valuation of investments in subsidiaries which are not consolidated and associates which are excluded under AS 23, shall be as per the relevant valuation norms issued by the Reserve Bank of India. The valuation of investments in joint ventures shall be accounted for under the ‘proportionate consolidation’ method as per AS 27. The AIFIs may take into account the provisions of the accounting standards relating to the exclusion of subsidiaries, associates or joint ventures from consolidation under specific circumstances.

**13.** The solo level financial statements and the CFS shall be submitted to the Department of Banking Supervision, Reserve Bank of India within one month from the publication of the AIFI’s annual accounts.

## CHAPTER – III

## DISCLOSURE IN FINANCIAL STATEMENTS – NOTES TO ACCOUNTS

**14.** The AIFIs shall disclose the information specified in **Annexure I** of these Directions in the notes to accounts of the financial statements. These disclosures are intended only to supplement and not to replace the disclosure requirements under other laws, regulations or accounting and financial reporting standards. The disclosures set out in this Direction constitute only minima and if the AIFIs are encouraged to make additional disclosures as considered appropriate having regard to their specific operations.

**15.** The AIFIs shall follow the guidance on specific issues with respect to certain Accounting Standards as given in **Annex II.**

## CHAPTER – IV

## CONSOLIDATED PRUDENTIAL REPORTING REQUIREMENTS

### Scope

**16.** Wherever an AIFI has any subsidiaries, joint ventures or associates, in addition to the CFS, it shall also prepare Consolidated Prudential Reports (CPRs) as prescribed in **Annex III** relating to the entre group including all entities under its control. The AIFIs shall follow the guidance contained in **Annex IV** while preparing these reports. The CPR for a consolidated AIFI shall include information and accounts of related entities (subsidiaries, associates and joint ventures) of the AIFI, which carry on activities of financial nature. The AIFIs shall justify the exclusion of any entity for the purpose of CPR.

**Frequency**

**17.** The CPR shall be submitted on half-yearly basis as part of off-site reporting system on the lines of the existing DSB returns for the solo entities. The CPR for half-year ended March shall be submitted by the end of June. If audited results of entities under the CPR are not available, the AIFIs shall submit the provisional CPR with unaudited results of such entities, by end of June and final position by end of September. The CPR for the half-year ended September must be submitted by the end of December.[2]

**Format**

**18.** The AIFIs shall use the same format for CPRs purposes as their solo balance sheet prescribed under the respective Acts with appropriate modifications/ notes. The CPR comprises of Consolidated Balance Sheet, Consolidated Profit & Loss Account, and select data on financial / risk profile of the consolidated AIFI.

**Other consolidation instructions**

**19.** In respect of related entities which operate under severe long term restrictions which significantly impair their ability to transfer funds to the parent, the AIFIs shall disclose separately the book value of the amounts due from such related entities and the net amounts recoverable from them. The AIFIs shall also consider making appropriate provisions for the shortfall.

[2] In case of NHB, the provisional CPR with unaudited results may be submitted by end of September and final position by end of December.

## CHAPTER – V

## REPEAL AND OTHER PROVISIONS

### Repeal and saving

**20.** With the issue of these directions, the instructions / guidelines contained in the circulars issued by the Reserve Bank listed in **Annexure V** stand repealed. All the instructions / guidelines given under the above circulars shall be deemed as given under these directions. Any reference in other Circulars / Guidelines /Notifications issued by the Bank containing reference to the said repealed Circulars, shall mean reference to these Directions, namely, Financial Statements – Presentation & Disclosures: Directions, 2016, after the date of repeal. Notwithstanding such repeal, any action taken, purported to have been taken or initiated under the Circulars hereby repealed shall continue to be governed by the provisions of the said Circulars.

### Application of other laws not barred

**21.** The provisions of these Directions shall be in addition to, and not in derogation of the provisions of any other laws, rules, regulations or directions, for the time being in force.

### Interpretations

**22.** For the purpose of giving effect to the provisions of these Directions or in order to remove any difficulties in the application or interpretation of the provisions of these Directions, the Reserve Bank of India may, if it considers necessary, issue necessary clarifications in respect of any matter covered herein and the interpretation of any provision of these directions given by the Reserve Bank of India shall be final and binding.

**Annex I**

## Disclosure in Financial Statements – 'Notes to Accounts'

### 1. General

The items listed in these Directions shall be disclosed in the 'Notes to Accounts' to both solo level financial statements and CFS. AIFIs shall make additional disclosures where material. Unless specifically indicated, the prudential items pertaining to subsidiaries shall be consolidated for the purpose of disclosure in the Notes to Accounts as shown in their books of accounts/financial statements/Notes to accounts (without any adjustments to align them with the prudential norms applicable to the AIFIs).

### 2. Presentation

A summary of 'Significant Accounting Policies' and 'Notes to Accounts' shall be shown separately.

### 3. Disclosure Requirements

In addition to the detailed schedules to the balance sheet, AIFIs are required to furnish the following information in 'Notes to Accounts':

**3.1 Capital adequacy[3]**

(Amount in crores of INR)

| *Sr. No.* | *Particulars* | *Current Year* | *Previous Year* |
|---|---|---|---|
| i) | Common Equity | | |
| ii) | Additional Tier 1 capital | | |
| iii) | Total Tier 1 capital (i+ii) | | |
| iv) | Tier 2 capital | | |
| v) | Total Capital ( Tier 1+Tier 2) | | |
| vi) | Total Risk Weighted Assets (RWAs) | | |
| vii) | Common Equity Ratio ( Common Equity as a percentage of RWAs) | | |
| viii) | Tier 1 Ratio ( Tier 1 capital as a percentage of RWAs) | | |
| ix) | Capital to Risk Weighted Assets Ratio (CRAR) | | |

[3] For the purpose of CFS, the risk weighted assets of the subsidiaries shall be notionally recomputed applying the RBI directions applicable to the AIFIs.

| *Sr. No.* | *Particulars* | *Current Year* | *Previous Year* |
|---|---|---|---|
| | (Total Capital as a percentage of RWAs) | | |
| x) | Percentage of the shareholding of the Government of India in the AIFI | | |
| xi) | Amount of equity capital raised | | |
| xii) | Amount of Additional Tier 1 capital raised; *of which*<br>*a.) Perpetual Non-Cumulative Preference Shares (PNCPS):*<br>b.) *Perpetual Debt Instruments (PDI)* | | |
| xiii) | Amount of Tier 2 capital raised;<br>*of which*<br>a.) Debt capital instruments:<br>b.) Perpetual Cumulative Preference Shares (PCPS)<br>c.) Redeemable Non-Cumulative Preference Shares (RNCPS)<br>d.) Redeemable Cumulative Preference Shares (RCPS) | | |

### 3.2 Free Reserves and Provisions

#### 3.2.1 Provisions on Standard Assets

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

#### 3.2.2 Floating Provisions

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

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

### 3.3 Asset Quality and specific provisions

#### 3.3.1 Non-Performing Advances

| *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 of / write back of excess provisions | | |
| (d) Closing balance | | |

#### 3.3.2 Non-Performing Investments[4]

| *Particulars* | *Current Year* | *Previous Year* |
|---|---|---|
| (i) Net NPIs to Net Investments (%) | | |
| (ii) Movement of NPIs (Gross) | | |
| (e) Opening balance | | |
| (f) Additions during the year | | |
| (g) Reductions during the year | | |
| (h) Closing balance | | |
| (iii) Movement of Net NPIs | | |
| (e) Opening balance | | |
| (f) Additions during the year | | |
| (g) Reductions during the year | | |
| (h) Closing balance | | |
| (iv) Movement of provisions for NPIs (excluding provisions on standard assets) | | |
| (e) Opening balance | | |
| (f) Provisions made during the year | | |
| (g) Write of / write back of excess provisions | | |
| (h) Closing balance | | |

[4] For the purpose of reporting non-performing investments, the total investments would exclude the investment that are assigned zero risk weight under the capital adequacy framework.

### 3.3.3 Non-Performing Assets (3.3.1+3.3.2)

| *Particulars* | *Current Year* | *Previous Year* |
|---|---|---|
| (i) Net NPAs to Net Assets (Advanced + investments) (%) | | |
| (ii) Movement of NPAs (Gross Advances + Gross investments) | | |
| (i) Opening balance | | |
| (j) Additions during the year | | |
| (k) Reductions during the year | | |
| (l) Closing balance | | |
| (iii) Movement of Net NPAs | | |
| (i) Opening balance | | |
| (j) Additions during the year | | |
| (k) Reductions during the year | | |
| (l) Closing balance | | |
| (iv) Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| (i) Opening balance | | |
| (j) Provisions made during the year | | |
| (k) Write of / write back of excess provisions | | |
| (l) Closing balance | | |

### 3.3.4 Particulars of Accounts Restructured[5]

(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 date of opening of the FY (opening figures)* | No. of borrowers | | | | | | | | | | | | | | | | | | | | |
| | | Amount outstanding | | | | | | | | | | | | | | | | | | | | |
| | | Provision thereon | | | | | | | | | | | | | | | | | | | | |

[5] The instructions for the disclosures in the above format are specified in the Master Directions on Loans and Advances – Prudential Norms on Income Recognition, Provisioning, Asset Classification and Restructuring.

| Sl No. | Type of Restructuring → | | Under CDR Mechanism | | | | | Under SME Debt Restructuring Mechanism | | | | | Others | | | | | Total | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Asset Classification → | | Standard | SubStandard | Doubtful | Loss | Total | Standard | SubStandard | Doubtful | Loss | Total | Standard | SubStandard | Doubtful | Loss | Total | Standard | SubStandard | Doubtful | Loss | Total |
| | Details ↓ | | | | | | | | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | | | | | | | |

| Sl No. | Type of Restructuring → | | Under CDR Mechanism | | | | | Under SME Debt Restructuring Mechanism | | | | | Others | | | | | Total | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Asset Classification → | | Standard | Substandard | Doubtful | Loss | Total | Standard | Substandard | Doubtful | Loss | Total | Standard | Substandard | Doubtful | Loss | Total | Standard | Substandard | Doubtful | Loss | Total |
| | Details ↓ | | | | | | | | | | | | | | | | | | | | | |
| 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 date of closing of the FY (closing figures*) | No. of borrowers | | | | | | | | | | | | | | | | | | | | |
| | | Amount outstanding | | | | | | | | | | | | | | | | | | | | |
| | | Provision thereon | | | | | | | | | | | | | | | | | | | | |

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

### 3.3.5 Movement of Non-performing assets

| *Particulars* | *Current year* | *Previous year* |
|---|---|---|
| Gross NPAs[6] as on opening date of accounting period (Opening Balance) | | |
| Additions (Fresh NPAs) during the year | | |
| Sub total (A) | | |
| Less :- | | |
| (i) Upgradations | | |
| (ii)Recoveries (excluding recoveries made from upgraded accounts) | | |
| (iii) Technical / Prudential[7] 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) | | |

**3.3.6 Write-offs and recoveries**

| *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) | | |

### 3.3.7 Overseas Assets, NPAs and Revenue

| *Particulars* | *Current year* | *Previous year* |
|---|---|---|
| Total Assets | | |
| Total NPAs | | |
| Total Revenue | | |

[6] Gross NPAs as specified in Master Directions on Loans & Advances - Prudential Norms on Income Recognition, Provisioning, Asset Classification and Restructuring.

[7] 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 shall be certified by statutory auditors.

### 3.3.8 Depreciation and provisions on investments

| *Particulars* | *Current Year* | *Previous Year* |
|---|---|---|
| (1) Investments<br>(i) Gross Investments<br>(a) In India<br>(b) Outside India<br>(ii) Provisions for Depreciation<br>(a) In India<br>(b) Outside India<br>(iii) Net Investments<br>(a) In India<br>(b) Outside India<br><br>(2) Movement of provisions held towards depreciation on investments<br>(i) Opening balance<br>(ii) Add: Provisions made during the year<br>(iii) Appropriation, if any, from Investment Fluctuation Reserve Account during the year<br>(iv) Less: Write off / write back of excess provisions during the year<br>(v) Less: Transfer, if any, to Investment Fluctuation Reserve Account<br>(vi) Closing balance | | |

### 3.3.9 Provisions and Contingencies

| *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<br>Provision towards NPA<br>Provision made towards Income tax<br>Other Provision and Contingencies (with details) | | |

### 3.3.10 Provisioning Coverage Ratio (PCR)

PCR (ratio of provisioning to gross non-performing assets) as at close of business for the current year and previous year shall be disclosed.

### 3.4 Investment portfolio: constitution and operations

#### 3.4.1 Repo Transactions

| | *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<br>i. Government securities<br>ii. Corporate debt securities | | | | |
| Securities purchased under reverse repo<br>i. Government securities<br>ii. Corporate debt securities | | | | |

#### 3.4.2 Disclosure of Issuer Composition for Investment in Debt Securities

| *Sr. 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 shall tally with the total of Investments included under the following categories in 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.

#### 3.4.3 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, FI 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 FI's audited Annual Financial Statements.

### 3.5 Details of Financial Assets purchased/ sold

#### 3.5.1 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

*A. Details of Sales*

(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 | | |

The quantum of excess provisions reversed to the profit and loss account on account of sale of NPAs, where the sale is for a value higher than the net book value (NBV) shall be disclosed. AIFIs are permitted to 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 shall be available for NPAs sold up to March 31, 2016 and shall be subject to necessary disclosures.

B. *Details of Book Value of Investments in Security Receipts*

(Amount in ₹ crore)

| *Particulars* | *Book value of investments in security receipts* | |
|---|---|---|
| | *Current year* | *Previous Year* |
| (i) Backed by NPAs sold by the AIFI as underlying<br><br>(ii) Backed by NPAs sold by banks / other financial institutions / non-banking financial companies as underlying | | |
| Total | | |

### 3.5.2 Details of Non Performing Financial Assets Purchased / Sold

*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<br>(b) Aggregate outstanding<br>2. (a) Of these, number of accounts restructured during the year<br>(b) Aggregate outstanding | | |

B. *Details of non performing financial assets sold:*

(Amount in ₹ crore)

| *Particulars* | *Current year* | *Previous Year* |
|---|---|---|
| 1. No. of accounts sold<br>2. Aggregate outstanding<br>3. Aggregate consideration received | | |

**3.6 Operating Results**

| *Particulars* | *Current year* | *Previous Year* |
|---|---|---|
| (i) Interest Income as a percentage to Working Funds<br>(ii) Non interest income as a percentage to Working Funds$<br>(iii) Operating Profit as a percentage to Working Funds$<br>(iv) Return on Assets@<br>(v) Net 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

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

**3.7 Credit Concentration risk**

**3.7.1 Capital market exposure[8]**

| | | | |
|---|---|---|---|
| (i) | direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt; | | |
| (ii) | advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds; | | |
| (iii) | advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security; | | |
| (iv) | advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual | | |

[8] 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 shall be disclosed in the 'Notes to Accounts' in the Annual Financial Statements. AIFIs shall separately disclose details of conversion of debt into equity as part of a strategic debt restructuring which are exempt from CME limits

| | | | |
|---|---|---|---|
| | 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 AIFI 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 | | |

**3.7.2 Exposure to Country risk**

| *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 | | | | |
| Restricted | | | | |
| Off-credit | | | | |
| Total | | | | |

* The AIFIs 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 the AIFIs, 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.

### 3.7.3 Prudential Exposure Limits - Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the AIFI

(i) The number and amount of exposures in excess of the prudential exposure limits during the year.[9]

| Sl. No. | PAN Number | Borrower Name | Industry Code | Industry Name | Sector | Amount Funded | Amount Non-Funded | Exposure as percentage to capital Funds |
|---|---|---|---|---|---|---|---|---|
| 1. | | | | | | | | |
| | | | | | Total | 0.00 | 0.00 | 0.00% |

(ii) Credit exposure as percentage to capital funds and as percentage to total assets, in respect of:

* The largest single borrower;

* The largest borrower group;

* The 20 largest single borrowers;

* The 20 largest borrower groups;

(iii) Credit exposure to the five largest industrial sectors (if applicable) as percentage to total loan assets

(iv) Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken as also the estimated value of such intangible collateral. The disclosure shall be made under a separate head to differentiate such loans from other entirely unsecured loans.

(v) Factoring exposures

(vi) Exposures where the FI had exceeded the Prudential Exposure Limits during the year

The FI should make appropriate disclosures in the 'Notes on account' to the annual financial statements in respect of the exposures where the FI had exceeded the prudential exposure limits during the year. It should be mentioned whether the limit has been exceeded with the RBI's prior approval or otherwise.

[9] Please indicate whether the limit has been exceeded with RBI's prior approval or otherwise. The sanctioned limit or entire outstanding, whichever is higher, shall be reckoned for arriving at exposure limit and for disclosure purpose

**3.7.4 Concentration of borrowings /lines of credit, credit exposures and NPAs (to be shown separately both at solo and consolidated level, if applicable)[10]**

*(a) Concentration of borrowings and lines of credit*

(Amount in ₹ crore)

| *Particulars* | *Current year* | *Previous year* |
|---|---|---|
| Total borrowings from twenty largest lenders | | |
| Percentage of borrowings from twenty largest lenders to total borrowings of the AIFI | | |

*(b) Concentration of credit exposures**

(Amount in ₹ crore)

| *Particulars* | *Current year* | *Previous year* |
|---|---|---|
| Total exposures to twenty largest borrowers | | |
| Percentage of exposures to twenty largest borrowers to Total Advances of the AIFI | | |
| Total Exposure to twenty largest borrowers / customers | | |
| Percentage of exposures to twenty largest borrowers / customers to Total Exposure of the AIFI on borrowers / customers | | |
| In the case of EXIM Bank, percentage of total of top ten country exposures to total exposures | | |

* Credit Exposure include derivatives as per RBI Directions.

[10] "Credit exposure" shall include funded and non-funded credit limits, underwriting and other similar commitments. The sanctioned limits or outstanding, whichever is higher, shall be reckoned for arriving at exposure limit. In case of term loans, however, the exposure limit should be reckoned on the basis of actual outstanding plus undisbursed or undrawn commitments. However, in cases where disbursements are yet to commence, exposure limit should be reckoned on the basis of the sanctioned limit or the extent upto which the AIFI has entered into commitments with the borrowing companies in terms of the agreement. The AIFIs should include in the non-funded credit limit, the credit equivalent amounts of forward contracts in foreign exchange and other derivative products like currency swaps, options, etc as per the extant exposure norms.

*(c) Sector-wise concentration of exposures and NPAs*

AIFIs shall also disclose, in the following formats, sub sectors where the outstanding advances exceed 10 percent of the outstanding total advances to that sector. For instance, if outstanding advances to the mining industry exceed 10 percent of the outstanding total advances to 'Industry' sector it shall disclose details of its outstanding advances to mining separately in the format above under the 'Industry' sector.

*EXIM Bank*

| *Sr. 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 | Domestic Sector | | | | | | |
| *1* | *Total Export finance* | | | | | | |
| | Agricultural sector | | | | | | |
| | Industrial sector | | | | | | |
| | Services sector | | | | | | |
| *2* | *Total Import finance* | | | | | | |
| | Agricultural sector | | | | | | |
| | Industrial sector | | | | | | |
| | Services sector | | | | | | |
| 3. | Of (A), exposures guaranteed by the Government of India | | | | | | |
| B | External Sector | | | | | | |
| *1* | *Total Export finance* | | | | | | |
| | Agricultural sector | | | | | | |
| | Industrial sector | | | | | | |
| | Services sector | | | | | | |
| *2* | *Total Import finance* | | | | | | |
| | Agricultural sector | | | | | | |
| | Industrial sector | | | | | | |
| | Services sector | | | | | | |

| Sr. 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 |
| 3. | Of (B), exposures guaranteed by the Government of India | | | | | | |
| C | Other exposures | | | | | | |
| D | Total exposures (A+B+C) | | | | | | |

***NABARD***

*(Rupess in crore)*

| Sr. 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 |
| I. | Agricultural sector including allied agricultural activities | | | | | | |
| 1. | Central Government | | | | | | |
| 2. | Central PSUs | | | | | | |
| 3. | State Governments | | | | | | |
| 4. | State PSUs | | | | | | |
| 5. | Scheduled Commercial Banks | | | | | | |
| 6. | Regional Rural Banks | | | | | | |
| 7. | Co-operative banks | | | | | | |
| 8. | Private sector (excluding banks) | | | | | | |
| II. | Others (Please specify) | | | | | | |
| | Total (I+II) | | | | | | |

**NHB**

| *Sr. 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* |
| I. | Housing Sector | | | | | | |
| 1. | Central Government | | | | | | |
| 2. | Central PSUs | | | | | | |
| 3. | State Governments | | | | | | |
| 4. | State PSUs | | | | | | |
| 5. | Scheduled Commercial Banks | | | | | | |
| 6. | Regional Rural Banks | | | | | | |
| 7. | Co-operative banks | | | | | | |
| 8. | HFCs | | | | | | |
| 8. | Private sector (excluding banks and HFCs) | | | | | | |
| II. | Commercial Real Estate, if any[11] | | | | | | |
| III. | Others (Please specify) | | | | | | |
| III | Total (I+II+III) | | | | | | |

**SIDBI**

| *Sr. 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* |
| I. | Industrial sector | | | | | | |
| 1. | Central Government | | | | | | |

[11] Exposure to Commercial Real Estate includes direct including securitised exposures secured by mortgages on commercial real estate (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 no- fund based (NFB) limits.

| Sr. 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 |
| 2. | Central PSUs | | | | | | |
| 3. | State Governments | | | | | | |
| 4. | State PSUs | | | | | | |
| 5. | Scheduled Commercial Banks | | | | | | |
| 6. | Regional Rural Banks | | | | | | |
| 7. | Co-operative banks | | | | | | |
| 8. | Private sector (excluding banks) | | | | | | |
| II. | Micro-finance sector | | | | | | |
| III. | Others | | | | | | |
| | Total (I+II+III) | | | | | | |

### 3.7.4 Unhedged Foreign Currency Exposure

EXIM Bank shall disclose their policies to manage currency induced credit risk. It shall also disclose the incremental provisioning and capital held by them towards this risk.

## 3.8 Derivatives

### 3.8.1 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 fulfil their obligations under the agreements | | |
| iii) Collateral required by the AIFI 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 shall 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 shall be the estimated amount that the AIFI would receive or pay to terminate the swap agreements as on the balance sheet date. For a trading swap the fair value shall be its mark to market value.

### 3.8.2 Exchange Traded Interest Rate Derivatives

| *Sr. No.* | *Particulars* | *Current Year* | *Previous Year* |
|---|---|---|---|
| (i) | Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise) | | |
| (ii) | Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March ….. (instrument wise) | | |
| (iii) | Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise) | | |
| (iv) | Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise) | | |

### 3.8.3 Disclosures on risk exposure in derivatives

**(i) Qualitative disclosures**

AIFIs 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.

**(ii) Quantitative disclosures**

(Amount in ₹ crore)

| *Sr. No* | *Particular* | *Current Year* | | *Previous Year* | |
|---|---|---|---|---|---|
| | | *Currency Derivatives* | *Interest rate derivatives* | *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 | | | | |

Notes:

1. The net position may be shown either under asset or liability, as the case may be, for each type of derivatives.
2. The AIFIs may adopt the Current Exposure Method on Measurement of Credit Exposure of Derivative Products as per extant RBI instructions.

**3.9 Disclosure of Letters of Comfort (LoCs) issued by AIFIs**

AIFIs shall disclose the 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.

### 3.10. Asset Liability Management

| | *1 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 assets | | | | | | | | | |
| Foreign Currency liabilities | | | | | | | | | |

### 4. Draw Down from Reserves

Suitable disclosures shall be made regarding any draw down of reserves.

### 5. Business Ratios[12]

| | Current Year | Previous year |
|---|---|---|
| Return on Equity | | |
| Return on Assets | | |
| Net Profit Per Employee[13] | | |

### 6. Operating Results

For operating results, the working funds and total assets should be taken as the average of the figures as at the end of the previous accounting year, the

[12] Return on Equity will be calculated with reference to average of the opening balance of equity in the beginning of the year and closing balance at the end of the year. Return on Assets would be with reference to average working funds (i.e. total of assets excluding accumulated losses, if any) calculated as the average of the figures as at the end of the previous accounting year, the end of the succeeding half year and the end of the accounting year under report.

[13] All permanent, full-time employees in all cadres should be reckoned for computing per employee net profit.

end of the succeeding half year and the end of the accounting year under report. (The "working funds" refer to the total assets of the AIFI.

**7. Disclosure of Penalties imposed by RBI**

Penalties, if any, imposed by the Reserve Bank of India under the Reserve Bank of India Act, 1934, for contraventions of any of the provisions of the Act or noncompliance with any other requirements of the Act, order, rule or condition specified by Reserve Bank of India under the Act shall be disclosed as below:

(a) A Press Release will be issued by the Reserve Bank of India giving details of the circumstances under which the penalty is imposed on the AIFI along with the communication on the imposition of penalty in public domain.

(b) The penalty shall be disclosed in the "Notes on Accounts" to the balance sheet in the concerned AIFI's next Annual Report.

(c) In the case of foreign branch, the penalty shall be disclosed in the "Notes on Accounts" to the next balance sheet for its Indian operations.

**8. Disclosure of Complaints**

*(a) Customer Complaints*

| | | *Current year* | *Previous year* |
|---|---|---|---|
| (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 | | |

**9. Off-Balance Sheet SPVs Sponsored (which are required to be consolidated as per accounting norms)**

| Name of the SPV sponsored | |
|---|---|
| Domestic | Overseas |
| | |

## 10. Disclosure as per specific accounting standards

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

These disclosures, wherever warranted, shall, be made in the 'Notes to Accounts'. AIFIs shall ensure compliance with AS 5 in respect of any item of prior period income or prior period expenditure which exceeds one percent of the total income/ total expenditure of the AIFI if the income/ expenditure is reckoned on a gross basis or one percent of the net profit before taxes or net losses as the case may be if the income is reckoned net of costs.

### 10.2 Accounting Standard 17 – Segment Reporting

The indicative formats for disclosure under 'AS 17 – Segment Reporting' are as below:-

Format

Part A: Business segments

(Amounts in ₹ crore)

| *Business Segments →* | *Treasury* | | *Wholesale Operations (Refinance)* | | *Wholesale Operations (Direct Lending)* | | *Other Business* | | *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 | | | | | | | | | | |
| Unalloca | | | | | | | | | | |

| *Business Segments →* | *Treasury* | | *Wholesale Operations (Refinance)* | | *Wholesale Operations (Direct Lending)* | | *Other Business* | | *Total* | |
|---|---|---|---|---|---|---|---|---|---|---|
| *Particulars ↓* | *Current Year* | *Previous Year* | *Current Year* | *Previous Year* | *Current Year* | *Previous Year* | *Current Year* | *Previous Year* | *Current Year* | *Previous Year* |
| ted 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 | | | | | | |

*Note:*

*a) The business segment shall ordinarily be considered as the primary reporting format and geographical segment would be the secondary reporting format.*

*b) The business segments will be ‘Treasury’, ‘Wholesale operations (Refinance)’, ‘Wholesale operations (Direct lending), ‘Other Business’.*

*c) ‘Domestic’ and ‘International’ segments will be the geographic segments for disclosure.*

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

*e.) ‘Treasury’ shall include the entire investment portfolio.*

*f.) Other Business includes all other financial operations not covered under the three major heads. It shall also include all other residual operations including any para banking transactions/activities.*

*i.) Besides the above mentioned segments, AIFIs shall report additional segments which meet the quantitative criterion prescribed in the AS 17 for identifying reportable segments.*

## 10.3 Accounting Standard 18 – Related Party Disclosures

Format

(Amount in ₹ crore)

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

*@ Whole time directors of the Board*

*# The outstanding at the year end and the maximum during the year are to be disclosed*

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

***Note:***

*(ii) Where there is only one entity in any category of related party, the AIFI need not disclose any details pertaining to that related party other than the relationship with that related party.*

*(iii)   Related parties for an AIFI are its parent, subsidiary(ies), associates/ joint ventures, Key Management Personnel (KMP) and relatives of KMP. KMP are the whole time directors for an AIFI . Relatives of KMP would be on the lines indicated in Section 45 S of the R.B.I. Act, 1934.*

*(iv)   The name and nature of related party relationship shall be disclosed, irrespective of whether there have been transactions, where control exists within the meaning of the Standard. Control would normally exist in case of parent-subsidiary relationship. The disclosures may be limited to aggregate for each of the above related party categories and would pertain to the year-end position as also the maximum position during the year.*

*(iv)   The accounting standard exempts state controlled enterprises from making any disclosures pertaining to their transactions with other related parties which are also state controlled enterprises. Thus, the AIFIs need not disclose their transactions with their subsidiaries or other state-controlled entities. However, they will be required to disclose their transactions with other related parties.*

*(v)   Secrecy provisions: If in any of the above category of related parties there is only one related party entity, any disclosure would tantamount to infringement of the general secrecy laws or the specific provisions, if any, relating to secrecy set out in the relevant statutes governing functioning of the AIFIs. In terms of AS 18, the disclosure requirements do not apply in circumstances when providing such disclosures would conflict with the reporting enterprise's duties of confidentiality as specifically required in terms of statute, by regulator or similar competent authority. Further, in case a statute or regulator governing an enterprise prohibits the enterprise from disclosing certain information which is required to be disclosed, non-disclosure of such information would not be deemed as non-compliance with the Accounting Standards. On account of the judicially recognized common law duty of the AIFIs to maintain the confidentiality of the customer details, they need not make such disclosures. In view of the above, where the disclosures under the Accounting Standards are not aggregated disclosures in respect of any category of related party i.e., where there is only one entity in any category of related party, the AIFIs need not disclose any details pertaining to that related party other than the relationship with that related party.*

## 11. 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

**Annex II**

## Guidance on specific issues with respect to certain Accounting Standards

### 1. Accounting Standard 9 – Revenue Recognition

Non-recognition of income by the AIFIs in the case of non-performing advances and non-performing investments, in compliance with the regulatory prescriptions of the RBI, should not attract a qualification by the statutory auditors as this would be in conformity with provisions of the standard, since it recognizes postponement of recognition of revenue where collectability of the revenue is significantly uncertain. With respect to revenue recognition under the standard, an item of income shall not be considered to be material if it does not exceed one percent of the total income of the AIFI if the income is reckoned on a gross basis or one percent of the net profit (before taxes) if the income is reckoned net of costs. If any item of income is not considered to be material as per the above norms, it may be recognized when received.

### 2. Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements

This Accounting Standard sets out principles and procedures for recognizing, in the consolidated financial statements, the effects of the investments in associates on the financial position and operating results of a group. The Standard requires that an investment in an associate shall be accounted for in consolidated financial statements under the equity method subject to certain exceptions. The term associate is defined as an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor. Significant influence is the power to participate in the financial and/ or operating policy decisions of the investee but not control over those policies. Such an influence may be gained by share ownership, statute or agreement. As regards share ownership, if an investor holds, directly or indirectly through subsidiaries 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds, directly or indirectly through subsidiaries less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence. The issue is whether conversion of debt into equity in an enterprise by an AIFI by virtue of which the AIFI holds more than 20 percent will result in an investor-associate relationship for the purpose of AS 23.

From the above it is clear that though an AIFI may acquire more than 20% of voting power in the borrower entity in satisfaction of its advances 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 shall not be merely the proportion of investment but the intention to acquire the power to exercise significant influence.

### 3. AS 27 - Financial Reporting of Interests in Joint Ventures

This Standard is applied in accounting for interests in joint ventures and the reporting of joint venture assets, liabilities, income and expenses in the financial statements of ventures and investors, regardless of the structures or forms under which the joint venture activities take place. This Standard identifies three broad types of joint ventures, namely, jointly controlled operations, jointly controlled assets and jointly controlled entities. In case of jointly controlled entities, where AIFIs are required to present consolidated financial statements, the investment in JVs shall be accounted for as per provisions of this standard. In respect of joint ventures in the form of joint controlled operations and jointly controlled assets, this Accounting Standard is applicable for both solo financial statements as well as consolidated financial statements.

### 4. AS 26 – Intangible assets

This standard prescribes the accounting treatment for intangible assets that are not dealt with specifically in another accounting Standard. With respect to computer software which has been customized for the AIFI’s use and is expected to be in use for some time, the detailed recognition and amortization principle in respect of computer software prescribed in the

Standard adequately addresses these issues and may be followed by the AIFIs.

**5. AS 28 – Impairment of assets**

This standard prescribes the procedures that an enterprise applies to ensure that its assets are carried at no more than their recoverable amount. It is clarified that the standard shall not apply to investments, inventories and financial assets such as loans and advances and shall generally be applicable in so far as it relates to fixed assets. The Standard shall generally apply to financial lease assets and assets acquired in settlement of claims only when the indications of impairment of the entity are evident.

**6. AS 11 - The Effects of Changes in Foreign Exchange Rates[14]**

AS 11 is applied in the context of the accounting for transactions in foreign currencies and in translating the financial statements of foreign operations. The issues that arise in this context have been identified and the EXIM Bank may be guided by the following while complying with the provisions of the standard:

***(I) Classification of Integral and Non-integral Foreign Operations***

Paragraph 17 of AS 11 states that the method used to translate the financial statements of a foreign operation depends on the way in which it is financed and operates in relation to the reporting enterprise. For this purpose, foreign operations are classified as either "integral foreign operations" or "non-integral foreign operations". These classifications are for the limited purpose of compliance with the Standard.

***(II) Exchange rate for recording foreign currency transactions and translation of financial statements of non-integral foreign operation.***

(a) Paragraph 10 of the Standard allows, for practical reasons, the use of a rate that approximates the actual rate at the date of the transaction The Standard also states that if exchange rates fluctuate significantly, the use of average rate for a period is unreliable. Since the enterprises are required to record the transactions at the date of the occurrence thereof, the weekly average closing rate of the preceding week can be used for recording the transactions occurring in the relevant week, if the same approximates the actual rate at the date of

[14] At present, AS 11 is applicable only to the EXIM Bank.

the transaction. In view of the practical difficulties in applying the exchange rates at the dates of the transactions and since the Standard allows the use of a rate that approximates the actual rate at the date of the transaction, AIFIs may use average rates as detailed below:

(b) FEDAI publishes a weekly average closing rate at the end of each week and a quarterly average closing rate at the end of each quarter for various currencies.

(c) Those foreign currency transactions, which are currently not being recorded in Indian Rupees at the date of the transaction or are being recorded using a notional exchange rate may now be recorded at the date of the transaction by using the weekly average closing rate of the preceding week, published by FEDAI, if the same approximates the actual rate at the date of the transaction.

(d) <u>Quarterly average closing rate</u>, published by FEDAI at the end of each quarter, can be used for translating the income and expense items of non-integral foreign operations during the quarter.

(e) If the weekly average closing rate of the preceding week does not approximate the actual rate at the date of the transaction, the closing rate at the date of the transaction shall be used. For this purpose, the weekly average closing rate of the preceding week would not be considered approximating the actual rate at the date of the transaction if the difference between (1a) the weekly average closing rate of the preceding week and (1b) the exchange rate prevailing at the date of the transaction, is <u>more than three and a half percent</u> of (1b). In respect of non-integral foreign operations, if there are significant exchange fluctuations during the quarter, the income and expense items of non-integral foreign operations shall be translated by using the exchange rate at the date of the transaction instead of the quarterly average closing rate. For this purpose, the exchange rate fluctuation would be considered as significant, if the difference between the two rates is <u>more than seven percent</u> of the exchange rate prevailing at the date of the transaction.

(f) AIFIs are encouraged to equip themselves to record the foreign currency transactions of Indian branches/ offices as well as integral foreign operations and translate the income as well as expense items of non-integral foreign operations at the exchange rate prevailing on the date of the transaction.

***(III) Closing rate***

Paragraph 7 of the Standard defines ‘Closing rate’ as the exchange rate at the balance sheet date. In order to ensure uniformity among banks/ AIFIs, closing rate to be applied for the purposes of AS 11 (revised 2003) for the relevant accounting period would be the last <u>closing spot rate</u> of exchange announced by FEDAI for that accounting period.

**Annex III**

## Consolidated Prudential Returns

### (i) Financials for the consolidated AIFI

(Amount in crores of INR)

| Sl.No | Parameters | Amount |
|---|---|---|
| 1 | Total Assets | |
| 2 | Capital & Reserves | |
| 3 | Regulatory Capital (Actual/ Notional) – after netting for consolidation | |
| 4 | Risk-weighted assets(Actual/ Notional) | |
| 5 | Capital Adequacy Ratio(Actual/ Notional) (%) | |
| 6 | Total Deposit Funds | |
| 7 | Total Borrowings | |
| 8 | Total Advances (Gross) | |
| 9 | Total Non-performing Advances (Gross) | |
| 10 | Total Investments (Book Value) | |
| 11 | Total Investments (Market Value) | |
| 12 | Total Non-performing Investments | |
| 13 | Total Non-performing Assets (incl. Advances & Investments which are non-performing) (Items 9 & 12) | |
| 14 | Provision held for Non-performing Advances | |
| 15 | Provisions held for Non-performing Investments | |
| 16 | Profit before Tax (for Half-year/ Year ended Sept./March ) | |
| 17 | Profit after Tax (for Half-year/ Year ended Sept./March) | |
| 18 | Return on Assets (for Half-year / Year ended Sept / March) | |
| 19 | Return on Equity (for the Half – Year ended Sept / March ) | |
| 20 | Total Off – balance sheet exposure (contingent credits) | |
| 21 | Total Dividends paid (for Half-year / Year ended Sept/ March ) | |

### (ii) <u>Large Exposures</u>

#### (A) Large Exposures to Individual Borrowers

Note: Cases where the regulatory norm is breached may be reported. At the minimum, the top 20 large exposures to individual borrowers of the consolidated AIFI may be reported.

#### (b) Large Exposures to Borrower Groups

| Sl. No. | Name of the Borrower Group / Name | Name of Group | Amount Funded | Amount Non-Funded | % to capital funds |
|---|---|---|---|---|---|
| 1. | | | | | |
| | | Total | 0.00 | 0.00 | 0.00% |
| | Total | | 0.00 | 0.00 | 0.00% |

Note: Cases where the regulatory norm is breached may be reported. At the minimum, the top 20 large exposures to borrower groups of the consolidated AIFI may be reported.

**(iii) Forex Exposures**

| | Amount |
|---|---|
| Total of Overnight Open Position Limit for the consolidated AIFI* | |
| | |

* <u>Note:</u> *Wherever Overnight Open Position Limits are not prescribed, the maximum Overnight Open Position during the period for such entities may be taken. The position may be reported without netting across institutions.*

**(iv) Exposures to Capital Markets of the consolidated AIFI**

| Particulars | Amount |
|---|---|
| 1. Advances to Capital Market<br>a. Fund based<br>b. Non-fund based | |
| 2. Equity Investment in Capital Market | |
| 3. Total Capital Market Exposure (1 + 2) | |
| 4. Total on-balance-sheet assets of the consolidated AIFI (excluding Intangible assets and accumulated losses ) of the previous March | |
| 5. Total Capital Market Exposure as a per cent of Total on-balance-sheet assets of the consolidated AIFI (excluding Intangible assets and accumulated losses) of the previous March (in per cent) | |
| 6. Net Worth (Capital & Reserves) | |
| 7. Equity Investment in Capital Market (Investment in Shares, convertible bonds and debentures and units of equity-oriented mutual funds) as per cent of Networth ( in per cent) | |

*Note - Calculations of Capital Market Exposure is similar to the computation of parent bank.*

**(v) Exposure to Unsecured Guarantees and Unsecured Advances for the consolidated AIFI**

| | |
|---|---|
| 1. Outstanding Unsecured Guarantees | |
| 2 Outstanding Unsecured Advances | |
| 3. Total Outstanding Advances | |
| 4. 20 percent of the AIFI’s outstanding unsecured guarantees plus total of outstanding unsecured advances as per cent of outstanding advances ( in per cent ) | |

*Note - Calculations similar to the computation of parent AIFI.*

## (vi) Structural Liquidity Position for the consolidated AIFI

| | 1 to 14 days | 15 to 28 days | 29 days and upto 3m | over 3m and upto 6m | over 6m and upto 12 m | over 1 year & upto 3 years | over 3y and upto 5y | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |
| 1.Capital | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 2.Reserves and Surplus | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 3.Deposits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 4.Borrowings | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 4.1.Call and Short Notice | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 4.2.Inter Institutional[15](Term) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 4.3.Refinances | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 4.4.Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 5.Other Liabilities and Provisions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 5.1.Bills Payable | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 5.2.Inter-office Adjustment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 5.3.Provisions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 5.4.Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 6.Lines of Credit-committed to: | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 6.1.Institutions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 6.2.Customers | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

[15] Inter-Institutional Borrowings shall include borrowings from regulated financial entities.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |
| 7.Unavailed Portion of Cash Credit /Overdraft / Demand Loan component of working capital | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 8.Letter of Credit/ Guarantees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 9.Repos | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 10.Bills Rediscounted(DUPN) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 11.SWAPS(Buy/Sell) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 12.Interest Payable | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 13.Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| A. TOTAL OUTFLOWS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 1.Cash | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 2.Balances with RBI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 3.Balances with other Banks | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 3.1.Current Account | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 3.2.Money at Call,Short Notice,Term Deposits & Other placements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 4.Investments (including those under Repos but excluding Reverse Repos) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 5.Advances(Performing) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 5.1.Bills Purchased and Discounted(Including bills under DUPN) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 5.2 Cash Credits, Overdrafts and Loans Repayable on Demand | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 5.3.Term Loans | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 6.NPAs(Advances and Investments) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 7.Fixed Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |
| 8.Other Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 8.1.Inter-office Adjustments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 8.2.Others | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 9. Reverse Repos | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 10. Swaps (Sell/Buy) / maturing forwards | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 11.Bills Rediscounted(DUPN) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 12.Interest Receivable | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 13.Committed Lines of Credit | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| B. TOTAL INFLOWS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| C. Mismatch (B-A) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| D. Cumulative Mismatch | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| E. C as % to A | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

## Guidance for filing Consolidated Prudential Report on (CPR)

### 1. Introduction

The objective of the Consolidated Prudential Return (CPR) is to collect consolidated prudential information at the level of the group to which the supervised institution belongs. It aims to capture data mainly on the following areas:

(i) Consolidated Balance sheet data in the format prescribed.

(ii) Consolidated Profit & Loss Account in the format prescribed.

(iii) Select data on financial/risk profile of the consolidated AIFI: Consolidated financial data as per format, data on large exposures, forex exposures, CRR & SLR for the group and structural liquidity profile for the consolidated AIFI as a whole.

### 2. Periodicity of the return

Periodicity of the return is half-yearly as on March 31/ September 30[16].

### 3. General guidelines

For compiling the consolidated balance sheet and profit & loss account as part of the CPR, the general guidelines for preparation of Consolidated Financial Statements (CFS) and Consolidated Prudential Reports (CPR) may be followed.

### 4. CPR (Annex III)

#### (i) Financials for the consolidated AIFI

For the consolidated financial data as per format (at the consolidated AIFI level), general guidance for preparation of balance sheet and profit & loss account for CPR shall be used.

#### (ii) Large exposures

Total credit exposure of the group to an individual borrower or a borrower group comprises both funded and non-funded exposures. For the purpose of exposure limits, outstanding amount or the sanctioned limit, whichever is

[16] June 30/ December 31 in case of NHB.

higher shall be reported. Consolidation of the exposures from different entities of the consolidated AIFI would be required to be done by the reporting institution for compiling this section. Funded exposures comprise loans and advances (including bills purchased/discounted), and investments in bonds/debentures and equities. Non-funded exposures comprise guarantees (financial), guarantees (non-financial), letters of credit, underwriting commitments, etc.

Exposure by the consolidated AIFI to a single borrower/ debtor shall not exceed 15% of its capital funds. Exposure by the consolidated AIFI to a borrower/ debtor group shall not exceed 40% of its capital funds. The aggregate exposure on a borrower/ debtor group can exceed the exposure norm of 40% by an additional 10% (i.e. up to 50%) provided the additional exposure is for the purpose of financing infrastructure projects. Computation of capital funds, exposure etc. shall be on the lines of the methodology adopted for AIFI.

In this section, cases where the regulatory norm is breached in case of individual borrower or borrower group shall be reported. At the minimum, the top 20 large exposures to individual borrowers/ borrower group of the consolidated AIFI shall be reported.

**(iii) Forex exposures**

Total of Overnight Open Position Limits for the consolidated AIFI may be reported here. Wherever Overnight Open Position Limits are not prescribed, the **maximum Overnight Open Position** during the period for such entities may be taken for consolidation. The position may be reported without netting across institutions.

**(iv) Exposures to capital markets**

Calculations of Capital Market Exposure shall be similar to the computation for the parent AIFI. Advances (fund-based) to Capital Market would include loans to individuals, Share and Stock Brokers, Market Makers, etc., while Non-fund based facilities to Capital Market shall include Financial Guarantees issued to Stock Exchanges on behalf of Stock Brokers and Other Financial Guarantees. Equity Investment in Capital Market would include Equities, Equity Oriented Mutual Funds and Convertible Bonds and Debentures.

**(v) Structural Liquidity Position for a consolidated AIFI**

This section is supposed to capture the maturity structure of cash inflows and outflows for the consolidated AIFI as a whole, which is distributed in 8 maturity buckets. The maturity mismatches or gaps run by the consolidated AIFI in these 8 time bands would indicate the liquidity risk facing the consolidated AIFI. Intra-group transactions and exposures shall be excluded from this consolidation.

**Annex V**

**List of Circulars repealed by these directions [to the extent of applicability to the AIFIs (EXIM Bank, NABARD, NHB & SIDBI)]**

| No | Circular No. | Date | Subject |
|---|---|---|---|
| 1. | DBS.FID.No.20/02.01.00 /1997-98 | 04.12.1997 | Limits on Credit Exposures of Term Lending Financial Institutions to Individual / Group Borrowers |
| 2. | MPD.BC.187/07.01.279/ 1999-2000 | 07.07.1999 | Forward Rate Agreements / Interest Rate Swaps |
| 3. | DBS.FID.No.C-9/01.02.00/2000-01 | 09.11.2000 | Guidelines - Classification and Valuation of Investments |
| 4. | DBS.FID.No.C-19/01.02.00/2000-01 | 28.03.2001 | Treatment of Restructured Accounts |
| 5. | DBS.FID.No.C-26/01.02.00/2000-01 | 20.06.2001 | Monetary and Credit Policy Measures 2001-2002 - Credit Exposure Norms |
| 6. | DBS.FID.No.C-2/01.11.00/2001-02 | 25.08.2001 | Corporate Debt Restructuring (CDR) |
| 7. | DBS.FID.No.C-6/01.02.00/2001-02 | 16.10.2001 | Guidelines for Classification and Valuation of Investments - Modifications / Clarifications |
| 8. | DBOD.No.BP.BC.96/21. 04.048/2002-2003 | 23.04.2003 | Guidelines on Sale of Financial Assets to Securitisation Company / Reconstruction Company |
| 9. | IDMC.MSRD.4801/06.01 .03/2002-03 | 03.06.2003 | Guidelines on Exchange Traded Interest Rate Derivatives |
| 10. | DBS.FID.No.C-5/01.02.00/2003-04 | 01.08.2003 | Guidelines for Consolidated Accounting and Consolidated Supervision |
| 11. | DBS.FID.No.C-11/01.02.00/2003-04 | 08.01.2004 | Final Guidelines on investment by the FIs in debt securities |
| 12. | DBOD.No.FID.FIC.8/01. 02.00/2009-10 | 26.03.2010 | Additional Disclosures in Notes to Accounts |

| | | | |
|---|---|---|---|
| 13. | DBOD.No.FID.FIC.9/01.02.00/2009-10 | 26.03.2010 | Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Computation of NPA Levels |
| 14. | DBOD.FID.FIC.No.5/01.02.00/2010-11 | 18.08.2010 | Sale of Investments held under Held to Maturity (HTM) Category |
| 15. | DBOD.FID.FIC.No.8/01.02.00/2010-11 | 02.11.2010 | Prudential Norms for Off Balance Sheet Exposure - Bilateral netting of counterparty credit exposures |
| 16. | DBOD.BP.BC.No.99/21.04.132/2012-13 | 30.05.2013 | Review of Prudential Guidelines on Restructuring of Advances by Banks and Financial Institutions |
| 17. | DBOD.FID.FIC.No.5/01.02.00/2012-13 | 17.06.2013 | Review of Prudential Guidelines on Restructuring of Advances by Banks and Financial Institution |
| 18. | DBOD.BP.BC.No.97/21.04.132/2013-14 | 26.02.2014 | Framework for Revitalising Distressed Assets in the Economy - Guidelines on Joint Lenders' Forum (JLF) and Corrective Action Plan (CAP) |
| 19. | DBOD.BP.BC.No.98/21.04.132/2013-14 | 26.02.2014 | Framework for Revitalising Distressed Assets in the Economy - Refinancing of Project Loans, Sale of NPA and Other Regulatory Measures |
| 20. | DBR.No.FID.5/01.02.00/2014-15 | 11.06.2015 | Guidelines on Sale of Financial Assets to Securitisation Company (SC)/ Reconstruction Company (RC) and Related Issues |