# THE SARVODAYA CO-OP. BANK LTD., MUMBAI

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# INVESTMENT POLICY

# FOR SLR & NON-SLR

# FOR THE YEAR 2016-17

- Approved in the Board of Directors Meeting dated 10/06/2016●

# THE SARVODAYA CO-OP. BANK LTD., MUMBAI

## INVESTMENT POLICY OF SLR INVESTMENT FOR THE YEAR 2016-17

**BOARD OF DIRECTORS MEETING DATED 01/07/2016 Resolution No.:- 9**

**Introduction:-**

The RBI vide their Master Circular UBD.BPD. (PCB). MC.No 12/16.20.000/2009 dated July 1, 2009 has issued broad guidelines on Investments by Primary Urban Co-op Bank. This policy addressing adequately address risk management aspects ensures that the procedures to be adopted by the bank are consistent, transparent, and well documented to facilitate smooth verification by the auditors.

**Statutory Provisions:-**

**Statutory (SLR) Investments:-**

As announced in the fourth Bi-Monthly Monetary Policy Statement 2015-16 by the Reserve Bank of India on September 29, 2015, it has been decided to reduce the Statutory Liquidity Ratio (SLR) of scheduled commercial banks, local area banks, primary (Urban) co-operative banks (UCBs), state co-operative banks and central co-operative banks from 21.5 per cent of their Net Demand and Time Liabilities (NDTL) to :-

i) 21.25 per cent from April 2, 2016,
ii) 21.00 per cent from July 9, 2016,
iii) 20.75 per cent from October 1, 2016 and
iv) 20.50 per cent from January 7, 2017

The bank may hold such liquid assets in form of cash, gold or unencumbered approved securities & holding in Government/ other approved securities.

Banks shall be required to maintain SLR in Government & other approved securities up to 21.5% of their NDTL.

**Objectives of the Investment Policy:-**

# THE SARVODAYA CO-OP. BANK LTD., MUMBAI

In order to make optimum profit out of Investments made by the bank, bank is required to make prudent investment taking into account rate of interest on Deposit, profitability in Government Securities and RBI & Government policy in this regard.

**Investment Policy:-**

Keeping in view the various regulatory/ statutory and the bank's own internal requirements, bank has framed, with the approval of the BOD's the broad Investment policy & objectives to be achieved while undertaking investment transactions.

**Trading Guidelines:-**

1. The board is required to authorize to do dematerialization, rematerialization and any other way operate our constituent Subsidiary General Ledger Account with the Federal Bank. Authorised person and mode of operation to be specified.
2. A copy of the internal investment policy guidelines framed by the bank with the approval of its Board should be forwarded to the Regional Office concerned of the Reserve Bank, certifying that the policy is in accordance with the prescribed guidelines and the same has been put in place. Subsequent changes, if any, in the Investment Policy should also be advised to the Regional Office of the Reserve Bank.
3. Transactions can be undertaken only on banks Own Investment Account. Bank shall not undertake any transaction on the Portfolio Management System (PMS) clients in their fiduciary capacity and on behalf of their clients either as custodian of their Investment or purely as their agents.
4. All transactions in Government securities for which SGL facility is available should be put through SGL accounts only.
5. All transactions must be monitored to see that delivery takes place on settlement day. The fund account and investment account should be reconciled on the same day before the close of business.

6. The banks should keep a proper record of the SGL forms received / issued to facilitate counter-checking by their internal control systems/Inspecting Officers of Reserve Bank/other auditors. Balance as per the banks books in respect of SGL accounts should be reconciled with the balances in the books of CSGL Account.
7. No transactions in Government Securities by a UCB should be undertaken in physical form with any broker.
8. No sale transaction should be put through by banks without actually holding the security in its investment account i.e. under no circumstances banks should hold an oversold position in any security.

9. For every transaction entered into, a deal slip should be prepared which should contain details relating to name of the counter-party, whether it is direct deal or through a broker, and if through a broker, details of security, amount, price, contract date and time. For each deal, there must be a system of issue of confirmation to the counterparty.
10. In order to avoid concentration of risk, the banks should have a fairly diversified investment portfolio. Smaller investment portfolios should preferably be restricted to securities with high safety and liquidity such as Government Securities.
11. Federal Bank will forward a monthly statement of balances of SGL/CSGL account for the purpose of monthly reconciliation of their SGL/CSGL balances as per their books and the position in this regard should be placed before the Audit Committee of the board. This reconciliation should be periodically checked by the internal audit department. A system for verification of the authenticity of the SGL transfer forms received from other bank and confirmation of authorized signatories should be put in place.
12. Bank should exercise abundant caution to ensure adherence to these guidelines.
13. Bank should take advantage of non-competitive bidding facilities provided for acquiring Government of India Securities in the primary auctions by RBI.
14. Bank should not undertake inter bank ready forward deals in dated Government and approved/trustee securities.

15. There should be a clear functional separation of (a) trading (b) settlement, monitoring and control and (c) accounting. Similarly there should be functional separation of trading and Back office functions relating to bank own investment accounts. Accordingly Manager/ Officer at Head Office will look after settlement & accounting duly assisted by the staff working under him/her, whereas dealings

    shall be done by General Manager in consultation with Chairman/Vice-Chairman/Director. On the basis of vouchers passed after verification of actual contract notes received from the broker/counter-party and confirmation of the deal by the counter-party the Accounts Section should independently write the books of accounts.

**Investment Fluctuation Reserve:-**

When NDTL of the bank exceeds 100 crores bank is required to create IFR as per RBI guideline with a view to build up adequate reserves to guard against market risks.

**Investment Committee:-**

The bank has formed the investment committee comprising of Chairman, Vice Chairman, Directors, & General Manager of the bank.

The committee will review time to time:

1) The portfolio position
2) Profit & Loss decision
3) Compliance with prudential limits for SLR & Non SLR investments
4) Shifting of securities etc.

**Classification & Valuation of Investments:-**

The bank should decide the category of the investment at the time of acquisition and the decision should be recorded on the investment proposals. The bank are required to classify their entire investment portfolio under following three categories:

**a) Held to Maturity (HTM):**

Securities acquired by the bank with the intention to hold them up to maturity will be classified under "Held to Maturity" category. The investments included under HTM category should not exceed 21.5% of the bank's total investments. However banks are permitted to exceed the limit of 21.5% of their total investments under HTM category provided

i) the excess comprises only of SLR securities

ii) the total SLR securities held in the HTM category need not be marked to market and will be carried at acquisition cost unless it is more than the face value, in which case the premium should be amortised over the period remaining to maturity.

**b) Held for Trading (HFT):**

Securities acquired by the bank with the intention to trade by taking advantage of the short-term price/interest rate movements will be classified under HFT category.

The individual scrip in the HFT category will be marked to market at monthly or at more frequent intervals. The book value of individual securities in this category would not undergo any change after marking to market.

**c) Available for Sale (AFS):**

Securities which do not fall within the above two categories will be classified under AFS category. The individual scrip in the AFS category will be marked to market at the year end or at more frequent intervals. The book value of the individual securities would not undergo any change after the revaluation.

Note: Securities under AFS and HFT categories shall be valued scrip-wise and depreciation/appreciation shall be aggregated for each classification separately for AFS and HFT. Net depreciation if any shall be provided for.

Net appreciation if any should be ignored. Net depreciation required to be provided for in any one classification should not be reduced on account of net appreciation in any other

classification. Similarly net depreciation for any classification in one category should not be reduced from appreciation in similar classification in another category.
The provisions required to be created on account of depreciation in the AFS and HFT in any year should be debited to the Profit & Loss Account and an equivalent amount or the balance available in the Investment Fluctuation Reserve/ Investment Depreciation Reserve Account to the Profit & Loss Account.

1. The provisions required to be created on account of depreciation in the AFS and HFT category in any year should be debited to the Profit and Loss Account and an equivalent amount (net of tax benefit, if any, and net of consequent reduction in the transfer to Statutory Reserve) or the balance available in the IFR /

Investment Depreciation Reserve Account, whichever is less, shall be transferred from the IFR/Investment Depreciation Reserve Account to the Profit and Loss Account. In the event provisions created on account of depreciation in the AFS and HFT category are found to be in excess of the required amount in any year, the excess should be credited to the Profit and Loss Account and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such excess provision), should be appropriated to the IFR/Investment Depreciation Reserve Account to be utilised to meet future depreciation requirement for investments in this category. The amounts debited to the Profit and Loss Account for provision and the amount credited to the Profit and Loss Account for reversal of excess provision should be debited and credited respectively under the head ‘Expenditure - Provisions & Contingencies’. The banks should segregate quantum of provisions required for diminution/depreciation in investments and park under ‘Contingent provisions against depreciation in investment’ to clearly define provisions and reserves and facilitate transfer of funds from/to IFR/Investment Depreciation Reserve. The amounts appropriated from the Profit and Loss Account and the amount transferred from the IFR/Investment Depreciation Reserve to the Profit and Loss Account should be shown as 'explanatory note' after determining the profit for the year.

2. It is clarified that while the individual scrips in the HFT category will continue to be marked at monthly or at more frequent intervals, the book value of the individual securities in this category would not undergo any change after marking to market. While the net depreciation in the value of investments, if any, shall be provided for; the net appreciation, if any, should be ignored. Net depreciation required to be provided for in any one category should not be netted with net appreciation in any other category.
3. In respect of securities included in any of the three categories where interest/principal is in arrears, the banks should not reckon income on the securities and should also make appropriate provisions for the depreciation in the value of the investment. The banks should not set-off the depreciation requirement in respect of these non-performing securities against the appreciation in respect of other performing securities.

**Shifting of Securities:**

Bank may shift investments to/from ‘HTM category with the approval of the board of Directors once in a year. Such shifting will normally be allowed at the beginning of the accounting year. No further shifting to/from this category will be allowed during the remaining part of that accounting year.

Bank may shift investments from AFS category to HFT category within the approval of their Board of Directors. In case of exigencies, such shifting may be done with the approval of the Chief Executive of the Bank, but should be ratified by the Board of Directors.

Shifting of Investments from HTM to AFS category is generally not allowed. However it will be permitted only under exceptional circumstances as per guidelines issued by RBI.

Transfer of scrips from one category to another, under all circumstances, should be done at the acquisition cost/book value/market value on the date of transfer, whichever is the least and the depreciation, if any, on such transfer should be fully provided for.

**Classification of Investment in the Balance Sheet:**

For the purpose of Balance Sheet, the investments should continue to be classified in the following categories:

(i) Government securities

(ii) Other approved securities

(iii) Shares

(iv) Bonds of PSU

(v) Others

**Broken Period Interest- Government and Other Approved Securities:-**

1. With a view to bringing about uniformity in the accounting treatment of broken period interest on Government Securities paid at the time of acquisition and to comply with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, the banks should not capitalize the broken period interest paid to seller as part of cost, but treat it as an item of expenditure under Profit & Loss Account.

2. It is to be noted that the above accounting treatment does not take into account taxation implications and hence the bank should comply with the requirements of income tax authorities in the manner prescribed by them.

**Internal & Concurrent Audit:**

Purchase and sale of government securities etc should be separately subjected to audit by internal auditors and the result of their audit should be placed before the BOD's once in every half year.

Internal auditors are required to audit the Investment Port folio on quarterly bases & such report is to be placed before the Board in every quarter there after the same should be forwarded to Regional Office of RBI at half yearly interval on 30$^{th}$ September & 31$^{st}$ March.

**Review of Investments Portfolio:**

Bank should undertake a half yearly review of their investment portfolio, which should apart from other operational aspects of investment portfolio, clearly indicate and certify adherence to laid down internal investment policy and procedures and RBI guidelines and put up the same before their respective Boards within a month i.e. by end of April and end of October.

**Management Information System:-**

Bank should put in place a system to report to the top management on a monthly basis the details of transactions in securities, details of bouncing of SGL transfer forms issued by other bank and review of investment transactions undertaken during the period.

**Monitoring, Control and Supervision:**

The Board/ committee/ General Manager should actively oversee investment transactions. All investment transactions should be pursued by the Board at every meeting.

Bank should undertake a half yearly review of their investment portfolio, which should apart from other operational aspects of investment portfolio, clearly indicate and certify adherence to laid down internal investment policy and procedures and RBI guidelines and put up the same before their respective Boards within a month i.e. by end of April and end of October.

The bank may seek the guidance of Primary Dealers Association of India/ Fixed Income and Money Market Dealers Association (FIMMDA) on investment in Government Securities.

**Engagement of Brokers:**

**Empanelment of Brokers:**

Bank should have panel of brokers through whom transaction in Government Securities can be undertaken. Role of Broker is to bring two parties together. Limit of 5% of total sales/purchase transaction for each broker is to be adhered to. However if such limit exceeds approval of the Board is to be taken with explanation for exceeding such limit. A record of broker wise details of deals put through and brokerage paid, should be maintained.

The bank should prepare a panel of brokers with the approval of their Board of Directors. Brokers should be empanelled after verifying their credentials eg:-

(a) SEBI registration

(b) Membership of BSE/NSE/OTCEI for debt market.

(c) Market turnover in the preceding year as certified by the Exchanges.

(d) Market reputation

The bank should check websites of SEBI/respective exchanges to ensure that the broker has not been put in the banned list.

Only SEBI registered brokers who are authorized by the permitted exchange (NSE, BSE or OTCEI) to undertake transactions in government securities can be used for placing but/sell orders.

**Broker Limits:**

Bank should fix aggregate contract limits for each of the approved brokers, and ensure that these limits are not exceeded. A recor d of broker-wise details of details of deals put through and brokerage paid should be maintained.

A limit of 5% of total transactions (both purchases and sales) entered into by the Bank during a year should be treated as the aggregate upper contract limit

This limit should cover both the business initiated by the bank and the bank and the business offered/brought to the bank by a broker.

**Restrictions on holding shares in other co-operative societies:-**

Section 19 of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies) (BR Act, 1949 (AACS)) stipulates that no cooperative bank shall hold shares in any other co-operative society except to such extent and subject to such conditions as the Reserve Bank of India (Reserve Bank) may specify in that behalf. However, nothing contained in the section applies to -

1. Shares acquired through funds provided by the State Government for that purpose ;

2. In the case of a central co-operative bank, the holding of shares in the state co-operative bank to which it is affiliated; and

3. In the case of a primary (urban) co-operative bank (UCB), holding of shares in the central co-operative bank to which it is affiliated or in the state co-operative bank of the state in which it is registered.

Policy has been put for review and approval in the Board of Directors Meeting dated 01/07/2016

| | | |
|---|---|---|
| Chairman | Vice-Chairman | Managing Director |

# THE SARVODAYA CO-OP. BANK LTD., MUMBAI

**INVESTMENT POLICY OF NON-SLR DEPOSIT WITH OTHER BANK FOR 2016-17**

**BOARD OF DIRECTORS MEETING DATED 01/07/2016 Resolution No.:- 9**

## Coverage:

These guidelines cover investment by Banks in the bonds issued by public sector undertaking, unsecured redeemable bonds floated by nationalised bank, bonds/shares issued by All India Financial Institution and units of Unit Trust of India. Holding Shares & debentures in Private Sector Companies or Institution other than Co-Operative sector

The guidelines will apply to investments both in the primary market as well as in the secondary market.

## Prudential Limit:

The Non-SLR investments will continue to be limited to 10% of a bank's total deposits as on 31$^{st}$ March of the previous year.

## Instruments:

UCBs may invest in the following instruments:
(a) "A" or equivalent and higher rated Commercial Papers (CPs), debentures and bonds.
(b) Units of Debt Mutual Funds and Money Market Mutual Funds.

## Regulatory Requirements:

The non-SLR investments may be made by the Bank subject to the following conditions/safety measures:

a) Investment in perpetual debt instruments is not permitted.

b) Investment in unlisted securities should be subject to a minimum rating prescribed and should not exceeded 10% of the total Non-SLR investment at any time.

c) Bank should comply with the instructions regarding investment policy and the dealings in securities transactions.

d) There should be no default by the Bank in maintenance of statutory cash reserve and liquid assets requirements as prescribed by the Reserve Bank of India Act, 1934/ Banking Regulation Act, 1949 (AACS).

e) Bank should have achieved the targets fixed by the Reserve Bank from time to time for lending to priority sectors/weaker sections.

f) Overdues of Bank should not be more than 15% of their outstanding loans and advances.

g) Bank should comply with the RBI instructions regarding income recognition, asset classification and provisioning.

h) Bank should undertake usual due diligenece in respect of investments in non-SLR securities. Present RBI regulations preclude bank from extending credit facilities for certain purposes. Bank should ensure that such activities are not financed by way of funds raised through the non-SLR securities.

i) All fresh investments under non-SLR category should be classified under Held for Trading (HFT)/Available for Sale (AFS) categories only and marked to market as applicable to these categories of investments.

j) Bank make all fresh Non-SLR debt investments only in listed debt securities of public sector undertakings which comply with the requirements of SEBI circular dated September 30, 2003.

k) Bank should not invest in Non-SLR debt securities of original maturity of less than one year.

l) Bank should ensure that exposure, to a single issuer of debt securities is within the individual exposure ceiling prescribed by RBI for grant of advances, based on capital funds of the bank.

m) Banks are not permitted to invest in zero coupon bonds as per circular No. UCB. (PCB) BPD. Cir No.36/16.20.000/2010-11 dated February 18, 2011.

## Internal Assessments:

Since non-SLR securities are mostly in the form of credit substitutes, bank should:

a) Subject all the investment proposals relating to the above securities to credit appraisal on par with the credit proposals, irrespective of the fact that the proposed investments may be in rated securities.

b) Make own internal credit analysis and rating even in respect of rated issues and that Bank should not entirely rely on the rating of external agencies, and

c) Strengthen their internal rating systems which should also include building up of a system of regular quarterly or half-yearly tracking of the financial position of the issuer with a view to ensuring continuous monitoring of the rating migration of the issuers/issues.

## Fixing of Prudential Limits:

1. Investment in Deposits with other institution and other primary (urban) co-operative banks.

b) The exposure to any single bank should not exceed 5% of the depositing bank's DTL as on March 31 of the previous year, inclusive of its total Non-SLR investment and deposits placed with that Bank. Deposits, if any, placed for availing CSGL facility, currency facility and non fund based facilities like Bank Guarantee, Letter of Credit would be excluded to determine the single bank exposure limit for this purpose.

c) The total amount of deposits placed by the Bank with a schedule bank should not exceed 15% of its capital funds so as to be in consonance with the extant exposure norms.

d) The total amount of funds placed as inter bank deposits (for all purposes including clearing remittances etc.) shall not exceed 10% of the DTL of UCBs as on March 31 of the previous year. The prudential inter-bank exposure limit of 10% of the DTL would be all-inclusive and not limited to inter-bank call and notice money. The only exception is made for tier 1 UCBs, which may place deposits up to 15% of their NDTL with public sector banks over and above the said prudential limit of 10% of NDTL.

e) Balances held in deposit accounts with commercial banks and in permitted schedule UCBs and investments in Certificate of Deposits issued by Commercial banks will be outside the limit of 10% of total deposits prescribed for Non-SLR investments.

## 2. Investments in Debt Securities:

The Board of Directors of bank should fix a prudential limit for the total investment in Non-SLR securities and sub-limits for the followings debt securities,

(a) bonds of public sector undertaking,
(b) bonds equity of All India Financial Institution listed in Appendix-II,
(c) infrastructure bonds floated by All India Financial Institution,
(d) unsecured redeemable bonds floated by nationalised bank,
(e) units of UTI and
(f) certificate of deposits issued by scheduled commercial bank and other financial institution approved by RBI.

The total investment in (a) to (f) above should not exceed 10% of the bank total deposits as on March 31 of the previous year, with a sub-ceiling of 5% of incremental deposits of the previous year for investments covered under (e).

Bank should ensure that exposure, to a single issuer of debt securities is within the individual exposure ceiling prescribed by RBI for grant of advances, based on capital funds of the bank.

Bank should stipulate entry-level minimum ratings quality standards and industry-wise, maturity-wise, duration wise, issuer-wise etc. limits to mitigate the adverse impacts of concentration and the risk of liquidity.

## Placement of deposits with other Bank by primary (urban) co-operative Bank (UCBs):

## Prudential inter-bank (gross) exposure limit:

1. The total amount of deposits placed by an UCB with other banks (inter-bank) for all purposes including call money/ notice money, and deposits, if any, placed for availing clearing facility, CSGL facility, currency chest facility, remittance facility and non-fund based facilities like Bank Guarantee, Letter of Credit, etc. shall not exceed 20 per cent of its total deposit liabilities as on March 31 of the previous year. The balances held in deposit accounts with commercial banks and in permitted scheduled UCBs and investments in Certificate of Deposits issued by commercial banks, being inter bank exposures, will be included in this 20 per cent limit.

Prudential inter-bank counter party limit:-

Within the prudential inter-bank (gross) exposure limit, deposits with any single bank should not exceed 5 per cent of the depositing bank's total deposit liabilities as on March 31 of the previous year.

Exemptions from the prudential limit:-

a) As per the extant policy, non-scheduled UCBs in Tier I have been exempted from maintaining SLR in Government and other approved securities up to 15 per cent of their NDTL provided the amount is held in interest bearing deposits with the Public Sector Banks and IDBI Bank Ltd. These deposits are exempted from the prudential limit on inter-bank exposure limits

b) The balances maintained by UCBs with the Central Cooperative Bank of the district concerned or with the State Cooperative Bank of the State concerned are treated as SLR under the provisions of Section 24 of the Banking Regulation Act, 1949(AACS). These deposits are exempted from the prudential limit on inter-bank exposure limits

c) The placement of deposits by non-scheduled UCBs with scheduled UCBs would continue to be as per the guidelines issued vide our circular BPD PCB Cir 46/16.20.00/2002-03 dated May 17, 2003. However, the amount of deposits placed by a non-scheduled UCB with any scheduled UCB should not exceed 5% of the depositing bank's total deposit liabilities as on March 31 of previous year. The total inter-UCB deposits accepted by a scheduled UCB should not exceed 10% of its total deposit liabilities as on 31st March of the previous financial year.

d) Keeping in view the prescribed prudential limits, UCBs may formulate a policy taking into account their funds position, liquidity and other needs for placement of deposits with other banks, the cost of funds, expected rate of return and interest margin on such deposits, the counter party risk, etc and place it before their Board of Directors. The Board should review the position at least at half yearly intervals.

e) Non-scheduled primary (urban) co-operative Bank may place deposits with strong schedule primary (urban) co-operative Bank, fulfilling following norms:

(i) The bank is complying with the prescribed level of CRAR.
(ii) Net NPA of the bank is less than 7%.
(iii) The bank has not defaulted in the maintenance of CRR/SLR requirements for the last two years.
(iv) The bank has declared net profits for the last three consecutive years.
(v) The bank is complying with prudential norms on income recognition, assts classification and provisioning, exposure ceilings and loans & advances to directors.
(vi) The total of all such deposits accepted by a scheduled bank should not exceed 10% of its deposit liabilities as on 31st March of the previous financial

f) Bank may, however, maintain balance in current accounts with other bank for meeting their clearing and remittance requirements.

## Units of Mutual Fund:-

Investments in quoted debt/money market Mutual Fund Units should be valued as per stock exchange quotations. Investments in non-quoted Mutual Funds Units are to be valued on the basis of the latest re-purchase price declared by the Mutual Funds in respect of each particular Scheme. In case of funds with a lock-in period, or where repurchase price/market quote is not available, units could be valued at Net Asset Value (NAV). If NAV is not available, then these could be valued at cost, till the end of the lock-in period.

## Role of Board of Directors:

Bank should put in place proper risk management systems for capturing and analysing the risk in respect of Non-SLR investment and taking remedial measures in time.

The Board should devise a system to ensure that the limits prescribed above are scrupulously complied. The Board should appropriately address the issue of ensuring compliance with the prudential limits on an on going basis, including breaches, if any, due to rating migration.

Board of bank should review the following aspects of Non-SLR investment twice a year:

a) Total Business (investment and divestment) during the reporting period.
b) Compliance with the prudential limits prescribed by the Board for Non-SLR investment.
c) Rating migration of the issuers/issues held in the bank's books and consequent diminution in the portfolio quality.
d) Extent of no-performing investments in the Non-SLR category and sufficient provision thereof.
e) Compliance with the prudential guidelines issued by Reserve Bank on Non-SLR securities.

## Demat Form :

Bank should make investments in Non-SLR securities in dematerialised form only.

## Trading and settlement in debt securities :

As per the SEBI guidelines, all traders with the exception of the spot transactions, in a listed debt security, shall be executed only on the trading platform of a Stock Exchange. In addition to complying with the SEBI guidelines, bank should ensure that all spot transactions in listed securities are reported on the NDS and settled through the CCIL from a date to be notified by RBI.

## Disclosures :

As per our circular No.BP.PCB.20/16.45.00/2002-03 dated October 30, 2002, if bank having deposits of Rs.100 Crore or more are required to disclose certain information as "Notes in Accounts" to bank's balance sheet effective from the year ending 31$^{st}$ March, 2003.

In addition to the existing disclosure norms for investment, Bank when exceeds deposits by Rs.100 crores and more, are further advised to disclose the details of issuer composition of Non-SLR investments and the non-performing Non-SLR investment in the 'Notes on Accounts' of the Balance Sheet, as indicated in Appendix III.

Policy has been reviewed and approved in the Board of Directors Meeting dated 01/07/2016

Chairman Vice-Chairman Managing Director