BANK OF CEYLON

CHENNAI BRANCH

SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2024

SCHEDULE - 17- SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

The financial statements are prepared following the going concern concept, on historical cost basis unless otherwise stated and conform to the Generally Accepted Accounting Principles (GAAP) in India which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI) from time to time, Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and current practices prevailing in the banking industry in India.

2. TRANSACTIONS INVOLVING FOREIGN EXCHANGE

a) Monetary assets and liabilities in foreign currencies, including Forward Exchange Contracts, are translated into Indian Rupees at the year-end rates of exchange advised by the Foreign Exchange Dealers Association of India (FEDAI) and the resultant gain or loss is taken to revenue.

b) Income and Expenditure items are translated at the exchange rates prevailing on the date of transaction.

3. INVESTMENTS

Classification

a) Basis of classification

In compliance with the Reserve Bank of India guidelines, the investment portfolio of the Bank is classified into

a) "Held to Maturity" (HTM) comprising Investments acquired with the intention to hold them till maturity.

b) "Held for Trading" (HFT) comprising Investments acquired with the intention to trade. Securities that are held principally for resale within 90 days from the date of purchase are classified under the HFT category.

c) "Available for Sale" (AFS) comprising Investments not covered by (a) and (b) above i.e. those which are acquired neither for trading purposes nor for being held till maturity.

Valuation:

a) Investments are classified as per RBI guidelines into "Held to Maturity", "Available for Sale" and "Held for Trading" categories. "Held to Maturity" Investments are stated at acquisition cost net of amortization. The excess of acquisition cost over the face value, if any is amortized over the remaining period of maturity.

b) Investments in "Available for Sale" and "Held for Trading" categories are marked to market, as per the guidelines issued by the Reserve Bank of India.

c) Treasury bills are valued at carrying cost.

4. ADVANCES

All the advances have been classified as per the asset classification norms prescribed by Reserve Bank of India. The total of advances disclosed in the Balance sheet is Net of Provisions on NPAs. Provision on Standard Assets is made as per the guidelines prescribed by RBI. 0.50% of standard advances is set apart every year as floating provision to be utilized under exceptional circumstances.

5. FIXED ASSETS

a) All the fixed assets are stated at historical cost net of depreciation.

b) Computers including computer software are depreciated at 33.33% p.a and all other fixed assets are depreciated at 20% on Straight-line method proportionately from the month of purchase.

6. STATUTORY RESERVE

At the close of every fiscal, profit at a percentage not less than 25% that prescribed by the regulator, is transferred and held as statutory reserve.

7. REVENUE/ EXPENDITURE RECOGNITION

a) Income and Expenditure are generally accounted for on accrual basis, unless otherwise stated.

b) Income on Non-Performing Assets (NPAs) is recognized to the extent realized as per the prudential norms prescribed by the Reserve Bank of India. Income accounted for in the preceding year and remaining unrealized is derecognized in respect of assets classified as Non-Performing during the year

c) Interest on overdue bills and LC Commission are accounted on realization basis.

d) Items of income/expenditure are considered not material for revenue recognition, if the amount is less than one percent of the total income/expenditure.

8. EMPLOYEE BENEFITS

Provision for gratuity in accordance with the provisions of The Payment of Gratuity Act, 1972, is made on the basis of Actuarial valuation

9. TAXES ON INCOME

a) Provisions for taxes are made for both Current Taxes and Deferred Tax. Current Tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates, tax laws and favorable judicial pronouncements/legal opinions.

b) Deferred tax Assets and liabilities arising on account of timing differences and which are capable of reversing in subsequent periods are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the date of the Balance sheet. Deferred tax assets are not recognized unless there is "Virtual Certainty" that there will be sufficient future taxable income available against which such deferred tax assets will be realized.

10. SEGMENT REPORTING:

a) The Bank recognises the Business Segment as the Primary Reporting Segment and Geographical Segment as the Secondary Reporting Segment, in accordance with the RBI guidelines and in compliance with the Accounting Standard 17.

b) Business Segment is classified into (a) Treasury (b) Corporate and Wholesale Banking, (c) Retail Banking and (d) Other Banking Operations.

c) Geographical Segment consists only of the Domestic Segment since the Bank does not have any foreign branches.

11. EARNING PER SHARE

BOC Chennai is a branch of BOC Colombo which is 100% owned by the Government of Srilanka, hence AS- 20 Earning Per Share provision is not applicable.

12. IMPAIRMENT OF ASSETS

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

13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

As per the Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realised.

14. NET PROFIT:

The net profit as per the Profit & Loss account is arrived at after necessary provisions towards:-

Taxation.

Advances and other assets.

Shortfall in the value of investments

Staff Retirement benefits.

Other usual and necessary provisions.

15. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents include cash in hand, Balance with RBI, Balance with other Banks and money at Call and Short Notice.

For **Jagannathan & Sarabeswaran**
Chartered Accountants
FRN : 001204S

Sd/-
Jeyaranee Gnanasambanthan
Country Manager
Place : Chennai
Date : 21.06.2024

Sd/-
(P.S.NARASIMHAN)
Partner
Membership No.: 020936

Classification:Confidential-External

BANK OF CEYLON

CHENNAI BRANCH

SCHEDULE 18

NOTES ON ACCOUNTS

1. The reconciliation of inter branch transactions has been completed up to 31.03.2024 and tallying of balances is ensured on an ongoing basis.

2. DISCLOSURE REQUIREMENTS

2.1. Capital

(₹ in Crore)

	Items	2023-24	2022-23
i)	Common Equity Tier 1 Capital Ratio (%) – (Basel-III)	32.01	29.50
ii)	Tier 1 Capital Ratio (%)	32.01	29.50
iii)	Tier 2 Capital Ratio (%)	1.25	1.25
iv)	Total Capital Ratio (CRAR) (%)	33.26	30.75
v)	Percentage of the shareholding of the Government of India in public sector bank	NIL	NIL
vi)	Amount of equity capital raised	NIL	NIL
vii)	Amount of Additional Tier 1 capital raised, of which		
	PNCPS:	NIL	NIL
	PDI:	NIL	NIL
viii)	Amount of Tier II Capital raised, of which		
	Debt capital instruments	NIL	NIL
	Preference Share Capital instruments	NIL	NIL

During the year 2023-24 the branch has repatriated profit ₹ 2.89 Crs to Head office

2.2 INVESTMENTS

(₹ in Crore)

Particulars	2023-24	2022-23
(1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	71.91	67.75
(b) Outside India	NIL	NIL
(ii) Provisions for Depreciation		
(a) In India	0.00	0.13
(b) Outside India	NIL	NIL
(iii) Net Value of Investments		
(a) In India	71.91	67.62
(b) Outside India	NIL	NIL
(2) Movement of provisions held towards Depreciation on investments		
(a) Opening balance	0.13	NIL
(b) Add: Provisions made during the year	0.00	0.13
(c) Less: Write-off / write-back of excess provisions during the year	(0.13)	NIL
(d) Closing Balance	0.00	0.13
(iv) Movement of Investment Fluctuation Reserve		
(a) Opening balance	0.00	0.00
(b) Add: Provisions made during the year	1.00	0.00
(c) Less: Write-off / write-back of excess provisions during the year	0.00	0.00
(d) Closing Balance	1.00	0.00
Closing Balance in IFR as a % of closing balance AFS category	2.36	0.00

In respect of securities held under HTM category, premium paid of ₹ 0.22 Crs has been amortized during the year and debited under "Interest received on Investments"

2.2.1 Repo Transactions (in face value terms)

(₹ in Crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31 2024
Securities sold under repo				
I. Government securities	NIL			
II. Corporate debt securities				
Securities purchased under reverse repo				
I. Government securities	1	80	22.84	29
II. Corporate debt securities	NIL	NIL	NIL	NIL

Classification:Confidential-External

BANK OF CEYLON

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2.2.2. Non-SLR Investment Portfolio

i) Issuer composition of Non-SLR investments:

(₹ in Crore)

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	NIL				
2	FIs					
3	Banks					
4	Private Corporates					
5	Subsidiaries/Joint Ventures					
6	Others					
7	Less: Provision held towards depreciation					
	Total					

Amounts reported under Columns 4, 5, 6 and 7 above may not be mutually exclusive

ii) Non-performing Non-SLR investments

(₹ in Crore)

Particulars	2023-2024	2022-2023
Opening balance	NIL	NIL
Additions during the year since 1st April 2023	NIL	NIL
Reductions during the above period	NIL	NIL
Closing balance 31st March 2024	NIL	NIL
Total Provisions held	NIL	NIL

2.2.3 Sale from HTM category

The bank has not sold any securities during the year under HTM category.

2.2.4 The percentage of SLR investment under HTM category as on 31/3/2024 is 11.45% (PY 7.81%) of the Net Demand and Time Liabilities of the bank, which is within the permissible limit as per RBI guidelines.

2.3 Derivatives

2.3.1 Forward Rate Agreement/ Interest Rate Swap

(₹ in Crore)

Particulars		2023-24	2022-23
I.	The notional principal of swap agreements	Nil	
II.	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements		
III.	Collateral required by the bank upon entering into swaps		
IV.	Concentration of credit risk arising from the swaps		
V.	The fair value of the swap book		

2.3.2 Exchange Traded Interest Rate Derivatives:

(₹ in Crore)

Sl. No	Particulars	2023-24	2022-23
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	NIL	NIL
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2024 (instrument-wise)	NIL	NIL
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL	NIL

2.3.3. Disclosures on risk exposure in derivatives

Qualitative Disclosure:

The only derivatives dealt by the bank in the foreign exchange market are Forward Contracts. Forward contracts are being used to hedge/ cover the exposure in foreign exchange arising out of merchant transaction and trading positions.

To cover the risk arising out of the above derivatives, various limits like IGL, AGL and Stop Loss Limits have been prescribed in the Treasury Policy of the Bank, which are monitored by mid-office. The mark-to-market values are monitored on monthly basis for Foreign Exchange Forward Contracts. The operations are conducted in terms of the policy guidelines issued by RBI from time to time.

Classification:Confidential-External

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Quantitative Disclosures

(₹ in Crore)

Sl. No	Particular	Currency Derivatives		Interest rate derivatives	
		2023-24	2022-23	2023-24	2022-23
(i)	Derivatives (Notional Principal Amount)	NIL	NIL	NIL	NIL
	a) For hedging	NIL	NIL	NIL	NIL
	b) For trading	NIL	NIL	NIL	NIL
(ii)	Marked to Market Positions	NIL			
	a) Asset (+)				
	b) Liability (-)				
(iii)	Credit Exposure				
(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				

2.3.4 Shifting of securities:

Bank has not shifted any securities from one category to another during the Financial Year 2023-24

2.3.5 SLR Securities

(₹ in Crore)

Particulars	As at 31.03.2024		As at 31.03.2023	
	Book Value	Market Value	Book Value	Market Value
Government Securities SLR (CG, SG, TB)	71.91	71.95	67.62	67.75
Approved securities - SLR	NIL	NIL	NIL	NIL

2.3.6 Composition of Investment

(₹ in Crore)

Particulars	As at 31.03.2024		As at 31.03.2023			
	Gross Block	Provision for Depreciation	Net Block	Gross Block	Provision for Depreciation	Net Block
Held to Maturity	29.64	Nil	29.64	20.13	Nil	20.13
AFS	42.27	Nil	42.27	47.62	0.13	47.49
HFT	NIL	Nil	NIL	NIL	Nil	NIL
Total	71.91	Nil	71.91	67.75	0.13	67.62

(Investments are in G Sec and T Bills)

2.4 Asset Quality

2.4.1 Non-Performing Assets

(₹ in Crore)

Particulars		2023-24	2022-23
(i)	Net NPAs to Net Advances (%)	3.36%	4.10%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	48.88	53.60
	(b) Additions during the year	0.00	0.00
	(c) Reductions during the year	0.86	4.72
	(d) Closing balance	48.02	48.88
(iii)	Movement of Net NPAs		
	(a) Opening balance	16.13	20.85
	(b) Additions during the year	0.00	0.00
	(c) Reductions during the year	3.46	4.72
	(d) Closing balance	12.67	16.13
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	32.75	32.75
	(b) Provisions made during the year	2.61	1.08
	(c) Write-off/ write-back of excess provisions	0.00	1.08
	(d) Closing balance	35.36	32.75

Classification:Confidential-External

BANK OF CEYLON
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2.4.2 Particulars of Accounts Restructured

Disclosure of Restructured Accounts (₹ in Crore)

Sl No	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification Details		Stand-ard	Sub-Stand-ard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stand-ard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stand-ard	Doubt-ful	Loss	Total	Stand-ard	Sub-Stand-ard	Doubt-ful	Loss	Total
1	Restructured Accounts as on 1 April of the FY (opening figures)	No. of borrowers	NIL																			
		Amount outstanding																				
		Provision thereon																				
2	Fresh restructuring Additional facilities during the year	No. of borrowers																				
		Amount outstanding																				
		Provision thereon																				
3	Upgradations to restructured standard category during the FY	No. of borrowers																				
		Amount outstanding																				
		Provision thereon																				
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers																				
		Amount outstanding																				
		Provision thereon																				
5	Downgradations of restructured accounts during the FY	No. of borrowers																				
		Amount outstanding																				
		Provision thereon																				
6	Write-off's recovery restructured accounts during the FY	No. of borrowers																				
		Amount outstanding																				
7	Restructured Accounts as on 31 March of the FY (closing figures)	No. of borrowers																				
		Amount outstanding																				
		Provision thereon																				

Classification:Confidential-External

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2.4.3 Details of financial assets sold to Securitization / Reconstruction Company for Asset Reconstruction

(A) Details of Sales: (₹ in Crore)

Particulars	2023-24	2022-23
i. No. of accounts	NIL	NIL
ii. Aggregate value (net of provisions) of accounts sold to SC/RC	NIL	NIL
iii. Aggregate consideration	NIL	NIL
iv. Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
v. Aggregate profit/ (loss) over net book value.	NIL	NIL

(B) NPA Assets Sold to ARC: (₹ in Crore)

Particulars	Backed by NPAs sold by the bank as underlying		Backed by NPAs sold by other banks / financial institutions / non-banking financial companies as underlying		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Book value of investments in security Receipts as at 31st March 2024	NIL					

2.4.4 Details of non-performing financial assets purchased/sold

A. Details of non-performing financial assets purchased: (₹ in Crore)

Particulars	2023-24	2022-23
1 (a) No. of accounts purchased during the year	NIL	NIL
(b) Aggregate outstanding	NIL	NIL
2 (a) Of these, number of accounts restructured during the year	NIL	NIL
(b) Aggregate outstanding	NIL	NIL

B. Details of non-performing financial assets sold: (₹ in Crore)

Particulars	2023-24	2022-23
1. No. of accounts sold	NIL	NIL
2. Aggregate outstanding	NIL	NIL
3 Aggregate consideration received	NIL	NIL

C. Disclosure regarding amortization of Loss on sale of assets to ARCs

NIL

2.4.5 Provisions on Standard Assets (₹ in Crore)

Particulars	2023-24	2022-23
Provisions towards Standard Assets	2.34	2.34

2.5 Business Ratios

Particulars	2023-24	2022-23
(i) Interest Income as a percentage to Working Funds	7.01	7.23
(ii) Non-interest income as a percentage to Working Funds	0.59	0.95
(iii) Operating Profit as a percentage to Working Funds	3.24	3.79
(iv) Return on Assets	1.40	2.09
(v) Business (Deposits plus advances) per employee (₹ in Crore)	23.40	25.83
(vi) Profit per employee (₹ in Crore)	0.32	0.43

2.6 Asset Liability Management

Maturity pattern of certain items of assets and liabilities (₹ in Crore)

Items	1 Day	2 to 7 days	8 to 14 Days	15 to 30 days	31 days to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits (Incl Foreign currency Liabilites)	6.93	9.43	6.10	4.11	14.46	37.00	27.73	111.42	61.50	0.00	278.68
Advances (Incl Foreign currency assets)	9.56	1.84	2.81	6.23	82.41	103.47	38.05	53.25	30.92	48.08	376.62
Investments	Nil	4.72	Nil	Nil	9.69	23.49	18.82	15.19	Nil	Nil	71.91
Borrowings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Currency assets (excluding Foreign Currency Loan)	4.32	4.32	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2.16	10.80
Foreign Currency liabilities (Excluding depo excluding Foreign Currency Deposit)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The above data has been compiled by the Management on the basis of the guidelines of RBI which have been relied upon by Auditors.

Classification:Confidential-External

BANK OF CEYLON

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2.7 Exposures

2.7.1 Exposure to Real Estate Sector

(₹ in Crore)

Category			2023-24	2022-23
a)	*Direct exposure*			
	(i)	Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans eligible for inclusion in priority sector advances may be shown separately).	0.81	0.44
	(ii)	Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	55.73	87.36
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
	a.	Residential,	NIL	NIL
	b.	Commercial Real Estate.	NIL	NIL
b)	*Indirect Exposure*			
		Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	NIL	NIL
		Total Exposure to Real Estate Sector	**56.54**	**87.80**

2.7.2 Exposure to Capital Market

(₹ in Crore)

Particulars		2023-24	2022-23
(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;	NIL	NIL
(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;	NIL	NIL
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/ units of equity oriented mutual funds does not fully cover the advances;	NIL	NIL
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
(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;	NIL	NIL
(vii)	Bridge loans to companies against expected equity flows / issues;	NIL	NIL
(viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	NIL	NIL
(ix)	Financing to stockbrokers for margin trading;	NIL	NIL
(x)	All exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL
	Total Exposure to Capital Market	**NIL**	**NIL**

2.7.3 Risk Category wise Country Exposure

(₹ in Crore)

Risk Category	Exposure (net) as at 31/03/2024	Provision held as at 31/03/2024	Exposure (net) as at 31/03/2023	Provision held as at 31/03/2023
Insignificant	13.17	0.76	5.83	0.76
Low	NIL	NIL	NIL	NIL
Moderate	NIL	NIL	NIL	NIL
High	NIL	NIL	NIL	NIL
Very High	NIL	NIL	NIL	NIL
Restricted	NIL	NIL	NIL	NIL
Off-credit	NIL	NIL	NIL	NIL
Total	**13.17**	**0.76**	**5.83**	**0.76**

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2.7.4 Details of Single Borrower Limit (SBL)/ Group Borrower Limit (GBL) exceeded by the bank.

A. SBL exceeded by the Bank for the period 01/04/2023 to 31/03/2024 ----- NIL (PY NIL)

B. GBL exceeded by the Bank for the period 01/04/2023 to 31/03/2024 ----- NIL (PY NIL)

2.7.5 Unsecured Advances (Amount of Advances for which, intangible securities has been taken)

(₹ in Crore)

Particulars	As on 31.03.2024	As on 31.03.2023
The total amount of Advances for which intangible Securities such as charge over the rights, licenses, Authority, etc. has been taken.	NIL	NIL
Estimated value of such intangible collaterals	NIL	NIL

Factoring exposures shall be considered NIL

2.8 Miscellaneous

2.8.1 Disclosure of Penalties imposed by RBI: NIL

3. Disclosure in terms of Accounting Standards:

3.1 Accounting Standard 5: Net Profit or Loss for the period, prior period items and changes in Accounting Policies:

There are no material prior period income and expenditure included in the Profit & Loss account, which requires a disclosure as per Accounting Standard 5

There has been no change in the Accounting policies followed by the bank during the year ended 31.03.2024 as compared to those in the preceding financial year ended 31.03.2023.

3.2 Accounting Standard 9: Revenue Recognition:

Revenue is recognized on accrual basis as per Accounting policy schedule 17 to the financial statements. Certain items of income are recognized on cash basis and same is not material.

3.3 Disclosure in terms of AS 10 – Fixed Assets

In accordance with banks accounting policy, Fixed Assets as on March 31, 2024; (₹ Crs)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2023	Additions	Disposals	Balance as at 31 March 2024	Balance as at 1 April 2023	Depreciation charge for the year	On disposals	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2024
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Vehicles	0.42	NIL	NIL	0.42	0.32	0.05	NIL	0.37	0.10	0.05
Furniture and Other Equipment	0.47	0.09	0.03	0.53	0.41	0.03	0.03	0.41	0.06	0.12
Computer & Computer Softwares	7.79	0.21	NIL	8.00	7.00	0.43	NIL	7.43	0.79	0.57
Grand Total	**8.68**	**0.30**	**0.03**	**8.95**	**7.73**	**0.51**	**0.03**	**8.21**	**0.95**	**0.74**

3.4 Accounting Standard 15 – Employee Benefits

3.4.1 The bank is following Accounting Standard 15 (Revised 2005) "Employee Benefits" as under:

In respect of contributory plans viz.– Provident Fund, the bank pays fixed contribution at pre-determined rates to a separate entity, which invests in permitted securities. The obligation of the bank is limited to such fixed contribution.

In respect of Defined Benefit Plans, viz. Gratuity, provision has been made based on actuarial valuation as per the guidelines.

The summarized position of Post-employment benefits and long term employee benefits recognized in the profit and loss account and balance sheet as required in accordance with the Accounting Standard -15 (Revised) are as under:

I. Principal Actuarial Assumptions at the Balance Sheet Date

Particulars	Gratuity (unfunded) 2024	Gratuity (unfunded) 2023
Discount Rate	6.97%	7.21%
Expected Rate of return on Plan Assets	NIL	NIL

II. Change in the Present value of obligations:

(₹ in Crore)

Particulars	Gratuity (unfunded) 2024	Gratuity (unfunded) 2023
Present Value of obligations as at the beginning of the year	0.81	0.88
Interest Cost	0.06	0.06
Current Service Cost	0.06	0.07
Past service cost (non-vested benefits)	NIL	NIL
Past service cost (vested benefits)	NIL	NIL
Benefits Paid	NIL	NIL
Actuarial loss/(gain) on obligation (balancing figure)	0.06	-0.20
Present Value of obligations as at the year end	0.99	0.81

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III. Change in Fair Value of Plan Asset

(₹ in Crore)

Particulars	Gratuity (unfunded) 2024	Gratuity (unfunded) 2023
Fair value of Plan Assets at the beginning of the year	NIL	NIL
Expected return on Plan Assets	NIL	NIL
Employer's Contribution	NIL	NIL
Benefits Paid	NIL	NIL
Actuarial loss/(gain) on plan assets (balancing figure)	NIL	NIL
Fair Value of Plan Asset at the end of the year	NIL	NIL

IV. Actual Return on Plan Assets

(₹ in Crore)

Particulars	Gratuity (unfunded) 2024	Gratuity (unfunded) 2023
Expected return on plan assets	NIL	NIL
Actuarial gain/(loss) on plan assets	NIL	NIL
Actual return on plan assets	NIL	NIL

V. Actuarial Gain / Loss recognized

(₹ in Crore)

Particulars	Gratuity (unfunded) 2024	Gratuity (unfunded) 2023
Actuarial gain/(loss) for the Period - Obligation	0.06	0.06
Actuarial gain/(loss) for the Period - Plan Assets	NIL	NIL
Total (gain)/loss for the period	0.07	0.12
Actuarial (gain)/loss recognized in the period	0.07	0.12
Unrecognized actuarial (gain)/loss at the end of the year	NIL	NIL

VI . Amount recognized in Balance Sheet

(₹ in Crore)

Particulars	Gratuity (unfunded) 2024	Gratuity (unfunded) 2023
Present value of the Obligation	0.81	0.81
Fair value of plan assets	NIL	NIL
Difference	0.18	0.81
Unrecognized Transitional liability	NIL	NIL
Unrecognized past service cost (non-vested benefits)	NIL	NIL
Liability recognized in the Balance Sheet	0.99	0.81

VII. Expenses Recognized in Profit & Loss Account

(₹ in Crore)

Particulars	Gratuity (unfunded) 2024	Gratuity (unfunded) 2023
Current Service Cost	0.06	0.07
Interest Cost	0.06	0.06
Expected return on Plan assets	NIL	NIL
Net actuarial (gain)/loss recognised in the year	0.06	-0.05
Transitional Liability recognized in the year	NIL	NIL
Past service cost (non-vested benefits)	NIL	NIL
Past service cost (vested benefits)	NIL	NIL
Expenses Recognized in Profit & Loss Account	0.18	0.08

VIII. Movements in the Liability Recognized in the balance Sheet

(₹ in Crore)

Particulars	Gratuity (unfunded) 2024	Gratuity (unfunded) 2023
Opening net Liability	0.81	0.81
Opening amount determined under para 55 of AS15R	0.81	0.81
Expense as Above	0.00	0.08
Contribution paid	0.18	0.08
Closing Net Liability	0.99	0.81

IX. Amount for the Current Period

(₹ in Crore)

Particulars	Gratuity (unfunded) 2024	Gratuity (unfunded) 2023
Present value of Obligation	0.99	0.81
Plan Assets	NIL	NIL
Surplus/(Deficit)	0.99	0.81
Experience adjustments on Plan Liabilities - (loss)/gain	NIL	NIL
Experience adjustments on Plan Assets - (loss)/gain	NIL	NIL

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3.5 Employee Stock Option Scheme - NIL

3.6 Accounting Standard 17 – Segment Reporting

SEGMENT REPORTING (₹ in Crore)

PART A: BUSINESS SEGMENTS	YEAR ENDED	
PARTICULARS	31/03/2024	31/03/2023
1. ***SEGMENT REVENUE :***	**(Audited)**	**(Audited)**
a. Treasury operations	12.93	9.30
b. Corporate/wholesale banking operations	34.42	35.04
c. Retail banking operations	0.33	0.20
d. Other banking operations	1.16	1.74
TOTAL	**48.84**	**46.28**
2. ***SEGMENT RESULTS*** (Operating Profit)		
a. Treasury operations	4.68	4.32
b. Corporate/wholesale Banking operations	15.57	15.70
c. Retail banking operations	0.09	0.07
d. Other banking operations	0.48	1.36
TOTAL	**20.82**	**21.45**
OPERATING PROFIT	**20.82**	**21.45**
PROVISIONS OTHER THAN TAX	**(4.35)**	**(1.71)**
PROFIT BEFORE TAX	**16.47**	**19.74**
Less : Tax expenses	(7.45)	(7.88)
NET PROFIT	**9.02**	**11.86**
CAPITAL EMPLOYED :		
a. Treasury operations	83.52	76.60
b. Corporate/wholesale banking operations	187.70	190.80
c. Retail banking operations	5.10	1.92
d. Unallocated Assets	3.00	3.86
TOTAL	**279.32**	**273.18**

PART B – GEOGRAPHICAL SEGMENTS: Since the Bank is having only domestic operations hence no reporting is made under international segment.

3.7 Accounting Standard 18 – Related Party Disclosures

Related Parties and their relationship;

Name	Relationship
Bank of Ceylon-Head office	Parent
Bank of Ceylon-London	Subsidiary
Bank of Ceylon-Male	Branch

S. No.	Name	Designation
1	**Mrs Kumudhini J Yogaratnam**	COUNTRY MANAGER (01.04.2023-18.03.2024)
2	**Mrs Jeyaranee Gnanasambanthan**	COUNTRY MANAGER (18.03.2024-31.03.2024)

The Bank's related party balances and transactions for the year ended March 31, 2024 are summarised as follows; (₹ in Crore)

Items/ Related Party	Parent (as per ownership or control)	Subsidiaries	Associates / Joint Ventures	Key Management Personnel	Relatives of key Management Personnel	Total
Borrowings	NIL	NIL	NIL	NIL	NIL	NIL
Deposits o/s						
Vostro	30.80	NIL	NIL	NIL	NIL	30.80
Nostro	0.12	NIL	1.43	NIL	NIL	1.55
Max outstanding during the year						
Vostro	37.12	NIL	NIL	NIL	NIL	37.12
Nostro	0.27	NIL	9.48	NIL	NIL	9.75
Placement of Deposits	NIL	NIL	NIL	NIL	NIL	NIL
Advances	2.51	NIL	NIL	NIL	NIL	2.51
Investments	NIL	NIL	NIL	NIL	NIL	NIL
Non-Funded Commitments	41.74	NIL	NIL	NIL	NIL	41.74
Leasing/HP arrangements provided	NIL	NIL	NIL	NIL	NIL	NIL
Leasing/HP arrangements availed	NIL	NIL	NIL	NIL	NIL	NIL
Purchase of Fixed Assets	NIL	NIL	NIL	NIL	NIL	NIL
Sale of Fixed Assets	NIL	NIL	NIL	NIL	NIL	NIL
Interest Paid	NIL	NIL	NIL	NIL	NIL	NIL
Interest Received	NIL	NIL	NIL	NIL	NIL	NIL
Rendering of Services	NIL	NIL	NIL	1.06	NIL	1.06
Receiving of Services	NIL	NIL	NIL	NIL	NIL	NIL
Management Contracts	NIL	NIL	NIL	NIL	NIL	NIL

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The Bank's related party balances and transactions for the year ended March 31, 2023 are summarised as follows;

(₹ in Crore)

Items/ Related Party	Parent (as per ownership or control)	Subsidiaries	Associates / Joint Ventures	Key Management Personnel	Relatives of key Management Personnel	Total
Borrowings	NIL	NIL	NIL	NIL	NIL	NIL
Deposits o/s						
Vostro	8.73	NIL	NIL	NIL	NIL	8.73
Nostro	0.02	NIL	0.33	NIL	NIL	0.35
Max outstanding during the year						
Vostro	237.04	NIL	NIL	NIL	NIL	237.04
Nostro	0.16	NIL	10.48	NIL	NIL	10.64
Placement of Deposits	NIL	NIL	NIL	NIL	NIL	NIL
Advances	33.18	NIL	NIL	NIL	NIL	33.18
Investments	NIL	NIL	NIL	NIL	NIL	NIL
Non-Funded Commitments	46.79	NIL	NIL	NIL	NIL	46.79
Leasing/HP arrangements provided	NIL	NIL	NIL	NIL	NIL	NIL
Leasing/HP arrangements availed	NIL	NIL	NIL	NIL	NIL	NIL
Purchase of Fixed Assets	NIL	NIL	NIL	NIL	NIL	NIL
Sale of Fixed Assets	NIL	NIL	NIL	NIL	NIL	NIL
Interest Paid	NIL	NIL	NIL	NIL	NIL	NIL
Interest Received	NIL	NIL	NIL	NIL	NIL	NIL
Rendering of Services	NIL	NIL	NIL	0.83	NIL	0.83
Receiving of Services	NIL	NIL	NIL	NIL	NIL	NIL
Management Contracts	NIL	NIL	NIL	NIL	NIL	NIL

3.8 Accounting Standard 19 – "Leases"

Premises taken on operating lease are given below: Operating leases primarily comprise office premises which are renewable at the option of the Bank.

Amount of lease payments recognized in the P&L Account for operating leases is 0.89 Crs (PY 0.95 Crs)

3.9 Accounting Standard 22 – Accounting for Taxes on Income

The bank has accounted for Income Tax in compliance with AS 22. Accordingly, Deferred Tax Assets & Liabilities are recognized. The major components of DTA / DTL are furnished as under:

(₹ in Crore)

	Deferred Tax Assets		Deferred Tax Liabilities	
Deferred Tax Components	**2023-24**	**2022-23**	**2023-24**	**2022-23**
Depreciation on fixed assets	(0.14)	(0.16)	NIL	NIL
Employee Benefits	0.43	0.35	NIL	NIL
Others	20.52	18.57	NIL	NIL
CLOSING BALANCE	**20.81**	**18.76**	**NIL**	**NIL**
Net DTA	**20.81**	**18.76**	**NIL**	**NIL**

3.10 Intangible Assets AS 26:

The Bank has followed AS 26 – Intangible asset issued by ICAI and the guidelines issued by the RBI in this regard.

3.11 Accounting Standard 28 – Impairment of Assets:

A substantial portion of the bank's assets comprises financial assets to which Accounting Standard 28 is not applicable. In the opinion of the bank management, there is no impairment of other assets as at 31st March 2024 requiring recognition in terms of the said standard.

3.12 Details of movement in provisions in accordance with Accounting Standard 29:

(₹ in Crore)

Particulars	Opening as on 01.04.2023	Provision made during the year	Provisions reversed/ adjusted	Closing as on 31.03.2024
Prov. for Standard Assets including Provision for Foreign Currency Unhedged	2.34	0.00	0.00	2.34
Prov. for Bad and Doubtful debts	32.75	2.61	0.00	35.36
Prov. for Income Tax (incl DTA)	9.29	7.44	9.29	7.44
Prov. for depreciation in market value of Investments	0.13	0.0	0.13	0.00
Prov. for Country Risk	0.76	0.0	0.00	0.76
Counter cyclical buffer	6.65	1.88	0.00	8.53
Prov. for Restructured Advances & FITL	0.00	0.00	0.00	0.00

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Liability on account of outstanding forward exchange contracts

The Bank enters into foreign exchange contracts in its normal course of business to exchange currencies at a pre-fixed price at a future date. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The notional amounts are recorded as Contingent Liabilities. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the interbank market. This results in generation of a higher number of outstanding transactions, and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.

Guarantees given on behalf of constituents, acceptances, endorsements and other obligations

As a part of its commercial Banking activities, the Bank issues documentary credits and guarantees on behalf of its customers. Documentary credits enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.

3.13 There are no pending litigation against the Bank as on 31/03/2024

4. Additional Disclosures

4.1 Provisions and Contingencies:

Break up of 'Provisions & Contingencies' shown under the head Expenditure in Profit & Loss Account

(₹ in Crore)

Particulars	2023-24	2022-23
Provision towards Standard Asset	0.00	0.00
Provision towards NPA	2.61	0.00
Provision for MAT Credit	0.00	0.00
Provision for depreciation in market value of Investments	(0.13)	0.13
Provision for Restructured Advances (Economic sacrifice) & FITL	0.00	0.00
Provision for Foreign Currency Unhedged	0.00	0.00
Floating Provision on advances	1.88	1.97
Provision for Other Assets	0.00	0.00
Sub Total	**4.36**	**2.10**
Provision for Income Tax (Incl of deferred tax)	7.44	7.50
Total	**11.80**	**9.60**

4.2 Movement of Counter Cyclical Provisioning Buffer

(₹ in Crore)

Particulars		2023-24	2022-23
(a)	Opening balance in the account	6.65	4.68
(b)	Provision made in the accounting year	1.88	1.97
(c)	Amount of drawdown made during the accounting year	0.00	0.00
(d)	Closing balance in the account	8.53	6.65

4.3 Draw Down from Reserves

The bank has utilized floating provision reserve to the extent of ₹ NIL (PY -NIL Crs) during the year under review for Impaired assets

4.4 Disclosure of complaints (As compiled by Management)

A. Customer Complaints:

(a)	No. of complaints pending at the beginning of the year	NIL
(b)	No. of complaints received during the year	NIL
(c)	No. of complaints redressed during the year	NIL
(d)	No. of complaints pending at the end of the year	NIL
ATM complaints through Dispute Management Systems (DMS)- NPCI		
(a)	No. of complaints pending at the beginning of the year	NIL
(b)	No. of complaints received during the year	NIL
(c)	No. of complaints redressed during the year	NIL
(d)	No. of complaints pending at the end of the year	NIL

B. Awards passed by the Banking Ombudsman.

(a)	No. of unimplemented Awards at the beginning of the year	NIL
(b)	No. of Awards Passed by the Banking Ombudsmen during the year	NIL
(c)	No. of Awards implemented during the year	NIL
(d)	No. of unimplemented Awards at the end of the year	NIL

4.5 Disclosure of Letters of Comfort (LOCs) issued by Banks

(₹ in Crore)

Particulars	Amount
Letters of comfort issued in earlier years and outstanding as on 01-04-2023	NIL
Add: Letters of Comfort issued during FY 2023-24	NIL
Less: Letters of Comfort expired during FY 2023-24	NIL
Letters of Comfort Outstanding as on 31-03-2024	NIL

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4.6 Provisioning Coverage ratio

The provision coverage ratio of the Bank as on 31.03.2024 is 73.62 %.

4.7 Bancassurance Business:

Fees, remuneration received from Banc assurance business: NIL

4.8 Concentration of Deposits, Advances, Exposures and NPAs

4.8.1 Concentration of Deposits

(₹ in Crore)

Total Deposits of twenty largest depositors	165.17
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	59.27%

4.8.2 Concentration of Advances

(₹ in Crore)

Total Advances to twenty largest borrowers	342.83
Percentage of Advances to twenty largest borrowers to Total Advances of the bank (%)	83.22%

4.8.3 Concentration of Exposures

(₹ in Crore)

Total Exposure to twenty largest borrowers/customers	416.07
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/ customers (%)	81.06%

4.8.4 Concentration of NPAs

(₹ in Crore)

Total Exposure to top four NPA accounts	47.67

4.9 Sector-wise Advances

(₹ in Crore)

Sl. No	Sector	2023-24			2022-23		
		O/s Total Advances	Gross NPA	% of Gross NPAs to Total Advances in that Sector	O/s Total Advances	Gross NPA	% of Gross NPAs to Total Advances in that Sector
(A)	**Priority Sector**						
1.	**Agriculture and allied activities**	NIL	NIL	NIL	NIL	NIL	NIL
2.	**Industries**	180.90	NIL	NIL	152.10	0.35	0.23
3.	**Services**	39.92	36.50	91.43	68.64	36.50	53.18
4.	**Personal & other Loans**	12.40	NIL	NIL	0.06	NIL	NIL
	Sub Total (A)	**233.22**	**36.50**	**15.65**	**220.80**	**36.85**	**16.68**
(B)	**Non Priority Sector**						
1.	**Agriculture and allied activities**	NIL	NIL	NIL	NIL	NIL	NIL
2.	**Industries**	15.01	NIL	NIL	9.20	NIL	NIL
3.	**Services**	12.61	NIL	NIL	74.92	NIL	NIL
4.	**Personal Loans**	6.74	NIL	NIL	1.83	NIL	NIL
5.	**Others**	144.38	11.52	7.98	119.91	12.03	10.03
	Sub Total (B)	**178.74**	**11.52**	**6.44**	**205.86**	**12.03**	**5.84**
	Total (A+B)	**411.96**	**48.02**	**11.65**	**426.66**	**48.88**	**11.45**

4.10 Movement of NPAs

(₹ in Crore)

Particulars	2023-24	2022-23
Gross NPAs as on 1st April 2023 (Opening Balance)	48.88	53.60
Additions (Fresh NPAs) during the year	0.00	0.00
Sub-total (A)	**48.88**	**53.60**
Less:-		
(i) Upgradations	NIL	NIL
(ii) Recoveries (excluding recoveries made from upgraded accounts)	0.86	4.72
(iii) Technical / Prudential write offs	0.00	0.00
(iv) Write-offs other than those under (iii) above	0.00	0.00
Sub-total (B)	**0.86**	**4.72**
Gross NPAs as on 31st March 2024 (closing balance) (A-B)	**48.02**	**48.88**

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4.10.1 Details of Technical write-offs and recoveries made:

(₹ in Crore)

Particulars	2023-24	2022-23
Opening balance of Technical / Prudential written off accounts as at 1st April 2023	2.62	2.62
Add: Technical / Prudential write offs during the year	0.00	0.00
Sub Total (A)	**2.62**	**2.62**
Less: Recoveries/Reduction made from previously technical / prudential written – off accounts during the year (B)	0.00	0.00
Closing balance as on 31st March 2024 (A-B)	**2.62**	**2.62**

4.11 Disclosures on Flexible Structuring of Existing Loans

Period	No. of borrowers taken up for flexibly structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
2023-24 2022-23	NIL				

4.12 Disclosures on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period):

(₹ in Crore)

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date 31.03.2024		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA	Classified as standard	Classified as NPA
NIL						

Details of Loans not in defaults/Stressed Loan transfer/acquired as per RBI circular .DOR.STR.REC.51/21.04.048/2021-22 dated 24th September 2021- NIL

The bank neither transferred any stressed (SMA) Loans and Loans not in default nor has acquired any stressed loan/loan classified as NPA acquired during the quarter and year ended 31st March 2024.

4.13 Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period):

(₹ in Crore)

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date 31.03.2024		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
Nil								

4.14 Disclosures on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period):

No. of project loan accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		
	Classified as standard	Classified as standard restructured	Classified as NPA
NIL			

4.15 Disclosures on the scheme for Sustainable Structuring of Stressed assets (S4A), as on 31.03.2024.

(₹ in Crore)

No of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision Held
		Part A	Part B	
Classified as Standard	NIL			
Classified as NPA	NIL			

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4.16 Disclosure in the "Notes to Accounts" to the Financial Statements- Divergence in the asset classification and provisioning

There was no provisioning requirement due to divergence observed by RBI for the financial year 2023-24 in respect of bank's asset classification and provisioning under extant prudential norms on income recognition, asset classification and provisioning (IRACP). Hence, no disclosure is required to be made under DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017.

4.17 Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Spread Over of Shortfall on Sale of NPAs to SCs/RCs

NIL

4.18 Overseas Assets, NPAs and Revenue

Particulars	(₹ in Crore)
Total Assets	Nil
Total NPAs	Nil
Total Revenue	Nil

4.19 Off-balance Sheet SPVs sponsored

Name of the SPV sponsored	
Domestic	Overseas
Nil	Nil

4.20 Disclosure on Remuneration:

Qualitative disclosures:

(a)	Information relating to the composition and mandate of the Remuneration Committee.	The committee is set up at Head office level and no such committee in India
(b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy.	Key Features : Compensation packages are approved by Head office based on the performance, responsibility and accountability of key personnel
(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks	
(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with level of remuneration	
(e)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting	Performance allowance based on level achievement of approved targets fixed by Head Office
(f)	Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms.	Performance incentive and ex gratia

4.21 Quantitative disclosures:

	Particulars	2023-24	2022-23
(g)	Number of meeting held by the remuneration committee during the financial year and remuneration paid its members	1	1
(h)	(i) Number of employees having received a variable remuneration award during the financial year.	1	1
	(ii) Number and total amount sign-on awards made during the financial year.	Nil	Nil
	(iii) a. Details of guaranteed bonus, if any, paid as joining / Sign on bonus.	Nil	Nil
	b. Details of performance Bonus / Allowance (in crs)	Nil	Nil
	(iv) Details of severance pay, in addition to accrued benefits, if any.	Nil	Nil
(i)	(i) Total amount of outstanding deferred remuneration, split into cash, shares and shares–linked instruments and other forms.	Nil	Nil
	(ii) Total amount of deferred remuneration paid out in the financial year.	Nil	Nil
(j)	Breakdown of amount remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.	1.06	0.83
(k)	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and/or implicit adjustments.	Nil	Nil
	(ii) Total amount of reductions during the financial year due to ex-post explicit adjustments.	Nil	Nil
	(iii) Total amount of reductions during the financial year due to ex-post implicit adjustments.	Nil	Nil

4.22 Disclosures relating to securitization: NA

4.23 Credit Default Swaps: NIL

Classification:Confidential-External

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4.24 Intra-Group Exposure:

(₹ in Crore)

Particulars		FY2023-24
(a)	Total amount of intra-group exposures	44.25
(b)	Total amount of top-20 intra-group exposures	44.25
(c)	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	8.62
(d)	Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	NIL

4.25 Transfers to Depositors Education and Awareness Fund (DEAF):

(₹ in Crore)

Particulars	FY2023-24	FY2022-23
Opening balance of amounts transferred to DEAF	1.97	1.90
Add: Amounts Transferred to DEAF during the year	0.02	0.08
Less: Amounts reimbursed by DEAF towards claims	0.79	0.01
Closing balance of amounts transferred to DEAF	1.20	1.97

The amount outstanding in DEAF has been considered in Contingent Liability in Schedule 12

4.26 Unhedged foreign Currency Exposure:

The bank has estimated and provided towards the liability for Unhedged Foreign Currency Exposure (UFCE) of their constituents in terms of RBI Circular No. DBOD.NO.BP.BC.85/21.06.200/2013-14 dated 15th January 2014 and the total provision held as of 31st March 2024 is 0.42 Crs. (PY 0.46 Crs) furnished:

4.27 Details of Frauds occurred and Provision made during the year.

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

(a)	Number of Fraud cases reported during the year	Nil
(b)	Amount involved (₹ in Crore)	Nil
(c)	Quantum of Provision made	Nil
(d)	Quantum of unamortized Provision debited from 'Other Reserves' (₹ in Crore)	Nil

4.28 DICGC Premium paid: The bank has paid DICGC premium of ₹ 0.38 Crs during the FY 2023-24

5.1 Liquidity Coverage Ratio: as on 31/03/2024

		2023-24		2022-23	
		Total weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)
High Quality Liquid Assets (In Lakhs)					
1.	**Total High Quality Liquid Assets (HQLA)**	5,640.74	5,640.74	5,023.81	5,023.81
Cash Outflows					
2	**Retail deposits and deposits from small business customers, of which**	**191.53**	**2,087.43**	**237.60**	**2,533.75**
(i)	Stable Deposits	17.21	344.25	15.77	315.41
(ii)	Less stable Deposits	174.32	1,743.18	221.83	2,218.34
3	**Unsecured wholesale funding, of which:**	**3,649.41**	**6,310.09**	**4,213.74**	**7,460.58**
(i)	Operational deposits (all counterparties)	Nil	Nil	Nil	Nil
(ii)	Non-operational deposits (all counterparties)	3,404.20	3,826.86	3,990.00	5,181.38
(iii)	Demand and term deposits (less than 30 days maturity) provided by small business customers	245.21	2,483.23	223.74	2,279.20
4	**Secured Wholesale funding**	NIL	NIL	NIL	NIL
5	**Additional requirements, of which**	**381.86**	**7,851.03**	**531.62**	**12,846.30**
(i)	Outflows related to derivative exposures and other collateral requirements	NIL	NIL	NIL	NIL
(ii)	Outflows related to loss of funding on debt products	NIL	NIL	NIL	NIL
(iii)	Credit and Liquidity facilities	365.83	7,316.63	365.57	7,311.30
(iv)	Other contractual funding obligations	16.03	534.40	166.05	5,535.00
6	Other contingent funding obligations	NIL	NIL	NIL	NIL
7	**Total Cash Outflows**	**4,222.80**	**16,248.55**	**4,982.96**	**22,840.63**
Cash Inflows					
8	Secured lending (e.g. reverse repos)				
9	Inflows from fully performing exposures	1,022.35	2,044.70	193.14	1,287.60
10	Other cash inflows	6,130.20	6,130.20	7,359.44	7,359.44
11	**Total Cash Inflows**	**7,172.55**	**8,174.90**	**7,552.58**	**8,647.04**
12	**TOTAL HQLA**	**5,640.74**	**5,640.74**	**5,023.81**	**5,023.81**
13	**Total Net Cash Outflows**	**1,055.70**	**8,073.65**	**2,569.62**	**14,193.59**
14	**25% of Total Cash Outflow**	**1,055.70**	**4,062.14**	**1,245.74**	**5,710.16**
15	**Liquidity Coverage Ratio (%)**	**534.31**		**403.28**	

Classification:Confidential-External

BANK OF CEYLON

CHENNAI BRANCH

5.2 Qualitative disclosure around LCR

Based on RBI guidelines issued during June, 2014 and also other circulars subsequently thereon, the Bank has been computing the Liquidity Coverage Ratio with effect from 01st January, 2015. As per these guidelines, the Bank has high quality liquid assets (HQLA) in Level 1 and Level 2A/2B. As on 31.03.2024, the Bank has ₹ 56.40 Crs of HQLAs, consisting fully of Level – 1 type of assets in the form of surplus SLR investments / Excess CRR and Cash in Hand.

Average LCR for the year 2023-24 is 381.18%

5.3 Net Stable Funding for the year 2023-24

No.	Item	Unweighted Values (i.e. before applying relevant factors)	
		No specified maturity	Total weighted value
	Available Stable Funding (ASF):		
1	**Capital:**	*213.16*	*213.16*
2	***Regulatory Capital***	*213.16*	*213.16*
3	***Other Capital Instruments***	*0.00*	*0.00*
4	**Retail deposits and deposits from small business customers:**		
5	***Stable deposits***	*6.78*	*6.44*
6	***Less stable deposits***	*31.09*	*27.98*
7	**Wholesale funding:**		
8	***Operational deposits***	*31.22*	*15.61*
9	***Other wholesale funding***	*59.15*	*29.57*
10	**Other liabilities:**	*447.63*	*0.00*
11	***NSFR derivative liabilities***	*0.00*	*0.00*
12	***All other liabilities not included in the above categories***		
13	***Total ASF***	*789.04*	*292.77*
	Required Stable Funding (RSF):		
14	**Total NSFR high-quality liquid assets (HQLA)**	*103.46*	*4.51*
15	**Deposits held at other financial institutions for operational purposes**	*0.24*	*0.12*
16	**Performing loans and securities:**	*0.00*	*0.00*
17	***Performing loans to financial institutions secured by Level 1 HQLA***	*0.00*	*0.00*
18	***Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions***	*0.00*	*0.00*
19	***Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:***	*0.00*	*0.00*
20	***With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines***	*0.00*	*0.00*
21	***Performing residential mortgages, of which:***	*0.00*	*0.00*
22	***With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines***	*132.25*	*85.96*
23	***Securities that are not in default and do not qualify as HQLA, including exchange-traded equities***	*0.00*	*0.00*
24	**Other assets:**		
25	***Physical traded commodities, including gold***	*0.00*	*0.00*
26	***Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs***	*0.00*	*0.00*
27	***NSFR derivative assets***	*34.93*	*1.74*
28	***NSFR derivative liabilities before deduction of variation margin posted***		
29	***All other assets not included in the above categories***	*111.67*	*111.67*
30	**OBS items**		
31	**Total RSF**	*382.55*	*204.01*
32	**NSFR (%)**	*143.51*	

Classification:Confidential-External

BANK OF CEYLON

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5.3.1 Net Stable Funding for the year 2022-23

No.	Item	Unweighted Values (i.e. before applying relevant factors)	
		No specified maturity	Total weighted value
	Available Stable Funding (ASF):		
1	Capital:	*209.57*	*209.57*
2	*Regulatory Capital*	*209.57*	*209.57*
3	*Other Capital Instruments*	*0.00*	*0.00*
4	*Retail deposits and deposits from small business customers:*		
5	*Stable deposits*	*21.36*	*19.51*
6	*Less stable deposits*	*15.68*	*14.11*
7	Wholesale funding:		
8	*Operational deposits*	*67.14*	*33.57*
9	*Other wholesale funding*	*31.95*	*15.97*
10	*Other liabilities:*	*250.58*	*0.00*
11	*NSFR derivative liabilities*	*0.00*	*0.00*
12	*All other liabilities not included in the above categories*		
13	Total ASF	*580.60*	*278.64*
	Required Stable Funding (RSF):		
14	Total NSFR high-quality liquid assets (HQLA)	*95.01*	*4.65*
15	Deposits held at other financial institutions for operational purposes	*0.28*	*0.14*
16	Performing loans and securities:	*0.00*	*0.00*
17	*Performing loans to financial institutions secured by Level 1 HQLA*	*0.00*	*0.00*
18	*Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions*	*0.00*	*0.00*
19	*Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:*	*0.00*	*0.00*
20	*With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines*	*0.00*	*0.00*
21	*Performing residential mortgages, of which:*	*0.00*	*0.00*
22	*With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines*	*119.25*	*77.50*
23	*Securities that are not in default and do not qualify as HQLA, including exchange-traded equities*	*0.00*	*0.00*
24	Other assets:		
25	*Physical traded commodities, including gold*	*0.00*	*0.00*
26	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*	*0.00*	*0.00*
27	*NSFR derivative assets*	*60.18*	*3.00*
28	*NSFR derivative liabilities before deduction of variation margin posted*		
29	*All other assets not included in the above categories*	*29.90*	*29.90*
30	OBS items		
31	Total RSF	*304.62*	*115.21*
32	NSFR (%)	*241.84*	

5.4 Exposure to ILFS

The bank is not having any exposure towards Infrastructure Leasing Finance Company

5.5 Implementation of Resolution Plan

As per RBI directive revised framework for resolution of stressed assets vide the RBI circular DBR.NO.BP.BC.101/21.4.048/2017-2018 dated February 12, 2018, bank does not have any borrower who has aggregate exposure of Rs 20 Billion and is classified as NIL

Classification:Confidential-External

BANK OF CEYLON

CHENNAI BRANCH

5.6 Impact of COIVD-19

a) The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India which has resulted in a significant volatility in global and Indian financial markets and a significant decline in global and domestic economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The Government of India had announced a series of lockdown measures from 24th March 2020 onwards which have been extended from time to time up to 31st July 2020. Govt of India has directed a calibrated and gradual withdrawal of lockdown and partial resumption of economic activity in spite of some of the major economic centres still continuing under strict lockdown. The revival of economic activities largely depends upon the intensity and spread of the disease, Govt stimulus packages and regulatory relief measures. The Bank has satisfactory capital and adequate liquidity to support its business growth which has already been moderated having regard to effects of COVID-19.

The extent to which the COVID-19 pandemic will impact the Bank's result will depend on future development which are highly uncertain including among other things any new information concerning the severity of the COVID-19 pandemic and action to contain its spread or mitigate impact including stimulus and regulatory packages.

b) In accordance with the 'COVID-19 Regulatory packages - Asset Classification and Provisioning.' announced by the RBI on 27th March 2020, 17th April 2020 and May 23 2020, with regard to providing relief to borrowers on account of COVID-19 pandemic whose accounts were standard as on 29th February 2020, the Bank, in accordance with the Board approved policy had offered moratorium on repayment of loan instalments and/or deferment of interest due between 1st March 2020 to 31st August 2020 including relaxation in certain parameters, to all the eligible borrowers, without considering the same as restructuring.

In accordance with the RBI guidelines, the Bank is required to make provision @ 10% of outstanding advances over two quarters beginning with quarter ended 31st March 2020 in respect of such borrower accounts where asset classification benefit has been taken as per the RBI guidelines, However offering of moratorium on repayment of loan instalments and/or deferment of interest due between 1st March 2020 to 31st August 2020 to borrowers had not resulted in any change in asset classification. Hence Nil provision will be required as per RBI Circular on COVID-19 Regulatory packages – Asset Classification and Provisioning.

5.7 On August 6th 2020, the RBI issued guidelines on 'Resolution Framework for COVID-19 related Stress' which enable lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while permitting classifying such exposures as Standard, subject to specified conditions. Details of resolution plan implemented under the Resolution Framework for COVID-19 related stress as per RBI circular dated August 6th 2020 are given below.

Type of Borrower	(A) Number of borrowers where resolution plan has been implemented under this window	(B) Exposure to borrowers mentioned at (A) before implementation of the plan (Rs in crores)	(C) of (B), aggregate amount of debt that was converted into other securities (Rs in crores)	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation (Rs in crores)	(E) Increase in provisions on account of the implementation of the Resolution (Rs in crores)
Personal loans	NIL	NIL	NIL	NIL	NIL
Corporate persons	NIL	NIL	NIL	NIL	NIL
Of which MSMEs	NIL	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL	NIL

5.8 The Bank has been registered under the Companies Act and the Bank had ₹ 30 Lakhs for CSR activity in the year 2023-24. The bank had transferred ₹ 34 Lakhs to PM Care Fund pertaining to 2022-2023 during the year 2023-2024. There is No carry forward amount.

5.9 Implementation of IFRS converged Indian Accounting Standards (Ind AS)

The Implementation of IND AS has been deferred as per RBI notification DBR BPBC 29 / 21.07.001/2018-19 dated 22nd March 2019.

5.10 Portfolio-level information on the use of funds raised from green deposits-NIL

6 Previous year's figures have been regrouped / reclassified wherever considered necessary to confirm to the current year's classification.

For **JAGANNATHAN & SARABESWARAN**
Chartered Accountants
FRN : 001204S

Sd/-
Jeyaranee Gnanasambanthan
Country Manager

Sd/-
(P.S.NARASIMHAN)
Partner
Membership No.: 020936

Place : Chennai
Date : 21.06.2024

Classification:Confidential-External

BANK OF CEYLON

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DISCLOSURE UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (Basel III GUIDELINES) – Pillar 3 Disclosures BASEL –March 2024

Scope of Application

Disclosures in this report pertaining to Bank of Ceylon, Chennai Branch. The Capital to Risk-Weighted Assets Ratio (CRAR) of the branch is as under:

	Basel III
CRAR %	33.26
CRAR- Tier 1 Capital %	32.01
CRAR- Tier II Capital %	1.25

Table-DF 1

1.1 Qualitative Disclosures:

Bank of Ceylon, Chennai is a branch of Sri Lankan State owned Bank of Ceylon, Colombo, Sri Lanka.

1.2 Quantitative Disclosures:

The Bank's shares are entirely owned by the Government of Sri Lanka. The Chennai Branch has no associates or subsidiaries in India.

List of group entities considered for consolidation – **NA**

The aggregate amount of capital deficiencies in subsidiaries – **NA**

The aggregate amount of the bank's total interest in insurance entities – **NA**

Restriction or impediments on transfer of funds or regulatory capital within the banking group – **NA**

Table DF-2

2.1. Qualitative Disclosures:

Interest free funds from Head Office are kept in a separate account in books, specifically for the purpose of meeting the Capital Adequacy norms, form the core of the Tier I Capital. Statutory Reserve built up over a period of years in the books of the branch, supplements the funds from Head Office. The branch has capitalized its retained profit to the extent of ₹ 49.06 (Crs) which has been treated as Tier I capital.

2.2 Quantitative Disclosures:

The Tier I capital of the Branch comprises of:

Particulars	₹ in Crs
Interest Free Funds from Head Office-Capital	119.37
Retained profit capitalization	49.06
Statutory Reserve	53.66
Total	**222.09**
Amount deducted from Tier I capital	20.81
Total Tier I Capital	**201.28**

The Tier II capital of the Branch comprises of:

Particulars	₹ in Crs
General Provison for Standard Assets	2.34
General Reserve for Floating Provison	8.53
Investment Fluctuation Reseve	1.00
Total	**11.87**

The total eligible capital comprises:

Particulars	₹ in Crs
Tier-I Capital	201.28
Tier-II Capital	7.86
Total Capital	**209.14**

Table DF-3

3. Capital Adequacy

3.1 Qualitative Disclosures:

The Branch maintains funds from Head Office and Statutory Reserves as per Indian Regulations as a cushion towards the risk of loss in value of exposure and businesses etc., to protect the interest of the stake holders, more particularly, the depositors.

The Branch assesses periodically capital requirements and suitably designs its policy, strategy, business level and composition of business. Towards this, bank has evolved an Internal Capital Adequacy Assessment Process (ICAAP) framework and the same has been approved by Head office.

In line with RBI guidelines, the bank has adopted following approaches for implementation of New Capital Adequacy Framework- Basel III

— Standardised Approach for Credit Risk

— Basic indicator Approach for Operational Risk

— Standardised Duration Approach for Market Risk

3.2. Quantitative Disclosures:

A summary of the bank's capital requirements for Credit, Market and Operational Risk and the capital adequacy ratio as on 31st March, 2024 is given as hereunder.

(₹ in Crs)

	RWA*	Min. Cap. Required
Capital requirements for Credit Risk	552.01	49.68
Capital Requirements for Market Risk	32.65	2.93
Capital Requirements for Operational Risk	44.14	3.97
Total	**628.80**	**56.58**
Tier I capital in (₹ in Crs)	**201.28**	
Tier II capital (₹ in Crs)	**7.86**	
Total ₹ Crs	**209.14**	
CRAR	**33.26**	

* RWA = Risk Weighted Assets

General Qualitative Disclosures:

The branch has a risk policy taking in to account the risk dimensions of the local economy and the bank's risk appetite.

The Branch has an Asset & Liability Management Committee, Credit Committee, Risk management committee & other Committees headed by the Country Manager and others and the minutes of the meeting are tabled before the Local Advisory Board.

Credit Risk:

Credit Risk covers the inability of a borrower or counter party to honour commitments on due date in respect of the payment of interest and installments.

The branch is exposed to Credit Risk through lending and investment activities. The Branch has a credit policy which strives to cover credit risk measurement, monitoring and controlling mechanisms to the required extent, given its manpower and financial resources. Local Advisory Board advises for the functioning of the branch. The credit appraisals made during the year are placed before LAB for review

Credit Granting Process

The Policy of the bank covers

– Due Diligence criteria
– KYC norms
– Method of assessment of finance
– Minimum credit Standards
– Internal rating System

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BANK OF CEYLON

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Credit Monitoring System

Credit monitoring is an ongoing continuous process. The process includes

- Periodical review of borrowed accounts
- Periodical direct visits to the borrowed units
- Different hierarchical level of monitoring

Credit Rating Framework

The Branch applies an internal rating model which is fine tuned as and when required. Migration analysis of rating is placed before LAB at quarterly intervals.

Credit Concentration Risk

The Branch periodically reviews its loan portfolio so as to reduce concentration in any area. Credit Risk appetite is defined through annual budget process. The ICAAP of the bank for the year clearly spell out the credit concentration risk and the residual risk.

Risk Profiling

Bank profiles the risk by constantly reviewing

- Exposure to Single/Group borrowers
- Exposure to sensitive Sectors
- Exposure to unsecured advances and guarantees

Market risk

Market Risk management covers Treasury and ALM policy. There is a clear demarcation between front, mid and back offices. Various limits to Forex operations are prescribed. The branch does not deal in Equity market. The branch has set up a Mid office to monitor the VAR, PV01 AGL, IGL and stop loss limit.

Operational Risk

Operational risk is managed through internal control system, the process of Concurrent Audit, Credit Audit conducted by Head Office and Statutory Audit by an External Auditor. The bank has a separate Internal Control Department to monitor day to day transaction on regular basis

Table DF-4

4.1 Qualitative Disclosures

Credit Risk

Over Due:- Any amount due to the bank under any credit facility is "Over Due" if it is not paid on the due date fixed by the branch.

Impaired assets are identified as per the prudential norms prescribed by the Regulator. The bank also generates report on daily basis to monitor special mention accounts and the report is submitted to the Country Manger for perusal.

4.2 Quantitative Disclosures

The total gross credit risk exposures are:

Particulars	₹ in Crs
Fund Based	485.14
Non Fund Based	28.10
Total	513.24
Gross NPA	48.02
Net NPA	**12.66**

The NPA ratios are:

Particulars	In %
Gross NPA to Gross advance	11.66%
Net NPA's to Net Advance	**3.36%**

The Movement of Gross NPA is as under

(₹ in Crs)

Particulars	Amount
Opening Balance as at 01.04.2023	48.88
Additions	NIL
Reductions	0.86
Closing balance as at 31.03.2024	48.02

The Movement of Provision for Net NPA is as under

(₹ in Crs)

Particulars	Amount
Opening Balance as at 01.04.2023	16.13
Provision made during the year	3.46
Reductions	0.00
Closing Balance as at 31.03.2024	12.67

The amount of Non-Performing Investments is NIL

The movement of provision for depreciation on Investments as under:

(₹ in Crs)

Particulars	Amount
Opening Balance as on 01.04.2023	0.13
Add: Provision made during the year	0.00
Less: Write-off/Write back of excess provision during the year	0.13
Closing balance as on 31.03.2024	0.00

Industry Type Distribution of Credit

Industry Type Distribution of Credit	Gross Fund Based (₹ in Cr)	Gross Non-Fund Based (₹ in Cr)
Real Estate (incl.Hotels and Resorts)	47.92	0.00
Trading	30.33	2.52
Non-Banking Finance	0.00	0.00
Iron & Steel	66.11	0.00
Textiles	16.40	0.00
Leather & Leather Products	8.07	2.27
Gems & Jewellery	0.00	0.00
Others	243.14	10.78
Total	**411.97**	**15.57**

Table DF-5

5.1. Qualitative Disclosures:

Large Corporates are encouraged to seek ratings from approved external rating agencies. The Internal rating system supports the branch in identifying credit risk.

Table DF-6

Credit Risk Mitigation

6.1. Qualitative Disclosures:

The Branch seeks different collaterals and guarantees as risk mitigants.

Eligible collaterals include

- cash or cash equivalents (bank deposits)/NSCs/LIC Policy
- movable and immovable assets
- corporate guarantees, bank and personal guarantees
- ECGC guarantees wherever applicable

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BANK OF CEYLON

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Table DF-7

Securitisation:

At present the branch does not have any securitisation exposure.

Table DF-8

Market risk in Trading Book

8.1. Qualitative Disclosures

Market Risk covers both "On" and "Off" Balance Sheet items when they are affected by movements in interest rates and equity markets, caused by exchange rates, commodity and asset prices.

The portfolios covered by the standardized approach for computation of market risk are as under:

(₹ in Crs)

Securities under Held-For-Trading	Nil
Securities held under Available-for-sale	42.26
Open Foreign exchange position Limit	21.00

The rest of the assets in investments held under Held-For-Maturity portfolio and advances are treated as banking book.

Market Risk Management Strategies and Processes

Bank has a Treasury policy covering Investments, Foreign Exchange Operations and Asset Liability Management. The policies ensure that operations in securities and foreign exchange are conducted in accordance with sound and acceptable business practices and are as per the extant regulatory guidelines. The policies are reviewed periodically to incorporate changes that come about in the business environment including the rules and regulations of the regulatory authorities.

Liquidity Risk

The Branch tracks the liquidity risk through maturity or cash flow mismatches captured under selected maturity dates termed as 'time buckets'.

Interest Rate Risk

The branch applies Traditional Gap Analysis (TGA) and Duration Gap Analysis (DGA) to assess the impact on the Net Interest income and impact on bank equity.

Foreign Exchange Risk

The branch has various exposure limits which are being monitored on a daily basis. The branch has a cap on open position as well.

Equity Price Risk

As of now the bank has no equity holding. In the event the bank decides to deal in equity, limit will be fixed in Trading Book, Deal Size, Holding Period and Stop Loss.

Structure and Organization of Risk Management Function

The Branch has policies approved by the Board of Directors. The following bodies assist in ensuring the compliance of the policies

- Local Advisory Board
- Asset and Liability Management Committee
- Head Office Audit Committee
- Risk Management Committee

8.2. Quantitative Disclosures

Bank has adopted the Standardised Duration approach as prescribed by RBI for computation of capital charge for market risk. The capital requirements for market risk are as under:

Risk category	Capital charge (₹ Crs)
Interest Rate Risk	0.72
Equity Position Risk	0.00
Foreign Exchange Risk	1.89
Total capital charge	2.61

Table DF-9

Operational Risk

9.1. Qualitative Disclosures

Operational risk is the risk of losses resulting from inadequate or failed internal processes, people and systems or from external factors. Operational risk exists at all levels and at all business lines. A board approved Operational Risk Management Policy is being followed.

The Branch has put in place the following measures to control/mitigate operational risks.

- System of delegated authority covering all credit and expenditure
- Issuance of instructions and circulars
- Training programmes

Bank has an Organizational structure suitable to its size which identifies, assesses, monitors and controls operational risks. The Concurrent audit & Head Office internal audit system supplements the oversight mechanism.

The Branch measures the operational risk under the Basic Indicator Approach.

9.2. Quantitative Disclosures:

As per RBI directives, the bank has adopted the Basic Indicator Approach and the capital charge under the same is ₹ 44.14 crores.

Table DF-10

Interest Rate Risk in Banking Book

10.1. Qualitative Disclosures

Interest Rate Risk is the risk where changes in market interest rates might affect adversely the financial condition of the branch resulting in the Net Interest Income being impacted along with the net worth. Bank holds assets, liabilities and off-balance Sheet items with different maturity dates and linked to different benchmark rates. This creates exposure to unexpected changes in level of interest rates.

Framework

Bank has an Asset –Liability Management Committee which is responsible for identifying liquidity and market risks. The top management periodically reviews the observations /recommendations of the ALCO desk. Interest rate sensitivity is also done. Being a small outfit with limited resources and with about 70 % of its deposits remaining core, the bank on day to day basis is aware of the market trends and responds suitably to changing situations. Thus the behavioral pattern of the depositors is factored during this direct monitoring. This is true when the working capital facilities extended by the bank are considered. The Branch carries out Duration Gap Analysis as well.

10.2. Quantitative Disclosures

The economic value, that is the impact on Capital Fund due to change in interest rate would be assessed through Modified Duration Gap method and the same is factored in ICAAP. The bank is in the process of fixing the limits for net duration gap of the assets and liabilities so as to monitor the same at regular intervals. As mentioned earlier, with the volume being low the bank carries on with the monitoring aspect using the "Hands On" approach.

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BANK OF CEYLON

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Table DF-11: Composition of Capital
Part II: Template to be used before March 31, 2024
(i.e. during the transition period of Basel III regulatory adjustments)

(₹ in Crs)

Basel III common disclosure template to be used during the transition of regulatory adjustments			Amounts Subject to Pre-Basel III Treatment	Ref No.
Common Equity Tier 1 capital: instruments and reserves				
1	Directly issued qualifying common share capital plus related stock surplus (share premium) (funds from Head office)	168.43		
2	Retained earnings (Not repatriable)			
3	Accumulated other comprehensive income (and other reserves)	53.66		
4	*Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)*	----		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-----		
6	**Common Equity Tier 1 capital before regulatory adjustments**	222.09		
	Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	---		
8	Goodwill (net of related tax liability)	---		
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	---		
10	Deferred tax assets	20.81		
11	Cash-flow hedge reserve	--		
12	Shortfall of provisions to expected losses	---		
13	Securitisation gain on sale	--		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	---		
15	Defined-benefit pension fund net assets			
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	--		
17	Reciprocal cross-holdings in common equity	---		
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	---		
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	---		
20	Mortgage servicing rights (amount above 10% threshold)	---		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)			
22	Amount exceeding the 15% threshold	---		
23	of which: significant investments in the common stock of financial entities	---		
24	of which: mortgage servicing rights	---		
25	of which: deferred tax assets arising from temporary differences	20.81		
26	National specific regulatory adjustments (26a+26b+26c+26d)	---		
26a	*of which:* Investments in the equity capital of the unconsolidated insurance subsidiaries	---		
26b	*of which:* Investments in the equity capital of unconsolidated non-financial subsidiaries	---		

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(₹ in Crs)

Basel III common disclosure template to be used during the transition of regulatory adjustments			Amounts Subject to Pre-Basel III Treatment	Ref No.
26c	*of which:* Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	---		
26d	*of which:* Unamortised pension funds expenditures	---		
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	---	---	
	of which: [INSERT TYPE OF ADJUSTMENT] For example: filtering out of unrealised losses on AFS debt securities (not relevant in Indian context)	-----		
	of which: [INSERT TYPE OF ADJUSTMENT]	----		
	of which: [INSERT TYPE OF ADJUSTMENT]			
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions			
28	**Total regulatory adjustments to Common equity Tier 1**	20.81		
29	**Common Equity Tier 1 capital (CET1)**	201.28		
	Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	------		
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-------		
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	--------		
33	*Directly issued capital instruments subject to phase out from Additional Tier 1*	-------		
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	--------		
35	*of which: instruments issued by subsidiaries subject to phase out*	-------		
36	**Additional Tier 1 capital before regulatory adjustments**	----		
	Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	---		
38	Reciprocal cross-holdings in Additional Tier 1 instruments	----		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-----		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)[10]	------		
41	National specific regulatory adjustments (41a+41b)	------		
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-----		
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank	-----		
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	----		
	of which: [INSERT TYPE OF ADJUSTMENT e.g. DTAs]	------		
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are *deducted* from Tier 1 at 50%]	---		
	of which: [INSERT TYPE OF ADJUSTMENT]	-----		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-----		
43	**Total regulatory adjustments to Additional Tier 1 capital**	----		
44	**Additional Tier 1 capital (AT1)**	-----		
44a	**Additional Tier 1 capital reckoned for capital adequacy**	-----		
45	**Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)**	201.28		

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(₹ in Crs)

Basel III common disclosure template to be used during the transition of regulatory adjustments			Amounts Subject to Pre-Basel III Treatment	Ref No.
	Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	----		
47	Directly issued capital instruments subject to phase out from Tier 2	----		
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-----		
49	*of which: instruments issued by subsidiaries subject to phase out*	------		
50	Provisions	11.87		
51	**Tier 2 capital before regulatory adjustments**			
	Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	------		
53	Reciprocal cross-holdings in Tier 2 instruments	------		
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	------		
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-----		
56	National specific regulatory adjustments (56a+56b)	-----		
56a	*of which:* Investments in the Tier 2 capital of unconsolidated subsidiaries	-----		
56b	*of which:* Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	------		
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	------		
	of which: [INSERT TYPE OF ADJUSTMENT e.g. existing adjustments which are deducted from Tier 2 at 50%]	-----		
	of which: [INSERT TYPE OF ADJUSTMENT			
57	**Total regulatory adjustments to Tier 2 capital**			
58	**Tier 2 capital (T2)**	11.87		
58a	**Tier 2 capital reckoned for capital adequacy**	7.86		
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	0.00		
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	7.86		
59	**Total capital (TC = T1 + T2) (45 + 58c)**	209.14		
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment			
	of which: [INSERT TYPE OF ADJUSTMENT]			
	of which: …			
60	**Total risk weighted assets (60a + 60b + 60c)**	628.80		
60a	*of which: total credit risk weighted assets*	552.01		
60b	*of which: total market risk weighted assets*	32.65		
60c	*of which: total operational risk weighted assets*	44.14		
	Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	32.01		
62	Tier 1 (as a percentage of risk weighted assets)	32.01		
63	Total capital (as a percentage of risk weighted assets)			
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)			
65	*of which: capital conservation buffer requirement*	------		
66	*of which: bank specific countercyclical buffer requirement*	-------		
67	*of which: G-SIB buffer requirement*	------		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	-----		

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(₹ in Crs)

	Basel III common disclosure template to be used during the transition of regulatory adjustments		Amounts Subject to Pre-Basel III Treatment	Ref No.
	National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%		
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%		
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%		
	Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities			
73	Significant investments in the common stock of financial entities			
74	Mortgage servicing rights (net of related tax liability)			
75	Deferred tax assets arising from temporary differences (net of related tax liability)			
	Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	--		
77	Cap on inclusion of provisions in Tier 2 under standardised approach	---		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	----		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	----		
	Capital instruments subject to phase-out arrangements (only applicable between March 31, 2018 and March 31, 2022)			
80	*Current cap on CET1 instruments subject to phase out arrangements*	-----		
81	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	------		
82	*Current cap on AT1 instruments subject to phase out arrangements*	-----		
83	*Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)*	----		
84	*Current cap on T2 instruments subject to phase out arrangements*	---		
85	*Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)*	----		

Notes to the Template

Row No. of the template	Particular	₹ in Crs
10	Deferred tax assets associated with accumulated losses	
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	20.81
	Total as indicated in row 10	
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	---
	of which: Increase in Common Equity Tier 1 capital	----
	of which: Increase in Additional Tier 1 capital	----
	of which: Increase in Tier 2 capital	-----
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	-----
	(i) Increase in Common Equity Tier 1 capital	-----
	(ii) Increase in risk weighted assets	----
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	----
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	-----
50	Eligible Provisions included in Tier 2 capital	11.87
	Eligible Revaluation Reserves included in Tier 2 capital	
	Total of row 50	
58a	Excess Tier 2 capital not reckoned for capital adequacy (difference between Tier 2 capital as reported in row 58 and T2 as reported in 58a)	4.02

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Table DF-12: Composition of Capital- Reconciliation Requirements

(₹ in Crs)

		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on 31st March 2024	As on 31st March 2024
A	**Capital & Liabilities**		
i	Paid-up Capital	168.43	
	Reserves & Surplus	110.88	
	Minority Interest		
	Total Capital	279.31	
ii	Deposits	278.68	
	of which: Deposits from banks	30.67	
	of which: Customer deposits	248.01	
	of which: Other deposits (pl. specify)	0.00	
iii	Borrowings		
	of which: From RBI	0.00	
	of which: From banks	0.00	
	of which: From other institutions & agencies	0.00	
	of which: Others (pl. specify)	0.00	
	of which: Capital instruments	0.00	
iv	Other liabilities & provisions	17.89	
	Total	575.86	
B			
i	Cash and balances with Reserve Bank of India	13.23	
	Balance with banks and money at call and short notice	81.44	
ii	Investments:	71.91	
	of which: Government securities	71.91	
	of which: Other approved securities	0.00	
	of which: Shares	0.00	
	of which: Debentures & Bonds	0.00	
	of which: Subsidiaries / Joint Ventures / Associates	0.00	
	of which: Others (Commercial Papers, Mutual Funds etc.)	0.00	
iii	Loans and advances	376.61	
	of which: Loans and advances to banks	0.00	
	of which: Loans and advances to customers	376.61	
iv	Fixed assets	0.74	
v	Other assets	31.93	
	of which: Goodwill and intangible assets	0.00	
	of which: Deferred tax assets	20.81	
vi	Goodwill on consolidation	0.00	
vii	Debit balance in Profit & Loss account	0.00	
	Total Assets	**575.86**	

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