# BANK OF CEYLON

CHENNAI BRANCH

## INDEPENDENT AUDITOR'S REPORT

**To**

**The Country Manager,**

**Bank of Ceylon, Chennai Branch**

**Report on the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements (also referred as financial statements) of Bank of Ceylon, Chennai Branch ('the Bank'), which comprise the Balance Sheet as at March 31, 2023, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements together with the accounting policies and notes thereon give the information required by the Banking Regulation Act, 1949 as well as well as the Companies Act, 2013 ('the Act') in the manner so required for the Banking Companies and give a true and fair view in conformity with accounting principles generally accepted in India on the state of affairs of the Bank as at March 31, 2023 and its profit and its cash flows for the year then ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the code of ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to the following Notes to the Financial Statement;

1. Schedule 18 – Notes 5.6(a) to the financial statements which describe the uncertainties due to outbreak of novel coronavirus (COVID-19). In view of these uncertainties, the impact on the Bank's financial statements is significantly dependent on future developments;
2. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of Key audit matters as per SA 701, Key Audit Matters are not applicable to the bank.

**Information Other than the Standalone Financial Statements and Auditor's Report thereon;**

The Bank's Management are responsible for the other information. The other information comprises the information included in the Annual Report including Pillar 3 Disclosure under the New Capital Adequacy Framework (Basel III disclosures), but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

**Responsibilities of the Management and Those Charged with Governance for the Standalone Financial Statements**

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

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

In preparing the Standalone Financial Statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Bank's management is also responsible for overseeing the Bank's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the Key Audit Matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014;
2. Subject to the limitations of the audit indicated above and as required by sub section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
   a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
   b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
3. Further, as required by section 143(3) of the Act, we report that;
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
   c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the accounting policies prescribed by the RBI;
   e) The requirements of Section 164(2) of the Act is not applicable to the Bank considering it is a branch of Bank of Ceylon, headquartered in Sri Lanka was formed under the Bank of Ceylon Ordinance No.53 of 1938 as a body Corporate with perpetual succession;
   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; Our Report expresses Disclaimer of Opinion on the Bank's Internal financial controls over financial reporting for the reasons stated therein.
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

      The Bank is a Banking Company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under section 197 of the Companies Act, 2013 do not apply; and
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
      i. The Bank has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its financial statements – Refer Schedule 12 and Note 3.13 of Schedule 18 to the financial statements;
      ii. The Bank has made provision as at March 31, 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 2.3.3, Note 2.4.1, Note 4.1 and Note 4.2 of Schedule 18 to the financial statements; and
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank during the year ended March 31, 2023.

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

Sd/-
**(P.S.NARASIMHAN)**
Partner
Membership No.: 020936
UDIN 23020936BGXMBP5286

Place : Chennai
Date : 21.06.2023

Classification:Confidential-External

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## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BANK OF CEYLON, CHENNAI BRANCH

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We were engaged to audit the internal financial controls with reference to the financial statements of Bank of Ceylon, Chennai Branch ('the Bank') as of 31st March 2023, in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

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

The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

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

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

**Basis for Disclaimer of Opinion**

According to the information and explanation given to us, the Bank is in process of establishing its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph above, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Bank had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2023. Accordingly, we do not express an Opinion on the Company's Internal Financial Control over financial reporting

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Bank, and the disclaimer does not affect our opinion on the standalone financial statements of the Bank.

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

Sd/-
**(P.S.NARASIMHAN)**
Partner
Membership No.: 020936
UDIN 23020936BGXMBP5286

Place : Chennai
Date : 21.06.2023

Classification:Confidential-External

# BANK OF CEYLON

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## Balance Sheet as at 31st March 2023

| | Schedule | 31.03.2023 (in Rs) | 31.03.2022 (in Rs) |
|---|---|---|---|
| **CAPITAL & LIABILITIES** | | | |
| Capital | 1 | 1,684,339,262 | 1,684,339,262 |
| Reserves and Surplus | 2 | 1,047,545,214 | 950,003,719 |
| Deposits | 3 | 3,035,012,718 | 2,853,671,029 |
| Borrowings | 4 | – | – |
| Other liabilities and provisions | 5 | 154,795,293 | 160,306,435 |
| **Total** | | **5,921,692,487** | **5,648,320,445** |
| **ASSETS** | | | |
| Cash and Balances with Reserve Bank of India | 6 | 133,556,009 | 127,788,528 |
| Balances with banks and money at call and short notice | 7 | 873,775,973 | 453,163,223 |
| Investments | 8 | 676,178,840 | 640,552,983 |
| Advances | 9 | 3,939,115,422 | 4,130,454,502 |
| Fixed Assets | 10 | 9,590,200 | 6,622,357 |
| Other Assets | 11 | 289,476,043 | 289,738,852 |
| **Total** | | **5,921,692,487** | **5,648,320,445** |
| Contingent liabilities | 12 | 1,259,951,861 | 2,035,693,581 |
| Bill for Collection | | 1,064,299,426 | 1,013,508,222 |

## Profit & Loss Account for the Year Ended 31st March 2023

| | | Schedule | Year ended 31.03.2023 (in Rs) | Year ended 31.03.2022 (in Rs) |
|---|---|---|---|---|
| I | **INCOME** | | | |
| | Interest earned | 13 | 409,291,094 | 387,976,505 |
| | Other income | 14 | 53,530,555 | 88,654,381 |
| | **Total** | | **462,821,649** | **476,630,886** |
| II | **EXPENDITURES** | | | |
| | Interest expended | 15 | 137,694,987 | 130,433,758 |
| | Operating expenses | 16 | 110,551,712 | 105,742,901 |
| | Provisions and Contingencies | | 96,015,482 | 177,092,801 |
| | **Total** | | **344,262,181** | **413,269,460** |
| III | **PROFIT** | | | |
| | Net profit for the year | | 118,559,468 | 63,361,426 |
| | Profit brought forward | | 465,579,815 | 418,058,746 |
| | | | **584,139,283** | **481,420,172** |
| IV | **APPROPRIATIONS** | | | |
| | Transfer to statutory reserves | | 29,639,867 | 15,840,356 |
| | Transfer to investment fluctuation reserve | | – | – |
| | Balance of profit carried forward | | 554,499,416 | 465,579,815 |
| | **Total** | | **584,139,283** | **481,420,171** |

The accompanying schedules are an integral part of the financial statements

As per our report of even date

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

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

Sd/-
**Kumudhini J Yogaratnam**
Country Manager

Place : Chennai
Date : 21.06.2023

Classification:Confidential-External

# BANK OF CEYLON

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## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS As on 31ST MARCH 2023

| Particulars | As on 31.03.2023 (in Rs) | As on 31.03.2022 (in Rs) |
|---|---|---|
| **SCHEDULE 1 – ASSIGNED CAPITAL** | | |
| I The amount brought in by bank by way of start-up capital including the amount of deposit kept in cash/approved Securities with the RBI under section 11(2) of the Banking Regulation Act, 1949. | 1,193,715,270 | 1,193,715,270 |
| Capital infused During the year | – | – |
| Amount retained in India for CRAR purpose | 490,623,992 | 490,623,992 |
| **Total** | **1,684,339,262** | **1,684,339,262** |
| **SCHEDULE 2–RESERVES AND SURPLUS** | | |
| I Statutory Reserves in terms of Section 17 of the Banking Regulation Act 1949 | | |
| Balance | 484,423,904 | 468,583,548 |
| ADD: Transfer During the Year | 29,639,867 | 15,840,356 |
| **Total** | **514,063,771** | **484,423,904** |
| II Investment Fluctuation Reserve | | |
| Opening Balance | – | – |
| Less: Transfer During the Year | – | – |
| **Total** | **–** | **–** |
| III Balance in Profit and Loss Account | 554,499,416 | 465,579,815 |
| Deduct: Amount trfd to HO | 21,017,973 | – |
| Transfer: Amount retained in India for CRAR purpose | – | – |
| **Total** | **53,34,81,443** | **46,55,79,815** |
| **Total (I, II & III)** | **1,047,545,214** | **950,003,719** |
| **SCHEDULE 3–DEPOSITS** | | |
| A I DEMAND DEPOSITS: | | |
| 1) From Banks | 319,574,984 | 764,599,210 |
| 2) From others | 401,686,577 | 234,986,575 |
| II SAVINGS BANK DEPOSITS | 246,093,533 | 202,804,495 |
| III TERM DEPOSITS: | | |
| 1) From Banks | – | – |
| 2) From Others | 2,067,657,624 | 1,651,280,749 |
| **Total (I, II & III)** | **3,035,012,718** | **2,853,671,029** |
| B (i) Deposits of branches in India | 3,035,012,718 | 2,853,671,029 |
| (ii) Deposits of branches outside India | – | – |
| **Total (I & II)** | **3,035,012,718** | **2,853,671,029** |

| Particulars | As on 31.03.2023 (in Rs) | As on 31.03.2022 (in Rs) |
|---|---|---|
| **SCHEDULE 4 – BORROWINGS** | | |
| I BORROWINGS IN INDIA: | | |
| 1) Reserve Bank of India | – | – |
| 2) Other Banks | – | – |
| 3) Other institutions and agencies | – | – |
| II BORROWINGS OUTSIDE INDIA | – | – |
| **Total (I & II)** | **–** | **–** |
| Secured Borrowings included in I & II above | **–** | **–** |
| **SCHEDULE 5–OTHER LIABILITIES AND PROVISIONS** | | |
| I Bills payable | 2,518,856 | 107,328 |
| II Inter-Office adjustments (Net) | – | – |
| III Interest accrued | 24,933,416 | 14,034,966 |
| IV Others (including provisions) | 127,343,021 | 146,164,141 |
| **Total** | **154,795,293** | **160,306,435** |
| **SCHEDULE 6–CASH AND BALANCES WITH RESERVE BANK OF INDIA** | | |
| I Cash in Hand (including foreign currencies) | 5,247,584 | 4,703,528 |
| II BALANCES WITH RESERVE BANK OF INDIA: | | |
| a) In Current Accounts | 128,308,425 | 123,085,000 |
| **Total (I & II)** | **133,556,009** | **127,788,528** |
| **SCHEDULE 7–BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE** | | |
| I IN INDIA | | |
| (i) BALANCE WITH BANKS: | | |
| (a) In Current Accounts | 2,805,358 | 3,027,250 |
| (b) In other Deposit Accounts | 50,000,000 | 50,000,000 |
| (ii) MONEY AT CALL AND SHORT NOTICE: | | |
| (a) With Banks | – | – |
| (b) With other Institutions | 769,148,744 | 390,000,000 |
| **Total ((i) & (ii))** | **821,954,102** | **443,027,250** |
| II OUTSIDE INDIA | | |
| (i) In Current Accounts | 51,821,871 | 10,135,973 |
| (ii) In other Deposit Accounts | – | – |
| (iii) Money at call and short notice | – | – |
| **Total ((i), (ii) & (iii))** | **51,821,871** | **10,135,973** |
| **Grand Total (I & II)** | **873,775,973** | **453,163,223** |

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# BANK OF CEYLON

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## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS As on 31ST MARCH 2023

| Particulars | As on 31.03.2023 (in Rs) | As on 31.03.2022 (in Rs) |
|---|---|---|
| **SCHEDULE 8 – INVESTMENTS** | | |
| I INVESTMENTS IN INDIA | | |
| (i) Government Securities | 677,523,215 | 640,552,983 |
| LESS: Provision for depreciation | (1,344,375) | – |
| | 676,178,840 | 640,552,983 |
| (ii) Other approved securities | – | – |
| (iii) Shares | – | – |
| (iv) Debentures and Bonds | – | – |
| (v) Subsidiaries and/or Joint Ventures abroad | – | – |
| (vi) Others | – | – |
| **Total** | **676,178,840** | **640,552,983** |
| II INVESTMENTS OUTSIDE INDIA | | |
| (i) Govt. securities (including local authorities) | – | – |
| (ii) Subsidiaries and/or joint venture abroad | – | – |
| (iii) Other Investments (to be specified) | – | – |
| **Total** | – | – |
| **GRAND TOTAL (I & II)** | **676,178,840** | **640,552,983** |
| **SCHEDULE 9 – ADVANCES** | | |
| A (i) Bills purchased and discounted | 55,466,463 | 146,859,410 |
| (ii) Cash credits, overdrafts and loans repayable on demand | 2,765,065,089 | 2,771,167,005 |
| (iii) Term Loans | 1,118,583,870 | 1,212,428,087 |
| **Total** | **3,939,115,422** | **4,130,454,502** |
| B (i) Secured by tangible assets | 3,764,325,992 | 3,727,430,261 |
| (ii) Covered by Bank/ Govt. Guarantees | 148,550,836 | 380,355,716 |
| (iii) Unsecured | 26,238,594 | 22,668,525 |
| **Total** | **3,939,115,422** | **4,130,454,502** |
| C I Advances in India | | |
| (i) Priority Sectors | 2,209,973,858 | 2,525,695,579 |
| (ii) Public Sectors | – | – |
| (iii) Banks | – | – |
| (iv) Others | 1,729,141,564 | 1,604,758,923 |
| **Total** | **3,939,115,422** | **4,130,454,502** |
| II Advances outside India | | |
| (i) Due from banks | – | – |
| (ii) Due from others | | |
| (a) Bills purchased and discounted | – | – |
| (b) Syndicate Loans | – | – |
| (c) Others | – | – |
| **Total** | – | – |
| **GRAND TOTAL (CI & CII)** | **3,939,115,422** | **4,130,454,502** |

| Particulars | As on 31.03.2023 (in Rs) | As on 31.03.2022 (in Rs) |
|---|---|---|
| **SCHEDULE 10 – FIXED ASSETS** | | |
| I Premises | – | – |
| II Other Fixed Assets (including Furniture and Fixtures) | | |
| At cost as on 31st March of the preceding year | 76,449,761 | 75,143,057 |
| Additions during the year | 10,482,528 | 1,306,704 |
| Less: Deduction | – | – |
| Depreciation to date | 77,342,089 | 69,827,404 |
| **Total (I+II)** | **9,590,200** | **6,622,357** |
| **SCHEDULE 11 – OTHER ASSETS** | | |
| I Inter-Office adjustment (net) | 3,552,095 | 2,438,104 |
| II Interest accrued | 7,180,609 | 6,480,003 |
| III Advance Income Tax (net) | 28,950,979 | 34,710,188 |
| IV Deferred Tax | 187,589,412 | 183,681,628 |
| V Stationery and stamps | 111,675 | 54,118 |
| VI Non-banking assets acquired in satisfaction of claims | – | – |
| VII Others | 62,091,273 | 62,374,811 |
| **Total** | **289,476,043** | **289,738,852** |
| **SCHEDULE 12 – CONTINGENT LIABILITIES** | | |
| I Claims against the bank not acknowledged as debts | – | – |
| II Liability for partly paid investments | – | – |
| III Liability on account of outstanding forward exchange contracts | 638,340,833 | 1,377,117,129 |
| IV Guarantees given on behalf of constituents | | |
| (a) In India | 549,834,657 | 546,369,483 |
| (b) Outside India | – | – |
| V Acceptances, endorsements and other obligations | 52,056,558 | 93,177,805 |
| VI Other items for which the bank is contingently liable | 19,719,813 | 19,029,164 |
| **Total** | **1,259,951,861** | **2,035,693,581** |

Classification:Confidential-External

# BANK OF CEYLON

CHENNAI BRANCH

## SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

| Particulars | For the year ended 31.03.2023 (in Rs) | For the year ended 31.03.2022 (in Rs) |
|---|---|---|
| **SCHEDULE 13 – INTEREST EARNED** | | |
| I Interest/discount on advances/bills | 338,167,076 | 327,873,867 |
| II Interest on investments | 51,208,161 | 35,374,583 |
| III Interest on balances with Reserve Bank of India and other inter-bank funds | 19,915,857 | 24,728,055 |
| IV Others | – | – |
| **Total** | **409,291,094** | **387,976,505** |
| **SCHEDULE 14 – OTHER INCOME** | | |
| I Commission, exchange and brokerage | 23,104,841 | 29,254,946 |
| II Profit on sale of investments | – | – |
| Less: Loss on sale of investments | – | – |
| III Profit on revaluation of investments | – | – |
| Less: Loss on revaluation of investments | | |
| IV Profit on sale of land, buildings and other assets | – | – |
| Less: Loss on sale of land, buildings and other assets | | |
| V Profit on exchange transactions | 21,870,589 | 26,986,230 |
| Less: Loss on exchange transactions | | |
| VI Income earned by way of dividends etc. from subsidiaries/ companies and/or joint ventures abroad/in India | – | – |
| VII Miscellaneous Income | 8,555,125 | 32,413,205 |
| **Total** | **53,530,555** | **88,654,381** |

| Particulars | For the year ended 31.03.2023 (in Rs) | For the year ended 31.03.2022 (in Rs) |
|---|---|---|
| **SCHEDULE 15 – INTEREST EXPENDED** | | |
| I Interest on deposits | 137,002,072 | 130,421,483 |
| II Interest on Reserve Bank of India/Inter-bank Borrowings | 692,915 | 12,275 |
| III Others | – | – |
| **Total** | **137,694,987** | **130,433,758** |
| **SCHEDULE 16 – OPERATING EXPENSES** | | |
| I Payments to and provisions for employees | 41,795,544 | 48,328,577 |
| II Rent, taxes and lighting | 12,199,485 | 11,640,159 |
| III Printing and stationery | 675,373 | 486,041 |
| IV Advertisement and publicity | 1,313,500 | 285,757 |
| V Depreciation on bank's property | 7,514,685 | 6,853,744 |
| VI Auditors fees | 460,820 | 618,725 |
| VII Law charges | 112,638 | 73,100 |
| VIII Postages, Telegrams, Telephones etc. | 2,244,669 | 2,556,188 |
| IX Repairs and maintenance | 19,297,560 | 14,704,490 |
| X Insurance | 3,352,998 | 3,099,329 |
| XI Other expenditures* | 21,584,440 | 17,096,791 |
| **Total** | **110,551,712** | **105,742,901** |

* (Incl. Rs. 34 lakhs amount earmarked for CSR activities.)

Classification:Confidential-External

# BANK OF CEYLON

CHENNAI BRANCH

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023**

| | Year Ended 31.03.2023 (Rs) | Year Ended 31.03.2022 (Rs) |
|---|---|---|
| **Cash flow from operating Activities** | | |
| Net profit for the year Tax | 118,559,468 | 63,361,426 |
| **Adjustments for:** | | |
| Provision for Income Tax | 74,975,530 | 19,222,827 |
| Depreciation charge for the year | 7,514,685 | 6,853,744 |
| Depreciation on Investment | 1,344,375 | – |
| Profit on sale of Investment | – | – |
| Adjustment for provision for NPAs | – | 128,561,909 |
| Provision for Floating Provision | 19,695,577 | 20,652,273 |
| Adjustment for other provisions | – | – |
| Adjustment for provision for standard assets | – | 1,655,791 |
| **Adjustments for:** | | |
| (Increase)/Decrease in Investments | (36,970,232) | (44,176,783) |
| (Increase)/Decrease in Advances | 191,339,080 | 42,721,754 |
| (Increase)/Decrease in Other Assets | (1,588,616) | (11,638,571) |
| Increase/(Decrease) in Borrowings | – | – |
| Increase/(Decrease) in Deposits | 181,341,689 | 252,382,804 |
| Increase/(Decrease) in other liabilities and provisions | (25,206,720) | (199,994,796) |
| Direct Taxes paid | (73,124,104) | (102,500,000) |
| *Net cash flow from operating Activities* | 457,880,733 | 177,102,378 |
| **Cash Flow from Investing Activities** | | |
| Purchase of fixed Assets | (10,482,528) | (1,306,704) |
| *Net cash used in Investing Activities* | (1,04,82,528) | (13,06,704) |
| **Cash flow from Financing Activities** | | |
| Head Office | (21,017,973) | – |
| *Net Cash generated from financing activities* | (21,017,973) | – |
| **Net increase/decrease in cash and cash equivalents** | 426,380,232 | 175,795,674 |
| **Cash and Cash equivalents as at 1st April 2022** | 580,951,750 | 405,156,076 |
| **Cash and Cash equivalents as at 31st March 2023*** | 1,007,331,982 | 580,951,750 |

*Cash and cash equivalent comprises of cash on hand, Balance with Reserve Bank of India, Balance with banks and Money at call and short notice

As per our report of even date

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

Sd/-
**Kumudhini J Yogaratnam**
Country Manager

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

Place : Chennai
Date : 21.06.2023

Classification:Confidential-External

# BANK OF CEYLON

CHENNAI BRANCH

## SCHEDULE FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2023

### 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) 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 Sri Lanka, 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/-
**Kumudhini J Yogaratnam**
Country Manager
Place : Chennai
Date : 21.06.2023

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 31.03.2023 and tallying of balances is ensured on an ongoing basis.

**2. DISCLOSURE REQUIREMENTS**

**2.1. Capital**

(₹ in Crore)

| | Items | 2022-23 | 2021-22 |
|---|---|---|---|
| i) | Common Equity Tier 1 Capital Ratio (%) – (Basel-III) | 29.50 | 28.86 |
| ii) | Tier 1 Capital Ratio (%) | 29.50 | 28.86 |
| iii) | Tier 2 Capital Ratio (%) | 1.25 | 1.02 |
| iv) | Total Capital Ratio (CRAR) (%) | 30.75 | 29.88 |
| 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 |

**2.2 INVESTMENTS**

(₹ in Crore)

| Particulars | 2022-23 | 2021-22 |
|---|---|---|
| (1) Value of Investments | | |
| (i) Gross Value of Investments | 67.75 | 64.05 |
| (a) In India | NIL | NIL |
| (b) Outside India | | |
| (ii) Provisions for Depreciation | | |
| (a) In India | 0.13 | NIL |
| (b) Outside India | NIL | NIL |
| (iii) Net Value of Investments | 67.62 | 64.05 |
| (a) In India | Nil | NIL |
| (b) Outside India | | |
| (2) Movement of provisions held towards Depreciation on investments | | |
| (i) Opening balance | NIL | NIL |
| (ii) Add: Provisions made during the year | 0.13 | NIL |
| (iii) Less: Write-off / write-back of excess provisions during the year | NIL | NIL |
| (iv) Closing Balance | 0.13 | NIL |

In respect of securities held under HTM category, premium paid of INR 0.09 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 2023 |
|---|---|---|---|---|
| Securities sold under repo | | | | |
| I. Government securities | 1 | 2 | 0.02 | NIL |
| II. Corporate debt securities | | | | |
| Securities purchased under reverse repo | | | | |
| I. Government securities | 1 | 66 | 32.5 | 27 |
| II. Corporate debt securities | | | | |

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# BANK OF CEYLON

CHENNAI BRANCH

**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 | 2022-2023 | 2021-2022 |
|---|---|---|
| Opening balance | NIL | NIL |
| Additions during the year since 1st April 2022 | NIL | NIL |
| Reductions during the above period | NIL | NIL |
| Closing balance 31st March 2023 | 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 31/3/2023 is 7.81% (PY 8.71%) 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 | | 2022-23 | 2021-22 |
|---|---|---|---|
| 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)

| SI. No | Particulars | 2022-23 | 2021-22 |
|---|---|---|---|
| (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 2023 (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.

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# BANK OF CEYLON

CHENNAI BRANCH

**Quantitative Disclosures**

(₹ in Crore)

| Sl. No | Particular | Currency Derivatives | | Interest rate derivatives | |
|---|---|---|---|---|---|
| | | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| (i) | Derivatives (Notional Principal Amount) | NIL | 23.37 | NIL | NIL |
| | a) For hedging | NIL | 23.37 | 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 2022-23.

**2.3.5 SLR Securities**

(₹ in Crore)

| Particulars | As at 31.03.2023 | | As at 31.03.2022 | |
|---|---|---|---|---|
| | Book Value | Market Value | Book Value | Market Value |
| Government Securities SLR (CG, SG, TB) | 67.62 | 67.75 | 64.05 | 64.97 |
| Approved securities - SLR | NIL | NIL | NIL | NIL |

**2.4 Asset Quality**

**2.4.1 Non-Performing Assets**

(₹ in Crore)

| Particulars | | 2022-23 | 2021-22 |
|---|---|---|---|
| (i) | Net NPAs to Net Advances (%) | 4.10% | 5.05% |
| (ii) | Movement of NPAs (Gross) | | |
| | (a) Opening balance | 53.60 | 33.39 |
| | (b) Additions during the year | 0.00 | 22.53 |
| | (c) Reductions during the year | 4.72 | 2.32 |
| | (d) Closing balance | 48.88 | 53.60 |
| (iii) | Movement of Net NPAs | | |
| | (a) Opening balance | 20.85 | 24.44 |
| | (b) Additions during the year | 0.00 | 11.27 |
| | (c) Reductions during the year | 4.72 | 14.86 |
| | (d) Closing balance | 16.13 | 20.85 |
| (iv) | Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| | (a) Opening balance | 32.75 | 8.94 |
| | (b) Provisions made during the year | 1.08 | 23.86 |
| | (c) Write-off/ write-back of excess provisions | 1.08 | 0.05 |
| | (d) Closing balance | 32.75 | 32.75 |

Classification:Confidential-External

BANK OF CEYLON
CHENNAI BRANCH

### 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-offs 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 | | | | | | | | | | | | | | | | | | | | |

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# BANK OF CEYLON

CHENNAI BRANCH

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

**(A) Details of Sales:** (₹ in Crore)

| Particulars | 2022-23 | 2021-22 |
|---|---|---|
| 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 | |
|---|---|---|---|---|---|---|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Book value of investments in security Receipts as at 31st March 2023 | NIL | | | | | |

**2.4.4 Details of non-performing financial assets purchased/sold**

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

| Particulars | 2022-23 | 2021-22 |
|---|---|---|
| 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 | 2022-23 | 2021-22 |
|---|---|---|
| 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 | 2022-23 | 2021-22 |
|---|---|---|
| Provisions towards Standard Assets | 2.34 | 2.34 |

**2.5 Business Ratios**

| Particulars | 2022-23 | 2021-22 |
|---|---|---|
| (i) Interest Income as a percentage to Working Funds | 7.23 | 7.40 |
| (ii) Non-interest income as a percentage to Working Funds | 0.95 | 1.69 |
| (iii) Operating Profit as a percentage to Working Funds | 3.79 | 4.59 |
| (iv) Return on Assets | 2.09 | 1.02 |
| (v) Business (Deposits plus advances) per employee (₹ in Crore) | 25.83 | 25.86 |
| (vi) Profit per employee (₹ in Crore) | 0.43 | 0.23 |

**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 month | Over 3 months & up to 6 month | 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) | 9.67 | 4.75 | 6.23 | 6.74 | 31.29 | 25.66 | 18.30 | 148.18 | 52.68 | 0.00 | 303.50 |
| Advances (Incl Foreign currency assets) | 3.34 | 0.96 | 2.68 | 5.89 | 97.29 | 99.28 | 49.78 | 80.07 | 9.38 | 45.24 | 393.91 |
| Investments | Nil | Nil | Nil | Nil | 14.64 | 14.17 | 23.75 | 15.06 | Nil | Nil | 67.62 |
| Borrowings | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Foreign Currency assets (excluding Foreign Currency Loan) | 5.18 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | 5.18 |
| 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

CHENNAI BRANCH

**2.7 Exposures**

**2.7.1 Exposure to Real Estate Sector**

(₹ in Crore)

| Category | | | 2022-23 | 2021-22 |
|---|---|---|---|---|
| *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). | 0.44 | 0.41 |
| | (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; | 87.36 | 94.53 |
| | (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** | **87.80** | **94.94** |

**2.7.2 Exposure to Capital Market**

(₹ in Crore)

| Particulars | | 2022-23 | 2021-22 |
|---|---|---|---|
| (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; | NIL | NIL |
| (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 31/03/2023 | Provision held as at 31/03/2023 | Exposure (net) as at 31/03/2022 | Provision held as at 31/03/2022 |
|---|---|---|---|---|
| Insignificant | 5.83 | 0.76 | 32.57 | 0.02 |
| Low | NIL | NIL | NIL | NIL |
| Moderate | NIL | NIL | NIL | NIL |
| High | NIL | NIL | 12.19 | 0.74 |
| Very High | NIL | NIL | NIL | NIL |
| Restricted | NIL | NIL | NIL | NIL |
| Off-credit | NIL | NIL | NIL | NIL |
| **Total** | **5.83** | **0.76** | **44.76** | **0.76** |

Classification:Confidential-External

# BANK OF CEYLON

CHENNAI BRANCH

**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 01/04/2022 to 31/03/2023 ----- NIL (PY NIL)

B. GBL exceeded by the Bank for the period 01/04/2022 to 31/03/2023 ----- NIL (PY NIL)

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

(₹ in Crore)

| Particulars | As on 31.03.2023 | As on 31.03.2022 |
|---|---|---|
| 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 |

**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 31.03.2023 as compared to those in the preceding financial year ended 31.03.2022.

**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**

| Fixed Assets | Gross Block | | | | Accumulated Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 1 April 2022 | Additions | Disposals | Balance as at 31 March 2023 | Balance as at 1 April 2022 | Depreciation charge for the year | On disposals | Balance as at 31 March 2023 | Balance as at 31 March 2022 | Balance as at 31 March 2023 |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| Vehicles | 0.42 | NIL | NIL | 0.42 | 0.27 | 0.05 | NIL | 0.32 | 0.15 | 0.10 |
| Furniture and Other Equipment | 0.47 | NIL | NIL | 0.47 | 0.37 | 0.04 | NIL | 0.41 | 0.10 | 0.06 |
| Computer & Computer Softwares | 6.75 | 1.04 | NIL | 7.79 | 6.34 | 0.66 | NIL | 7.00 | 0.41 | 0.79 |
| **Grand Total** | **7.64** | **1.04** | **NIL** | **8.68** | **6.98** | **0.75** | **NIL** | **7.73** | **0.66** | **0.95** |

In accordance with banks accounting policy, Fixed Assets as on March 31, 2023; (₹ Crs)

**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) 2023 | Gratuity (unfunded) 2022 |
|---|---|---|
| Discount Rate | 7.21% | 7.36% |
| Expected Rate of return on Plan Assets | NIL | NIL |

**II. Change in the Present value of obligations:** (₹ in Crore)

| Particulars | Gratuity (unfunded) 2023 | Gratuity (unfunded) 2022 |
|---|---|---|
| Present Value of obligations as at the beginning of the year | 0.88 | 0.77 |
| Interest Cost | 0.06 | 0.05 |
| Current Service Cost | 0.07 | 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) | -0.20 | -0.08 |
| Present Value of obligations as at the year end | 0.81 | 0.81 |

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# BANK OF CEYLON

CHENNAI BRANCH

**III. Change in Fair Value of Plan Asset**

(₹ in Crore)

| Particulars | Gratuity (unfunded) 2023 | Gratuity (unfunded) 2022 |
|---|---|---|
| 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) 2023 | Gratuity (unfunded) 2022 |
|---|---|---|
| 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) 2023 | Gratuity (unfunded) 2022 |
|---|---|---|
| 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 | 0.12 | 0.03 |
| Actuarial (gain)/loss recognized in the period | 0.12 | 0.03 |
| Unrecognized actuarial (gain)/loss at the end of the year | NIL | NIL |

**VI Amount recognized in Balance Sheet**

(₹ in Crore)

| Particulars | Gratuity (unfunded) 2023 | Gratuity (unfunded) 2022 |
|---|---|---|
| Present value of the Obligation | 0.81 | 0.81 |
| Fair value of plan assets | NIL | NIL |
| Difference | 0.81 | 0.81 |
| Unrecognized Transitional liability | NIL | NIL |
| Unrecognized past service cost (non-vested benefits) | NIL | NIL |
| Liability recognized in the Balance Sheet | 0.81 | 0.81 |

**VII Expenses Recognized in Profit & Loss Account**

(₹ in Crore)

| Particulars | Gratuity (unfunded) 2023 | Gratuity (unfunded) 2022 |
|---|---|---|
| Current Service Cost | 0.07 | 0.07 |
| Interest Cost | 0.06 | 0.05 |
| Expected return on Plan assets | NIL | NIL |
| Net actuarial (gain)/loss recognised in the year | -0.05 | -0.04 |
| 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 | 0.08 | 0.08 |

**VIII Movements in the Liability Recognized in the balance Sheet**

(₹ in Crore)

| Particulars | Gratuity (unfunded) 2023 | Gratuity (unfunded) 2022 |
|---|---|---|
| Opening net Liability | 0.81 | 0.76 |
| Opening amount determined under para 55 of AS15R | 0.81 | 0.73 |
| Expense as Above | 0.08 | 0.08 |
| Contribution paid | 0.08 | NIL |
| Closing Net Liability | 0.81 | 0.81 |

**IX Amount for the Current Period**

(₹ in Crore)

| Particulars | Gratuity (unfunded) 2023 | Gratuity (unfunded) 2022 |
|---|---|---|
| Present value of Obligation | 0.81 | 0.81 |
| Plan Assets | NIL | NIL |
| Surplus/(Deficit) | 0.81 | 0.81 |
| Experience adjustments on Plan Liabilities - (loss)/gain | NIL | NIL |
| Experience adjustments on Plan Assets - (loss)/gain | NIL | NIL |

**3.5 Employee Stock Option Scheme - NIL**

Classification:Confidential-External

# BANK OF CEYLON

CHENNAI BRANCH

**3.6 Accounting Standard 17 – Segment Reporting**

**SEGMENT REPORTING** (₹ in Crore)

| PART A: BUSINESS SEGMENTS | YEAR ENDED | |
|---|---|---|
| **PARTICULARS** | **31/03/2023** | **31/03/2022** |
| 1. ***SEGMENT REVENUE :*** | **(Audited)** | **(Audited)** |
| a. Treasury operations | 9.30 | 8.70 |
| b. Corporate/wholesale banking operations | 35.04 | 35.47 |
| c. Retail banking operations | 0.20 | 0.21 |
| d. Other banking operations | 1.74 | 3.28 |
| **TOTAL** | **46.28** | **47.66** |
| 2. ***SEGMENT RESULTS (Operating Profit)*** | | |
| a. Treasury operations | 4.32 | 4.05 |
| b. Corporate/wholesale Banking operations | 15.70 | 16.97 |
| c. Retail banking operations | 0.07 | 0.07 |
| d. Other banking operations | 1.36 | 2.94 |
| **TOTAL** | **21.45** | **24.03** |
| **OPERATING PROFIT** | **21.45** | **24.03** |
| **PROVISIONS OTHER THAN TAX** | **(1.71)** | **(8.60)** |
| **PROFIT BEFORE TAX** | **19.74** | **15.43** |
| Less : Tax expenses | (7.88) | (9.10) |
| **NET PROFIT** | **11.86** | **6.33** |
| ***CAPITAL EMPLOYED :*** | | |
| a. Treasury operations | 76.60 | 56.95 |
| b. Corporate/wholesale banking operations | 190.80 | 201.43 |
| c. Retail banking operations | 1.92 | 2.24 |
| d. Unallocated Assets | 3.86 | 3.20 |
| **TOTAL** | **273.18** | **263.82** |

PARTB – 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 |

**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 |

Classification:Confidential-External

# BANK OF CEYLON

CHENNAI BRANCH

**The Bank's related party balances and transactions for the year ended March 31, 2022 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 | 25.75 | NIL | NIL | NIL | NIL | 25.75 |
| Nostro | 0.10 | NIL | 0.14 | NIL | NIL | 0.24 |
| **Max outstanding during the year** | | | | | | |
| Vostro | 59.97 | NIL | NIL | NIL | NIL | 59.97 |
| Nostro | 0.10 | NIL | 4.53 | NIL | NIL | 4.63 |
| Placement of Deposits | NIL | NIL | NIL | NIL | NIL | NIL |
| Advances | 12.10 | NIL | NIL | NIL | NIL | 12.10 |
| Investments | NIL | NIL | NIL | NIL | NIL | NIL |
| Non-Funded Commitments | 42.87 | NIL | NIL | NIL | NIL | 42.87 |
| 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 | 0.76 | NIL | 0.76 |
| 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 and staff residences, which are renewable at the option of the Bank.

Amount of lease payments recognised in the P&L Account for operating leases is ₹ 0.95 Crs (PY 0.93 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** | **2022-23** | **2021-22** | **2022-23** | **2021-22** |
| Depreciation on fixed assets | (0.16) | 0.30 | NIL | NIL |
| Employee Benefits | 0.35 | 0.35 | NIL | NIL |
| Others | 18.57 | 17.71 | NIL | NIL |
| **CLOSING BALANCE** | **18.76** | **18.36** | **NIL** | **NIL** |
| **Net DTA** | **18.76** | **18.36** | **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 2023 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 01.04.2022 | Provision made during the year | Provisions reversed/ adjusted | Closing as on 31.03.2023 |
|---|---|---|---|---|
| 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 | 1.08 | 1.08 | 32.75 |
| Prov. for Income Tax (incl DTA) | 13.47 | 7.50 | 11.68 | 9.29 |
| Prov. for depreciation in market value of Investments | 0.00 | 0.13 | 0.00 | 0.13 |
| Prov. for Country Risk | 0.76 | 0.0 | 0.00 | 0.76 |
| Counter cyclical buffer | 4.68 | 1.97 | 0.00 | 6.65 |
| Prov. for Restructured Advances & FITL | 0.00 | 0.00 | 0.00 | 0.00 |

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# BANK OF CEYLON

CHENNAI BRANCH

**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 31/03/2023**

**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 | 2022-23 | 2021-22 |
|---|---|---|
| Provision towards Standard Asset | 0.00 | 0.16 |
| Provision towards NPA | 0.00 | 12.86 |
| Provision for MAT Credit | 0.00 | 0.00 |
| Provision for depreciation in market value of Investments | 0.13 | 0.00 |
| Provision for Restructured Advances (Economic sacrifice) & FITL | 0.00 | 0.00 |
| Provision for Foreign Currency Unhedged | 0.00 | 0.00 |
| Floating Provision on advances | 1.97 | 2.07 |
| Provision for Other Assets | 0.00 | 0.70 |
| **Sub Total** | **2.10** | **15.79** |
| Provision for Income Tax (Incl of deferred tax) | 7.50 | 1.91 |
| **Total** | **9.60** | **17.70** |

**4.2 Movement of Counter Cyclical Provisioning Buffer**

(₹ in Crore)

| | Particulars | 2022-23 | 2021-22 |
|---|---|---|---|
| (a) | Opening balance in the account | 4.68 | 13.62 |
| (b) | Provision made in the accounting year | 1.97 | 2.06 |
| (c) | Amount of drawdown made during the accounting year | 0.00 | 11.00 |
| (d) | Closing balance in the account | 6.65 | 4.68 |

**4.3 Draw Down from Reserves**

The bank has utilized floating provision reserve to the extent of INR NIL (PY -11 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 01-04-2022 | NIL |
| Add; Letters of Comfort issued during FY 2022-23 | NIL |
| Less: Letters of Comfort expired during FY 2022-23 | NIL |
| Letters of Comfort Outstanding as on 31-03-2023 | NIL |

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# BANK OF CEYLON

CHENNAI BRANCH

**4.6 Provisioning Coverage ratio**

The provision coverage ratio of the Bank as on 31.03.2023 is 67 %.

**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 | 174.23 |
| Percentage of Deposits of twenty largest depositors to Total Deposits of the bank | 57.40% |

**4.8.2 Concentration of Advances**

(₹ in Crore)

| | |
|---|---|
| Total Advances to twenty largest borrowers | 359.48 |
| Percentage of Advances to twenty largest borrowers to Total Advances of the bank (%) | 91.25% |

**4.8.3 Concentration of Exposures**

(₹ in Crore)

| | |
|---|---|
| Total Exposure to twenty largest borrowers/customers | 411.83 |
| Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/ customers (%) | 79.75% |

**4.8.4 Concentration of NPAs**

(₹ in Crore)

| | |
|---|---|
| Total Exposure to top four NPA accounts | 48.53 |

**4.9 Sector-wise Advances**

(₹ in Crore)

| Sl. No | Sector | 2022-23 | | | 2021-22 | | |
|---|---|---|---|---|---|---|---|
| | | 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** | **152.10** | **0.35** | **0.23** | **114.41** | **0.35** | **0.30** |
| **3.** | **Services** | **68.64** | **36.50** | **53.18** | **109.47** | **36.50** | **33.34** |
| **4.** | **Personal & other Loans** | **0.06** | **0** | **0** | **1.20** | **0.00** | **0.00** |
| | **Sub Total (A)** | **220.80** | **36.85** | **16.68** | **225.08** | **36.85** | **16.37** |
| **(B)** | **Non Priority Sector** | | | | | | |
| **1.** | **Agriculture and allied activities** | **NIL** | **NIL** | **NIL** | **NIL** | **NIL** | **NIL** |
| **2.** | **Industries** | 9.20 | **NIL** | **NIL** | 12.43 | **NIL** | **NIL** |
| **3.** | **Services** | 74.92 | **NIL** | **NIL** | 78.56 | **NIL** | **NIL** |
| **4.** | **Personal Loans** | 1.83 | **NIL** | **NIL** | 0.51 | **NIL** | **NIL** |
| **5.** | **Others** | 119.91 | **12.03** | **10.03** | 129.11 | 16.75 | **12.97** |
| | **Sub Total (B)** | 205.86 | **12.03** | **5.84** | 220.71 | 16.75 | **7.58** |
| | **Total (A+B)** | **426.66** | **48.88** | **11.45** | **445.79** | 53.60 | **12.02** |

**4.10 Movement of NPAs**

(₹ in Crore)

| **Particulars** | | **2022-23** | **2021-22** |
|---|---|---|---|
| Gross NPAs as on 1st April 2022 (Opening Balance) | | 53.60 | 33.39 |
| Additions (Fresh NPAs) during the year | | 0.00 | 22.53 |
| **Sub-total (A)** | | **53.60** | **55.92** |
| **Less:-** | | | |
| (i) | Upgradations | NIL | NIL |
| (ii) | Recoveries (excluding recoveries made from upgraded accounts) | 4.72 | 2.27 |
| (iii) | Technical / Prudential write offs | 0.00 | 0.05 |
| (iv) | Write-offs other than those under (iii) above | 0.00 | 0.00 |
| **Sub-total (B)** | | **4.72** | **2.32** |
| Gross NPAs as on 31st March 2023 (closing balance) (A-B) | | **48.88** | **53.60** |

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**4.10.1 Details of Technical write–offs and recoveries made:**

(₹ in Crore)

| Particulars | 2022-23 | 2021-22 |
|---|---|---|
| Opening balance of Technical / Prudential written off accounts as at 1st April 2022 | 2.62 | 3.79 |
| **Add:** Technical / Prudential write offs during the year | 0.00 | 0.05 |
| **Sub Total (A)** | **2.62** | **3.84** |
| **Less:** Recoveries/ Reduction made from previously technical / prudential written – off accounts during the year (B) | 0.00 | 1.22 |
| **Closing balance** as on 31st March 2023 **(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 |
| 2022-23<br>2021-22 | 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 31.03.2023 | | 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 2023.

**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 31.3.2023 | | 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 31.03.2023.**

(₹ 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 2022-23 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:**

**a. 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 | 2022-23 | 2021-22 |
|---|---|---|---|
| (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 | 0.05 |
| | (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. | 0.83 | 0.76 |
| (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**

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**4.24 Intra-Group Exposure:**

(₹ in Crore)

| Particulars | | FY 2022-23 |
|---|---|---|
| (a) | Total amount of intra-group exposures | 52.23 |
| (b) | Total amount of top-20 intra-group exposures | 52.33 |
| (c) | Percentage of intra-group exposures to total exposure of the bank on borrowers / customers | 10.12% |
| (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 | FY2022-23 | 2021-22 |
|---|---|---|
| Opening balance of amounts transferred to DEAF | 1.90 | 1.75 |
| Add: Amounts Transferred to DEAF during the year | 0.08 | 0.16 |
| Less: Amounts reimbursed by DEAF towards claims | 0.01 | 0.01 |
| Closing balance of amounts transferred to DEAF | 1.97 | 1.90 |

**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 2023 is 0.46 Crs.(PY 0.56 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 INR 0.32 Crs during the FY 2022-23**

**5.1 Liquidity Coverage Ratio: as on 31/03/2023**

| | | 2022-23 | | 2021-22 | |
|---|---|---|---|---|---|
| | | 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)** | 5,023.81 | 5,023.81 | 5,233 | 5,233 |
| Cash Outflows | | | | | |
| 2 | **Retail deposits and deposits from small business customers, of which** | **237.60** | **2,533.85** | **208.09** | **2,211.78** |
| (i) | Stable Deposits | 15.77 | 315.41 | 13.08 | 261.70 |
| (ii) | Less stable Deposits | 221.83 | 2,218.34 | 195.01 | 1,950.08 |
| 3 | **Unsecured wholesale funding, of which:** | **4,213.74** | **7,460.58** | **8,415.54** | **13,097.71** |
| (i) | Operational deposits (all counterparties) | 223.74 | 2,279.20 | 769.55 | 5,451.72 |
| (ii) | Non-operational deposits (all counterparties) | 3,990.00 | 5,181.38 | 7,645.99 | 7,645.99 |
| (iii) | Unsecured debt | NIL | NIL | NIL | NIL |
| 4 | **Secured Wholesale funding** | NIL | NIL | NIL | NIL |
| 5 | **Additional requirements, of which** | **531.62** | **12,846.30** | **338.92** | **7,080.79** |
| (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 | 365.57 | 7,311.30 | 316.25 | 6,324.99 |
| (iv) | Other contractual funding obligations | 166.05 | 5535.00 | 22.67 | 755.80 |
| 6 | Other contingent funding obligations | NIL | NIL | NIL | NIL |
| **7** | **Total Cash Outflows** | **4,982.96** | **22,840.63** | **8,962.55** | **22,390.28** |
| Cash Inflows | | | | | |
| 8 | Secured lending (e.g. reverse repos) | | | | |
| 9 | Inflows from fully performing exposures | 193.14 | 1,287.60 | 12,511 | 25,023 |
| 10 | Other cash inflows | 7,359.44 | 7,359.44 | 1,694 | 1,694 |
| **11** | **Total Cash Inflows** | **7,552.58** | **8,647.04** | **14,205.00** | **26,717** |
| **12** | **TOTAL HQLA** | **5,023.81** | **5,023.81** | **5,223** | **5,223** |
| **13** | **Total Net Cash Outflows** | **2,569.62** | **14,193.59** | **5,242** | **4,326.72** |
| **14** | **25% of Total Cash Outflow** | **1,245.74** | **5,710.16** | **2,240** | **5,597.57** |
| **15** | **Liquidity Coverage Ratio (%)** | **403.28%** | | **233.16%** | |

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**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 31.03.2023, the Bank has INR 50.23 Cr 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 2022-23 is 392.12%**

**5.3 Net Stable Funding for the year 2022-23**

| *No.* | **Item** | *Unweighted Values (i.e. before applying relevant factors)* | |
|---|---|---|---|
| | | *No specified maturity* | *Total weighte d 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* | *0* |
| 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* | |

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**Net Stable Funding for the year 2021-22**

| No. | Item | Unweighted Values (i.e. before applying relevant factors) | |
|---|---|---|---|
| | | No specified maturity | Total weighted value |
| | *Available Stable Funding (ASF):* | | |
| 1 | Capital: | *215.29* | *215.29* |
| 2 | *Regulatory Capital* | *215.29* | *215.29* |
| 3 | *Other Capital Instruments* | *0.00* | *0.00* |
| 4 | *Retail deposits and deposits from small business customers:* | *38.16* | *34.60* |
| 5 | *Stable deposits* | *4.98* | *4.73* |
| 6 | *Less stable deposits* | *33.19* | *29.87* |
| 7 | Wholesale funding: | | |
| 8 | *Operational deposits* | *76.45* | *38.22* |
| 9 | *Other wholesale funding* | *15.64* | *7.82* |
| 10 | *Other liabilities:* | *229.79* | *0.00* |
| 11 | *NSFR derivative liabilities* | *0.00* | *0.00* |
| 12 | *All other liabilities not included in the above categories* | | |
| 13 | *Total ASF* | *580.16* | *300.74* |
| | Required Stable Funding (RSF): | | |
| 14 | *Total NSFR high-quality liquid assets (HQLA)* | *50.32* | *6.23* |
| 15 | *Deposits held at other financial institutions for operational purposes* | *0.0* | *0* |
| 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* | *1.32* | *0.19* |
| 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:* | *264.06* | *171.64* |
| 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* | *0.00* | *0.00* |
| 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* | *0.00* | *0.00* |
| 28 | *NSFR derivative liabilities before deduction of variation margin posted* | *0.00* | *0.00* |
| 29 | *All other assets not included in the above categories* | *7.55* | *0.37* |
| 30 | OBS items | | |
| 31 | Total RSF | *323.27* | *178.45* |
| 32 | NSFR (%) | *168.52* | |

**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.

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**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 INR 0.34 Lakhs for CSR activity in the year 2022-23. The bank had transferred INR 0.46 Lakhs to PM Care Fund pertaining to 2021-2022 during the year 2022-2023. There is No carry forward amount.

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

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

Sd/-
**Kumudhini J Yogaratnam**
Country Manager

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

Place : Chennai
Date : 21.06.2023

Classification:Confidential-External

# BANK OF CEYLON

CHENNAI BRANCH

**DISCLOSURE UNDER THE NEW CAPITAL ADEQUACY FRAMEWORK (Basel III GUIDELINES) – Pillar 3 Disclosures BASEL – March 2023**

**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 %** | 30.75 |
| **CRAR- Tier 1 Capital %** | 29.50 |
| **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 | 51.40 |
| **Total** | **219.83** |
| Amount deducted from Tier I capital | 18.76 |
| **Total Tier I Capital** | **201.07** |

**The Tier II capital of the Branch comprises of:**

| Particulars | ₹ in Crs |
|---|---|
| General Provison for Standard Assets | 2.34 |
| General Reserve for Floating Provison | 6.65 |
| **Total** | **8.99** |

**The total eligible capital comprises:**

| Particulars | ₹ in Crs |
|---|---|
| Tier-I Capital | 201.07 |
| Tier-II Capital | 8.50 |
| **Total Capital** | **209.57** |

**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, 2023 is given as hereunder.

(₹ in Crs)

| | RWA* | Min. Cap. Required |
|---|---|---|
| Capital requirements for Credit Risk | 602.36 | 54.21 |
| Capital Requirements for Market Risk | 30.61 | 2.75 |
| Capital Requirements for Operational Risk | 48.69 | 4.38 |
| **Total** | **681.66** | **61.34** |
| **Tier I capital in (INR in Crs)** | **201.07** | |
| **Tier II capital (INR in Crs)** | **8.50** | |
| **Total** | **209.57** | |
| **CRAR** | **30.75%** | |

* 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 (LAB).

**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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**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 | 497.60 |
| Non Fund Based | 21.58 |
| Total | 519.18 |
| Gross NPA | 48.88 |
| **Net NPA** | **16.13** |

**The NPA ratios are:**

| Particulars | In % |
|---|---|
| Gross NPA to Gross advance | 11.45% |
| **Net NPA's to Net Advance** | **4.10%** |

**The Movement of Gross NPA is as under**

**(₹ in Crs)**

| Particulars | Amount |
|---|---|
| Opening Balance as at 01.04.2022 | 53.60 |
| Additions | NIL |
| Reductions | 4.72 |
| Closing balance as at 31.03.2023 | 48.88 |

**The Movement of Provision for Net NPA is as under**

**(₹ in Crs)**

| Particulars | Amount |
|---|---|
| Opening Balance as at 01.04.2022 | 20.85 |
| Provision made during the year | NIL |
| Reductions | 4.72 |
| Closing Balance as at 31.03.2023 | 16.13 |

**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 01.04.2022 | 0.00 |
| Add: Provision made during the year | 0.13 |
| Less: Write-off/Write back of excess provision during the year | 0.00 |
| Closing balance as on 31.03.2023 | 0.13 |

**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) | 60.77 | 0.00 |
| Trading | 93.93 | 0.84 |
| Non-Banking Finance | 0.00 | 0.00 |
| Iron & Steel | 44.68 | 0.00 |
| Textiles | 10.21 | 0.02 |
| Leather & Leather Products | 8.76 | 0.00 |
| Gems & Jewellery | 0.00 | 0.00 |
| Others | 208.31 | 9.97 |
| **Total** | **426.66** | **10.83** |

**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 guarantee 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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**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 | 47.70 |
| 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 | 0.55 |
| Equity Position Risk | 0.00 |
| Foreign Exchange Risk | 1.89 |
| Total capital charge | 2.44 |

**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 ₹ 48.68 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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**Table DF-11: Composition of Capital**
**Part II: Template to be used before March 31, 2023**
**(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) | 51.40 | | |
| 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** | 219.83 | | |
| | **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 | 18.76 | | |
| 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 | 18.76 | | |
| 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 | --- | | |
| 26c | *of which:* Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank | --- | | |

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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. |
|---|---|---|---|---|
| **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]<br>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** | 18.76 | | |
| 29 | **Common Equity Tier 1 capital (CET1)** | 201.07 | | |
| | **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)** | 201.07 | | |
| | **Tier 2 capital: instruments and provisions** | | | |
| 46 | Directly issued qualifying Tier 2 instruments plus related stock surplus | ---- | | |

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