HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

08 March, 2018

<u>TO ALL OFFICES</u>

FINANCE DIVISION CIRCULAR NO. FD::BS: 05/2018

MANUAL FOR ANNUAL ACCOUNTS 2017-18

Finance Division has been issuing Manual containing consolidated instructions / guidelines of various Head Office Divisions for the purpose of Annual Audit every year.

Like in previous years, this year also Manual is being issued in soft copy only as part of "Green initiative" of the Bank and no printed copy of the Manual will be issued.

Similarly submission of LFAR & Tax Audit Report will also be by soft copy through CFA (a web application) and no hard copy needs to be submitted.

This Manual not only provides complete instructions/guidelines at one place but also enables the Branches/Offices to complete the entire audit process smoothly and well in time.

In this **16th Edition** of Manual, closing instructions / guidelines from all Head Office Divisions have been incorporated for Annual Audit of Financial Year 2017-18.

In case of any clarification / suggestion, please send an email at finbs@pnb.co.in or contact the following official-

1. Mr. P.K. Varshney	Chief Manager	9602222660
2. Mr. N. S. Rana	Senior Manager	8860257980
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4. Mr. Sachin Ludhiyani	Senior Manager- CA	9425822044
5. Mr. Rajinder Puri	Manager	9560675544

All concerned are advised to ensure meticulous compliance of the instructions / guidelines and completion of the Annual Audit in time.

P. K. Sharma
General Manager
Enclosed: as above

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

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CHAPTER – 1: IMPORTANT ISSUES RELATED TO AUDIT / REVIEW

1. IMPORTANT GUIDELINES

1.1 Detailed guidelines on the Prudential Norms on Income Recognition, Asset Classification and provisioning pertaining to Advances were circulated to all offices through Recovery Division Circular No. RD/03/2018 dated 06.01.2018. Presently, banks classify a loan account as Non-Performing Asset (NPA) based on 90 days delinquency norms. Formalisation of business through registration under GST had adversely impacted the cash flows of the smaller entities during the transition phase with consequent difficulties in meeting their repayment obligation to banks. As a measure of support to these entities in their transition to a formalized business environment RBI vide its notification dated February 07, 2018 has issued revised guidelines on Income Recognition, Asset Classifiiation and provisioning as regards exposure of banks to a borrower classified as micro, small and medium enterprise under MSMED Act, 2006. **(For detailed guidelines refer Chapter 6 of Manual or Recovery Div. Cir.No.08/2018 Dt.08.02.2018).**

1.2 Borrowers with total exposure (both Fund Based & Non Fund Based) up to Rs.10 Crore may not be insisted for external risk rating, where exposure is fully secured by collateral in the following forms:

Eligible as Collateral under this criteria	Not Eligible as Collateral under this criteria
I. Cash / Gold	I. Personal / Corporate Guarantees
II. FDR/ NSC/ KVP	II. Agricultural Land / Properties
III. LIC Policies (Surrender Value)	III. Plant and Machinery
IV. Immovable Properties in the form of Residential Properties, Industrial Properties, Commercial Properties.	IV. Properties under Pari Passu charge / 2nd charge basis
	V. Properties under Negative lien etc.

Please refer IRMD Circular No.02/2018 Dt.01.01.2018 for detailed guidelines.

1.3 As a countercyclical measure RBI vide its Circular no DBR.BP.BC.No. 72/08.12.015/2016-17 dated 07.06.2017 has updated the guidelines on LTV ratios, risk weights for **individual housing loans sanctioned on or after June 7, 2017** as under:

Outstanding loan	LTV ratio (%)	Risk Weight (%)
Up to Rs. 30 lakh	≤ 80	35
	> 80 and ≤ 90	50
Above Rs. 30 lakh and up to Rs. 75 lakh	≤ 80	35
Above Rs. 75 lakh	≤ 75	50

1.4 As per the RBI circular RBI/2017-18/131 dated 12.02.2018(L& A Circular No 09 dated February 14, 2018) , the existing guidelines for resolution of stressed assets have been substituted with a harmonized and simplified generic framework. The extant instructions on resolution of stressed assets such as Framework for Revitalising Distressed Assets, Corporate Debt Restructuring Scheme, Flexible Structuring of Existing Long Term Project Loans, Strategic Debt Restructuring

Scheme (SDR), Change in Ownership outside SDR, and Scheme for Sustainable Structuring of Stressed Assets (S4A) stand withdrawn with immediate effect. Accordingly, the Joint Lenders' Forum (JLF) as an institutional mechanism for resolution of stressed accounts also stands discontinued. All accounts, including such accounts where any of the schemes have been invoked but not yet implemented, shall be governed by the revised framework. **(For detailed guidelines refer L&A Cir. No.09/2018 Dt.14.02.2018)**

1.5 RBI vide its Circular No. DBR.No.BP.BC.74/21.06.009/2016-17 dated 13.06.2017 has decided that banks may also use the ratings of the **INFOMERICS Valuation and Rating Pvt Ltd. (INFOMERICS)** for the purpose of risk weighting their claims for capital adequacy purposes in addition to the existing six domestic credit rating agencies. In accordance with the guidelines laid down, Bank has decided to use the ratings of INFOMERICS also.

1.6 Section 40A of the Income Tax Act, provides that any expenditure in respect of which payment or aggregate of payments made to a person in a day, otherwise than by an account payee cheque drawn on a bank or account payee bank draft, **exceeds twenty thousand rupees**, shall not be allowed as a deduction except in specified circumstanes. The limit has been reduced to **ten thousand rupees from FY 2017-18 onwards.**

1.7 As per GST Law every taxable person who has been granted multiple registrations under the existing service tax or VAT law on the basis of a single PAN in a State, shall be granted only one provisional registration under the GST Act in that State or Union territory in which it is already registered under the existing law.

In view of the same, Bank has obtained single registration in every State and Union Territory where it operates through Branches/ Offices. Hence, we have designated the Circle offices located in the Capital of each State as Nodal Offices for GST compliance within that State. The States where we do not have Circle offices, the Main branch located in the Capital of that State has been designated as Nodal Office for GST compliance in that State. The Bank has obtained Registration at 35 Nodal Offices (29 states and 6 Union Territories). –**List mentioned below**

STATE/ UNION TERRITORY	GSTIN/PROVISIONAL GSTIN
ANDAMAN AND NICOBAR ISLANDS	35AAACP0165G4ZP
ANDHRA PRADESH	37AAACP0165G1ZO
ARUNACHAL PRADESH	12AAACP0165G1Z0
ASSAM	18AAACP0165G1ZO
BIHAR	10AAACP0165G4Z1
CHANDIGARH	04AAACP0165G3ZV
CHHATTISGARH	22AAACP0165G1ZZ
DADRA AND NAGAR HAVELI	26AAACP0165G2ZQ
DAMAN AND DIU	25AAACP0165G2ZS

DELHI	07AAACP0165G1ZR
GOA	30AAACP0165G3Z0
GUJARAT	24AAACP0165G1ZV
HARYANA	06AAACP0165G4ZQ
HIMACHAL PRADESH	02AAACP0165G5ZX
JAMMU AND KASHMIR	01AAACP0165G5ZZ
JHARKHAND	20AAACP0165G2Z2
KARNATAKA	29AAACP0165G1ZL
KERALA	32AAACP0165G2ZX
MADHYA PRADESH	23AAACP0165G1ZX
MAHARASHTRA	27AAACP0165G3ZN
MANIPUR	14AAACP0165G1ZW
MEGHALAYA	17AAACP0165G4ZN
MIZORAM	15AAACP0165G1ZU
NAGALAND	13AAACP0165G1ZY
ODISHA	21AAACP0165G1Z1
PUDUCHERRY	34AAACP0165G4ZR
PUNJAB	03AAACP0165G3ZX
RAJASTHAN	08AAACP0165G1ZP
SIKKIM	11AAACP0165G3Z0
TAMILNADU	33AAACP0165G1ZW
TELANGANA	36AAACP0165G4ZN
TRIPURA	16AAACP0165G3ZQ
UTTAR PARDESH	09AAACP0165GBZD
UTTARAKHAND	05AAACP0165G1ZV
WEST BENGAL	19AAACP0165G1ZM

CBS has been customized for charging/collection of GST on taxable transactions and availing of Input Tax Credit on expenses. The amount of GST Collected every month in all the Branches/Offices is transferred at the end of every month to the State Nodal Offices for further remittance to Government. Monthly GST Returns for all the 35 Registrations are filed through HO, Finance Division.

1.8 Due **to implementation of Goods and Service Tax (GST),** Statutory Branch Auditor's Audit Fee as well as **TA/DA** etc. is to be paid by respective Circles and Nodal Offices. In this regard kindly adhere Finance Division Circular No.HO/FD/22/2017 dated 07.09.2017, which contains the procedure for payment of Audit Fee and TA/DA/Hotel Bill to SBAs

1.9 RBI vide Circular No.BP.BC.6/21.06.001/2016-17 Dt.25.08.2016 had issued guidelines relating to the risk weights applicable for unrated exposures wherein is is mentioned that "with effect from June 30, 2017, all unrated claims on Corporates, AFCs, and NBFC IFCs having aggregate exposure from banking system of more than INR 200 crore will attract a risk weight of 150%".

As per RBI's Mail Box clarification dated 29 December, 2017:

(a) It has since been decided that the higher risk weight of 150% for all unrated claims on corporates, AFCs and NBFC-IFCs having aggregate exposure of more than INR 200 crore from the banking system will not be applicable till the Financial Year ending March 31, 2019. **(IRMD Cir No.04/2018 Dt.07.03.2018)**

(b) However, claims on corporates, AFCs, and NBFC-IFCs having aggregate exposure from banking system of more than INR 100 crore which were rated earlier and subsequently have become unrated will continue to attract a risk weight of 150%, as indicated in the circular referred to above.

1.10 Tax Audit Report As per Section 44AB of Income Tax Act, 1961, the Bank is under statutory obligation to get the Tax Audit conducted for the financial year 2017-18. Bank has decided to get it done along with Annual Audit of branches/other offices.

From the Financial Year 2013-14, the system of sending hard copies of Tax Audit Report has been replaced by on-line submission of TAR to be captured through a web application namely CFA **(Centralized Financial Audit)**. Detailed guidelines in this regard are given in Chapter 14.

During this financial year 2017-18 Bank has centralized process of e-filing of TDS returns at Head Office and also TDS returns have been consolidated.

These compliances were being done by our 7000 Branches / Offices using their individual TAN numbers registered with Income Tax Department i.e filing 84000 Returns on annual basis. It was decided by the Board that henceforth Bank has to shift towards centralized TDS filing for a better compliance of Income Tax provisions and improving the Customer service.

Accordingly w.e.f 01st July, 2017 a Centralized E-TDS Cell was constituted at Finance Division, HO for E-filing of TDS Returns as well as Form 15G/H Returns w.e.f quarter ending September 2017 onwards. The TDS Cell at Finance Division is coordinating with three different users Divisions i.e IT Division (26Q& 27Q), GBD (24Q - Pensioners) and HRMS (24Q – Staff). The remittance of TDS is also being done centrally at Head office.

As per the policy, TDS Returns of the Branches have been consolidated at their respective 76 Circle Offices. However Returns for the HO Divisions continued to be filed against their respective TANs. During the process of filing of TDS Returns it was observed that there were approximately 200 Branches/Offices where branch specific (TAN wise) Lower TDS Deduction Certificates have been obtained by our customers and accordingly these branches were kept out of centralized module and returns were filed TAN wise and not on their Circle Office TAN. A detailed guidelines has been circulated vide HO Finance 18/2017.

RETURNS	PARTICULARS	TANs Used
24Q	SALARY	DELP26003F

	PENSION-EX STAFF	DELP09293E
	PENSION	DELP26004G

26Q	FD/RD & MISC PAYMENTS	76 Circle Wise TAN
	SCSS	DELP09293E

27Q	NRI	76 Circle Wise TAN

Since E-filing of Returns has been centralized at Head Office from second quarter onwards i.e September 2017, Branches/offices are to make available all the TDS related statement for first quarter and exemption certificates issued under section 195 or 197, if any.

The details of challans and filing of TDS returns for 3 quarters will be provided by Head office.

With the help of TDS statement(s) (which should be readily available with all the offices for all the quarters), Branches/Offices to keep data ready as per clause 34 (a), (b) & (c) before the commencement of audit to avoid any delay in completion of statutory audit and submission of Tax Audit Report.

Circle offices to ensure that all the branches/offices compile their Tax Audit Report as per various annexure having certain data so that the same may be timely submitted through CFA, as any delay in submission of TAR may uphold the audit process.
The Incumbents should impress upon the branch auditors that the branch tax audit is conducted simultaneously with the statutory audit as no separate TA/DA is payable to them for a second visit for Tax Audit.

1.11 <u>Changes related to various certificate</u>

<u>New Certificate:</u>

The Government of Uttar Pradesh has formulated a Crop Loan redemption scheme for upliftment and Sustainable Development of Small & Marginal farmers **(Applicable for UP state only)**.

The scheme stipulates one of the conditions that the lending institution (those branches identified for Debt Waiver) will provide **AUDITED CERTIFICATE (Statutory Branch Auditor)** to their respective DLCs (District Level Committee), regarding the correctness of eligible farmers and the amount credited to their identified crop loan accounts under the scheme. In this respect all branches to ensure obtention of the auditor's certificate in **four** copies as per the scheme **(One for branch; One for SBA; One for Zonal Office Lucknow & One for DLC).**

Format of certificate will be shared separately.

Discontinued Certificate:

(a) Central Sector Interest Subsidy (CSIS) Scheme on Educational Loans to Students belonging to Economically Weaker Section (EWS)- (SC/ST only) **arrears/left out cases - for the scheme years prior to FY 2016-17.** (Retail Banking Division).

1.12 Guidelines regarding claim under Dr. Ambedkar Central Sector Scheme of interest subsidy (ACSIS) to provide interest subsidy on education loan for overseas studies for the students belonging to OBCs & EBCs have already been issued by HO: Retail Banking Division. There was revision in income criteria which RBD through Circular No.16/2018 Dt.20.02.2018 has issued wherein with effect from 01.10.2017, total income from all sources of the employed candidates or his/her parents/guardians in case of unemployed candidates shall not exceed Rs 8.00 lakh per annum in case of OBCs & Rs.2.50 Lakh per annum in case of EBCs.

2. GENERAL INSTRUCTIONS

2.1 In continuation to steps towards paperless audit, all the MOCs & other statements will be signed digitally in CBPMS by Statutory Branch Auditors and Incumbents Incharge, as done during previous Quarterly Reviews & Annual Audit of 2016-17. Circle office must ensure that Incumbents Incharge of all branches under audit for March 2018 have Digital Signatures for submitting identified statements in CBPMS. Following certificates/ statements will be submitted with Digital Signatures, for 31st March 2018 -

- All MOCs.
- Branch Audit Report
- Certificate related to compliance of Income Recognition and Asset Classification (IRAC) norms.
- Certificate for having passed the necessary vouchers for the changes suggested by the auditors through MOCs for the year ended 31.03.2017, wherever suggested.
- Balance with Banks & Supplementary information for Basel III.

Please refer Chapter 3 for guidelines related to Digital Signatures. Kindly note that no Hard Copy needs to be submitted to Circle Office / Head Office for the above statements.

2.2 Statement of Balance with Bank (pls. refer chapter 4) contains the balance with other banks in credit /debit. Branches will mention Name of the Bank/Banks with which they are maintaining the account.

2.3 The bifurcation of signing and verification of the MOCs (Loan) will be as under:

- MOC (Loan) up to Rs. 10.00 Lac will be signed by Branch Manager & Auditor.

- MOC (Loan) for more than Rs. 10.00 Lac and upto Rs. 2 crore will be signed by Branch Manager & Auditor and will be verified by Executive Incharge at Circle Office.
- MOC (Loan) for more than Rs. 2 core and upto Rs. 5 crore will be signed by Branch Manager & Auditor and will be verified by Circle Head at Circle Office.
- MOC (Loan) for more than Rs. 5 crore will be signed by Branch Manager & Auditor and will be verified by GM/DGM at respective Zonal office.

2.4 At the time of passing the MOC(s) in relation to the Income on Advances, classification e.g. Loan to Real Estate - Commercial / Housing Loans / others, loan Advances to Capital Market, Agriculture Loan, Industrial Loan etc. is also to be provided.

2.5 At the time of passing the MOC(s) in relation to the Expenditure interest paid on Deposits, classification e.g. Interest paid on time deposit for <Rs. 15Lakh, Rs. 15 Lakh <Rs.1 cr., Rs.1 cr. <Rs.10 cr. etc. is also to be provided.

2.6 CBPMS (Centralized Balance Sheet and Profit & Loss Management System) is the Software for posting of MOCs (Memorandum of changes) suggested by the Statutory Branch Auditors / Circle Offices / Concurrent Auditors (Only for quarterly closing), related to assets, liabilities, income, expenditure, loans (fund based &non-fund based) & Capital Adequacy and for generation of various reports. For the year ending March, 2018 also, all branches under statutory audit will post the MOCs by logging in the CBPMS. Detailed guidelines for use of CBPMS are given in the Chapter - CBPMS (Chapter 3) & Memorandum of Changes (Chapter 11).

MOCs pertaining to Capital Adequacy - BASEL III are also to be posted in CBPMS. (Refer Chapter 11 for details). Further, printout of MOCs from CBPMS will be taken out for the signatures of the Statutory Branch Auditor & Incumbent Incharge which will become part of the Branch Auditor's Report. As these MOCs will be digitally signed by the Incumbent Incharge and Statutory Branch Auditors, no hard copies to be submitted to circle office and Head Office. However, hard copies for Branch, Statutory Branch Auditors and Statutory Central Auditors will be taken.

EVEN IN CASE OF NO CHANGES, NIL MOCs will be generated by the branches from CBPMS.

In most of the branches, following statements may be NIL - (Refer Chapter 12)

a) DICGC Transactions
b) TUFS - SSI Sector
c) Credit Linked Capital Subsidy Scheme

If no data is to be **reported** in any one or more of these statements, branch will mark NIL against it and generate consolidated NIL statement. However, those branches who have to report under any or all of the above statement may mention that statement is annexed.

Branches to ensure following on regular basis -

2.7 VALIDATION OF DATA - Every month Balance sheet and Profit & Loss data for last working day is provided to Circles from Finance Division along with discrepancies list for validation. Circles in turn follow up with the branches for the rectification of these entries. Checking and Rectification of errors (like wrong head debited, credit balance in revenue heads etc.) should be an ongoing exercise at branch level. Branches should make correction in the system regularly and avoid passing of MOCs due to these reasons. Concurrent Auditors should ensure rectification of these errors. Zonal Audit Offices should ensure that Concurrent Auditors are getting the rectification done by the branches before the closing date and no MOC is passed for such discrepancies. ITD has made a report **PNBREP 10/39** available in the MIS server of CBS for checking the discrepancies of Balance Sheet and Revenue. Branches have been instructed to take out the report themselves and make the required corrections in the system. Circle offices have also been instructed to generate the report every fortnight for branches under their jurisdiction and take necessary action for rectification of errors. Zonal audit offices have also been instructed to generate report for all the branches in circles under their jurisdiction and ensure that all errors are rectified on monthly basis.

2.8 Branches will ensure reconciliation of Imprest accounts & Bankers' account maintained in their sols. Branches should make sure no entry should remain outstanding/unresponded in Banker's account (including account with RBI).

2.9 Balance with Head Office - Weekly code 32111 is now not available for any transaction between branches. Branches should use Intersol head for any transaction instead of Balance with Head Office.

2.10 **MOC IEAL** is given for any correction in **CBS data** (any change in the GL/SGL head) whereas **MOC Loans** is given for any correction in **LADDER**. It means that -

- MOC Loans will come only if any change is required in ladder.
- If any correction is required in CBS then only MOC IEAL will be passed.
- If change is required in both CBS and Ladder then both MOCs will be passed.

2.11 MOC Loans - Circle Head / Executives at Circle office / Zonal office will confirm MOC loans in CBPMS, wherever the change in the asset classification is done through MOC.

2.12 Formats of the following Statements are **NOT BEING PRINTED**, as the information is available through CBS:

(I) Balance Sheet **(PNB 259)** (II) Revenue Statement **(PNB 260)**

(III) Suspense Statement **(PNB 268)** (IV) Sundries Statement **(PNB 269)**

However, **branches under statutory audit** for the year ending **March, 2018 must ensure that hard copies of Balance Sheet and Revenue Statement generated through CBS (morning checking), are made available to the Statutory Branch Auditors, for verification and certification by them.**

<u>One page report named "Abridged Balance Sheet & Profit-Loss statement" (available in the morning checking report in CBS) will also be signed by Auditors.</u>

Entries related to **Suspense and Sundries, if desired by the Auditors, be got checked in the CBS, through a "Read Only Screen".**

For SFF statements (PNB 263) please follow instructions in Chapter 9 of this manual.

2.13 Following Statements will be generated from CBS and verified by the **SCAs at the corporate level, therefore are <u>NOT REQUIRED to be submitted by the branches:</u>**

- Statement of Rural Advances **(PNB-260B)**
- Certificate of CD Ratio
- Maturity Pattern of Loans & Advances-**S-1**
- Maturity Pattern of Deposits **S-4**
- Income from legal settlement
- **Certificate of Cash & Bank Balance (Treasury Division)**

2.14 Transfer of Income & Expenditure for the year **2017-18 to H.O Accounts Department (Finance Division) - Distinctive Number-014400 will be taken care of by the Data Centre.**

2.15 Old formats should not be used under any circumstances. Cutting and overwriting must be avoided. However, in case of unavoidable circumstances, cutting/ overwriting must be authenticated by Incumbent In-charge.

2.16 All the Closing Returns must be signed by the Incumbents and Concurrent Auditors (wherever posted) during quarterly closing of June, Sep & Dec. Annual Closing Returns shall be signed by Statutory Branch Auditor & Incumbent Incharge in branches under Audit for March 2018 and by Incumbent Incharge in branches not under audit for March 2018.

2.17 Number of copies and statements/certificates to be obtained from the Statutory Branch Auditors are mentioned in the Annexure-II Table I of this Chapter and statements/certificates to be submitted by unaudited branches to circle office are mentioned in the Annexure – II Table II of this chapter.

2.18 All Incumbents and Concurrent Auditors (wherever posted) must ensure correctness of **Cost of Deposits (COD) & Yield on Advances (YOA)**. The officials at the respective Circle Offices must regularly check branch-wise position of COD &

YOA and in case of any abnormality the reasons be ascertained from the branches and corrective action be initiated, wherever required.

2.19 2.8 Incumbents must ensure that advances and deposits of the branches are correctly reported and there should be **No Window Dressing** e.g. utilizing un-drawn cash credit limits and placing the amount in deposits at the year end. Such actions will be viewed very seriously and also call for penal action from RBI under Section 46 of the Banking Regulation Act. All concerned are advised to ensure meticulous compliance of instructions issued by Inspection and Audit Division vide their circular no.IAD/ 13/2015 dated 24.08.2015.

2.20 **Circle Offices (COs)** must ensure to undertake the exercise on regular basis in respect of the following and in case of aberrations, wherever necessary, corrective action be initiated:

- Variations in the Income & Expenditure heads compared to the corresponding previous year/period of the previous year.
- Sundry Provision-Others (Code 42044) showing Nil, Negligible Balance or same amount as per previous quarter. Normally **the balance outstanding against this head** cannot be Nil**, unless the branch has already paid the expenses related to telephone, water, rent, electricity etc. of the last month of the quarter.**
- Sundry -Provision for expenses - Paid through suspense (42041) should tally with Suspense - Items against which provision is lying in Sundries (63563).

3. <u>INCOME & EXPENDITURE</u>

3.1 Branches must ensure that full and adequate provisions and accruals are made for all items of Expenditure & Income before closing and while preparing closing returns. Short/excess provisioning of expenditure or booking of income MUST BE AVOIDED.

3.2 All branches must ensure that, **Interest Failure Reports for advances & deposits** are generated on regular basis (especially on the quarter closing dates) and discrepancies wherever observed are immediately rectified**.** Circle offices to ensure compliance of these guidelines. Incumbents must ensure compliance of Inspection & Audit Division's Circulars issued from time to time to check for revenue leakage.

3.3 The administrative offices (ZO/CO) to ensure that expenditure incurred for CCD and CSR is debited to the correct code of Revenue expenditure. Please also ensure that expenditure <u>incurred under the decentralized heads of Publicity for which the budget has been allocated by concerned Division are to be reflected by Zonal/Circle Offices in their Monthly Revenue Statement at appropriate Code Number of Revenue expenditure:</u>

(a) Electronic Media on Local Cable TV Network (b) Fair Exhibitions designing production fabrication (c) Library cum reading room renewal (d)

Advertisement and Publicity (e) PR Expenditure (f) Advertisements in Newspapers (g) Programme under Innovative PR activities (h) Tender Notices and Public Notices (i) Advertisements expenses GAD matter (j) Corporate Social Responsibility (k) Sports & Cultural Activities.
(For further details, refer Circular No. ITD/CBS/15/2014 dated 30.04.2014).

At the time of finalization of annual accounts of the Zonal offices, the necessary provision is to be made for the Expenditure- Publicity and CSR which are accrued but not paid by crediting Sundry Provision Account. Any unutilized provision left in the Sundry Provision Account after the payment of expenditure accrued and provision made for, should be credited to the respective head of Expenditure of Revenue statement.

The necessary instructions and guidelines issued from time to time by the Finance & Taxation Division (HO) in respect of tax deductions at source are to be adhered strictly, while making payment to the advertising agencies/contractors/suppliers. **The Zonal Offices/Circle Offices should keep the proper record of the Bills/Receipts, duly verified in respect of expenditure incurred."**

4. IMPERSONAL HEADS

4.1 Suspense entry related to the cash given to the outside agencies for deposit in the ATMs must be adjusted on the T+2 days basis and no such entry should remain outstanding on the date of the balance sheet.

4.2 **Entries relating to Remittance in Transit, Imprest account and Inter-branch clearing account should be adjusted by timely follow up and reconciliation.** No RIT should be outstanding at year/quarter end.

4.3 All possible steps must be initiated by the branches/offices for immediate reversal/adjustment of the entries outstanding against **"Impersonal Heads".** It is imperative to mention that all such **eligible entries** under Impersonal Heads e.g **Suspense, Inter Bank** etc. outstanding for more than 1 year as on 31.03.2018 attract 100% provisioning requirement as per Bank's extant guidelines, thus affecting the Bank's profit & CRAR adversely.

However, it must be ensured that only **those entries are reported in the "Annexure-Impersonal Heads - Part B" which are of adjustable nature.**

A list of entries which do not require any provision is given below, which is suggestive in nature and not exhaustive:

- Entries which are **not of adjustable nature** i.e normally remain in books of accounts, almost **permanently e.g** advance rent given to the landlord of the premises under use by Bank.

- Entries pertaining to Govt. or Govt. Departments e.g Pension, Gratuity, Arrears of Pension paid to the Pensioners, Interest Subvention, Export Subvention, Deposit with Govt. Deptt. as Security & Deposit with Court as deposit/ Security etc. for which **provision is not required to be maintained.**

- Entries outstanding for **less than 1 year.**

Branches must ensure to report eligible entries in the said Annexure (refer chapter 12). Circle Offices will consolidate the information, received from, both **audited and un-audited branches, for further submission to the Head Office. However, Circle Offices will send the consolidated position of ONLY THOSE ENTRIES FOR WHICH PROVISION IS REQUIRED TO BE MADE, to Head Office, Inspection & Audit Division at iadimpersonal@pnb.co.in for scrutiny & consolidation. IAD would consolidate the data (circles and Head Office Divisions) for bank as a whole and get it audited by the Central Statutory Auditor of the Division and inform Finance Division the amount of Provision required against each head for passing necessary accounting vouchers**.

5. <u>LOANS</u>

5.1 Whenever reschedulement / restructuring package/change in repayment plan is approved, EMI for repayment of loan must be suitably amended, wherever permitted, under proper authority, as per the revised sanction.

5.2 **Proper care be taken while entering the data in CBS with special emphasis on correct reporting of** Retail Loan accounts including reschedulement, if any, stock statement, renewal of limit, moratorium, EMI, repayment schedule. **SIMILARLY DUE CARE MUST BE TAKEN WHILE POSTING THE DATA RELATED TO CRAR (BASEL-III) e.g. RELATED TO CATEGORY OF ADVANCE i.e. COUNTER PARTY-RETAIL, CORPORATE, DOMESTIC SOVERIGN RESTRUCTURED ETC. Branch / circle office must ensure that no account is identified as NPA due to non financial reasons .**

5.3 Whenever there is change in rate of interest to be charged in loan accounts due to any reason branches must ensure to make suitable amendments in the CBS system, as per IT guidelines, so that correct income is booked.

5.4 Branches **must ensure correct classification of advances under Retail and Corporate categories** to ensure that there is no distortion in **Segment reporting of the bank.**

For example in **Large Corporate, Mid Corporate branches**, most of the loan accounts are of the corporate borrowers and the income generated is obviously from corporate banking. On the other hand in case of **rural/semi-urban branches,** most of the borrowers will be under Retail Category.

5.5 The Banks has in place its duly approved Loan Review Mechanism Policy for the year 2017-18 which provides that all **standard risk rated accounts** except (a) Retail Banking segments (i) Rule Based Lending (housing, vehicles

& personal loan) (ii) Advances against consumer durables, (b) Advances against Bank Deposits, LIC policies, Govt. securities, Gold/silver jewellery & ornaments, advance against shares, debentures & Mutual Fund) will be covered under **credit audit**.

The cut off limit for the purpose of credit audit of risk rated standard accounts shall be as under:

- All rated standard accounts with exposure of Rs.10 cr. & above. In case of accounts with combined group exposure of Rs.10 cr. and above all the accounts irrespective of individual limits shall be subjected to credit audit.
- 5% of rated standard accounts selected on random basis with exposure between Rs.5 cr. and Rs.10 cr. and outstanding balance of Rs.5 cr. & above (in circles where auditable accounts are less than 10 in a Financial Year).

Credit audit of taken over accounts: In case of taken over borrowal accounts, credit audit are also to be conducted for accounts with exposure of Rs.1 crore and above. The first such audit is to be done within three months of the takeover and the next audit is to be carried out within three months after completion of one year of first credit audit. On takeover of such accounts the branches are to inform CARD, HO through respective Circle Office for ensuring first credit audit within three months of takeover

For detailed guidelines refer Credit Audit & Review Division Circular No.03/2017 dated 20.03.2017.

6. OTHER GUIDELINES

6.1 Calculation of Provision on NPA in Loan MOCs has been automated. Further, pre MOC details in Loan MOCs (as per Ladder) will be automatically picked by the system on entering the CBS account number. Please ensure that account number in which MOC is suggested is correctly entered.

6.2 Certificate pertaining to additional information of deposits required for payment of insurance premium to Deposit Insurance Corporation by the bank. (Statement DI, DI-01 & DI-02) is now required to be submitted online parallely through CFA (Centralized Financial Audit). The same certificates are required to be digitally signed by branch auditor and incumbent incharge in case of audited branches. Further, branches/offices are required to ensure to install internet explorer 9 or higher versions for proper functioning of these certificates. For details please refer page number 32-34 of chapter 3.

6.3 Certificates in respect of FLCs/FLGs are required to be submitted in CBPMS. The FLCs/FLGs certificates are also required to be manually signed by branch auditors and branch incumbent. Circle offices shall prepare one set of consolidation based on the data collected from **CBPMS (Centralized Balance Sheet and Profit & Loss Management System)** and another set as per old system and send the consolidated position of FLGs and FLCs **(Annexure-FLCs/FLGs- Circle)** currency-wise after recalculating their value at FEDAI rates of the respective currencies for implication of CRAR/Risk –weight accordingly.

6.4 **Fixed Asset Management System – (FAMS):-** GSAD, Head Office has integrated FAMS with CBS and is operational in all respect. Statement of SFF & MCC (PNB 263) as well as Schedule X, are to be generated through CBS menu option **FAMS RPT 8 (PNB 263 REMODELLED for SFF/MCC) & FAMS RPT 15 (SCHEDULE – X)** respectively. Further Sol-wise PNB 263 & Schedule X shall be placed in the morning checking report of respective sols by ITD HO. Before sending the concerned Statements, offices are advised to ensure that Opening balance as on 01.04.2017 as well as closing balances as on 31.03.2018 are duly tallied with the balances conveyed by our Division. For any other query, field functionaries may send email to fams@pnb.co.in. Please refer chapter 9 for further details.

6.5 Annexure I, II, III and IV related to restructured accounts and template for calculation of Diminution in Fair Value of restructured accounts would be submitted ***online through CFA*** after being digitally signed by Statutory Branch Auditors (SBA) and incumbent incharge where the Branches are under audit and where branches are not under audit Annexure and Template will be uploaded.

6.6 At the start of the audit at Branch, the Auditor is required to fill in certain details e.g. name, membership no., FRN, UN number, GST number(if available),bank account details etc under “Auditor’s Profile Registration” link of CBPMS. The date of filling the details will be treated as date of commencement of audit. The report of commencement of audit shall be made available to Circle Offices also. Circle Office to ensure that all the auditors have filled in the information on commencement of branch audit.

Annexure-I

LIST OF SCHEDULED COMMERCIAL BANKS

S. No.	Name Of Bank	S. No.	Name Of Bank	S. No.	Name Of Bank
	Scheduled Banks Public Sector Banks Nationalized Banks	13	Karnataka Bank Ltd.	9	Barclays Bank PLC.
1	Allahabad Bank	14	Karur Vysya Bank Ltd.	10	BNP Paribas
2	Andhra Bank	15	Kotak Mahendra Bank Ltd.	11	Citi Bank N.A.
3	Bank Of Baroda	16	Lakshmi Vilas Bank Ltd.	12	Credit Agricole Corporation and Investment Bank
4	Bank Of India	17	Nanital Bank Ltd.	13	Credit Suisse AG
5	Bank Of Maharashtra	18	Ratnakar Bank Ltd.	14	DBS Bank Ltd.
6	Canara Bank	19	South Indian Bank Ltd.	15	Deutsche Bank
7	Central Bk. Of India	20	Tamilnad Mercantile Bank Ltd	16	Doha Bank
8	Corporation Bank	21	Yes Bank Ltd.	17	FirstRand Bank Ltd.
9	Dena Bank	22	Coastal Local Area Bank Ltd.	18	Industrial and Commercial Bank of China Ltd.
10	Indian Bank	23	Krishna Bhima Samruddhi Local Area Bank Ltd.	19	JPMorgan Chase Bank
11	Indian Overseas Bk.	24	Subhadra Local Area Bank Ltd.	20	JSC VTB Bank
12	Oriental Bk. Of Commerce			21	Krung Thai Bank Public Company Ltd.
13	Punjab & Sind Bank		**Small Finance Banks (SFBs)**	22	Mashreq Bank P.S.C
14	Punjab National Bank	1	Au Small Finance Bank Limited	23	Mizuho Bank Ltd.
15	Syndicate Bank	2	Capital Small Finance Bank Limited	24	National Australia Bank
16	UCO Bank	3	FINCARE Small Finance Bank Limited	25	HSBC Bank
17	Union Bank Of India	4	Equitas Small Finance Bank Limited	26	Royal Bank of Scotland
18	United Bank Of India	5	ESAF Small Finance Bank Limited	27	Sber Bank
19	Vijaya Bank	6	Suryoday Small Finance Bank Limited	28	Shinhan Bank
		7	Ujjivan Small Finance Bank Limited	29	Societe Generale
	SBI & its Associate Bank	8	Utkarsh Small Finance Bank Limited	30	Sonali Bank
20	State Bank Of India	9	North East Small Finance Bank Limited	31	Standard Chartered Bank
				32	sbm Bank (Mauritius) Ltd.

	Other Public Sector Banks		**Payments Banks (PBs)**	33	The Bank of Tokyo-Mitsubishi UFJ
21	IDBI Ltd.	1	Airtel Payments Bank Limited	34	United Overseas Bank Limited
		2	India Post Payments Bank Limited	35	Woori Bank
	Private Banks	3	Fino Payments Bank Limited	36	Sumitomo Mitsui Banking Corporation
1	Axis Bank Ltd.	4	Paytm Payments Bank Limited	37	CTBC Bank Co. Ltd
2	Bandhan Bank Ltd.			38	Westpac Banking Corporation
3	Catholic Syrian Bank Ltd.		**Foreign Banks in India**	39	KEB Hana Bank
4	City Union Bank Ltd.	1	Arab Bangladesh Bank Ltd.	40	PT Bank Maybank Indonesia TBK
5	Development Credit Bank Ltd.	2	Abu Dhabi Commercial Bank	41	Industrial Bank of Korea
6	Dhanlakshmi Bank Ltd.	3	American Express Banking Corp.	42	Cooperative Centrale Raiffeisen-Boerenleenbank B.A.
7	Federal Bank Ltd.	4	Australia and New Zealand Banking Group Ltd.	43	First Abu Dhabi Bank PJSC
8	HDFC Bank Ltd.	5	Bank of America	44	Emirates NBD Bank PJSC
9	ICICI Bank Ltd.	6	Bank of Bahrain & Kuwait	45	Qatar National Bank SAQ
10	Induslnd Bank Ltd.	7	Bank of Ceylon		
11	IDFC Bank Ltd.	8	Bank of Nova Scotia		
12	Jammu & Kashmir Bk. Ltd.				

Annexure II

STATEMENTS/CERTIFICATES TO BE PREPARED BY BRANCHES FOR AUDIT PURPOSE

NOTE:

1. All branches which **ARE UNDER STATUTORY AUDIT AS ON 31.03.2018** will prepare copies of Certificate/Statement/Information as per details given below in Table I, for submission to the branch auditors.

2. All branches/offices which are **NOT UNDER STATUTORY AUDIT AS ON 31.03.2018 will** prepare copies of Certificate/Statement/Information as per details given below in **Table II.**

3. However, **all branches i.e. both audited & un-audited** will submit an **advance copy** of **ONLY following statements to their Circle Office by 4th April, 2018:**

   (i)Statement of SFF/MCC (PNB 263) **(ii) Annexure-Impersonal Heads**

   (iii) Information related to Restructured Accounts

   Based on the un-audited copies of the above mentioned statements, Circle Offices will consolidate the data and in case of any discrepancies, will take up immediately with the branches so that corrections, if required may be carried out, before submission of the same, to the statutory auditors .

Table I: Certificates/Statements/ Information to be submitted by Audited Branches

S. No.	Particulars
Two copies (Printout) of following statements / certificates to be prepared (One - Branch & One - Statutory Branch Auditor (SBA))	
1	B. Sheet (available in morning checking report) **PNB –259**
2	P&L A/c (available in morning checking report) **PNB –260**
3	**Annexure-E** (Containing information in respect of all advances) **generated through Ladder.**
4	Master Summary of Capital Adequacy Statement (**generated through Ladder)- as per Basel-III.**
Six copies (Printout) of following statements / certificates to be prepared (One - Branch / One - SBA / One – SCA / One - Circle / One Finance Division / One - Concerned HO Division)	
5	**Third Dispatch-** Annexure PNB/CAD/AD/S/2, PNB/CAD/S/2A, PNB/CAD/S/2B PNB/CAD/S/3, PNB/PSFI/AD/S/7
6	Statement of SFF/MCC **PNB –263 (Refer Chapter 9).**

7	Statement of Contingent Liabilities **(Refer Chapter 10 & 12)**
8	Certificate of Attendance- **(Refer Chapter 12).**
9	Claim for Interest Subvention on loans to SHGs **(Refer Chapter 12).**
10	Interest Subvention of additional 3% on loans to SHGs **(Refer Chapter 12).**
11	Certificate under PADHO PARDESH - Scheme for interest subsidy on educational loan for overseas studies for the students belonging to minority communities Scheme Year: 2016-2017 **(Refer Chapter 12).** Central sector interest subsidy scheme on educaitonal loans to students belonging to economically weaker section (ews) for March quarter of scheme year 2016-17 **(Refer chapter 12).** Certificate Regarding Claim Under Dr. Ambedkar Central Sector Scheme of Interest Subsidy (ACSIS) for the students belonging to OBCs & EBCs for December quarter of scheme year 2016-17. **(Refer chapter 12).** Certificate Regarding Claim Under Dr. Ambedkar Central Sector Scheme of Interest Subsidy (ACSIS) for the students belonging to OBCs & EBCs for March quarter of scheme year 2016-17. **(Refer chapter 12).** Certificate Regarding Claim Under Dr. Ambedkar Central Sector Scheme of Interest Subsidy (ACSIS) for the students belonging to OBCs & EBCs for June quarter of scheme year 2017-18. **(Refer chapter 12).** Certificate Regarding Claim Under Dr. Ambedkar Central Sector Scheme of Interest Subsidy (ACSIS) for the students belonging to OBCs & EBCs for September quarter of scheme year 2017-18. **(Refer chapter 12).** Certificate Regarding Claim Under Dr. Ambedkar Central Sector Scheme of Interest Subsidy (ACSIS) for the students belonging to OBCs & EBCs for December quarter of scheme year 2017-18. **(Refer chapter 12).**
12	Interest Equalization Scheme on Rupee Export to the specified category of Exporters for the period 01.04.17 to 31.03.2018 **(Refer Chapter 12).**
13	Certificate for payment of premium to Deposit Insurance Corporation by bank- Statement DI-01, DI-02 & WORK SHEET (for Sep.2017 and March, 2018 half-year). This certificate is also required to filled in CFA and to be digitally signed. **(Refer Chapter 3 & 12).**
14	Certificate FLCs/FLGs **– To be filled in CBPMS also (Refer Chapter-12)**
15	Country-wise Risk & Exposure **(**Only For Selected Branches)-**(Refer Chapter-12).**

16	Annexure-Impersonal Heads for entries older than 1 year **(Refer Chapter -12).**
17	Certificate related to **Disclosures on Unsecured Advances (Refer Chapter-12).**
18	Certificate related to Prime Minister's Employment Generation Programme **(PMEGP) (Refer Chapter 12).**
19	Certificate of Interest claims under **TUFS-Non-SSI Sector (Refer Chapter 12).**
Three copies (Printout) of following statements / certificates to be prepared (One - Branch / One - SBA / One – Statutory Central Auditor (SCA)). Serial No. 20 to 23 are available in CBPMS and are to be digitally signed.	
20	Branch Auditor's Report Digitally Signed. MOCs if any are also to be submitted in CBPMS and are to be digitally signed.
21	Certificate pertaining to IRAC (NPA) norms- Digitally Signed **(Refer Chapter 12)**
22	Certificate pertaining to MOC entries for the previous year **–** Digitally Signed **(Ref Chapter 12).**
23	Balance with Banks & Supplementary information for Basel III **PNB –270-** Digitally Signed **(Refer Chapter 12).**
Three Copies (Printout) of following Certificates available in CBPMS (not to be signed digitally) (S. No. 24 - 28) – Hard Copies generated from CBPMS to be signed by SBA and Incumbent Incharge in audited branch	
24	Certificate of Interest claims under **TUFS-SSI Sector (Refer Chapter 12). (Available in CBPMS)**
25	Certificate pertaining to DI&CGC Transactions **(Refer Chapter 12).(Available in CBPMS)**
26	Certificate of Credit Linked Capital Subsidy Scheme **(Refer Chapter 12).(Available in CBPMS)**
27	Certificate of Compliance of Ghosh and Jilani Committee- **(Refer Chapter 12). (Available in CBPMS)**
28	CGTMSE Recovery Certificate (CGTMSE B) **(Refer Chapter 12).(Available in CBPMS)**
Certificates available in CFA (new web application) to be digitally signed by Incumbent Incharge / SBA.	
29	LFAR **(Refer Chapter 13)**
30	Tax Audit Report **(Refer Chapter 14)**
31	Location Certificate **(Selected Branches) * (At 3 locations only)**
32	Annexure I, II, III, IV related to Restructured Accounts and Template for calculation of – Diminution in fair value for restructured accounts **(Refer Chapter 12).**

33	Interest subvention on Short Term Crop Loan (to be digitally signed) **(Refer Chapter 12).** Interest subvention on Produce (Marketing) Loan (to be digitally signed) **(Refer Chapter 12).** Interest Subvention on KCC/ Short Term Crop Loans restructured (to be digitally signed) **(Refer Chapter 12).** Interest Subvention of additional 3% for short term crop loan (to be digitally signed) **(Refer Chapter 12).**

<u>Four copies</u> of following statement / certificate to be prepared (One – Branch; One- Zonal Office Lucknow; One- DLC & One - Statutory Branch Auditor (SBA))	
34	Certificate of Crop Loan redemption scheme (Applicable for Debt Waiver notified branches in UP State only)

***Securities/statement of holdings (in case of Treasury Division Securities held) are located at the following 3 locations only (for rest of the branches Location Certificate is NIL):**

(i) BO: Bhikhaiji Cama Place, New Delhi
(ii) HO Treasury Division, Mumbai (Statement of Holdings-in case of Venture Capital Funds, Mutual Funds)
(iii) Custodian SHCIL, Mumbai

<u>Table II: Certificates/Statements/ Information to be submitted by Unaudited Branches</u>

S. No.	Particulars
One copy (Printout) of following statements / certificates to be prepared (for their own record)	
1	Balance Sheet (available in morning checking report) **PNB –259**
2	P&L A/c (available in morning checking report) **PNB – 260**
3	**Annexure-E** (Containing information in respect of all advances) **generated through Ladder.**
4	Master Summary of Cap. Adequacy Statement (**generated through Ladder)- as per Basel-III.**
Three copies (Printout) of following statements / certificates to be prepared (One - Branch/One – Circle/One – HO Division).	
5	**Third Dispatch-** Annexure PNB/CAD/AD/S/2, PNB/CAD/AD/S/3 PNB/PSFI/AD/S/7

6	Statement of SFF/MCC **PNB –263 (Refer Chapter 9).**
7	Statement of Contingent Liabilities **(Refer Chapter 10 & 12)**
8	Claim for Interest Subvention on loans to SHGs. **(Refer Chapter 12).**
9	Interest Subvention of additional 3% on loans to SHGs **(Refer Chapter 12).**
10	Certificate under PADHO PARDESH - Scheme for interest subsidy on education loan for overseas studies for the students belonging to minority communities March quarter of scheme year: 2016-17 **(Refer Chapter 12).** Central sector interest subsidy scheme on educaitonal loans to students belonging to economically weaker section (ews) for March quarter of scheme year 2016-17 **(Refer chapter 12).** Certificate Regarding Claim Under Dr. Ambedkar Central Sector Scheme of Interest Subsidy (ACSIS) for the students belonging to OBCs & EBCs for March quarter of scheme year 2016-17. **(Refer chapter 12).** Certificate Regarding Claim Under Dr. Ambedkar Central Sector Scheme of Interest Subsidy (ACSIS) for the students belonging to OBCs & EBCs for June quarter of scheme year 2017-18. **(Refer chapter 12).** Certificate Regarding Claim Under Dr. Ambedkar Central Sector Scheme of Interest Subsidy (ACSIS) for the students belonging to OBCs & EBCs for September quarter of scheme year 2017-18. **(Refer chapter 12).** Certificate Regarding Claim Under Dr. Ambedkar Central Sector Scheme of Interest Subsidy (ACSIS) for the students belonging to OBCs & EBCs for December quarter of scheme year 2017-18. **(Refer chapter 12).**
11	Interest Equalization Scheme on Rupee Export to the specified category of Exporters for the period 01.04.2017 to 31.03.2018 **(Refer Chapter 12).**
12	Certificate for payment of premium to Deposit Insurance Corporation by bank- Statement DI-01, D-02 & WORK SHEET (**for Sep.2017 and March, 2018 half-year)** to be also filled in CFA **(Refer Chapter 12).**
13	Certificate FLCs/FLGs **–** To be filled in CBPMS also **(Refer Chapter-12).**
14	Country-wise Risk & Exposure **(**Only For Selected Branches)-**(Refer Chapter-12).**
15	Annexure-Impersonal Heads for entries older than 1 year (**Refer Chapter -12).**
16	Certificate related to **Disclosures on Unsecured Advances (Refer Chapter-12)**
17	Certificate related to Prime Minister's Employment Generation Programme **(PMEGP) (Refer Chapter 12)**

18	Certificate of Interest claims under **TUFS-Non-SSI Sector (Refer Chapter 12).**
Certificates available in CBPMS (not to be signed digitally) (S. No. 19-26) – Three Hard Copies (One – Branch / One - Circle / One - Concerned HO Division) generated from CBPMS to be signed by Incumbent Incharge and to be submitted to circle office.	
19	Certificate pertaining to IRAC (NPA) norms- **(Refer Chapter 12)**
20	Certificate pertaining to MOC entries for the previous year **(Refer Chapter 12)**
21	Balance with Banks & Supplementary information for Basel III **PNB –270-** Digitally Signed **(Refer Chapter 12).**
22	Certificate of Interest claims under **TUFS-SSI Sector (Refer Chapter 12).(Available in CBPMS)**
23	Certificate pertaining to DI&CGC Transactions **(Refer Chapter 12).(Available in CBPMS)**
24	Certificate of Credit Linked Capital Subsidy Scheme **(Refer Chapter 12).(Available in CBPMS)**
25	Certificate of Compliance of Ghosh and Jilani Committee- **(Refer Chapter 12).(Available in CBPMS)**
26	CGTMSE Recovery Certificate (CGTMSE A). **(Refer Chapter 12).(Available in CBPMS)**
Certificates available in CFA (new web application) to be signed by Incumbent Incharge.	
27	Tax Audit Report **(Refer Chapter 14).**
28	Annexure I, II, III, IV related to Restructured Accounts and Template for calculation of – Diminution in fair value for restructured accounts **(Refer Chapter 12).**
29	Interest subvention on Short Term Crop Loan (to be digitally signed) **(Refer Chapter 12).** Interest subvention on Produce (Marketing) Loan (to be digitally signed) **(Refer Chapter 12).** Interest Subvention on KCC/ Short Term Crop Loans restructure loans (to be digitally signed) **(Refer Chapter 12).** Interest Subvention of additional 3% for short term crop loan (to be digitally signed) **(Refer Chapter 12).**

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In most of the branches, there is nothing to report in respect of the following statements - (Chapter 12)- (a) DICGC Transactions (b) TUFS - SSI Sector (c) Credit Linked Capital Subsidy Scheme

Hence a consolidated NIL statement is introduced in CBPMS. If nothing is to be reported in a particular statement marks NIL against it. However, those branches who have to report under any or all of the above statement may mention that statement is annexed. **Printout of NIL and the reported statement be taken out for the required number of copies and got signed by the Incumbent Incharge and the Statutory Branch Auditor before submitting it to Circle office for onward submission to Head Office.**

CHAPTER-2: ROLE OF BRANCHES & CIRCLE OFFICES

1. **Branches must contact their Circle Office (CO)** in case no communication is received about name and address of the **Statutory Branch Auditor** by **26th March, 2018**.

2. **It must be ensured that Audit of the branch commences** positively **on or before 2nd April, 2018** and branches must **ensure to inform CO immediately. Auditors be** allowed to start audit on the strength of appointment letter issued by **Finance Division, HO,** bearing PA No. of the authorized signatories.

3. Do prepare sufficient number of copies **(refer Annexure-II, Chapter-1)** for certification by **the auditors** and ensure that Statutory Branch Auditors certify all the required statements/certificates including **LFAR and Tax Audit report and any other information as per HO guidelines.**

   Set of return for the Statutory Central Auditor Firm to be sent at following address:

   M/s ______________________ (Name of the SCA Firm)

   Punjab National Bank

   Head Office, Finance Division (East Wing, 1st Floor)

   Sector-10, Dwarka

   New Delhi-110075.

4. No alteration/rectification is to be made on the returns already submitted to **Circle Office.** Any change, if required, is to be suggested only through an MOC (Memorandum of Changes).

5. Ensure early completion of audit and receipt of audit reports from statutory auditors and for this:

5.1 **It is desirable that Incumbent Incharge and other officials associated with audit, do not avail leave till the audit is completed.**

5.2 If desired by the auditors, Incumbent should make available latest Inspection Report, previous Statutory Audit Report, Long Form Audit Report, Revenue Audit Report, RBI Inspection Report, Concurrent Audit Report, previous period's MOC details, Acknowledgement of TDS return etc. to Statutory Auditors. All these reports must be kept ready with the Incumbent In-charge.

5.3 The Incumbent should personally attend to the Auditors as well as their queries and furnish them desired information so as to avoid any observation/ qualification by the Auditors not based on the facts. In case of any difficulty, branches should contact respective **COs**, for their guidance and instructions. Auditors have also been requested to discuss the observations/queries etc. with the Incumbent In-charge before incorporating in the Report.

5.4 All MOCs are required to be discussed and finalized at branch level or at the most **CO level**. **NO MOC WILL BE DISCUSSED AT HO LEVEL.**

5.5 Branches must ensure that all relevant information/records are kept ready for the auditors to finalize Tax Audit & LFAR, along-with the branch audit.

6. **DO NOT ALLOW ANY ADVANCE AGAINST FEE, TA/DA, Hotel Bill etc. TO THE AUDITORS.**

7. Do ensure that **Certificate of Attendance** complete in all respect is issued to the Auditors, **only after completion of Audit/LFAR/Tax Audit.** A copy of the certificate issued, be sent to **Circle office** immediately on completion of Audit for **processing and payment of** their TA/DA bill. **In no case, any blank certificate is to be signed**.

8. All the IT Service Desks at Circle Offices to inform the concurrent auditors of the branches wherever posted to share their user ID and password with the statutory auditors visiting the branches. In respect of the branches where concurrent auditors are not posted, 3rd user_id be created by IT Service Desk at Circle Office in the name of **DB user of the branch** with **Application name as 'IN' and workclass of '200'** and the same be provided to the statutory auditors with '**Read' access only.** Once the task is completed by the statutory auditors, the concurrent auditors sharing their user_id should change their password and the IT Service Desk would also delete the 3rd user_id created for the purpose.

9. **COs** must maintain proper follow up with the Auditors and branches/offices.

CHAPTER-3 CBPMS, CFA, PS&FI & DICGC (Deposit) AND DIGITAL CERTIFICATES

3.1. CENTRALIZED BALANCE SHEET AND PROFIT & LOSS MANAGEMENT SYSTEM

CBPMS (Centralized Balance Sheet and Profit & Loss Management System) has been developed by the **Finance Division** for posting of MOCs by the branches (suggested by the Statutory Branch Auditors Statutory Central Auditors / Circle Offices & Concurrent Auditors (Only for quarterly closing). For annual closing (March), this will be applicable for all **branches**.

Link for CBPMS is also available on Non-CBS main screen of our intranet. This software facilitates the branches to post the MOCs**,** electronically**,** which expedites incorporation of the changes in the final Balance Sheet of the Bank. Further, in addition to posting of MOCs, following certificates / statements are to be generated from CBPMS-

- Branch Audit Report (To be Digitally signed by branches under audit).
- Income Recognition and asset Classification. (To be Digitally signed by branches under audit).
- MOCs passed by the branches for the last year. (To be Digitally signed by branches under audit).
- Balance with Banks and supplementary information for BASEL III (PNB 270) (To be Digitally signed by branches under audit).
- Certificate on Interest Claims under TUFS SSI sector
- Certificate pertaining to DICGC Transactions.
- Certificate of Credit Linked Capital Subsidy Schemes.
- Certificate of compliance of Ghosh & Jilani Committee

Branches under audit and not under audit will follow instructions given in Annexure II (Table I & II) of Chapter I of this manual for taking the printouts.

STEP-1- For March 2018 closing **all branches under audit** will post **MOCs {MOC-IEAL, MOC-Loans (fund based & non-fund based) and MOCs pertaining to Capital Adequacy}** suggested by the Auditors. Various steps involved in the posting of MOCs are given below:

- Login in CBPMS by typing the following **address** in the Finacle Screen at the address box. **https://10.192.14.132/cbpms/login.asp**
  OR

  Go to CBS main screen→Non CBS Application → Finance →CBPMS

- **Enter User ID**
  (For all Branches/Offices, their CBS Sol-IDs will be their User ID in six digit. Example- For 144 it is 014400)

- By default password is **pnb@123**
- On first login, system will request for change in password. **Choose your own new password and change the password BUT DO NOT FORGET this new Password.**
- On successful login, you will reach the **"Page" showing various options:**
    - Change Password
    - Important instructions / Formats*
    - Registrations
    - MOC
    - MOC Summary
    - Previous Year MOC
    - Capital Adequacy Statements
    - Balance with Bank Statements
    - NIL Annexures
    - GhoshJilani Forms
    - Branch Audit Detail Entry
    - **Submit the "e Statement" to the Circle Office by clicking the option.**
    - **Reports including MOC-IEAL & MOC-LOANS & CA-I (For quarter) (to be submitted by the branches).**
    - **User Manual**
    - LOGOUT

Menu/Options for use of **Circle Office only**:-

- “Reset Password of branches"
- “Delete .cer file of branch incumbent (i.e. Delete registration of branch incumbent).
- “Delete .cer file of branch auditor (i.e. Delete registration of branch auditor).
- "Reset MOC Summary of branches"
- "Reset Submit Status of branches"

NOTE:

***For Circles: Important Instructions will contain Closing Circular & other important Instructions relating to closing.**

***For Branches: Important Instructions/formats will contain Closing Circular and FAQs.**

IMPORTANT NOTE - DETAILED OPERATIONAL GUIDELINES ARE AVAILABLE BY CLICKING THE **USER MANUAL OPTION.**

STEP-2-After posting of the MOCs and e-submitting to Circle office through CBPMS, Circle Offices will have to ensure that all the branches under their jurisdiction have e-submitted the reports to them.

STEP -3- Quarterly Closing - After posting the MOCs, Branch user has to submit the Branch with Digital Signatures. Branch for their own record will keep one hard copy of the MOC duly signed by the Incumbent In-charge and the Concurrent Auditor.

Annual Closing- After posting the MOC and e-submitting to circle office through CBPMS. Branch will take 3 copies of MOCs (One for Branch, One for SBA and One for SCA) duly signed by the Incumbent In-charge and the Statutory Branch Auditor/ Statutory Central Auditor.

Please follow page no. 9 & 21 for instructions for marking NIL and feeding data for identified 3 statements- (1) DICGC Transactions (2) TUFS - SSI Sector (3) Credit Linked Capital Subsidy Scheme

Only Single Debit & Single Credit Entries are allowed under CBPMS.

For example - Auditor gives MOC IEAL having 3 Debit and one Credit entry as under -

If there are 3 debits- Expenditure - Rent paid for office Premises (10511) 100.00, Expenditure Water, Lighting & Electric Charges (10520) 200.00, Expenditure telephone (11130)- 300.00 and credit is to be given to Sundries-Provision for expenses (42044) 600.00.

Entries in CBPMS will be posted as below -

1. **Debit - Exp. 10511 - 100.00 Credit - Sundries 42044 - 100.00**
2. **Debit - Exp. 10521 - 200.00 Credit - Sundries 42044 - 200.00**
3. **Debit - Exp. 11130 - 300.00 Credit - Sundries 42044 - 300.00**

3.2 Centralized Financial Audit

CFA (Centralized Financial Audit) has been developed by the **Finance Division** for posting & online submission of various reports by all the branches and circle offices under following modules:

- **Long Form Audit Report Module**
- **Tax Audit Report Module**
- **Restructured Accounts Module**
- **Priority Sector & Financial Inclusion (PS&FI) & DICGC (Deposits) Certificates**

Link of CFA applications is available in CBS home page → Non CBS Application → Finance →CFA and also available on CBPMS login page.

Steps for LFAR Module -

STEP-1- For March 2018 closing **all branches under audit** will punch LFAR related data in CFA as suggested by the Auditors. Various steps involved are given below:

- Login in CFA by typing the following **address** in the Finacle Screen at the address box.
  https://10.192.14.132/centralizedfinancialaudit/login.aspx
  OR

  Go to CBS main screen→Non CBS Application → Finance →CFA

- **Enter User ID**
  (For all Branches/Offices, their CBS Sol-IDs will be their User ID in six digit)
- By default password is **pnb@123**
- **Under Module select "LFAR Annexures"**
- On successful login, you will reach the **"Page" showing various options:**
- **LFAR Posting**
- **Posting-Annexures to LFAR**
- **Update LFAR**
- **LFAR Reports**
- **Reports Annexures to LFAR**
- **Submit to Circle/Head Office**
- **Logout**

IMPORTANT NOTE - DETAILED OPERATIONAL GUIDELINES ARE AVAILABLE BYCLICKING THE **USER MANUAL OPTION.**

Steps for TAX Audit Module -

STEP-1- For March 2018 closing **all branches under audit** will punch Tax Audit related data in CFA as suggested by the Auditors. Various steps involved are given below:

- Login in CFA by typing the following **address** in the Finacle Screen at the address box.
  https://10.192.14.132/centralizedfinancialaudit/login.aspx
  OR

  Go to CBS main screen→Non CBS Application → Finance →CFA

- **Enter User ID**
  (For all Branches/Offices, their CBS Sol-IDs will be their User ID in six digit)
- By default password is **pnb@123**
- **Under Module select "Tax Audit"**

- On successful login, you will reach the **"Page" showing various options:**
- **Tax Annexures Posting**
- **Update/Modification**
- **Tax Annexures to Form 3 CD**
- **Reports**
- **Logout**

IMPORTANT NOTE - DETAILED OPERATIONAL GUIDELINES ARE AVAILABLE BYCLICKING THE **USER MANUAL OPTION.**

Steps for Restructured Accounts–

- User id and password is same as used in LFAR and TAR Module.
- Under Module Select Restructured Accounts.
- Under Certificate Upload Option, User can upload MSME Statement, MSME Template, NON CDR Statement and NON CDR Template.
- Only Those Branches Which have data Corresponding to Respective Certificates, Have to Upload Digitally Signed(Only Audited Branches) Excel File(i.e. Statement and Template):

All Branches have to fill Summary Form. Only Audited Branches have to place Auditors Signature on Summary Form. Once Summary Form is submitted, the branch will be submitted and no changes can be made.

Steps for Priority Sector & Financial Inclusion (PS&FI) and DICGC (Deposits) Certificates

A new module has been developed by the **Finance Division** for submitting Interest Subvention and DICGC (Deposits) Certificates by all the branches and generation of different types of reports at branch level, circle level and HO level.

Link of PS&FI and DICGC (Deposits) certificate application is available in CFA login page.

Steps for PS&FI and DICGC (Deposits) Certificates

Note : - For un audited Branches options related to auditors will not be applicable. Further, application for PS&FI and DICGC (Deposits) certificates will properly work on internet explorer 9 & higher versions only.

Step 1:-

- Login in PS&FI and DICGC (Deposits) Certificates by typing the following **address** in the Finacle Screen at the address box. **http://10.192.14.132/abfi_dicgc_login.aspx.**
- **Enter User ID**
  (For all Branches/Offices, their CBS Sol-IDs will be their User

ID in six digit. Example- For 144 it is 014400)

- By default password is **pnb@123.**
- On successful login, you will reach the **Page showing various certificates: i.e. PS&FI and DICGC (Deposits).**
- Branch/offices have to click on the certificate name to fill that certificate.
- On clicking the certificate name, corresponding certificate dashboard will open which shows:

Viewing options for Branches

1. Registration of Auditor and Incumbent.
2. Four Annexure forms to be fill by the branches for **PS&FI.**
3. One annexure form to be filled by the Branches for **DICGC (Deposits).**
4. In left Menu two option will show
   a. Home **b**. Reports

Viewing options for Circles/ HO

A. In Case of PS&FI Certificates

1. Four Annexure forms to view submitted branches, branch incumbent report and auditor report for PS&FI.
2. Option to reset the branches by deleting the digital signature of incumbent incharge and auditor in case of PS&FI certificates.

B. In Case of DICGC (Deposits) Certificates

1. One Annexure form to view submitted branches.
2. Consolidated Branch wise report in excel format.
3. Option to reset the branches by deleting the digital signature of incumbent incharge and auditor in case of DICGC certificates.

Step 2:-

Steps to be followed by Branch for PS&FI & DICGC (Deposits) Certificates -

- On home page click on the Submit Annexure, Annexure form will open.
- After submitting the value in form click on validate, then submit button will be shown.
- By clicking on submit button, data will be submitted and a message will be shown to user.
- After this click on home page, submit annexure link will be shown in green, it means annexure has been submitted successfully.
- In order to sign the document digitally by branch incumbent click on Incumbent signature link on the homepage. After that click on the Digital Signature button to sign the document digitally.
- After the document is digitally signed by branch incumbent again go to home page and click on Auditor Signature.
- Submit the values on suggestion of auditor and apply auditor's digital signature.
- Above process will be followed for all four annexures (in case of PS&FI certificates only).

- After Submitting all annexures, download the Incumbent and Auditor reports by clicking on Reports.

3.3 DIGITAL SIGNATURES

Few reports namely LFAR, TAR, MOC-IEAL, MOC-LOANs, MOC- Capital Adequacy, Branch Audit Report, Balance with Banks, Income Recognition and Asset Classification (IRAC), MOCs passed by the branches for the last year are required to be signed digitally like previous year.

Procedure to add digital signature in CBPMS and CFA (Please refer complete details in Finance Division CIRCULAR NO. 7 /2012 dated 29.02.2012)

1) Pre requisites
   a) Add the CBPMS and CFA IP Address (i.e. **10.192.14.132**) in the trusted sites of the Internet Explorer.(Go to Internet Explorer→ Tools → Internet Options→Security→Trusted Sites→Sites and add the URL)
   b) Install the ActiveX component that will appear when connecting to the CBPMS URL.
   c) Insert e-token containing digital signature in CPU.
   d) Install Requisite Driver for the e-token.
   e) Public key of the digital certificate (***.cer**) is to be registered in CBPMS by Branch of Auditor and Branch Incumbent. The link for the respective registration pages is provided in the Index page of CBPMS. ".cer" file can be generated by following these steps:-
      Go to Internet Explorer→ Tools→Internet Options→ Content→Certificate→Select the certificate and follow export wizard. On successful export .cer file will be saved on desktop automatically.

2) Adding digital Signature in CBPMS
   a) Insert the e-token.
   b) Login to the CBPMS.
   c) Click on Link to add digital signature.
   d) Click on the Continue/Submit button, it will prompt for the digital signature.
   e) Select the appropriate digital signature and then enter the PIN and click on OK. The record is now digitally signed. Repeat the steps (c) to (e) till all records are digitally signed.

Note: Once the record e.g. MOC entry, is digitally signed it cannot be modified. So Branches to ensure that only final data/record is to be digitally signed.

- **Whether each entry is to be digitally Signed or whole statement is to be digitally signed?**

  The whole statement can be digitally signed.

- **Can any data be modified after Digital Signature has been applied?**

  No, once the data has been digitally signed, it cannot be modified. Therefore, one should digitally sign only after the data is frozen.

- For any help, please contact the Circle Office IT officials.

CHAPTER - 4 - PREPARATION OF FIRST DISPATCH

First Dispatch comprises of:

- Balance Sheet (PNB-259) ➔ Readily **Available at Morning checking Report in main server of CBS and the same may be given to the auditors for the purpose of Audit.**
- **Abridged Balance sheet -** Readily **Available at Morning checking Report in main server of CBS and the same may be given to the auditors for the purpose of Audit.**
- Profit & Loss Account (PNB-260)➔ Readily **Available at Morning checking Report in main server of CBS and the same may be given to the auditors for the purpose of Audit.**
  - ➢ Statement of SFF, MCC & Other Vehicles (PNB-263) including Annexure.(Formats not printed but available in CBPMS and circular issued by GSAD, HO, New Delhi-Refer Chapter 12).
  - ➢ Annexure- Impersonal Heads (**giving details of outstanding entries for more than 1 year)** (Refer Chapter 12)
  - ➢ Statement of Balances with Banks & Supplementary information on Basel III (PNB-270) (Refer Chapter 12)- Statement is available in CBPMS. Branches under Audit will submit the statement Digitally Signed whereas branches not under audit for March 18 will generate report from CBPMS and submit to circles signed by Incumbent along with supported document.

SUBMISSION OF FIRST DISPATCH-

Check points-

a) Related to Returns

- ➢ **Branches under statutory audit and un-audited branches will follow separate procedure for submission of the above returns, as per the details given in Annexure-II (Table I & II) of chapter-1 of this manual.**

b) Related to Balance Sheet - PNB 259

- ➢ Interest Accrued on Deposits **in any case cannot be in debit**. Similarly Interest Accrued on Advances **cannot be in credit.**
- ➢ All Branches are advised to review "**Sundries-Non Customer Account**" and make efforts by passing necessary vouchers before doing the day end**,** to have **'Nil'** balance in this head.
- ➢ All efforts be made to identify and adjust the transitory entries, having impact on the financial statements viz. **computation of CRAR and NDTL** (on reporting Fridays) for maintenance of SLR/CRR:
  1. Balance with RBI and other banks

2. Currency Chest Transfer Deposit/Withdrawal
3. Remittance in transit
4. Suspense
5. Sundries including Sundry "Non Customer Account".

- As on 31st March, no balance should normally remain outstanding in Remittance in Transit, Impress account and Inter-branch clearing account etc. Such entries should be got adjusted promptly, by timely follow up and reconciliation.
- Balance outstanding against impersonal accounts like Suspense, Sundries etc. should be at the minimum possible level.
- Pension for the month of March is to be credited on the first working day of April, as such, no entry should remain outstanding in Suspense on account of Pension.
- As per Priority Sector & FI Division's guidelines, there should not be any outstanding entry in suspense related to Debt Waive/Relief Scheme at the branches.
- The guidelines of Retail Banking Division, Head Office should be followed for the auto renewal of Term Deposit. It should be checked that no 'Overdue Term Deposit" is shown as Term Deposit. Non-adherence to these instructions will also distort reporting in Maturity pattern of deposits (Third Dispatch). At the time of quarterly/half-yearly/nine-months/annual closing it should be checked that no overdue FD/RD should remain outstanding in operative FD/RD category.
- As per extant guidelines, the amount of Overdue Term Deposits (including (i) PNB Tax Saver Fixed Deposit Scheme (ii) Capital Gains Scheme (iii) Certificate of Deposits (iv) Call Deposits on Notice (v) Recurring / Flexi Recurring Deposit) are eligible for payment of interest at Savings Bank Rate of Interest as applicable from time to time, presently 3.50 % p.a. (Simple basis). The interest is payable from 22.08.2008 or the maturity date, whichever is later, when amount of Term Deposit is withdrawn by the depositor.
- **No interest would be paid, if it calculates less than Rs. 10/-.The interest calculated as per above, is not subject to deduction of Tax at Source**.
- **As on last day of the calendar quarter, Batch jobs shall be executed from Data Centre, wherein the System will create branch-wise provisioning transaction for the aggregate interest payable on Overdue Term Deposits at Saving Bank Rate of interest, by the branch for the quarter.**
- **In the afore-said transaction System will debit the respective Expenditure Head-'Interest Paid on Term Deposit' with the aggregate amount of interest payable on Overdue Term deposits (scheme-wise) and create individual credit entry in the Interest Accrued Head-Interest**

accrued on Overdue Term Deposits<3171372> in respect of each and every Overdue Term Deposit account.

- **Interest on Savings Bank Deposits (including Active, Inactive and Inoperative Accounts).**
- **In case of saving fund, interest (presently @3.50 %) is calculated on the daily product basis and credited to the account at quarterly interval i.e. at the end of each quarter – February, May, August and November in the beginning of the succeeding month as per RMD circular 27/2016 dated 17.05.2016 . The Interest due is provided for every month by debiting to 'Expenditure Interest Paid on Saving Deposits' and crediting to 'Interest Accrued on Deposits-SF' every month.**
- **In the beginning of March, June, September and December interest is credited in each Saving Fund account for three months, to the debit of 'Interest Accrued on Deposits-SF'. However, no interest is allowed on any account where the aggregate interest amounts to less than Rs. 1/- in any half-year. At the end of March / June/ September / December the head 'interest accrued on deposits-SF' should have outstanding equivalent to one month interest provision on saving fund accounts.**
- RMD, HO vide their Circular No. 06/2016 has clarified that No amount shall remain outstanding in "Interest Accrued on Deposits- Fixed Deposits" as on the last day of the quarter as interest is paid/credited into the accounts upto the last date of the Month/quarter.
- **Sundry Unclaimed Credits:** Inspection and Audit Division circular no. 28/2017 dated 03.08.2017 prescribes that the sundry entries outstanding for five years and above be segregated every year at the end of January and aggregate amount be transferred to Circle Office along with full details. The details would also be maintained at the branch in a separate sundries register with nomenclature 'Sundries Account-Entries Transferred to Circle Office.'
- This is an annual exercise and be done every year. On receipt of the amount from the branches, the same be credited to the 'Miscellaneous Income' at the Circle Office. The branches should attempt to adjust all outstanding entries in the Sundries head before closing of financial accounts.
- It is imperative that balance outstanding against all impersonal accounts is maintained at the minimum possible level. For this purpose, reconciliation of entries should invariably be done at given period timely and untraceable entries should remain outstanding. The outstanding entries in, Clearing, Suspense, Sundries, Remittance-in-Transit accounts should be bifurcated age-wise and statement prepared and submitted to Inspection & Audit Division.
- **Rebate interest** i.e. un-expired discount is not to be credited to income as it represents liability and should be shown against the head `Other Liabilities'

(Code 42253) in the Balance Sheet. Accordingly, only relevant portion of the discount as relating to the current financial period is credited to the Income (Sub-head-Discount/Interest), whilst the remainder is shown in the Rebate Interest (Code 42253 of Balance Sheet). Branches must ensure to follow the relevant guidelines issued by the IT Division.

- Branches to ensure that the head "Rebate Interest (Unexpired Discount) is tallied with the details of bills discounted. In no case balance under this head should be in debit.
- **Acceptances, Endorsements & Other Obligations** consist of letters of credit and letters of guarantee. The outstanding under these heads are part of bank's contingent liabilities and do have a bearing on bank's capital adequacy ratio. Care should be taken that **NO EXPIRED LCs/LGs remain outstanding as on balance sheet date.**
- Branches to ensure proper classification of Usance LC/ DPLC/ Financial Guarantees/ Performance Guarantees and Deferred Payment Guarantees. Similarly, **reversal vouchers in respect of Deferred Payment Guarantee (D.P.G),** wherever required, be also passed as per guidelines.
- Contra vouchers in respect of LCs are to be passed only at the issuing branch and no contra vouchers are to be passed by the Advising / Confirming branch. In case these contra vouchers are wrongly passed, the same should be reversed.
- **Cash in hand** is to be reported under Code No.61010. Foreign currency notes (converted into Indian Rupees) to be reported under code No.61020 and balance with Reserve Bank of India is to be reported under Code No.61030.
- Attention is invited to Foreign Exchange Circular No. 48 dt. 22.12.2017 in which it is specifically stated that the rupee equivalent of balance as per currency note stock register should be deducted from balance in Foreign Outward Bill Purchased (FOBP) and added in cash balance held at branch in the weekly statement of affairs. The rupee equivalent may be arrived at by applying current selling rate for the currency notes.
- Branches should ensure to follow the guidelines issued by ATM Cell HO for cash lying in the ATM Machines. Consolidate Guidelines have been issued regarding CASH HANDLING, ATM ACCOUNTING & RECONCILIATION PROCEDURE & RESOLUTION OF COMPLAINTS FOR FAILED ATM TRANSACTION vide DBD Cir No 28/2014 dated 01.04.2014, also operations guidelines for effective handling of complaints have been issued vide DBD Circular No 12/2016 dated 09.02.2016.

  Further,

- DETAILED GUIDELINES FOR CHECKING OF CASH IN ATMs, WHERE Cash is being managed by Branches/ Vendors have been issued vide DBD Cir. No 14/2012 dated 02.04.2012 and by IAD: HO vide Cir No 18/2015 dated 28.09.2015 & for adjustment of suspense entries pertaining to cash given to outside agencies has been revised by HO: IAD vide Circular No 22/2015 dated 19.11.2015 further vide DBD Cir No.09/2017 dated 20.02.2017.

- Additional guidelines for checking of cash in ATMs have been issued by HO: IAD vide Circular No 35/2016 dated 22.12.2016.
- SOP for effective reconciliation of ATMs and complaint resolution has been issued vide DBD Cir No.14/2017 dated 01.03.2017.
- Guidelines related to Cash management of Onsite ATMs has been issued vide DBD Cir No.05/2018 dated 04.01.2018.
- Revised guidelines related to shortages/overages found in branch managed ATMs have been issued vide DBD Cir No.02/2018 dated 01.01.2018.
- **Premises:** Depreciated value of premises is to be reported against code 62710. Since premises are parked at Head Office/Circle Offices, ONLY these offices will be reporting against this head. Similarly software is parked only at HO/CO; the un-amortized portion is to be reported against code no. 62830, by those offices only.
- **"Stationery in Hand & Stock A/c"** will show NIL balance in all the branches. Outstanding against Balance Sheet code 63113 'Stationery in Hand & Stock' will only be reflected in the Balance Sheet (PNB 259) of Printing and Stationery Department (HO), Circle Stationery Centres.
- **Balance with Other Offices Imprest:** By prompt reconciliation and adjustment, 'Balance with Other Offices Imprest' account is to be brought to NIL as on Balance Sheet date. However, if any amount remains outstanding as on Balance Sheet date, the same should be reported under Code No.64030. Similarly, the balance, if any, in Imprest account maintained by Circle Offices is to be reported under this head. The outstanding amount if any, is NOT to be reported either under Advances (Overdraft etc.) or Suspense Account. If for any reason there is a credit balance outstanding in any Imprest A/c (including that of Administrative Offices), the same should be reported against Code No.41720 on the Liabilities side and should not be included in Deposits.
- **Non-Banking Assets Acquired in Satisfaction of Claims** do not form part of Fixed Assets and therefore, should not be reported under Premises or Other Fixed Assets. These assets are to be reported under Non Banking Assets acquired in satisfaction of Claim (BS code 65010/65099 / CBS code 3211301).
- The amount reported against "**Balance with RBI/ SBI/Other banks**" should tally with the amount mentioned in the Balance Confirmation Certificate obtained from them, as on the date of Balance Sheet. However, in case of difference, proper entry-wise reconciliation be prepared along-with the date of adjustment of such entries. It must be ensured that items of expenditure/income nature must not form part of reconciliation. Copy of the reconciliation and Balance Confirmation Certificate of the RBI/SBI/Other bank be also sent to the respective **Circle office**. Branches must make all possible efforts to adjust such entries before close of the day end.

c) Profit and Loss Account: (PNB-260)

- Branches reporting high amount against '**Income from other Banking Operations of P& L Statement'** must check the figures and **submit the reasons to the respective Circle Offices.**
- Transfer of Income & Expenditure for the year 2017-18 to Head Office, Accounts Department (0144) will be taken care by Data Centre.
- Provision for Gratuity, Pension, Leave encashment, SCAs Audit Fee, Standard Advances, NPA Accounts, Non Performing Investments, Frauds, Impersonal Heads, Restructured Accounts including FITL A/Cs is done at the Head Office (HO) level. Further, no remittance is to be made to Head Office as contribution to Gratuity Fund.
- As per bank's Accounting Policy **Commission on Govt. Business is booked on accrual basis and accrual entry is passed only at corporate level.** As such **branches pass the commission vouchers only when received and not on accrual basis.**
- In case amount for various subsidies is not received by **15th March,** the matter should be taken up immediately with the respective Circle Office.
- All items of expenditure nature, which are outstanding in suspense account, be also provided for, by debiting appropriate expenditure head e.g. advance against LTC, TA Bill etc. The amount be credited to 'Sundry Provision' and reported against code 42041 of liabilities side. On the asset side this amount be reported against Code 63563 (suspense). Branches to ensure that both codes 42041 and 63563 are showing equal balance.
- In case, expenditure is not incurred on or before balance sheet date, no provision needs to be made there against e.g. LFC/ Travelling advance for journey to be commenced after balance sheet date.
- In case any expenditure has been incurred on AMC, Rent, Publicity, Insurance on Bank Premises, etc., a portion of which relates to next year, following entry is required to be passed for that part of amount (not for total amount paid) which relates to the next financial year:

  Debit: Suspense (Code 63556) Credit: Relative Expenditure Head

  These are called 'Prepaid Expenses' and such entries should be reversed immediately after the closing.
- Adequate provisions should be made for all expenses which have become due for payment but not paid by Balance Sheet date e.g. telephone bills, electricity bills, water charges, rent, publicity, etc. In such cases, following entries are required to be passed:

  Debit: Relative Expenditure Head
  Credit: Sundries Provision for exp.-Payable to Others (Code. No.42044)
- All earlier outstanding entries of 'Sundry Provision-Others' should be reviewed & if no liability has accrued or the expenses stand paid to the debit of

expenditure head instead of sundry provision, the same may be credited back to the relative expenditure heads.

- **All expenditure and Income vouchers should be passed/ provided for, by third Friday of March and updated on the Balance Sheet date.**
- Amount of BONUS paid to staff should not appear in Profit & Loss Account. Suspense entries outstanding on this account, if any, should be adjusted by claiming reimbursement from HO, Finance Division through Circle Office by third Friday of the closing month. Recovery of bonus, if any, is to be remitted to HO, Finance Division and is not to be credited to branch's revenue/sundries account.
- Since premises and software are not capitalized at Branches, branches must ensure that they do not report any amount against code 10730 (Dep. on Bank's own premises) and code 10740 (Dep. On software Capitalized).
- Branches, not working in Bank's own buildings, should not report any amount against code 11240 (Repairs & Maintenance of Bank's own Premises).
- In case premium paid to the ECGC is recovered from borrowers, it must be credited to Code 11310. In case premium for the month of March is accounted in April, proper provisions thereof be ensured.
- All branches/offices should scan '**Other Expenses- not specified elsewhere' (code 11426)** and in case of any mistake, the same be booked under appropriate heads by reversing the entries which have wrongly been debited to this head. **No expenditure should be booked under "other expenses" for which specific expenditure head is already available.** Similar exercise be undertaken by scrutiny of amount reported against **Code 20616- Miscellaneous Income-Retail Banking**. Branches must ensure to reflect only that amount against Code 11426 & 20616, for which no specific head has been provided in the Revenue Statement.
- Expenditure on account of CDs/Computer stationery must be debited to Stationery locally purchased (code 10620).
- Under the main head "Rent Taxes & Lighting" and sub head Miscellaneous Taxes (Code 10540), expenditure on account of the following may be reported:

  i) Sales Tax on Gold
  ii) Municipal Taxes/Corporation Tax/Panchayat Tax
  iii) Service Tax/GST
  iv) Professional Tax
  v) Building Tax (House Tax, Property Tax)
  vi) Road Tax
  vii) Toll Tax
  viii) Customs Duty
  ix) Registration Fee
  x) Octroi
  xi) Gun Licence Charges

xii) Stamp duty

- In terms of HRD letter no.HRDD:IR:31.03.09 dated 09.10.2009 sent to Circle Offices under whose jurisdiction Holiday Homes are functioning, the reimbursement of expenditure incurred on Holiday Home on quarterly basis by Circle Offices is to be done by Head Office w.e.f financial year 2009-10. Accordingly, the Expenditure on Holiday Home rent under Staff Welfare account (< CO Solid 001042601>) has been frozen w.e.f. 01.10.2015 and all the Circle Offices have been advised to seek reimbursement from HRM Division, HO in respect of the expenditure incurred by them after properly netting the amount collected as rent from the employees well in advance before every quarterly closing. **However, for the quarter ended March 2018, the reimbursement should be sought from HRM Division, HO by 27th of March, 2018** so as to ensure that no expenditure relating to Holiday Home expenses for the financial year remains outstanding in the Staff Welfare Account.

- The Controlling Offices including HO Divisions shall make payment under health check-up Scheme to the employees from their Suspense Account and at the end of the month a customized report shall be generated from HRMS by **<u>HRM Division, HO</u>** and reimbursement of the total amount paid by the Controlling Office in respect of these Schemes shall be made to them. Accordingly, all the expenditure incurred by Circle Offices is to be reimbursed by HRM Division. **In respect of expenditure for the month ended March, such claims should be entered in HRMS by 28th of March each year so as to ensure that the amount outstanding in Suspense Account is reimbursed by HRM Division by the end of Financial Year i.e. on 31st March.**

- The following two heads under Staff Welfare Fund (1042601/10426101) have been frozen. **Expenditure under these heads shall be booked by HRMD, HO only.**
  a) Expenditure on payment of Scholarship to one talented child
  b) Expenditure on payment of holiday home rent

- However, the Controlling Offices including HO Divisions shall make payment under following schemes of Staff Welfare by 28th of March 2018 and book the expenditure to expenditure account 1042601/10426101 as the case may be. Under no circumstances, the expenditure can be booked after 28th March 2018 in expenditure account 1042601/10426101, as the same will be frozen from 29th March, 2018 to 31.03.2018.

  1. Part time Doctor/ Medical Retainers Honorarium.
  2. Financial Aid paid on death to legal heirs of the employee as per extant guideline vide HRD Cir 674 dated 19.09.2012.

- Further, all controlling offices are requested to ensure that other than expenditure covered under staff welfare schemes, **are not debited to "Staff Welfare Fund a/c (i.e. expenditure code – 10426101/1042601)"**

- Commission (excluding on Government Business), interest on overdue bills, exchange, locker rent, income from Merchant Banking transactions, income on rupee derivatives designated "Trading" are accounted for on realization and Insurance claims are accounted for on settlement.
- Dividend is accounted for as & when the right to receive the dividend is established.
- Income on non-performing assets is recognized on realization, as per RBI guidelines.
- **Now, all Currency Chest Back Offices** working under independent SOL ID must be treated as Cost centres and reimbursement system of expenditure has been withdrawn as per Circular No.94/2017 dated 26.07.2017.

STATEMENT OF SFF/MCC & OTHER VEHICLES (PNB 263)- (Refer Chapter 9)

- Branches will generate all statements related to SFF/MCC & other vehicles from Fixed Asset Management System (FAMS) through CBS. Reports, so generated from FAMS/CBS should be reconciled with respective GL heads for 31.03.2018.
- The opening balance of 'Original Purchase Value' (Column A-1) and total Depreciation up to last year 31st March (Column A-2) must tally with the closing balance of the previous year's statement. Effect of MOCs given on account of capitalization of any asset or reversal there of, if any, should also be taken into account. In case opening balance does not reconcile, separate reconciliation statement be sent along with the closing returns.
- Amount of "Fresh Purchases"(Column B),"Sold/Written off" (Column E),"Received from Branches" (Column C) and "Transferred to Branches" (column F) are to be reported for the whole year.
- In case any fixed asset is received from any other branch / office OR transferred to any other branch/office, the detailed information of such fixed assets is to be given on the prescribed format. The information is to be given SEPARATELY FOR TRANSFER 'WITHIN THE CIRCLE' AND 'OUTSIDE CIRCLE'. It should be ensured that total of above information matches with the relevant columns of SFF & MCC statement. For the convenience of branches/offices, check points are given as foot notes, in the format which must be taken care of.
- Total depreciation provided during the year and depreciation on account of previous year's MOCs, if any, should match with P&L Code 10710 for SFF and Code 10720 for MCC.
- Similarly Profit on Sale of Assets and Loss on Sale of Assets as reported in SFF & MCC statement MUST tally with relevant codes of P&L statement i.e. code 20499 & 11899.
- **Annexure I (PNB 263):**

  Original Purchase Value of fresh purchases made during the year is to be reported in Annexure I. In Part A, detail of SFF items and in Part B detail of

MCC items is to be reported. The total of Part A and Part B to tally with column B1 of SFF and MCC statement respectively.

Annexure II (PNB 263):

The item-wise detail of fixed assets sold or written off during the year ending 31st March is to be furnished in Annexure II of SFF and MCC statement. While furnishing the information, care should be taken to tally the respective columns with main SFF & MCC statement. For convenience of the branches/offices, check points are given as footnotes, which must be meticulously followed.

SUNDRY ACCOUNT (Code Numbers: 42041 to 42043)

Although format for Sundry Accounts is not being printed, in case the Statutory Auditor desires, the information be made available from the system. As far as possible, all outstanding entries in sundry account should be adjusted before 31st March. No item of income nature should be allowed to outstand at the end of the year. Further, all previous outstanding entries in 'Sundry Provision' should be reviewed.

SUSPENSE ACCOUNT (Code Numbers: 63556 to 63568)

All possible efforts should be made to keep outstanding under Suspense Account at bare minimum.

- As per guidelines issued by Govt. Business Deptt. H.O., normally there should not be any outstanding in suspense on account of pension as at the close of the year.

  Format of Impersonal Heads **(Refer Chapter 12)** captures the information in respect of "**Details of Suspense and Other Impersonal Heads' Entries, outstanding for more than 1 year as on 31.03.2018**".Branches must ensure to give details of entries also, to enable the **Circle Offices to extrapolate only those entries of non-permanent nature, FOR WHICH PROVISION IS REQUIRED TO BE MADE. Branches will report all such entries giving details of nature of entry, to be certified by the respective Branch Statutory Auditors. However, Circle Offices will send the consolidated position of ONLY THOSE ENTRIES FOR WHICH PROVISION IS REQUIRED TO BE MADE, to Inspection & Audit Division at iadimpersonal@pnb.co.in for scrutiny & consolidation. IAD would consolidate the data, get it audited by the Central Statutory Auditor of the Division and inform Finance Division the amount of Provision required against each head for passing necessary accounting vouchers.**

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

STATEMENT OF BALANCE WITH OTHER BANKS (PNB-270) - (Available in CBPMS)

This statement contains the balance with other banks either in credit or debit. Branches will mention Name of the Bank/banks with which they are maintaining current account for clearing purpose etc. (Banker's account). Branches under Audit for March 2018 will submit it in CBPMS with Digital Signatures and where branches are not under audit will generate the report from CBPMS and submit to their circle office along with Balance confirmation certificates, which are to be obtained from the respective banks. **If the figures reported in the Balance Sheet differ from the Balance Confirmation Certificates, Reconciliation statement should be prepared as per format in CBPMS. Further additional information required for Basel- III norms in respect of Balance with Other Banks will also be captured through this format.**

OTHER INSTRUCTIONS

Normally there should not be any un-reconciled entry of expenditure nature in BankersA/c. However in case, any un-reconciled entry of revenue nature is outstanding, necessary provision should be made there against at CO. In case of long outstanding entries, reasons / justifications / follow-up be kept ready, which can be called for, by the Auditors.

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CHAPTER-5- SECOND DISPATCH- LOAN RETURNS

With the implementation of LADDER System in the Bank, all credit-related closing returns are generated from system instead of preparing the same manually. Branches are required to prepare statements of Loan Returns in two parts (a) For **Non Performing Assets** & (b) For Advances other than **Non Performing Assets** to facilitate asset classification and provisioning for the purpose of Balance Sheet.

SUBMISSION OF SECOND DESPATCH

Second Dispatch comprises of the following returns:

- Loan returns **(generated from Ladder)**
- Capital Adequacy Statement-**Basel- III** norms-**Master Summary (RWA)**

  (generated from Ladder/CRISMAC)

BRANCHES UNDER STATUTORY AUDIT AND UN-AUDITED BRANCHES WILL FOLLOW SEPARATE PROCEDURE FOR SUBMISSION OF THE ABOVE RETURNS, AS PER THE DETAILS GIVEN IN CHAPTER-1 OF THIS MANUAL.

CLASSIFICATION OF ADVANCES

In addition to assets wise classification of advances, Branches are required to classify advances in following segment for the purpose of Balance Sheet.

- Sector-wise classification
- Security-wise classification
- Facility-wise classification **(Only for advances Other *Non Performing Asset)***

SECTOR WISE CLASSIFICATION

The Sector wise classification requires to categorize advances as follow:

- Priority Sector
- Public Sector
- Banks
- Others

PRIORITY SECTOR- All advances presently classified as Priority Sector, (as per guidelines issued by PSFID) should be reported under this head. Advances granted to Govt. Undertakings/ Public Sector Corporations, which are engaged in the activities, which can be classified as Priority Sector should be classified under this head.

PUBLIC SECTOR- Advances to Central Government/ State Governments/ Government undertakings/ Public Sector Undertakings, which are treated as Public Sector should be reported under this head. Care should be taken to exclude those

Public Sector Undertakings engaged in Priority Sector activities, which have been reported under the head Priority Sector.

BANKS- All advances to Banks should be classified under this head.

OTHERS- Advances not reported under any of the above three heads should be reported under this head.

FACILITY WISE CLASSIFICATION

Under facility-wise classification advances, only Standard Assets (other than Non Performing Assets) are categorized for Balance Sheet purpose as follow:

- **i.** **BP/BD (Bills Purchased or Bills Discounted):** Both inland and foreign bills purchased or discounted are to be reported.
- **ii.** **TL (Term Loans):** All term loans availed by the borrower are to be reported.
- **iii.** **Others:** All other facilities except (i) and (ii) above are required to be clubbed together and reported.

NOTE: Attention is invited to L&A Circular No. 79 dated 04.07.2005 wherein it has been clarified that:

- Demand Loan would be a loan which is repayable on demand and in one shot i.e. bullet repayment.
- Term Loan would be a Loan which has a specified maturity which may be payable in instalment or in bullet form. However, short term loans with maturity up to one year be treated as demand loan and classified accordingly.
- Term Loans with maturity in excess of one year shall continue to be classified as term loan.

SECURITY WISE CLASSIFICATION

For security wise classification, advances are classified in the balance sheet in the following manner.

- Secured by tangible assets
- Covered by bank/government guarantees
- Unsecured /Shortfall

While classifying the advances as secured, the primary security should be applied first and for the residual balance, if any, the realizable value of collateral security should be taken into account. If the advance is still not fully covered, then, to the extent of bank/government guarantees available, the advance should be classified as `covered by bank/government guarantee'. The balance, if any, remaining after the above classification, should be classified as unsecured.

As the quantum of provision is directly related to the shortfall in the securities available, it should be ensured that the securities are properly identified and reported. There are already instructions that immovable properties charged to the Bank as security (Primary/Collateral) in respect of advances sanctioned should be evaluated at periodical intervals and such valuations should be recorded with reasons/explanations duly authenticated by the Official(s). The Branches therefore, are advised to review thoroughly the position with regard to all such cases so as to ensure that Bank's securities are correctly evaluated in tune with the general appreciation in the value of real estates; the net impact of this will be lesser provisions in respect of assets classified as "Doubtful Assets". Incidentally, where ever, it is not feasible to obtain the valuation report immediately in view of the time gap involved or the inability of the borrower(s) to bear the cost(s) of such valuation, the Branch Manager/Chief Manager should assess the value of securities as per existing system & practice i.e. on the basis of their market value, after reckoning the depreciation for the expired life of the building & present condition of the building.

The following points are relevant for classifying the advances based on security.

- Government guarantees include guarantees of Central/State Governments and also all Nationalised units/ Managements taken over Units by the Central Government advances and advances guaranteed by Central/State Government owned corporations and financial institutions like IDBI, IFCI, ICICI, State Financial Corporations, State Industrial Development Corporations, ECGC, DICGC, etc.

- Advances covered by bank guarantees also include advances guaranteed against any negotiable instrument, the payment of which is guaranteed by a bank.

- Advances covered by bank/government guarantees should be included in unsecured advances to the extent the outstanding in these advances exceed the amount of related guarantees.
- In case, the Bank has a pari - passu charge over assets/block assets with Financial Institutions/other Banks, the Bank's share be ascertained taking into the account latest dues of other institution/bank and realisable value of securities under first charge and same should be treated as security available. Where the Bank is holding a second/third charge on property (ies)/block assets, after reducing the latest dues of the prior charge holder from the value of block assets/ valuation of such assets, the remaining surplus should be treated as security available to the bank with other Banks/institutions holding second charge or pari-passu basis, if any.
- There may be situations where more than one facility is granted to a single borrower and a facility is secured, apart from primary and collateral securities relating specifically to that facility, by the residual value of primary security relating to any other credit facility (or facilities) granted to the same borrower. In such a case, in the event of shortfall in the value of primary security in such a credit facility, the residual value of primary security of the other facility (or facilities, as the case may be) may be applied first to the shortfall and the

value of collateral securities should be applied next. Such an application should be started from the credit facility which has the highest shortfall, then for the credit facility with the next highest amount of shortfall, and so on.

- In the case of common collateral security for advances granted to more than one borrower, if there is a shortfall in value of primary security in any one or more of the borrowal accounts, the value of collateral security may be applied proportionately to the shortfall in each borrowal account.
- Loans/overdrafts against drafts/pay orders/bankers' cheques may be classified as covered by bank guarantees, as payments are guaranteed by bank.
- The amount for which Govt./ bank guarantee / ECGC / BCS / CGTSI cover is available to our bank should be reported as amount covered by guarantee. In case of DICGC amount to the extent received and kept in Liability Head, code no 42260 be reported. In case of CGTSI, the actual amount of cover available (after reducing the coverage under tangible assets from the net balance) should be reported. In case of ECGC/CGTSI the amount of ECGC/CGTSI cover as per eligibility after reducing the coverage under tangible assets from net balance should be reported. The amount of ECGC/CGTSI cover should be calculated on the uncovered portion i.e. Net outstanding minus Amount secured by Tangible assets. But the amount should be shown to the extent not exceeding outstanding balance less value of tangible security.
- The amount already received from DICGC/ECGC/CGTSI in claim settled accounts and kept in account pending adjustments should be treated as cover available.
- An account which is fully secured but the margin in which is lower than that stipulated by the bank should however be treated as fully secured for the purposes of balance sheet presentation.
- All documentary bills under delivery-against-acceptance terms which remain unaccepted as at the close of 31st March (i.e., for which the documents of title are with the bank on this date) should be classified as secured. All accepted bills should be classified as `unsecured' unless collaterally secured.
- Cheques purchased including self-cheques (where the drawer and payee are one and the same) should be treated as unsecured unless collaterally secured.
- Advances against supply bills, unless collaterally secured, should be classified as unsecured even if they have been accepted by the drawee.
- In suit filed cases where attachment(s) before judgment(s) has/have been awarded, details of the present value of IPs so attached, to the extent of its realizable value, the same can be considered as "Secured".
- Amounts received by the Receiver on auction of the securities lying with him/or the Bank (kept as FD, in the current account etc.) which will ultimately be remitted to our Bank for appropriations in the account, should be reported in security column & treated accordingly.

- In case of Compromise proposals approved recently, and/or under implementation, only nature & value of securities should be treated as value of security not the compromise amount. In case there is any shortfall, the difference between net balance minus tangible assets/ DICGC claim will be treated as unsecured**.**
- The Reserve Bank has specified that advances against book debts may be included under the head `secured by tangible assets'.
- Nature of security (ies) (Principal / Collateral) and its value should be incorporated in required columns as per latest valuation report, otherwise, realizable value should be ascertained / estimated and reported.

Government Guaranteed Accounts (Other than Non Performimg Assets)

As per RBI guidelines certain relaxations have been permitted in Asset classification in Govt. guaranteed accounts which are given hereunder: -

Accounts guaranteed by Central Govt.

a. Accounts which are guaranteed by Central Govt. and where guarantee has not been invoked should be classified as Standard irrespective of the overdue/irregularity in the account is over 90 days.

b. Like wise, accounts in which guarantee of Central Govt though invoked but has not been repudiated should be classified as Standard, irrespective of irregularity for more than 90 days. However, if the guarantee has been invoked but repudiated by Central Govt. the accounts should be classified in accordance to the RBI guidelines applicable to non Govt. guaranteed accounts.

Accounts guaranteed by State Govt.

- State Govt. guaranteed accounts will be NPA if interest / principal / other dues remain overdue for more than 90 days.

Note: The above guidelines relates to asset classification only. As regards income recognition there is no relaxation in Govt. guaranteed accounts and the guidelines are same for Govt. guaranteed and non-Govt. guaranteed accounts.

GENERAL GUIDELINES FOR ADVANCES OTHER THAN NPA

- All the facilities enjoyed by a particular borrower are to be reported under single customer ID allotted to the borrower.
- Date of last sanction/renewal/review should be correctly mentioned in the relevant columns. With latest RBI guidelines to classify NPA based on Non financial parameters including Non-renewal/Non-review of borrowal accounts, care is to be taken to report correct date in the relevant column.
- There should be no balance outstanding in the Imprest account at any branch as on 31st March i.e. date of annual closing. However, if for any reason there

is balance outstanding in the Imprest account, the same should not be shown as an advance but should be reported in the Balance Sheet against Code No. 64030 - Inter branch balance - Balance with other offices (Imprest).

- It is to be ensured that the figures of gross outstanding in the Master summary of advances should tally with the amount in Balance sheet code 62599**.**

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Asset Classification, Provisioning & RWA computation through Centralised LADDER+ system

Centralised LADDER+ system has been introduced in Bank, which uses CBS as its source of all information pertaining to loan and non-fund accounts for asset classification, provisioning and risk weight computation. No data entry and modification is allowed in LADDER+ system at any level i.e. branch, circle, ZO or HO. With the implementation of LADDER+, it has been imperative that branches, which are the sources for all types of data input in CBS, take utmost care for data feeding during opening of a loan or non-fund account in CBS or take immediate corrective measures for all existing data feeding errors. Various types of errors commonly made by the branches, their adverse effect on Bank's Balance Sheet and remedial measures are described below:

1. Old Stock Statement Date & Bookdebt

Effect on Balance Sheet: As per IRAC norms prescribed by RBI, Bank cannot allow DP against stocks or Bookdebt which are 90 days or more old. In case Bank continues to allow DP in a CC a/c against stock or Bookdebt older than 90 days and if such situation continues for another 90 days, the CC a/c and all other facilities of the customer are classified as NPA. This increases NPA exposure and provision adversely affecting profitability.

Identification: LADDER+ report 'Degrade Validation' under VALIDATION menu.

Resolution: Branches should update the stock or Bookdebt details in CBS in all feasible cases.

2. Non-renewal of limit

Effect on Balance Sheet: The limit in running a/c like a CC/OD/KCC is considered as ZERO, once it is expired and once this happens, such types of accounts are considered as out of order. If out of order situation continues for more than 90 days, the account along with other accounts of the customer is classified as NPA. This increases NPA exposure and provision adversely affecting profitability.

Identification: LADDER+ report ‘Degrade Validation’ under VALIDATION menu.

Resolution: Branches should renew/review the limit well in time in all feasible cases.

3. Expired LG/LC

Effect on Balance Sheet: Expired LG/LC only inflates Bank’s off-balance sheet exposure and Bank needs to provide capital for these expired LG/LC adversely affecting Capital Adequacy Ratio.

Identification: EDW report ‘BG and LC Expire but Liability Amount Pending’ under PNBEDW/DATA CLEAN/DAILY folder.

Resolution: Branches should close all such LG/LC on case to case basis after necessary verification.

4. LG/LC without margin

Effect on Balance Sheet: Bank is not required to provide capital on any Fund Based/Non Fund Based facility to the extent it is covered by cash securities/cash margin like FDR, LIP & Govt. Securities. Non capturing of details relating to cash margin while issuing LG/LC(in margin tab) in spite of the fact that LG/LC is actually issued against sufficient cash margin adversely affects Bank’s Capital Adequacy Ratio.

Identification: EDW report ‘BG_LC without Margin Details’ under PNBEDW/DATA CLEAN/DAILY folder.

Resolution: Branches should capture margin details in CBS.

5. Expired CRM security

Effect on Balance Sheet: Bank is not required to provide capital on any Fund Based/Non Fund Based facility to the extent it is covered by cash securities/cash margin like FDR, LIP & Govt. Securities, which are also called Credit Risk Mitigation (CRM) securities. However, the aforesaid securities are considered as CRM security as long as those are within their due date or date of maturity. Non renewal of CRM securities in CBS adversely affects Bank’s Capital Adequacy Ratio.

Identification: LADDER+ report 'Expired CRM securities' under BASEL III MODULE/VALIDATION REPORT menu.

Resolution: Branches should take appropriate actions like renewal of FD and capturing details of the renewed FD in CBS or closure of the loan a/c (FB or NFB) on case to case basis.

6. Unrated customers/accounts

Effect on Balance Sheet: External rating is the key component for computing Risk Weighted Asset for Corporate customers. 20%, 30%, 50%, 100%, 150% risk weight are applied on AAA, AA, A, BBB, BB & below rated customers respectively. For unrated customers, 100% risk weight is applied. On expiry of the external rating, the customer is treated as unrated. Timely capturing of fresh external rating in CBS could avert application of higher risk weight and adverse impact on Capital Adequacy Ratio.

Identification: LADDER+ report 'Expired rating' under BASEL III MODULE/VALIDATION REPORT menu.

Resolution: Branches should capture the latest rating in CBS through CRMS menu in all feasible cases.

7. Non-maintenance of security at Limit Node level though limit-id is captured in DP

Effect on Balance Sheet: Branches have options to maintain security either at account level or at limit node level. In case a Limit Node Id is captured in the Drawing Power maintenance screen, it is imperative that security details are maintained at limit node level. A diversion from this i.e. capturing Limit Node Id in the Drawing Power maintenance screen but not maintaining security details at limit node level makes the loan account unsecured. When such accounts slip to NPA, 100% provisioning is done instead of legitimate 15% adversely affecting Bank's profitability.

Identification: EDW report 'Loan Accounts where Limit-Id Entered but Security not Maintained at Node Level' under PNBEDW/DATA CLEAN/DAILY folder.

Resolution: Branches should either maintain security at node level or remove Limit Node Id from Drawing Power maintenance screen.

8. Other issues

It is often observed that in case of a CC/OD facility with balance continuously running over limit/DP, branch regularize the a/c by recovery of CAD amount, the a/c continues to remain in NPA category after final processing. This generally happens when such recovery is affected on the last day of the quarter. Branch might have recovered full CAD amount and regularised the a/c by 5 PM on a quarter end date, application of interest by the system make the account irregular again by end of the day. It may be reiterated that End of Day (EoD) balance is the only figure/balance which is accounted for all purposes.

Resolution: Branches should recover the CAD amount beforehand without waiting for the last day. In case borrower insists on paying the dues only on the last day, then the CAD amount as well as the interest to be applied is also to be recovered. To assess the interest amount, branches may run HACINT menu in CBS in Trial Mode on the last day of the month to assess the interest to be applied by the system as the part of the month/quarter end activities. HACINT in trial mode assesses interest amount correctly provided there is no further debit in the account after running HACINT.

<u>Availability of Audit Reports in LADDER+</u>

1. Closing returns
    1.1. Standard Asset
    1.2. Sub Standard Asset
    1.3. Doubtful Asset
    1.4. Loss Asset

2. Closing returns – Staff Advances
    2.1. Standard Asset
    2.2. Sub Standard Asset
    2.3. Doubtful Asset
    2.4. Loss Asset

3. Closing returns – Advances against Cash Securities
    3.1. Standard Asset
    3.2. Sub Standard Asset
    3.3. Doubtful Asset
    3.4. Loss Asset

4. Annexure E

5. Movement of NPA/Provision

5.1. Form D1 – Summary & Details
5.2. Form D2 – Summary & Details
5.3. Form D3 – Summary & Details
5.4. Form D4 – Summary & Details

6. Provision Calculation Worksheet

7. Basel II Returns
 7.1. Master Summary With Undrawn
 7.2. Master Summary Without Undrawn
 7.3. RWA Returns – Funded
 7.4. RWA Returns – NPA
 7.5. RWA returns – Off Balance Sheet

8. Basel III Returns
 8.1. Master Summary With Undrawn
 8.2. Master Summary Without Undrawn
 8.3. RWA Returns – Funded
 8.4. RWA Returns – NPA
 8.5. RWA returns – Off Balance Sheet

9. Basel Worksheet

10. Capital Adequacy – Annexure III

NB: For any other report on asset classification, provisioning & RWA computation, if required by Statutory Auditors, may be requisitioned to MISD on ad hoc basis.

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

CHAPTER -6: SECOND DISPATCH- GUIDELINES FOR INCOME RECOGNITION, ASSET CLASSIFICATION & PROVISIONING

1. INCOME RECOGNITION, ASSET CLASSIFICATION, PROVISIONING & RELATED ASPECTS (IRAC NORMS)

Consolidated instructions/guidelines on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances issued by RBI along with the operative instructions issued by the Bank relevant to the field staff are as follows.

ANNEXURE	CONTENTS
A	Guidelines for categorizing a Borrowal account as NPA
B	Recognition of Income and Appropriation of recovery in NPAs
C	Guidelines on Asset classification
D	Guidelines on Provisioning
E	Operating Instructions & Accounting
F	Prudential norms for Projects under implementations
G	Prudential guidelines on Restructuring of advances by Banks

ANNEXURE A

GUIDELINES FOR CATEGORISING A BORROWAL ACCOUNT AS NON PERFORMING ASSET

An asset, including a leased asset, becomes Non-Performing when it ceases to generate income for the bank. The basis for treating various credit facilities as Non Performing is given below:

A.1 Term Loan

Term loan account will be treated as NPA if interest and/or installment of principal remain overdue for a period of more than **90 days**.

Amount due to the bank under any credit facility is **'overdue'**, if it is not paid on the due date fixed by the bank.

A.2 Cash Credits and Overdrafts

A.2.1 A cash credit or overdraft account will be treated as NPA if the account remains 'out of order'. A Cash Credit and Overdraft account is treated as **'out of order'** if:

(i) The outstanding balance remains continuously in excess of the sanctioned limit/drawing power for 90 days.
(ii) Even though the outstanding balance is less than the sanctioned limit/drawing power, there are no credits continuously for 90 days as **on the date of balance sheet** or credits are not enough to cover the interest debited during the same period.

A.2.2 Branches should ensure that drawings in the working capital accounts are covered by the adequacy of current assets, since current assets are first appropriated in times of distress. Drawing power is required to be calculated/arrived at based on the stock statement which is current. However, considering the practical difficulties of large borrowers, stock statements relied upon by the banks for determining drawing power should not be older than three months. **The outstanding in the account based on drawing power calculated from stock statements older than three months, would be deemed as irregular.** A working capital borrowal account will become NPA if such irregular drawings are permitted in the account for a continuous period of 90 days even though the unit may be working or the borrower's financial position is satisfactory.

A.2.3 Regular and adhoc credit limits need to be reviewed / regularised not later than three months from the due date/date of adhoc sanction. In case of constraints such as non-availability of financial statements and other data from the borrowers, the branch should furnish evidence to show that renewal /

review of credit limits is already on and would be completed soon. In any case, delay beyond six months is not considered desirable as a general discipline. **Hence, an account where the regular/ adhoc credit limits have not been reviewed / renewed within 180 days from the due date/date of adhoc sanction will be treated as NPA.**

A.3 Bills Purchased and Discounted

The bills purchased/discounted account should be treated as NPA if the bill remains overdue for a period of more than **90 days**.

A.4 Agricultural Advances:

(i) The installment of principal or interest thereon remains overdue for two Crop seasons for short duration crops,
(ii) The installment of principal or interest thereon remains overdue for one Crop season for long duration crops,

A.5 Securitization Transactions:

In respect of securitization transaction if the amount of liquidity facility remains outstanding for more than 90 days.

A.6 Derivative Transactions:

In respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

A.7 Credit Card Accounts

(i) In credit card accounts, the amount spent is billed to the card users through a monthly statement with a definite due date for repayment. An option is given to the card users to pay either the full amount or a fraction of it, i.e., minimum amount due, on the due date and roll-over the balance amount to the subsequent months' billing cycle.
(ii) A credit card account will be treated as non-performing asset if the minimum amount due, as mentioned in the statement, is not paid fully within 90 days from the payment due date as mentioned in the statement.
(iii) RBI has directed that Banks should follow this uniform method of determining over-due status for credit card accounts while reporting to credit information companies and for the purpose of levying of penal charges, viz. late payment charges, etc., if any.

A.8 **In case of default in payment of interest only,** Branches should classify an account as NPA only if the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter.

A.9 OTHER IMPORTANT GUIDELINES

A.9.1 Regularisation of Account by Balance Sheet Date

If the accounts of the borrowers have been regularized before the balance sheet date by repayment of overdue amounts through genuine sources (and not by sanction of additional facilities or transfer of funds between accounts) the accounts need not be treated as NPA.

The asset classification of borrowal accounts where a solitary or a few credits are recorded before the balance sheet date should be handled with care and without scope for subjectivity. **Where the account indicates inherent weakness on the basis of the data available, the account should be deemed as NPA.** In other genuine cases, the branches must furnish satisfactory evidence to the Statutory Auditors/ Inspecting Officers about the manner of regularisation of the account to eliminate doubts on their performing status.

A.9.2 Determination of NPAs: Borrower wise, not Facility wise

All the facilities granted to borrower/Investments in securities issued by the borrower will have to be treated as NPA and not a particular facility/Investment or part thereof which has become NPA. If the amount in default of any borrower is outstanding in default account i.e. LC-default account/ LG-default account / DPG default account/ Co-accepted bills default account, ***the*** balance outstanding in that account also should be treated as a part of the borrower's principal operating account for the purpose of application of prudential norms on income recognition, asset classification and provisioning.

It is reiterated that the accounts/Investments are to be classified and clubbed Borrower wise only – i.e. all the facilities granted to a borrower/Investment made have to be classified as NPA/NPI if one of them becomes NPA.

EXCEPTIONS:

(i) **Commonality of a Collateral Security has no role in determining the Asset Classification**. Therefore accounts of different borrowers have to be examined on the basis of their respective records of recovery. In case of commonality of securities, all accounts should not be classified as NPA if one account turns NPA.

(ii) The bill discounted under LC favoring a borrower may not be classified as a Non Performing Advances (NPA), when any other facility granted to the borrower is classified as NPA. However, in case documents under LC are not accepted on presentation or the payment under the LC is not made on the due date by the LC Issuing Bank for any reason and the borrower does not immediately make good the amount disbursed as a result of discounting of concerned bills, the outstanding bills discounted will immediately be classified as NPA with effect from the date when the other facilities had been classified as NPA.

(iii) In respect of agricultural advances, as well as advances for other purposes granted by banks to PACS / FSS ceded to Commercial Banks under the on-lending system, only that particular credit facility granted to a Primary Agricultural Credit Society (PACS) / Farmers Service Societies (FSS) which is in default for a period of two crop seasons in case of short duration crop & one crop season in case of long duration crop, as the case may be, after it has become overdue, will be classified as NPA and not all the credit facilities sanctioned to a PACS/FSS. However, other direct loans and advances, if any, granted by the bank to the member borrower of a PACS/FSS outside the on-lending arrangement will become NPA even if one of the credit facilities granted to the same borrower becomes NPA.

(iv) In case of bank finance given for industrial projects or for agricultural plantations, etc. **where moratorium is available for payment of interest, payment of interest, becomes `due' only after the moratorium or gestation period is over**. Therefore, such amounts of interest do not become `overdue' and hence do not become NPA with reference to the date of debit of interest. They become overdue after due date for payment of interest, if uncollected.

A.9.3 <u>Net Worth Of Borrower /Guarantor or Availability of Security:</u>

Availability of security or net worth of borrower/guarantor should not be taken into account for the purpose of treating an advance as NPA or otherwise, **except to the extent provided in para C.5 below**, as asset classification and income recognition is based on record of recovery and compliance of other non-financial indicators.

A.9.4 <u>Accounts with temporary deficiencies:</u>

The classification of an asset as NPA should be based on the record of recovery. Branches need not classify an account as NPA merely due to the existence of some deficiencies which are temporary in nature such as non-availability of adequate drawing power based on the latest available stock statement, balance outstanding exceeding the limit temporarily, non-submission of stock statements and non-renewal of the limits on the due date etc. In case of such deficiencies please be guided by the rules given in A2.2 and A.2.3 above.

A.9.5. <u>Advances against FDR/NSCs/KVP/IVP/LIP</u>

Advances against Term Deposits, NSCs eligible for surrender, Indira Vikas Patras, Kisan Vikas Patras and Life Insurance Policies, need not be treated as NPAs provided adequate margin is available in the accounts**. However, advances against gold ornaments, Govt. securities and all other securities are not covered by this exemption.**

A.9.5.1.For the purpose of calculating the margin, value of security should be taken as under:

(i) In case of advances against Term Deposit in the nature of recurring and reinvestment deposits, the principal and interest accrued thereon shall be taken into account.

(ii) In case of advances against LIC policies, the latest surrender value of the policy may be taken into account.

(iii) In case of advances against NSCs eligible for surrender, IVPs and KVPs the interest accrued on the value of security should be taken into account.

A.9.5.2. Further, it is also clarified that NSCs may become eligible for surrender only on maturity or on happening of any of the following mentioned events:

1. on death of the holder or any of the holders in case of joint accounts.
2. on forfeiture by a pledgee being Gazetted Government Officer when the pledge is in conformity with Rule 16 of Post Office Small Savings Scheme (Acts & Rules with clarifications) pertaining to Issue of NSCs.
3. when ordered by a Court of Law.

A.9.5.3 Accounts covered under above exemption are exempted from application of principle of percolation (i.e. all accounts of the Borrower are to be classified as NPA if one account becomes NPA) as mentioned in para A.9.2 above.

This exemption cannot be utilized in cases of advances collaterally secured by these securities. However prudence demands that such securities should got enforced and their proceeds should get credited to the loan account of the party before the provisions of NPA norms are applied for deciding the asset classification.

A.9.6. **Advances To Staff members, under Staff Welfare Scheme**

In respect of Housing/Car loans or similar advances granted to staff members where interest is payable after recovery of principal, interest need not be considered as `overdue' from the first quarter onwards. Such loans/advances should be classified as NPA only when there is default in repayment of installment of principal or payment of interest on due date of payment.

A.9.7. **Agriculture Advances**

A loan granted for short duration crops will be treated as NPA, if the installment of principal or interest thereon remains overdue for two crop seasons. A loan granted for long duration crops will be treated as NPA, if the installment of principal or interest thereon remains overdue for one crop season. For the purpose of these guidelines, "long duration" crops would be crops with crop season longer than one year. Crops, which are not "long duration" crops, would be treated as "short duration" crops.**The crop season for each crop, which means the period up to harvesting of the crops raised, would be as determined by the State Level Bankers' Committee in each State.** Depending upon the duration of crops raised by an agriculturist, the above norms would also be made applicable to agricultural term loans availed of by him. The above norms should be made applicable to all direct agricultural advances as listed below:

A.9.7.1 <u>Direct Agriculture Finance</u>

(a) Loans to individual farmers [including Self Help Groups (SHGs) or Joint Liability Groups (JLGs), i.e. groups of individual farmers, provided banks maintain disaggregated data on such loans] engaged in Agriculture only.

(i) Short-term loans to farmers for raising crops, i.e. for crop loans. This will include traditional / non-traditional plantations and horticulture.

(ii) Medium & long-term loans to farmers for agriculture (e.g. purchase of agricultural implements and machinery, loans for irrigation and other developmental activities undertaken in the farm).

(iii) Loans to farmers for pre-harvest and post-harvest activities, viz., spraying, weeding, harvesting, sorting, grading and transporting of their own farm produce.

(iv) Loans to farmers up to 50 lakh against pledge / hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 12 months.

(v) Loans to small and marginal farmers for purchase of land for agricultural purposes.

(vi) Loans to distressed farmers indebted to non-institutional lenders.

(vii) Bank loans to Primary Agricultural Credit Societies (PACS), Farmers' Service Societies (FSS) and Large-sized AdivasiMulti Purpose Societies (LAMPS) for on lending to agriculture.

(viii) Loans to farmers under Kisan Credit Card Scheme.

(b) Loans to corporate farmers including farmers' producer organizations/companies of individual farmers, partnership firms and co-operatives of farmers directly engaged in Agriculture, up to an aggregate limit of 2 crore per borrower for the following purposes.

(i) Short-term loans for raising crops, i.e. for crop loans. This will include traditional / non-traditional plantations and horticulture.

(ii) Medium & long-term loans for agriculture (e.g. purchase of agricultural implements and machinery, loans for irrigation and other developmental activities undertaken in the farm).

(iii) Loans to farmers for pre-harvest and post-harvest activities, viz., spraying, weeding, harvesting, grading, sorting and transporting of their own farm produce.

(iv) Loans up to 50 lakh against pledge / hypothecation of agricultural produce (including warehouse receipts) for a period not exceeding 12 months.

A.9.7.2 Kisan Credit Cards

As per extant instructions on KCC issued by PSFID:

"A loan granted for short duration crops will be treated as NPA, if the installment of principal or interest thereon remains overdue for two crop seasons. A loan granted for long duration crops will be treated as NPA, if the installment of principal or interest thereon remains overdue for one crop season. For the purpose of these guidelines, "long duration" crops would be crops with crop season longer than one year and crops, which are not "long duration" crops would be treated as "short duration" crops. The crop season for each crop, which means the period up to harvesting of the crops raised, would be as determined by the State Level Bankers' Committee in each State. Depending upon the duration of crops raised by an agriculturist, the above NPA norms would also be made applicable to agricultural term loans availed of by him."

Further **RBI vide its Circular RPCD.FSD.BC.No.23/05.05.09/2012-13 dated 07.08.2012** has prescribed that the repayment period may be fixed by Banks as per the anticipated harvesting and marketing period for the crops for which a loan has been granted and the extant prudential norms for income recognition; asset-classification and provisioning will continue to apply for loans granted under revised KCC schemes.

The KCC facility being essentially in the nature of Cash Credit accommodation for agricultural purposes, the prudential norms as applicable to Cash Credit facilities would apply to the KCC accounts. In other words, the Kisan Credit Card Account would be deemed to be a Non Performing Asset (NPA) if it remains out of order for a period of two crop seasons /one crop season (as the case may be).

A KCC account will be treated as out of order in the following circumstances:

a) There are no credits in the account continuously for two crop seasons/one crop season (as the case may be) as on the date of balance sheet.

b) The outstanding remains continuously in excess of the limit for two crop seasons/one crop season (as the case may be) as on the date of balance sheet.

c) The credits in the account are not sufficient even to cover the interest debited in respect of the account for two crop seasons/one crop season (as the case may be).

Note: However, to become eligible for the relaxed rate of interest of 7% and for Additional Incentive Subvention under Subvention Scheme of Govt of India, each debit entry should be adjusted within a maximum period of 12 month.

Please refer the circulars on KCC issued by PSFID from time to time for any clarification and queries.

A.9.7.3 In respect of agricultural loans, other than those specified above and term loans given to non-agriculturists, identification of NPAs would be done on the same basis as non-agricultural advances which, at present, is the 90 days delinquency norm.

A.9.7.4 Agriculture advances affected by natural calamities

The following relaxations in assets classification norms in credit facilities granted to agriculture borrowers in District & Block Notified by State Government, as affected by cyclone or other natural calamities are available:

Where natural calamities impair the repaying capacity of agricultural borrowers mentioned in A.9.7.1 above, relief measures are decided by bank like - conversion of the short-term production loan into term loan or re-schedulement of the repayment period; and the sanctioning of fresh short-term loan subject to guidelines issued by PSFID.

In such cases of conversion or re-schedulement, the term loan as well as fresh short-term loan may be treated as current dues and need not be classified as NPA. The asset classification of these loans would thereafter be governed by the revised terms & conditions and would be treated as NPA if interest and/or instalment of principal remains overdue for two crop seasons for short duration crops and for one crop season for long duration crops.

A.9.7.5 Rural Housing Advances

While fixing the repayment schedule in case of Rural Housing advances granted to Agriculturists under Indira AwasYojana and Golden Jubilee Rural Housing Finance Scheme, Branches should ensure that the interest/ instalment payable on such advances are linked to crop cycle.

A.9.8 Consortium Advances:

In respect of consortium advances, each bank may classify the borrowal accounts according to its own record of recovery and other aspects having a bearing on the recoverability of the advances, Where the remittances by the borrower under consortium lending arrangements are pooled with one bank and /or where the bank receiving remittances is not parting with the share of other member banks, the account will be treated as not serviced in the books of the other member banks and therefore, be treated as NPA. The banks participating in the consortium should, therefore, arrange to get their share of recovery transferred from the lead bank or get an express consent from the bank for the transfer of their share of recovery, to ensure proper asset classification in their respective books.

A.9.9 Advances guaranteed by Central Government & State Government:

A.9.9.1 Advances guaranteed by Central Government

The credit facility backed by the Central Government Guarantee though overdue ***may* be treated as NPA only when the Government repudiates its guarantee when invoked. This exemption from classification of Government guaranteed advances as NPA is not for the purpose of recognition of income.** Accordingly Central Govt. guaranteed advance, if become overdue, be classified as Standard asset (Govt Guaranteed) (unless Govt. repudiate its guarantee when invoked) though interest on such advance is not to be taken to income account if it is not realised.

A.9.9.2 Advances guaranteed by State Government :

A state Government guaranteed advance, where interest and/or installment of principal/or any other amount due to the bank remains overdue for a period more than 90 days shall become a **non performing advance.**

A.9.10 Take-out Finance:

Take out finance is the product emerging in the context of the funding of long-term infrastructure projects. Under this arrangement, the institution/ the bank financing infrastructure projects will have an arrangement with any financial institution for transferring to the latter the outstanding in respect of such financing in their books on a pre-determined basis. In view of the time-lag involved in taking-over, the possibility of a default in the meantime cannot be ruled out. The norms of asset classification will have to be followed by the concerned bank/ financial institution in whose books the account stands as balance sheet item as on the relevant date. If the lending institution observes that the asset has turned NPA on the basis of the record of recovery, it should be classified accordingly. The lending institution should not recognize income on accrual basis and account for the same only when it is paid by the borrower/ taking over institution (if the arrangement so provides). However, the taking over institution, on taking over such assets, should make provisions treating the account as NPA from the actual date of it becoming NPA even though the account was not in its books as on that date.

A.9.11 <u>Post Shipment Supplier's Credit:</u>

In respect of post-shipment credit extended by the banks covering export of goods to countries for which the ECGC's cover is available, EXIM Bank has introduced a guarantee-cum-refinance programme whereby, in the event of default, EXIM Bank will pay the guaranteed amount to the bank within a period of 30 days from the day the bank invokes the guarantee after the exporter has filed claim with ECGC. Accordingly, to the extent payment has been received from the EXIM Bank, the advance may not be treated as a non- performing asset for asset classification and provisioning purposes.

A.9.12 <u>Export Project Finance:</u>

In respect of export project finance, there could be instances where the actual importer has paid the dues to the bank abroad but the bank in turn is unable to remit the amount due to political developments such as, war, strife, UN embargo, etc.

In such cases, where the lending bank is able to establish through documentary evidence that the importer has cleared the dues in full by depositing the amount in the bank abroad before it turned into NPA in the books of the bank, but the importer's country is not allowing the funds to be remitted due to political or other reasons, the asset classification may be made after a period of one year from the date the amount was deposited by the importer in the bank abroad.

A.9.13 Prudential norms for banks for the purchase/ sale transactions

Please refer to Recovery Division, HO circulars on operational guidelines on sale of NPAs to SC/RC. Given below are the gists of **prudential norms for sale transactions to SC/RC**

1. When the bank sells its financial assets to Securitization Company/ Reconstruction Company, on transfer the same will be removed from its books.
2. If the sale to SCs/RCs is at a price below the Net Book Value (NBV) (i.e Book Value less provisions held), the shortfall should be debited to the Profit & Loss account of that year. *Banks can also use countercyclical / floating provisions for meeting the shortfall on sale of NPAs i.e when the sale is at a price below the NB*V.
3. For assets sold on or after 26.02.2014 and upto 31.03.2016, as incentive for early sale of NPAs, banks can spread over any shortfall, if the sale value is lower than the NBV, over a period of two years. However, assets sold from

01.04.16 to 31.03.17, shortfall is to be amortized over a period of only four quarters from the quarter, in which the sale took place. This facility of spreading over the shortfall will be subject to necessary disclosures in the Notes to Account in the Annual financial Statements of the Bank.

4. Banks may reverse the excess provision on sale of NPAs, if the sale value is for a value higher than the NBV, to its profit and loss account in the year, the amounts are received. However, Bank can reverse excess provision arising out of sale of NPAs, only when the cash received (by way of initial consideration and/or redemption of SRs/PTCs) is higher than the NBV of the asset. Further, reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the asset.
5. With regard to assets sold before 26th February, 2014, the quantum of excess provision reversed to the profit & loss account on account of sale of NPAs shall be disclosed in the financial statements of the Bank, under “Notes to Accounts”.
6. The provisions of above mentioned paras shall be given effect to, by the Finance Division after taking approval from the competent authority (ED/MD), Head Office.

Prudential norms for the sale transactions to Other Banks/FIs/NBFCs (other than SCs/RCs) etc.

(a) When the bank sells its NPAs to other Banks/FIs/NBFCs etc., the same will be removed from the books on receipt of full payment/transfer.

(b) If sale is at a price below the Net Book Value (NBV) i.e. Book Value less provision held, the shortfall shall be debited to the Profit & Loss A/c of that year.

(c) If sale is for a value higher than the Net Book Value (NBV) i.e. Book Value less provision held, the excess provision shall not be reversed but will be utilized to meet the shortfall/loss on account of sale of other NPAs.

(d) In case there is overall surplus over and above the excess provision in any of the sale transaction that surplus amount will be taken in the profit & loss a/c.

The provisions of above mentioned paras shall be given effect to, by the Finance Division after taking approval from the competent authority (ED/MD), Head Office.

Prudential norms for banks for purchase transactions

(i) The non performing financial asset purchased, may be classified as ‘standard’ in the books of the purchasing bank for a period of 90 days from the date of purchase. Thereafter, the asset classification status of the financial asset purchased shall be determined by the record of recovery in the books of the purchasing bank with reference to cash flows estimated while purchasing the asset.

(ii) The asset classification status of an existing exposure (other than purchased financial asset) to the same obligor in the books of the purchasing bank will continue to be governed by the record of recovery of that exposure and hence may be different.

(iii) Where the purchase/sale does not satisfy any of the prudential requirements prescribed in these guidelines the asset classification status of the financial asset in the books of the purchasing bank at the time of purchase shall be the same as in the books of the selling bank. Thereafter, the asset classification status will continue to be determined with reference to the date of NPA in the selling bank.

(iv) Any restructure/reschedule/rephrase of the repayment schedule or the estimated cash flow of the non performing financial asset by the purchasing bank shall render the account as a non performing asset.

A.9.14 <u>IRAC norms and provisioning pertaining to Advances to MSME Borrowers registered under Goods and Services Tax (GST)</u>

The exposure to a borrower classified as micro, small and medium enterprise under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, shall continue to be classified as a standard asset in the books of banks subject to the following conditions:

(i) The borrower is registered under the GST regime as on January 31, 2018.

(ii) The aggregate exposure, including non-fund based facilities to the borrower does not exceed Rs. 25 Crore as on January 31, 2018.

(iii) The borrower’s account was standard as on August 31, 2017.

(iv) The amount from the borrower overdue as on September 1, 2017 and payments from the borrower due between September 1, 2017 and January 31, 2018 are paid not later than 180 days from their respective original due dates.

(v) A provision of 5% shall be made against the exposures not classified as NPA in terms of this circular. The provision in respect of the account may be reversed as and when no amount is overdue beyond the 90 day norm.

(vi) The additional time is being provided for the purpose of asset classification only and not for income recognition, i.e., if the interest from the borrower is overdue for more than 90 days, the same shall not be recognised on accrual basis.

<u>Circle Heads to ensure that GST and date of registration be entered in the CBS in all the eligible accounts before 31.03.2018 so that no eligible account slips into NPA category and the accounts which slipped into NPA category in Dec quarter 2017 be upgraded.</u>

A.9.15 VALUATION OF PROPERTIES IN NPA ACCOUNTS

a. The guidelines pertaining to **"Policy on Valuation of Properties"** are issued by **HO: Integrated Risk Management** through **their Circulars issued from time to time, latest being L& A Circulars no. 38/2013 dated 28.03.2013, 103/2014 dated 23.08.2014 and 101/2015 dated 05.11.2015 etc.**

b. **Criteria for valuation in existing accounts**

I. **Para 1 b(i)** of the **L & A Circular no. 38/2013 dated 28.03.13** stipulates the following criteria for valuation in **existing accounts**.

II. Wherever the Incumbent feels that realizable value of IPs is significantly lower than the one on bank's record in accounts with **aggregate limits/ outstanding of Rs.10 lakhs & above but less than Rs.1 crore** and **value of immovable property mortgaged/charged to the bank is Rs.20 lakhs & above**, he may get the property re-valued from the bank's approved valuer provided the valuation is more than **one year old.**

III. As regards borrowal accounts having aggregate **limit of Rs. 1 crore & above**, valuation of immovable properties charged/mortgaged to the Bank be got done from approved valuer **once in three years**.

IV. However, where the value of immovable property to be mortgaged/ charged is Rs.5 crore & above, branches shall get valuation of such IPs done **from minimum two valuers on the Bank's approved panel.**

c. Over a period of time it has been noted that, in some **NPA accounts** periodical valuation of IPs available as secured assets with the Bank, in the names of borrowers and/or guarantors is not got done, in terms of the **"Policy on valuation of Properties" which is a matter of serious concern.** It is imperative to note that such lapses have adverse bearing on Bank's performance parameters e.g profitability, CRAR etc.

I. In absence of correct valuation of property, the **provisioning in NPA accounts as per** RBI norms cannot be computed correctly.

II. **RBI teams and Statutory Auditors also donot** entertain the old valuation reports, as result of which **higher provision rates are advised by them.**

III. In absence of latest valuation report, which **should not be normally more than 1 year old, as per Bank's guidelines for fixation of Reserve Price for a** sale process, non-realistic Reserve Price is fixed, which is the main reason for failure of sale process.

d. Thus, it is clarified that, ***the criteria for valuation of properties (both borrower's and/or guarantors) in existing accounts, circulated through circulars by HO: IRMD also hold good for NPA accounts <u>except</u> where***

<u>OTS /Sale to ARCs proposals/Sale under SARFAESI Act are under consideration/processing, for which separate guidelines have been provided.</u>

Thus it must be ensured that the periodicity stipulated by HO:IRMD is strictly adhered to and proper record of latest valuation reports is also maintained for verification by the Auditors/RBI teams.

In case of NPA accounts, where OTS proposals (Circular no. 5/2016)/Sale to ARCs (Circular no. 5/2017)/ Sale proposals under SARFAESI Act (Circular no. 37/2015) are under consideration/processing, the guidelines stipulated in the Recovery Division Circulars be adhered to.

A.9.16 <u>UPDATION OF DATA OF NPA ACCOUNTS IN CBS SYSTEM</u>

a. Presently, all information related to NPA accounts is extrapolated from the CBS system, including inputs required for the LADDER, which further facilitates to generate various statements, including **quarterly closing returns** based on which, asset classification and provisioning requirements, as per RBI's guidelines, are complied with. During finalization of the Bank's balance Sheet on quarterly basis, NPA provisioning vouchers are passed in the books of accounts of the bank, having direct bearing on profitability of the Bank.

b. **<u>Observations made by RBI & ACB</u>**
RBI officials during **Annual Financial Inspection (AFI)** have also observed that:

"**Value of security is not up-dated in the system periodically, especially in NPA accounts.**"

c. **<u>Importance of up-dation of data in the system</u>**
It is imperative that importance of up-dation is understood by knowing its impact on various performance parameters of the Bank, through following few examples:

- In a loan account, non-updation of stock statement's date may result in slippage to NPA category due to non-financial parameters.

- In an NPA account, despite upward revision in value of security after revaluation, Bank will be making **higher NPA provision, which will adversely affect profitability of the Bank, unnecessarily.** Thus, it is very important that, Bank's guidelines on periodic **valuation of securities in all loan accounts, including NPA accounts are adhered to.** On the other hand in multiple banking and/or consortium advances, **only our Bank's share must be mentioned in the system to calculate correct NPA provision requirement.**

- There will be wrong classification of accounts and thus the financial results of the Bank will not depict a transparent and true picture and attract unwarranted observations from the RBI, SEBI, Investors and general public at large, as well.

Thus, Circle Heads must ensure that account-wise data is up-dated in the CBS, especially in NPA accounts, periodically, in all the branches under their jurisdiction. All the officials are advised to ensure meticulous compliance of the above mentioned guidelines.

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ANNEXURE B

RECOGNITION OF INCOME & APPROPRIATION OF RECOVERY IN NPAS

B.1. <u>Income Recognition Policy</u>

The policy of income recognition is based on record of recovery and objectivity rather than on any subjective considerations. **As per guidelines income from non-performing assets is not recognised on accrual basis but is booked as income only when it is actually realised.** Therefore the branches should not charge and take to income account interest on any NPA. **This will apply to Govt. guaranteed accounts also.**

Interest realized on NPAs may be taken to income provided the credits in the account are not out of fresh/additional credit facilities sanctioned to the borrower concerned.

B.1.1 The guidelines also require that branches should not take to income any fees/ commission and any similar income on non-performing assets until it is actually realised. Similarly charges/expenses/insurance etc. on such a Borrowal account should not be debited to the Borrower's account unless recovered, the same need to be recorded in the Memoranda Account after charging to Bank's Revenue.

B.1.2 However interest on advances against term deposits, NSCs, IVPs, KVPs and Life Policies should be taken to income account on the due date, provided adequate margin is available in the accounts.

B.2. <u>Ascertainment of interest not realised (DI)/Reversal of Interest</u>:

B.2.1 When a credit facility is classified for the first time as NPA the entire interest accrued & credited to the income account in the **past periods**, which has not been realized should be ascertained and same should be reversed and should be credited back in the respective account itself at the close of the **year/half-year/Quarter** at the branch level by debiting Profit & Loss Account with following particulars:

"<u>Unrecovered Interest reversed and recorded in Memoranda A/c</u>"

And stop further application of Interest. This will apply to Govt. guaranteed accounts also.

B.2.2 For operational convenience and future records, it is necessary that Branches should first charge interest (including Penal Interest, if any) up to the date of classification of account as NPA and then

simultaneously ascertain the quantum of interest not realized (DI) which is required to be reversed as above.

This amount will be recorded separately in Memorandum Account.

B.2.3 In respect of NPAs, fees, commission and similar income that have accrued should cease to accrue in the current period and should be reversed with respect of past periods, if uncollected, as above.

B.2.4 Interest on advance guaranteed by Central Government irrespective of its assets classification status is not to be taken to income account unless the interest has been actually realized.

B.3. Future Interest Application

B.3.1 On an account becoming NPA, further application of interest has to be stopped. However Accrued Interest (including Penal Interest, if any) will continue to be recorded in Memorandum accounts.

B.3.2 Fees and commission earned by Bank as a result of renegotiations or re-scheduling of outstanding debts should be recognized on an accrual basis over the period of time covered by the re-negotiated or rescheduled extensions of credit.

B.4 Ascertainment of interest realized/Appropriation of Partial Recoveries:

B.4.1 Appropriation of Recoveries

In the absence of a clear agreement between the bank and the borrower for appropriation of recoveries in NPAs, the appropriation of Recoveries in NPA accounts (irrespective of the mode / status / stage of recovery actions) shall be regulated in the following order of priority:

(i) Expenditure/Out of Pocket Expenses incurred for Recovery (earlier recorded in Memorandum Dues);
(ii) Principal irregularities i.e. NPA outstanding in the account gets updated / adjusted, whichever is earlier;
(iii) Thereafter towards the interest irregularities/accrued interest.

B.4.2 Treatment in Cash Credit- NPA accounts with tagging facility:

Debits in Cash Credit - NPA account with tagging facility can be allowed dependent upon extent of tagging permitted by appropriate authority. The proceeds received through tagging arrangement would also be utilized in the following order:

(i) Expenditure/Out of pocket Expenses incurred for recovery.
(ii) Principal outstanding balance in Working Capital Facility till it is brought within the DP/Limit (Whichever is lower)

(iii) Instalments in arrear in Term Loan Account.
(iv) Recognition of Recorded Interest.

B.4.3 Assets purchased from other banks

Any recovery in respect of a non performing asset purchased from other banks should first be adjusted against its acquisition cost. Recoveries in excess of the acquisition cost can be recognised as profit.

ANNEXURE C

GUIDELINES ON ASSET CLASSIFICATION

All Borrowal accounts (including Borrowal Fraud accounts) need to be classified into four categories taking into account the degree of well defined credit weaknesses, period for which the asset has remained non performing, realisability of the dues and extent of dependence on collateral security for realisation of the dues as given under:

C.1. Standard Assets

C.1.1 Standard asset is one which does not disclose any problem and which does not carry more than normal risk attached to the business. **Such an asset is not an NPA.**

C.1.2 However, Central Govt. Guaranteed advances, although categorized as NPA for the purpose of Income Recognition, are to be treated as **Standard Assets (Govt Guaranteed)** unless Govt repudiates its guarantee when invoked.

C.1.3 State Govt. guaranteed advances are to be classified as sub standard or doubtful or loss, after interest / principal / any other amount due to the bank remains overdue for more than 90 days.

C.1.4 Further, advances against term deposits, NSCs eligible for surrender, Indira VikasPatra, KisanVikasPatras and Life Insurance Policies, are to be classified as Standard assets provided adequate margin is available.

C.2. Sub-standard Assets

A sub-standard asset is one, which has remained NPA for a period less than or equal to 12 months; such an asset will have well defined credit weaknesses that jeopardize liquidation of the debt and are characterized by the distinct possibility that the bank will sustain some loss, if deficiencies are not corrected.

C.3. Doubtful Assets

An asset is classified as doubtful if it remained in the sub-standard category for 12 months.

A loan classified as doubtful has all the weaknesses inherent in assets that were classified as sub-standard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently known facts, conditions and values, highly questionable and improbable.

C.4. Loss Assets

A loss asset is one where loss has been identified by the bank or internal or external auditors or the RBI Inspectors but the amount has not been written off wholly . In other words, such an asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value.

C.5. Classification of NPA straightaway as a Doubtful/Loss in case of serious credit impairment:

The extant instructions provide that a NPA need not go through the various stages of classification in case of serious credit impairment on account of erosion in the value of security or non-availability of security and existence of other factors such as frauds committed by borrowers. Such assets should be straightaway classified as a doubtful/loss as appropriate viz.

(i) Erosion in the value of security can be reckoned as significant when the realisable value of the security is less than 50 per cent of the value assessed by the bank or accepted by RBI at the time of last inspection, as the case may be. Such NPAs may be straightaway classified under doubtful category and provisioning should be made as applicable to doubtful assets.

(ii) If the realizable value of the security, as assessed by the bank's approved valuers/RBI is less than 10% of the outstanding in the borrowal accounts, the existence of security should be ignored and the asset should be straightaway classified as loss asset. It may be either written off or fully provided by the Bank.

C.5.1 Exception

The "unsecured exposures", as defined at Para D.4.6 are the only exceptions to the above guidelines and these shall continue to be classified as Sub-Standard irrespective of the value of security and shall be subjected to future down gradation due to ageing as prescribed.

Loan accounts are to be categories as secured or unsecured based on latest sanction of loan.

C.6. Upgradation to Standard Category

If the arrears of Interest and principal are paid by the borrower and/or in working capital limits, the account does not show irregularities mentioned in A.2.1 above, the account no longer can be treated as NPA and be classified as Standard. There shall be no need to wait till balance sheet date for reclassifying the account as performing.

With regard to up gradation of a Restructured/Rescheduled account which is classified as NPA, the account can be upgraded as Standard as per the Restructuring Guidelines as per Annexure G.

C.7. Validation of Proper Asset Classification

RBI has stipulated that Bank should establish appropriate internal system (including Technology based processes) for proper and timely identification of NPAs and the responsibility and validation levels for ensuring proper asset classification may be fixed by the Bank. RBI has also directed that doubts in asset classification due to any reason are settled through specified internal channels. Accordingly bank has laid down the following guidelines:

C.7.1 Functionaries responsible:

Loan Accounts With Balance Outstanding of	Responsibility & validation level for proper asset classification
Rs.1 crore and above	Circle Head / Branch Head of LCB (Under intimation to Zonal Manager)
Rs.10 lac and above but below Rs.1 crore	AGM/Chief Manager of ELBs/VLBs/MCB/ Circle Office (Under intimation to Circle Head & **Zonal Manager in case of LCB)**
Loan accounts of below Rs. 10 lac	Branch Heads jointly with the Concurrent Auditor wherever posted.
	In other branches, Branch Head jointly with the Incharge of Loans Department.
	Incharge of Loan Department in respect of ELBs/VLBs/LCBs jointly with Concurrent Auditor wherever posted (Loan Officer Incharge wherever Concurrent Auditor is not posted)

For any mistakes found in Asset Classification giving result to MOCs at the time of Audit, the accountability of the Validating Authority can be invoked.

C.7.2 Channels to settle doubts:

Level seeking clarification	Authority to settle the doubts	Maximum Time period
Branch Heads of Branches other than ELBs/ VLBs	AGM/ CM of respective Circles	Within 48 hours of reference received.
Branch Heads of ELBs/VLBs/MCB	Circle Head of respective Circles	Within 3 days of reference received.
Circle Heads/ DGM of LCB	Zonal Manager or any functionary authorized by ZM	Within 3 days of reference received.

C.7.3 All the functionaries should send a copy of clarification/reply to Circle Office and in turn Circle Office should maintain a file of clarifications issued/ received for review by Statutory Central auditors/RBI auditors.

C.7.4 The divergences arising due to non-compliance of prudential norms is under the purview of RBI's financial inspection and subject to accountability and initiating deterrent action including imposition of monetary penalties on the Bank. Functionaries at Branches & Circle offices will be accountable and responsible for proper implementation of Bank's instructions on prudential norms on NPAs.

C.7.5 Central Statutory Auditors of the Bank have observed that classification of Large Borrowal Accounts should objectively be based on record of recovery, credit weakness, availability of collateral securities, Drawing Power, analysis of stock statement etc. Focused attention be paid in this regard to avoid any MOCs at the time of Audit and/or give rise to the mis-matching of perceptions between Auditors and Branch Functionaries.

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ANNEXURE D

GUIDELINES ON PROVISIONING

The Primary responsibility for making adequate provisions for any diminution in the value of loan assets is that of the Branch Manager (and Concurrent Auditor, wherever posted). Therefore it shall be the responsibility of the Branch Manager to ensure that proper data is fed into LADDER system/CBS records particularly with reference to Date of NPA, Value of Security, and Special categories of the Assets etc. to enable the LADDER system/ to correctly classify the NPA accounts and calculate the provisions. The detailed instructions relating to provision requirements of different categories of assets are given hereunder:

D.1. Loss Assets

If loss assets are permitted to remain in the books for any reason, 100% of the outstanding should be provided for.

D.2. Doubtful Assets

100 percent of the extent to which the advance is not covered by the **realisable value of the security** to which the bank has a valid recourse and the realisable value is estimated on a realistic basis. **PLUS**

In regard to the secured portion, provision may be made on the following basis, at the rates ranging from 25 percent to 100 percent of the secured portion depending upon the period for which the asset has remained doubtful:

Period for which the advance has remained in 'doubtful' category		Provision requirement (%)
Up to one year	DB-1	25%
One to three years	DB-2	40%
More than three years	DB-3	100%

(Accounts which are in Doubtful category (DB-3) and where 100% Provisions have been made merely due to ageing need not to be classified as Loss.)

D.3. Sub-standard

A general provision of 15 percent on total outstanding should be made without making any allowance for ECGC guarantee cover and securities available.

D.4 Additional Provision for Unsecured Exposures

D.4.1 The 'unsecured exposures' which are identified as 'substandard' would attract additional provision of 10 per cent, i.e., a total of 25 per cent on the outstanding balance. However, in view of certain safeguards such as escrow accounts available in respect of Infrastructure lending, Infrastructure loan accounts which are classified as Sub Standard will attract a provisioning of 20% instead of aforesaid prescription of 25%. To avail of this benefit of lower provisioning, the bank should have in place an appropriate mechanism to escrow the cash flows and also have a clear and legal first claim on these cash flows.

D.4.2. The rights, licenses, authorizations, etc. charged to the Banks as collateral in respect of projects (including infrastructure projects) financed by them should not be reckoned as tangible security. Such advances shall be reckoned as unsecured.

D.4.3. However annuities under Build-Operate-Transfer (BOT) model in respect of road/highway projects and toll collection rights where there are provisions to compensate the project sponsor if a certain level of traffic is not achieved may be treated as tangible securities subject to the condition that bank's right to receive annuities and toll collection rights is legally enforceable and irrevocable.

D.4.4 It is noticed that most of the infrastructure projects, especially road/highway projects are user-charge based, for which the Planning Commission has published Model Concession Agreements (MCAs). These have been adopted by various Ministries and State Governments for their respective public-private partnership (PPP) projects and they provide adequate comfort to the lenders regarding security of their debt. In view of the above features, in case of PPP projects, the debts due to the lenders may be **considered as secured to the extent assured by the project authority in terms of the Concession Agreement, subject to the following conditions:**

(i) User charges / toll / tariff payments are kept in an escrow account where senior lenders have priority over withdrawals by the concessionaire;

(ii) There is sufficient risk mitigation, such as pre-determined increase in user charges or increase in concession period, in case project revenues are lower than anticipated;

(iii) The lenders have a right of substitution in case of concessionaire default;

(iv) The lenders have a right to trigger termination in case of default in debt service; and

(v) Upon termination, the Project Authority has an obligation of (i) compulsory buy-out and (ii) repayment of debt due in a pre-determined manner.

In all such cases, banks must satisfy themselves about the legal enforceability of the provisions of the tripartite agreement and factor in their past experience with such contracts.

D.4.5 The provisioning requirement for unsecured 'doubtful' assets is 100%.

D.4.6 **Unsecured exposure** is defined as an exposure where the realisable value of the security, as assessed by the bank/approved valuers/Reserve Bank's inspecting officers, is not more than 10 percent, *ab-initio*, of the outstanding exposure. 'Exposure' shall include all funded and non-funded exposures (including underwriting and similar commitments). 'Security' will mean tangible security properly discharged to the bank and will not include intangible securities like guarantees (including State government guarantees), comfort letters etc.

It is further **clarified that:**

(i) Loan accounts are to be categorized as "Secured or Unsecured "based on the latest sanction of the loan accounts.

(ii) Loans where the realizable value of the security, as assessed by the Bank/ Approved Valuers/ RBI Officers is not more than 10% of the exposure based on the latest sanction/ disbursement is to be categorized as UNSECURED EXPOSURE. This is to be decided reckoning all facilities sanctioned to the party/ borrower together including non-fund based facilities as mentioned above.

(iii) In case of borrowers' accounts where sanction/ disbursement is made other than as mentioned at para (ii) above are to be categorized as SECURED. Such accounts when slipped into NPA category with serious credit impairment are directly to be classified as Doubtful or Loss as the case may be and provision upto the extent of 100% of the shortfall in security is to be made.

(iv) Branches having such unsecured exposure, ab-initio should indicate so in the relevant field in the LADDER system for classifying such accounts as Sub-standard and calculation of additional 10% of provision.

D.5. Standard Assets (other than Restructured Advances)

For standard assets, for the funded outstanding on global loan portfolio basis (made at HO level) provisioning requirements (category-wise) are summarized below:

S. No	**Category of standard asset**	**Rate of Provisioning**
a	Direct Advances to agricultural and Small & Micro Sectors (**)	0.25%
b	Advances to Commercial Real Estate (CRE) sector	1.00%
b.1	Advances to Commercial Real Estate – Residential Housing Sector (CRE - RH) (***)	0.75%

c	Housing loan granted at 'Teaser Rates (*)	2.00%
d	All other loans and advances not included in 'a' 'b' & 'c' above	0.40%

(*) The provisioning on these assets would revert to 0.40% after 1 year from the date on which the rates are reset at higher rates if the accounts remain 'standard'.

(**) It is clarified that Medium Enterprises shall attract 0.40% provisions. Kindly be guided by the definition of Medium Enterprises as circulated by MSME Division HO.

(***) CRE-RH would consist of loans to builders/developers for residential housing projects (except for captive consumption) under CRE segment. Such projects should ordinarily not include non-residential commercial real estate. However, integrated housing projects comprising of some commercial space (e.g. shopping complex, school, etc.) can also be classified under CRE-RH, provided that the commercial area in the residential housing project does not exceed 10% of the total Floor Space Index (FSI) of the project. In case the FSI of the commercial area in the predominantly residential housing complex exceeds the ceiling of 10%, the project loans should be classified as CRE and not CRE-RH.

D.6 Advances covered by ECGC/ DICGC guarantee

In the case of advances classified as doubtful guaranteed by DICGC/ECGC, provision should be made only for the balance in excess of the amount guaranteed by these Corporations. Further, while arriving at the provision required to be made for doubtful assets, realisable value of the securities should first be deducted from the outstanding balance in respect of the amount guaranteed by these Corporations and then provision made as illustrated hereunder:

(Rs. In lacs)

Position of account as on 31.03.15		**Provision calculation for 31.03.15**	
Outstanding Balance	40.00	Outstanding Balance	40.00
ECGC cover	50%	Less Value of Security	15.00
Date of NPA	31.03.2012	Unsecured Balance	25.00
Asset Classification	DB-II	Less ECGC Cover	12.50
Value of Security Held	15.00	Net Unsecured Balance	12.50
		Provision Required 31.03.15	
		100% Unsecured Portion	12.50
		40% Secured Portion (DB-II)	6.00
		Total	**18.50**

D.6.1 Advance covered by Credit Guarantee Trust for Micro & Small Enterprises (CGTMSE) and Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) guarantee

In case the advance covered by CGTMSE guarantee becomes non-performing, no provision need be made towards the guaranteed portion. The amount outstanding in excess of the guaranteed portion should be provided for as per the extant guidelines on provisioning for non-performing advances. An illustrative example is given below:

Example

(Rs. In lacs)

Position of account as on 31.03.15		**Provision calculation for 31.03.15**	
Outstanding Balance	25.00	Outstanding Balance	25.00
CGTMSE cover	75% (Max Rs.37.50 lacs)	Less Value of Security	3.75
Date of NPA	31.03.2010	Unsecured Balance	21.25
Asset Classification	DB-III	Less CGTMSE Cover (75%)	15.94
Value of Security Held	3.75	Net Unsecured Balance	5.31
		Provision Required 31.03.15	
		100% Unsecured Portion	5.31
		100% Secured Portion (DB-III)	3.75
		Total	**9.06**

D.7 <u>Advances under rehabilitation package approved by BIFR/ Term Lending Institutions</u>:

D.7.1 Banks are not permitted to upgrade the classification of any advance in respect of which the terms have been negotiated unless the package of renegotiated terms has worked satisfactorily for a period of one year. While the existing credit facilities sanctioned to a unit under rehabilitation packages approved by BIFR/Term Lending Institutions will continue to be classified as Sub standard or doubtful as the case may be, in respect of **additional facilities sanctioned under the rehabilitation packages, the Income Recognition, Asset Classification norms will become applicable after a period of one year from the date of disbursement. So provision on additional facilities sanctioned need not be made for a period of one year from date of disbursement.**

D.7.2 The provision should continue to be made in respect of dues to the bank on the existing credit facilities as per their classification as sub standard or doubtful asset.

D.7.3 In respect of additional credit facilities granted to SSI units which are identified as sick (as per extant RBI guidelines) and where rehabilitation packages / nursing programmes have been drawn by the banks themselves or under consortium arrangements, no provision need be made for a period of one year. In respect of additional credit facilities granted to SME or other units where rehabilitation packages/ nursing programmes have been drawn by the banks themselves or under consortium arrangements, no provision need be made for a period of one year.

D.8 Take Out Finance:

The lending institution should make provisions against a 'take-out finance' turning into NPA pending its take-over by the taking over institution. As and when the asset is taken-over by the taking-over institution, the corresponding provisions could be reversed.

D.*9* Reserve for Exchange Rate Fluctuations Account (RERFA):

When exchange rate movements of Indian rupee turn adverse, the outstanding amount of foreign currency denominated loans (where actual disbursement was made in Indian Rupee) which become overdue, goes up correspondingly, with its attendant implications of provisioning requirements, such assets should not normally be revalued. In case such assets need to be revalued as per requirement of accounting practices or for any other requirement, the following procedure may be adopted:

(i) The loss on revaluation of assets has to be booked in the bank's profit & loss account.

(ii) Besides the provisioning requirement as per Asset Classification, banks should treat the full amount of the Revaluation Gain relating to the corresponding assets, If any, on account of Foreign Exchange Fluctuation as provision against the particular assets.

D.10 Provision for Country Risk

Banks shall make provisions, with effect from the year ending March 31, 2003, on the net funded country exposures on a graded scale ranging from 0.25 to 100 percent according to the risk categories mentioned below. To begin with, banks shall make provisions as per the following schedule:

Risk category	ECGC Classification	Provisioning Requirement (per cent)
Insignificant	A1	0.25
Low	A2	0.25
Moderate	B1	5
High	B2	20
Very high	C1	25
Restricted	C2	100
Off-credit	D	100

Banks are required to make provision for country risk in respect of a country where its net funded exposure is one per cent or more of its total assets.

The provision for country risk shall be in addition to the provisions required to be held according to the asset classification status of the asset. However, in the case of 'loss assets' and 'doubtful assets', provision held, including provision held for country risk, may not exceed 100% of the outstanding.

Banks may not make any provision for 'home country' exposures i.e. exposure to India. The exposures of foreign branches of Indian banks to the host country should be included. Foreign banks shall compute the country exposures of their Indian branches and shall hold appropriate provisions in their Indian books. However, their exposures to India will be excluded.

Banks may make a lower level of provisioning (say 25% of the requirement) in respect of short-term exposures (i.e. exposures with contractual maturity of less than 180 days).

D.11 Leased Assets:

Recognition of income in case of non performing leased assets: The net lease rentals (Finance charge) on the leased asset accrued and credited to income account before the asset became non performing, and remaining unrealized, should be reversed or provided for in the current accounting period. The terms 'net lease rental' would mean the amount of finance charge taken to the credit of P&L account and would be worked out as gross lease rentals adjusted by amount of statutory depreciation and lease equalization account.

D.11.1 Provisioning norms for non performing lease assets

i	Sub-Standard Assets	15 % of the sum of the net investment in the lease and the unrealized portion of finance income net of finance charge component. Unsecured lease exposures which are identified as Sub-standard, as defined in C.4.6 above, would attract additional provision of 10% i.e. total of 25%.
ii	Doubtful Asset	100% of the extent to which the finance is not secured by the realisable value of the leased asset. Realisable value to be estimated on a realistic basis. In addition to the above provision, provision at the following rates should be made on the sum of the net investment in the lease and the unrealised portion of finance income net of finance charge component of the secured portion, depending upon the period for which asset has been doubtful: **Period%age of Provision** Upto 1 year 25 1 to 3 years 40 Above 3 years 100
iii	Loss Asset	The entire asset should be written off. If for any reason, asset is allowed to remain in books, 100% of the sum of net investment in the lease and the

		unrealized portion of finance income net of finance charge component should be provided for.

The terms "Net Investment in the lease", "Finance income" and "Finance Charges" are as defined in AS-19 leases, issued by ICAI.

D.12 Provisions for Diminution of Fair Value

Provisions for diminution of fair value of restructured advances, both in respect of Standard Assets as well as NPAs, made on account of reduction in rate of interest and / or reschedulement of principal amount are permitted to be netted from the relative asset.

D.13 Sale of Financial Assets – Provisioning Norms

Bank's Policy for Transfer/ Sale of Financial Assets to Securitisation Companies/ Reconstruction Companies/Banks/FIs/NBFCs is circulated separately by Recovery Division from time to time. In case any sale transaction has taken place in terms of the policy, following guidelines should be strictly complied with:

Prudential norms for the sale transactions to SCs/RCs

a. When the bank sells its financial assets to Securitization Company/ Reconstruction Company, on transfer the same will be removed from its books.
b. If the sale to SCs/RCs is at a price below the Net Book Value (NBV) (i.e Book Value less provisions held), the shortfall should be debited to the Profit & Loss account of that year. *Bank can also use countercyclical / floating provisions for meeting the shortfall on sale of NPAs i.e when the sale is at a price below the NB*V.
c. For assets sold on or after 26.02.2014 and upto 31.03.2016, as incentive for early sale of NPAs, banks can spread over any shortfall, if the sale value is lower than the NBV, over a period of two years. However, assets sold from 01.04.16 to 31.03.17, shortfall is to be amortized over a period of only four quarters from the quarter, in which the sale took place. This facility of spreading over the shortfall will be subject to necessary disclosures in the Notes to Account in the Annual financial Statements of the Bank.
d. Banks may reverse the excess provision on sale of NPAs, if the sale value is for a value higher than the NBV, to its profit and loss account in the year, the amounts are received. However, Bank can reverse excess provision arising out of sale of NPAs, only when the cash received (by way of initial consideration and/or redemption of SRs/PTCs) is higher than the NBV of the asset. Further, reversal of excess provision will be limited to the extent to which cash received exceeds the NBV of the asset.
e. With regard to assets sold before 26th Februray, 2014, the quantum of excess provision reversed to the profit & loss account on account of sale of NPAs shall be disclosed in the financial statements of the Bank, under "Notes to Accounts".

Prudential norms for the sale transactions to Other Banks/FIs/NBFCs (other than SCs/RCs) etc.

(a) When the bank sells its NPAs to other Banks/FIs/NBFCs etc., the same will be removed from the books on receipt of full payment/transfer.
(b) If sale is at a price below the Net Book Value (NBV) i.e. Book Value less provision held, the shortfall shall be debited to the Profit & Loss A/c of that year.
(c) If sale is for a value higher than the Net Book Value (NBV) i.e. Book Value less provision held, the excess provision shall not be reversed but will be utilized to meet the shortfall/loss on account of sale of other NPAs.
(d) In case there is overall surplus over and above the excess provision in any of the sale transaction that surplus amount will be taken in the profit & loss a/c.

The provisions of above mentioned paras shall be given effect to, by the Finance Division after taking approval from the competent authority (ED/MD), Head Office.

Prudential norms for banks for purchase transactions

(i) The non performing financial asset purchased, may be classified as 'standard' in the books of the purchasing bank for a period of 90 days from the date of purchase. Thereafter, the asset classification status of the financial asset purchased shall be determined by the record of recovery in the books of the purchasing bank with reference to cash flows estimated while purchasing the asset.
(ii) The asset classification status of an existing exposure (other than purchased financial asset) to the same obligor in the books of the purchasing bank will continue to be governed by the record of recovery of that exposure and hence may be different.
(iii) Where the purchase/sale does not satisfy any of the prudential requirements prescribed in these guidelines the asset classification status of the financial asset in the books of the purchasing bank at the time of purchase shall be the same as in the books of the selling bank. Thereafter, the asset classification status will continue to be determined with reference to the date of NPA in the selling bank.
(iv) Any restructure/reschedule/rephrase of the repayment schedule or the estimated cash flow of the non performing financial asset by the purchasing bank shall render the account as a non performing asset.

D.14 Wilful Defaulters and Non-Cooperative Borrowers

Instructions regarding treatment of Wilful Defaulters are contained in Recovery Division Circular no. 22/2015 dated 31.08.15. In addition to these instructions and with a view to ensuring better corporate governance structure in companies and ensuring accountability of independent/professional directors, promoters, auditors, etc. henceforth, the following prudential measures will be applicable:

(a) The provisioning in respect of existing loans/exposures of banks to companies having director/s (other than nominee directors of government/financial institutions brought on board at the time of distress), whose name/s appear more than once in the list of wilful defaulters, will be 5% in cases of standard accounts; if such account is classified as NPA, it will attract accelerated provisioning. This is a prudential measure since the expected losses on exposures to such borrowers are likely to be higher. It is reiterated that no additional facilities should be granted by any bank/FI to the listed wilful defaulters.

Asset Classification	PeriodasNPA	Currentprovisioning (%)	Revised accelerated provisioning
Sub-standard (secured)	Upto6 months	15	Nochange
	6 months to 1 year	15	25
Sub-standard (unsecured ab-initio)	Upto 6 months	25 (other than infrastructureloans)	25
		20 (infrastructure loans)	
	6 months to 1 year	25 (other than infrastructureloans)	40
		20(infrastructure loans)	
Doubtful I	2nd year	25(securedportion)	40(securedportion)
		100 (unsecured portion)	100(unsecured portion)
Doubtful II	3rd&4th year	40(securedportion)	100for both secured and
		100 (unsecured portion)	
Doubtful III	5th year	100	100

(b) With a view to discouraging borrowers/defaulters from being unreasonable and non-cooperative with lenders in their bonafide resolution/recovery efforts, banks may classify such borrowers as non-cooperative borrowers, after giving them due notice if satisfactory clarifications are not furnished. *A non-cooperative borrower is one who does not engage constructively with his lender by defaulting in timely repayment of dues while having ability to pay, thwarting lenders' efforts for recovery of their dues by not providing necessary information sought, denying access to assets financed / collateral securities, obstructing sale of securities, etc. In effect, a non-cooperative borrower is a defaulter who deliberately stone walls legitimate efforts of the lenders to recover their dues.* Banks will be required to report classification of such borrowers to CRILC. Further, If any particular entity reported as non-cooperative, any fresh exposure to such a borrower will by implication entail greater risk necessitating higher provisioning. Banks/FIs will therefore be required to make higher provisioning as applicable to substandard assets in respect of new loans sanctioned to such borrowers as also new loans sanctioned to any other company that has on its board of directors any of the whole time directors/promoters of a non-cooperative borrowing company or any firm in which such a non-cooperative borrower is in charge of management of the affairs. However, for the purpose of asset classification and income recognition, the new loans would be treated as standard assets. This is a prudential measure since the expected losses on exposures to such non-cooperative borrowers are likely to be higher.

D.16 Provisions in respect of all cases of Fraud

a. The entire amount due to the bank (irrespective of the quantum of security held against such assets), or for which the bank is liable (including in case of deposit accounts), is to be provided for over a period not exceeding four quarters commencing with the quarter in which the fraud has been detected;

b. However, where there has been delay, beyond the prescribed period, in reporting the fraud to the Reserve Bank, the entire provisioning is required to be made at once. In addition, Reserve Bank of India may also initiate appropriate supervisory action where there has been a delay by the bank in reporting a fraud, or provisioning there against.

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ANNEXURE E

OPERATING INSTRUCTIONS & ACCOUNTING

E.1 General Clarifications/Guidelines

E.1.1 For treating an irregular account as NPA some branches wrongly mention the date as at the end of financial year i.e. 31st March. For example, in case an account becomes out of order or irregular from 26.01.2013, it shall be treated as NPA as on 26.04.2013, in case default persists. **The date of NPA in this account will be 26.04.2013 (and not 30.06.2013).**

E.1.2 Pari-passu/second charge on all block assets should be treated as security. While calculating our share, availability of security to cover our exposure & share in security of the 1st charge holder should be assessed.

E.1.3 Surplus security available in one facility of an account should be considered in another facility of the same borrower where there is shortfall.

E.1.4 In case of primary security, value of security should be taken on the basis of the latest stock report. In case the stock report is not available/ old, bank official should inspect the stock physically, after drawing a stock report where signature of borrower/ borrower's authorised signatory is obtained and fair value be arrived at.

E.1.5 Net means of borrowers and guarantors are not to be included as security.

E.1.6 In all accounts identified as NPAs including Govt. guaranteed accounts under standard assets, the unrealized interest (earlier termed as Derecognized Interest) and future interest is to be recorded only. Further, in NPA accounts (except where operations are allowed under tagging arrangement & accounts covered under Credit Guarantee scheme) **expenses like Insurance Premium, Stamp Duty, Legal Expenses, Emoluments paid to the Godown Keeper or such other expenses incurred for safeguarding the interest of the bank should not be debited to the concerned NPA account.** Instead, such expenses should be charged to revenue and recorded in the NPA Memoranda Account. The same may be claimed by the branch from the borrower at the time of filing the suit or entering into Negotiated Settlement. If recovered, the same may be taken to revenue at the time of actual recovery'.

In NPA Accounts where operations are allowed as per the tagging arrangement by the competent authority, such charges are to be recovered in addition to tagging.

E.2 Maintenance of Memorandum Record

E.2.1 The outstanding balance in the account as on date of transfer shall be the opening debit entry in the Memoranda Records Section. Thereafter, the interest on quarterly/half-yearly rests, as the case may be, shall be calculated and posted. All other debit and credit vouchers as are entered in the Ledger Section shall also be entered in the Memoranda Record Section.

E.2.2 Ledger Section of NPA Ledger shall reflect balance outstanding without interest/charges elements; and the Memoranda Record Section of NPA Ledger shall reflect balance outstanding inclusive of recorded interest/charges etc.

E.2.3 It is clarified that even after the account gets classified as NPA, notwithstanding that interest is not to be debited to the Loan Accounts of the party, the interest (including Penal Interest) shall continue to accrue in terms of loan agreement/documents.

E.2.4 While initiating Recovery Actions viz. SARFAESI/DRT Claim etc. it is the Memorandum Dues (i.e. including Penal Interest) that have to be taken cognizance of and claimed.

E.2.5 For the purpose of negotiating OTS offers, if any, the Memorandum Dues is the starting point of Negotiations and Recoverable Dues as calculated in terms of OTS Policy are purely for internal purpose and have to be kept strictly confidential.

E.2.6 Whenever a Statement of Account is demanded by the party and/or is required to be issued / filed in the Court etc., it should be the copy of Memorandum of Account only.

E.2.7 **Whenever any payment through cheque is collected in any NPA account, except where operation is being allowed, the credit entry pertaining to such payment should only be credited after realization of the cheque. (Till realization, such credit be kept in 'Sundry' account). Collection of any cheque/Transfer Instruments in NPA accounts is strictly prohibited.**

E.3 Foreign Currency Denominated Loan accounts

For Credit facilities granted in Foreign Currencies Recovery Action i.e. Filing of Suit and Action under SARFAESI Act against the borrower/obligates shall continue to be governed as per the underlying loan agreements/contracts i.e. if the contract/agreement provide recovery in Foreign Currency then Demand/Claim has to be realized in Foreign Currency. Further, valuation of such NPA accounts for the purpose of reporting as on Balance Sheet date shall continue to be converted in Indian Rupee as per notional rates and difference, if any due to exchange fluctuation shall continue to be routed through Exchange Fluctuation Reserves as hitherto.

E.4 Allocated Limits

In case an account having allocated limits at other branches becomes NPA, all the facilities including the allocated limits of the borrowers should be treated as NPA and further there should be no increase in bank's exposure/irregularity. In the absence of close liaison/communication between parent branch and branch having allocated limits, even after an account is identified as NPA, the later by mistake may allow operation thereby creating chances of increase in exposure in the account. Therefore, it is advised when an account becomes NPA and action for recovery is contemplated, the branch having allocated limit should immediately transfer the account to the parent branch for better control/monitoring. However, branch which was having allocated limits should continue checking/verification of stocks/securities as per the instructions of the parent branch. Even if Rehabilitation/Restructuring is contemplated, there appears to be no justification in allowing the allocated limit to continue at the other branch in the CBS environment. **Therefore, Allocated Limit cannot be allowed to be continued/ parked at a branch other than the parent branch, without the prior written permission of the Controlling Authorities. Parent branch should call back the allocated limit from the Service Branch immediately after account gets classified as NPA.**

E.5. Generation of Report on calculation of RI/Memoranda Dues:

Functionality has been provided for generation of a report on calculation of RI and Memoranda Dues in respect of NPA accounts, therefore, the Memoranda Dues have to be kept updated, as information in respect of Recorded Interest is now a part of disclosure/ transparency guidelines on Balance Sheet.

E.6. Maintenance of Record of Written off Accounts:

Functionality has been provided for Creation of kitty of Written off accounts to monitor recovery in such accounts, which should be updated at all times.

E.7 NPA Management – Requirement of Effective Mechanism and Granular Data

(i) Asset quality of bank is one of the most important indicators of its financial health. Bank has, therefore put in place a robust MIS mechanism for early detection of signs of distress at individual account level as well as at segment level (asset class, industry, geographic, size, etc.). Such early warning signals should be used for putting in place an effective preventive asset quality management framework, including a transparent restructuring mechanism for viable accounts under distress within the prevailing regulatory framework, for preserving the economic value of those entities in all segments.

(ii) The bank's IT and MIS system are robust and able to generate reliable and quality information with regard to their asset quality for effective decision making. There should be no inconsistencies between information furnished under regulatory / statutory reporting and the bank's own MIS reporting. Branches should also have system generated segment wise information on non-performing assets and restructured assets which may include data on the opening balances, additions, reductions (up gradations, actual recoveries, write-offs etc.), closing balances, provisions held, etc.

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ANNEXURE F

PRUDENTIAL NORMS FOR PROJECTS UNDER IMPLEMENTATION

The guidelines given below relate to IRAC norms for projects under implementation <u>in general</u>. For projects restructured/covered under specific schemes (flexible restructuring etc.) and for Refinancing of Project Loans, Financing of Cost Overruns for Projects under implementation and other topics relating to Project under implementation please refer to relevant L&A circulars for operational guidelines and amendments in undernoted guidelines, if any.

F.1 For all projects financed by the FIs/ banks , the 'Date of Completion' and the 'Date of Commencement of Commercial Operations' (DCCO), of the project should be clearly spelt out at the time of financial closure of the project and the same should be formally documented.

F.2 There are occasions when the completion of projects is delayed for legal and other extraneous reasons like delays in Government approvals etc. All these factors, which are beyond the control of the promoters, may lead to delay in project implementation and involve restructuring / reschedulement of loans by banks. Accordingly, the following asset classification norms would apply to the project loans before commencement of commercial operations.

F.3 A project with multiple independent units may be deemed to have commenced commercial operations from the date when the independent units representing 50 per cent (or higher) of the originally envisaged capacity have commenced commercial operations the final output as originally envisaged, subject to the following conditions:

a) The units representing remaining 50 per cent (or lower) of the originally envisaged capacity shall commence commercial operations within a maximum period of one year deemed date of commencement of commercial operations;
b) Commercial viability of the project is reassessed beyond doubt; and

c) Capitalisation of interest obligation in respect of project debt component attributable to the units of the plant which have commenced commercial operations has to cease and the revenue expenditure is booked under revenue account.

F.4 In such cases, banks may, at their discretion, also effect a consequential shift in repayment schedule of the debt attributable to units which have not commenced commercial operations for equal or shorter duration (including the start date and end date of revised repayment schedule) i.e., one year, subject to adhering to other applicable guidelines.

F.5 However, if the remaining units do not commence commercial operations within the stipulated time, the account will attract asset classification norms applicable to projects under implementation and accordingly treated as non-performing asset upon expiry of the one year period indicated at F.3(a) above.

F.6 Guidelines relating to project loans which are applicable after DCCO of a project, including flexible structuring of project loans shall not be applicable to project loans attributable to units which have not commenced commercial operations.

F.7 'Project Loan' would mean any term loan which has been extended for the purpose of setting up of an economic venture. The project loans have been divided into the following two categories:
(a) Project Loans for infrastructure sector
(b) Project Loans for non-infrastructure sector

F.8 Asset classification norms in case of Deferment of Date of Commencement of Commercial Operations (DCCO) before commencement of commercial operations

i) Deferment of DCCO and consequential shift in repayment schedule for equal or shorter duration (including the start date and end date of revised repayment schedule) will not be treated as restructuring provided that:

a. The revised DCCO falls within the period of two years and one year from the original DCCO stipulated at the time of financial closure for infrastructure projects and non-infrastructure projects (including commercial real estate projects) respectively; and

b. All other terms and conditions of the loan remain unchanged.

These will be treated as standard assets in all respects and they will attract standard asset provision of 0.40 per cent.

ii)Banks may restructure project loans (except commercial real estate sector) by way of revision of DCCO beyond the time limits quoted at paragraph (i) (a) above and retain the ‘standard’ asset classification, if the fresh DCCO is fixed within the following limits, and the account continues to be serviced as per the restructured terms:

(a) ***Infrastructure Projects involving court cases:*** Up to another two years (beyond the two year period quoted at paragraph 1(a)above, i.e., total extension of four years), in case the reason for extension of DCCO is arbitration proceedings or a court case.

(b) **Infrastructure Projects delayed for other reasons beyond the control of *promoters:*** Up to another one year (beyond the two year period quoted at paragraph 1(a)above, i.e., total extension of three years), in case the reason for extension of DCCO is beyond the control of promoters (other than court cases).

(c) ***Project Loans for Non-Infrastructure Sector (Other than Commercial Real Estate Exposures):*** Up to another one year (beyond the one year period quoted at paragraph i(a)above, i.e., total extension of two years).

(iii). It is re-iterated that a loan for a project may be classified as NPA during any time before commencement of commercial operations as per record of recovery (90 days overdue).It is further re-iterated that the dispensation at paragraph (ii) is subject to the condition that the application for restructuring should be received before the expiry of period mentioned at paragraph (i)(a)above and when the account is still standard as per record of recovery. The other conditions applicable would be:

a. In cases where there is moratorium for payment of interest, banks should not book income on accrual basis beyond two years and one year from the original DCCO for infrastructure and non-infrastructure projects respectively, considering the high risk involved in such restructured accounts.
b. Banks should maintain following provisions on such accounts as long as these are classified as standard assets in addition to provision for diminution in fair value due to extension of DCCO:

Particulars	**Provisioning Requirement**
If the revised DCCO is within two years/one year from the original DCCO prescribed at the time of financial closure for infrastructure and non-infrastructure projects respectively	0.40 per cent
If the DCCO is extended: i) Beyond two years and upto four years or three years from the original DCCO, as the case may be, for infrastructure projects depending upon the reasons for such delay ii) Beyond one years and upto two years from the original DCCO, for non-infrastructure projects	Project loans restructured with effect from June 1, 2013: 5.00 per cent – From the date of such restructuring till the revised DCCO or 2 years from the date of restructuring, whichever is later Stock of project loans classified as restructured as on June 1, 2013: * 3.50 per cent - with effect from March 31, 2014 (spread over the four quarters of 2013-14) * 4.25 per cent - with effect from March 31, 2015 (spread over the four quarters of 2014-15) * 5.00 per cent - - with effect from March 31, 2016 (spread over the four quarters of 2015-16) The above provisions will be applicable from the date of restructuring till the revised DCCO or 2 years from the date of restructuring, whichever is later.

(iv) In case of infrastructure projects under implementation, where Appointed Date (as defined in the concession agreement) is shifted due to the inability of the Concession Authority to comply with the requisite conditions, change in date of commencement of commercial operations (DCCO) need not be treated as 'restructuring', subject to following conditions:

a) The project is an infrastructure project under public private partnership model awarded by a public authority;
b) The loan disbursement is yet to begin;
c) The revised date of commencement of commercial operations is documented by way of a supplementary agreement between the borrower and lender and;
d) Project viability has been reassessed and sanction from appropriate authority has been obtained at the time of supplementary agreement.

F.9 Projects under Implementation – Change in Ownership

i. In order to facilitate revival of the projects stalled primarily due to inadequacies of the current promoters, if a change in ownership takes place any time during the periods quoted in paragraphs mentioned in F.8 above or before the original DCCO, banks may permit extension of the DCCO of the project up to two years in addition to the periods quoted at paragraph F.8 above, as the case may be, without any change in asset classification of the account subject to the conditions stipulated in the following paragraphs. Banks may also consequentially shift/extend repayment schedule, if required, by an equal or shorter duration.

ii. In cases where change in ownership and extension of DCCO (as indicated in paragraph F.8 (i) above takes place before the original DCCO, and if the project fails to commence commercial operations by the extended DCCO, the project will be eligible for further extension of DCCO in terms of guidelines quoted at paragraph F.8 above. Similarly, where change in ownership and extension of DCCO takes place during the period quoted in paragraph F.8 (i) above, the account may still be restructured by extension of DCCO in terms of guidelines quoted at paragraph F.8 (ii) above, without classifying the account as non-performing asset.

iii. The provisions of paragraphs F.9 (i) and (ii) above are subject to the following conditions:
   (a) Banks should establish that implementation of the project is stalled/affected primarily due to inadequacies of the current promoters/management and with a change in ownership there is a very high probability of commencement of commercial operations by the project within the extended period;
   (b) The project in consideration should be taken-over/acquired by a new promoter/promoter group with sufficient expertise in the field of operation. If the acquisition is being carried out by a special purpose vehicle (domestic or overseas), the bank should be able to clearly

demonstrate that the acquiring entity is part of a new promoter group with sufficient expertise in the field of operation;

(c) The new promoters should own at least 51 per cent of the paid up equity capital of stake in the acquired project. If the new promoter is a non-resident, and in sectors where the ceiling on foreign investment is less than 51 per cent, the new promoter should own atleast 26 per cent of the paid up equity capital or up to applicable foreign investment limit, whichever is higher, provided banks are satisfied that with this equity stake the new non-resident promoter controls the management of the project;

(d) Asset classification of the account as on the 'reference date' would continue during the extended period. For this purpose, the 'reference date' would be the date of execution of binding agreement between the parties to the transaction, provided that the acquisition/takeover of ownership as per the provisions of law/regulations governing such acquisition/takeover is completed within a period of 12 months days from the date of execution of such binding agreement. Further in line with other guidelines on change in ownership, there will be 'stand-still' in asset classification status during the above 12 month period. If the change in ownership is not completed within 12 months from the date of the binding agreement, the asset classification will be as per the extant asset classification norms, assuming the aforesaid 'stand-still' in asset classification had not been given.

(e) The new owners/promoters are expected to demonstrate their commitment by bringing in substantial portion of additional monies required to complete the project within the extended time period.

(f) Intra-group business restructuring/mergers/acquisitions and/or takeover/acquisition of the project by other entities/subsidiaries/associates etc. (domestic as well as overseas), belonging to the existing promoter/promoter group will not qualify for this facility. The banks should clearly establish that the acquirer does not belong to the existing promoter group;

(g) While considering the extension of DCCO (up to an additional period of 2 years) for the benefits envisaged hereinabove, banks shall make sure that the repayment schedule does not extend beyond 85 per cent of the economic life/concession period of the project; and

(h) This facility would be available to a project only once and will not be available during subsequent change in ownership, if any.

iv. Loans covered under this guideline would attract provisioning as per the extant provisioning norms depending upon their asset classification status.

F.10 Other Issues

(i) All other aspects of restructuring of project loans before & after commencement of commercial operations would be governed by the provisions of Annexure G of this Circular.

(ii) Any change in the repayment schedule of a project loan caused due to an increase in the project outlay on account of increase in scope and size of the project, would not be treated as restructuring if:

(a) The increase in scope and size of the project takes place before commencement of commercial operations of the existing project.
(b) The rise in cost excluding any cost-overrun in respect of the original project is 25% or more of the original outlay.
(c) The bank re-assesses the viability of the project before approving the enhancement of scope and fixing a fresh DCCO.
(d) On re-rating, (if already rated) the new rating is not below the previous rating by more than one notch.

(iii) Multiple revisions of the DCCO and consequential shift in repayment schedule for equal or shorter duration (including the start date and end date of revised repayment schedule) will be treated as a single event of restructuring provided that the revised DCCO is fixed within the respective time limits stipulated at paragraphs F.8 (ii) above, and all other terms and conditions of the loan remained unchanged.

(iv) Banks, if deemed fit, may extend DCCO beyond the respective time limits stipulated at paragraphs F.8 (ii) above; however, in that case, banks will not be able to retain the 'standard' asset classification status of such loan accounts.

(v) In all the above cases of restructuring where regulatory forbearance has been extended, the Boards of banks should satisfy themselves about the viability of the project and the restructuring plan.

F.11 Income Recognition

(i) Banks may recognize income on accrual basis in respect of the projects under implementation, which are classified as 'standard'.

(ii) Banks should not recognize income on accrual basis in respect of the projects under implementation which are classified as a 'substandard' asset. Banks may recognize income in such accounts only on realization on cash basis.

(iii)Banks which have wrongly recognized income in the past should reverse the interest if it was recognized as income during the current year or make a provision for an equivalent amount if it was recognized as income in the previous year(s).

As regards the regulatory treatment of 'funded interest' recognized as income and 'conversion into equity, debentures or any other instrument' banks should adopt the following:

a) <u>Funded Interest</u>: Income recognition in respect of the NPAs, regardless of whether these are or are not subjected to restructuring/ rescheduling/ renegotiation of terms of the loan agreement, should be done strictly on cash basis, only on realization and not if the amount of interest overdue has been funded. If, however, the amount of funded interest is recognized as income, a provision for an equal amount should also be made simultaneously. In other words, any funding of interest in respect of NPAs, if recognized as income, should be fully provided for.

b) Conversion into equity, debentures or any other instrument: The amount outstanding converted into other instruments would normally comprise principal and the interest components. If the amount of interest dues is converted into equity or any other instrument, and income is recognised in consequence, full provision should be made for the amount of income so recognised to offset the effect of such income recognition. Such provision would be in addition to the amount of provision that may be necessary for the depreciation in the value of the equity or other instruments, as per the investment valuation norms. However, if the conversion of interest is into equity which is quoted, interest income can be recognised at market value of equity, as on the date of conversion, not exceeding the amount of interest converted to equity. Such equity must thereafter be classified in the "available for sale" category and valued at lower of cost or market value. In case of conversion of principal and /or interest in respect of NPAs into debentures, such debentures should be treated as NPA, ab initio, in the same asset classification as was applicable to loan just before conversion and provision made as per norms. This norm would also apply to zero coupon bonds or other instruments which seek to defer the liability of the issuer. On such debentures, income should be recognised only on realisation basis. The income in respect of unrealised interest which is converted into debentures or any other fixed maturity instrument should be recognised only on redemption of such instrument. Subject to the above, the equity shares or other instruments arising from conversion of the principal amount of loan would also be subject to the usual prudential valuation norms as applicable to such instruments.

F.12 Prudential Norms relating to Refinancing of Exposures to Borrowers

A. Repayment/refinancing of rupee loans with foreign currency borrowings/export advances, where permitted, will be subject to the following conditions:

a) If the foreign currency borrowings/export advances, where permitted under the guidelines issued under the Foreign Exchange Management Act, 1999 (42 of 1999), are obtained from lenders who are not part of the Indian banking system (Indian banking system would include all banks in India and overseas branch/subsidiary/joint venture of Indian banks) without any support from the Indian banking system in the form of Guarantees/Standby Letters of Credit/Letters of Comfort etc., the same may be utilised to refinance/repay loans availed from the Indian banking system.

b) If the foreign currency borrowings/export advances are obtained:

(i) From lenders who are part of Indian banking system (where permitted); or

(ii) With support (where permitted) from the Indian banking system in the form of Guarantees/Standby Letters of Credit/Letters of Comfort, etc.;

then, in addition to any applicable guidelines issued under the Foreign Exchange Management Act, 1999 (42 of 1999), the refinance shall be treated as 'restructuring' (and classified/provided for as per extant prudential norms on income recognition, asset classification and provisioning), if the above borrowings/export advances are extended to a borrower who is under financial difficulty and involve concessions that the bank would otherwise not consider. A non-exhaustive and indicative list of signs of financial difficulty is provided at paragraph C below.

B. Further repayment/refinancing of foreign currency borrowings outstanding with a bank, by way of rupee loans or another foreign currency loan (where permitted) or based on support (where permitted) in the form of Guarantees/Standby Letters of Credit/Letters of Comfort, etc. from lenders who are part of Indian banking system would also be governed by the prudential guidelines stipulated at A(b) above.

C. Non-Exhaustive Indicative List of Signs of Financial difficulty

- Continuous irregularities in cash credit/overdraft accounts such as inability to maintain stipulated margin on continuous basis or drawings frequently exceeding sanctioned limits, periodical interest debited remaining unrealised;
- Repeated undue delay in making timely payment of instalments of principal and interest on term loans;
- Undue delay in meeting commitments towards payments of installments due, crystallized liabilities under LC/BGs, etc.
- Continuing inability to adhere to financial loan covenants;
- Failure to pay statutory liabilities, non- payment of bills to suppliers of raw materials, water, power, etc.;
- Non-submission or undue delay in submission or submission of incorrect stock statements and other control statements, delay in publication of financial statements and excessively qualified financial statements;
- Delay in project implementation;
- Downward migration of internal/external ratings/rating outlook.

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ANNEXURE G

PRUDENTIAL GUIDELINES ON RESTRUCTURING OF ADVANCES BY BANKS

The guidelines given below relate to IRAC norms for Restructuring of Advances in general. For specific schemes (flexible restructuring, CDR, SDR, S4A, etc.) please refer to relevant L&A circulars for operational guidelines and amendments in undernoted guidelines, if any.

Background

A restructured account is one where the bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that the bank would not otherwise consider. Restructuring would normally involve modification of terms of the advances / securities, which would generally include, among others, alteration of repayment period / repayable amount/ the amount of instalments / rate of interest (due to reasons other than competitive reasons). However, extension in repayment tenor of a floating rate loan on reset of interest rate, so as to keep the EMI unchanged provided it is applied to a class of accounts uniformly will not render the account to be classified as 'Restructured account'. In other words, extension or deferment of EMIs to individual borrowers as against to an entire class, would render the accounts to be classified as 'restructured accounts'.

G.2 In the cases of roll-over of short term loans, where proper pre-sanction assessment has been made, and the roll-over is allowed based on the actual requirement of the borrower and no concession has been provided due to credit weakness of the borrower, then these might not be considered as restructured accounts. However, if such accounts are rolled-over more than two times, then third roll-over onwards the account would have to be treated as a restructured account. Besides, banks should be circumspect while granting such facilities as the borrower may be availing similar facilities from other banks in the consortium or under multiple banking. Further, Short Term Loans for the purpose of this provision do not include properly assessed regular Working Capital Loans like revolving Cash Credit or Working Capital Demand Loans.

G.3 Eligibility criteria for restructuring of advances

G.3.1 Banks may restructure the accounts classified under 'standard', 'sub- standard' and 'doubtful' categories.

G.3.2 Banks cannot reschedule / restructure / renegotiate borrowal accounts with retrospective effect. While a restructuring proposal is under consideration, the usual asset classification norms would continue to apply. The process of re- classification of an asset should not stop merely because restructuring proposal is under consideration. The asset classification status as on the date of approval of the restructured package by the competent authority would be relevant to decide the asset classification status of the account after restructuring / rescheduling / renegotiation.

G.3.3 Normally, restructuring cannot take place unless alteration / changes in the original loan agreement are made with the formal consent / application of the debtor. However, the process of restructuring can be initiated by the bank in deserving cases subject to customer agreeing to the terms and conditions.

G.3.4 No account will be taken up for restructuring by the banks unless the financial viability is established and there is a reasonable certainty of repayment from the borrower, as per the terms of restructuring package. Any restructuring done without looking into cash flows of the borrower and assessing the viability of the projects / activity financed by banks would be treated as an attempt at ever greening a weak credit facility and would invite supervisory action by RBI. Banks should accelerate the recovery measures in respect of such accounts. The viability should be determined by the banks based on the acceptable viability benchmarks determined by them, which may be applied on a case-by-case basis, depending on merits of each case. Illustratively, the parameters may include the Return on Capital Employed, Debt Service Coverage Ratio, Gap between the Internal Rate of Return and Cost of Funds and the amount of provision required in lieu of the diminution in the fair value of the restructured advance. As different sectors of economy have different performance indicators the viability should be determined by the banks based on the acceptable viability parameters and benchmarks for each parameter determined by them. The benchmarks for the viability parameters adopted by the CDR Mechanism are given hereunder. RBI has advised that the individual banks may suitably adopt them with appropriate adjustments, if any, for specific sectors while restructuring of accounts in non-CDR cases.

G.3.4.1Broad benchmarks for the viability parameters

i. Return on capital employed should be at least equivalent to 5 year Government security yield plus 2 per cent.

ii. The debt service coverage ratio should be greater than 1.25 within the 5 years period in which the unit should become viable and on year to year basis the ratio should be above 1. The normal debt service coverage ratio for 10 years repayment period should be around 1.33.

iii. The benchmark gap between internal rate of return and cost of capital should be at least 1per cent.

iv. Operating and cash break even points should be worked out and they should be comparable with the industry norms.

v. Trends of the company based on historical data and future projections should be comparable with the industry. Thus behaviour of past and future EBIDTA should be studied and compared with industry average.

vi. Loan life ratio (LLR), as defined below should be 1.4, which would give a cushion of 40% to the amount of loan to be serviced.

$$LLR = \frac{\text{Present value of total available cash flow (ACF) during the loan life period (including interest and principal)}}{\text{Maximum amount of loan}}$$

G.3.5 While the borrowers indulging in frauds and malfeasance will continue to remain ineligible for restructuring, banks may review the reasons for classification of the borrowers as wilful defaulters, especially in old cases where the manner of classification of a borrower as a wilful defaulter was not transparent, and satisfy itself that the borrower is in a position to rectify the wilful default. The restructuring of such cases may be done with Board's approval, while for such accounts the restructuring under the CDR Mechanism may be carried out with the approval of the Core Group only.

In cases of fraud/malfeasance where the existing promoters are replaced by new promoters and the borrower company is totally delinked from such erstwhile promoters/management, banks and JLF may take a view on restructuring of such accounts based on their viability, without prejudice to the continuance of criminal action against the erstwhile promoters/management. Further, such accounts may also be eligible for asset classification benefits available on refinancing after change in ownership, if such change in ownership is carried out under guidelines contained in **L&A circular no.88/2015 dated 03.10.2015** and subsequent guidelines on "Prudential Norms on Change in Ownership of Borrowing Entities (Outside Strategic Debt Restructuring Scheme)".

G.3.6 BIFR cases are not eligible for restructuring without their express approval. CDR Core Group in the case of advances restructured under CDR Mechanism, the lead bank in the case of SME Debt Restructuring Mechanism and the individual banks in other cases, may consider the proposals for restructuring in such cases, after ensuring that all the formalities in seeking the approval from BIFR are completed before implementing the package.

G.4 Asset classification norms

Restructuring of advances could take place in the following stages:

(a) before commencement of commercial production / operation;
(b) after commencement of commercial production / operation but before the asset has been classified as 'sub-standard';
(c) after commencement of commercial production / operation and the asset has been classified as 'sub-standard' or 'doubtful'.

G.4.1 The accounts classified as 'standard assets' should be immediately re-classified as 'sub-standard assets' upon restructuring.

G.4.2 The non-performing assets, upon restructuring, would continue to have the same asset classification as prior to restructuring and slip into further lower asset classification categories as per extant asset classification norms with reference to the pre-restructuring repayment schedule.

G.4.3 Standard accounts classified as NPA and NPA accounts retained in the same category on restructuring by the bank should be upgraded only when all the outstanding loan/facilities in the account perform satisfactorily i.e. principal and interest on all facilities in the account are serviced as per terms of payment during the 'specified period'. Specified Period means a period of one year from the commencement of the first payment of interest or principal, whichever is later, on the credit facility with longest period of moratorium under the terms of restructuring package.

Satisfactory performance during the specified period means adherence to the following conditions during that period.

Non-Agricultural Cash Credit Accounts
In the case of non-agricultural cash credit accounts, the account should not be out of order any time during the specified period, for duration of more than 90 days. In addition, there should not be any overdues at the end of the specified period.
Non-Agricultural Term Loan Accounts
In the case of non-agricultural term loan accounts, no payment should remain overdue for a period of more than 90 days. In addition there should not be any overdues at the end of the specified period.
All Agricultural Accounts
In the case of agricultural accounts, at the end of the specified period the account should be regular.

Note: RBI has observed that in a rising interest rate scenario, banks normally extend the repayment period by keeping the EMI constant. However, in a few cases this resulted in extending the repayment period much beyond the retirement age or the revenue generating capacity of the borrower. Therefore, RBI has advised that:

(i) While extending repayment period in respect of housing loans to keep the EMI unchanged, banks should satisfy themselves about the revenue generation / repaying capacity of the borrower during the entire repayment period including the extended repayment period.
(ii) Banks should not extend the repayment period of such borrowers where they have concerns regarding the repaying capacity over the extended period, even if the borrowers want to extend the tenor to keep the EMI unchanged.
(iii) Banks should provide the option of higher EMI to such borrowers who want to repay the housing loan as per the original repayment period.

G.4.4 In case, however, satisfactory performance after the specified period is not evidenced, the asset classification of the restructured account would be governed as per the applicable prudential norms with reference to the pre-restructuring payment schedule.

G.4.5 Any additional finance may be treated as 'standard asset' during the specified period under the approved restructuring package. However, in the case of accounts where the pre-restructuring facilities were classified as 'sub-standard' and 'doubtful', interest income on the additional finance should be recognised only on cash basis. If the restructured asset does not qualify for upgradation at the end of the above specified period, the additional finance shall be placed in the same asset classification category as the restructured debt.

G.4.6 If a restructured asset, which is a standard asset on restructuring, is subjected to restructuring on a subsequent occasion, it should be classified as substandard. If the restructured asset is a sub-standard or a doubtful asset and is subjected to restructuring, on a subsequent occasion, its asset classification will be reckoned from the date when it became NPA on the first occasion. However, such advances restructured on second or more occasions may be allowed to be upgraded to standard category after the specified period in terms of the current restructuring package, subject to satisfactory performance.

G.5 Income recognition norms

Subject to provisions of paragraphs G.4.5, G.7.2.2 and G.8.2, interest income in respect of restructured accounts classified as 'standard assets' will be recognized on accrual basis and that in respect of the accounts classified as 'non-performing assets' will be recognized on cash basis

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G.6 Provisioning norms

G.6.1 ***Provision on restructured advances***

(i) Banks will hold provision against the restructured advances as per the extant provisioning norms.

(ii) Restructured accounts classified as standard advances will attract a higher provision (as prescribed from time to time) in the first two years from the date of restructuring. In cases of moratorium on payment of interest/principal after restructuring, such advances will attract the prescribed higher provision for the period covering moratorium and two years thereafter.

(iii) Restructured accounts classified as non-performing assets, when upgraded to standard category will attract a provision of 5% in the first year from the date of upgradation.

(iv) The above-mentioned higher provision on restructured standard advances (2.75 per cent as prescribed vide circular dated November 26, 2012) would increase to 5 per cent in respect of new restructured standard accounts (flow) with effect from June 1, 2013 and increase in a phased manner for the stock of restructured standard accounts as on May 31, 2013 as under :

• 3.50 per cent – w.e.f. March 31, 2014 (spread over the four quarters of 2013-14)

• 4.25 per cent - w.e.f. March 31, 2015 (spread over the four quarters of 2014-15)

• 5.00 per cent - w.e.f. March 31, 2016 (spread over the four quarters of 2015-16)

G.6.2 Provision for diminution in the fair value of restructured advances

(i) Reduction in the rate of interest and / or reschedulement of the repayment of principal amount, as part of the restructuring, will result in diminution in the fair value of the advance. Such diminution in value is an economic loss for the bank and will have impact on the bank's market value of equity. It is, therefore, necessary for banks to measure such diminution in the fair value of the advance and make provisions for it by debit to Profit & Loss Account. Such provision should be held in addition to the provisions as per existing provisioning norms as indicated in para G.6.1 above, and in an account distinct from that for normal provisions.

(ii) For this purpose, the erosion in the fair value of the advance should be computed as the difference between the fair value of the loan before and after restructuring. Fair value of the loan before restructuring will be computed as the present value of cash flows representing the interest at the existing rate charged on the advance before restructuring and the principal, discounted at a rate equal to the bank's MCLR or base rate (whichever is applicable to the borrower) as on the date of restructuring plus the appropriate term premium and credit risk premium for the borrower category on the date of restructuring. Fair value of the loan after restructuring will be computed as the present value of cash flows representing the interest at the rate charged on the advance on restructuring and the principal, discounted at a rate equal to the bank's MCLR or base rate (whichever is applicable to the borrower) as on the date of restructuring plus the appropriate term premium and credit risk premium for the borrower category on the date of restructuring.

(iii) The above formula moderates the swing in the diminution of present value of loans with the interest rate cycle and will have to be followed consistently by banks in future. Further, it is reiterated that the provisions required as above arise due to the action of the banks resulting in change in contractual terms of the loan upon restructuring which are in the nature of financial concessions. These provisions are distinct from the provisions which are linked to the asset classification of the account classified as NPA and reflect the impairment due to deterioration in the credit quality of the loan. Thus, the two types of the provisions are not substitute for each other.

(iv) It was observed that on a few occasions, there were divergences in the calculation of diminution of fair value of accounts by banks. Illustratively, divergences could occur if banks are not appropriately factoring in the term premium on account of elongation of repayment period on restructuring. In such a case the term premium used while calculating the present value of cash flows after restructuring would be higher than the term premium used while calculating the present value of cash flows before restructuring. Further, the amount of principal converted into debt/equity instruments on restructuring would need to be held under AFS and valued as per usual valuation norms. Since these instruments are getting marked to market, the erosion in fair value gets captured on such valuation. Therefore, for the purpose of arriving at the erosion in the fair value, the NPV calculation of the portion of principal not converted into debt/equity has to be carried out separately. However, the total sacrifice involved for the bank would be

NPV of the above portion plus valuation loss on account of conversion into debt/equity instruments.

(v) RBI has advised that Banks should correctly capture the diminution in fair value of restructured accounts as it will have a bearing not only on the provisioning required to be made by them but also on the amount of sacrifice required from the promoters. Further, there should not be any effort on the part of banks to artificially reduce the net present value of cash flows by resorting to any sort of financial engineering. Banks are also advised to put in place a proper mechanism of checks and balances to ensure accurate calculation of erosion in the fair value of restructured accounts.

(vi) In the case of working capital facilities, the diminution in the fair value of the cash credit / overdraft component may be computed as indicated in para (i) above, reckoning the higher of the outstanding amount or the limit sanctioned as the principal amount and taking the tenor of the advance as one year. The term premium in the discount factor would be as applicable for one year. The fair value of the term loan components (Working Capital Term Loan and Funded Interest Term Loan) would be computed as per actual cash flows and taking the term premium in the discount factor as applicable for the maturity of the respective term loan components.

(vii) In the event any security is taken in lieu of the diminution in the fair value of the advance, it should be valued at Re.1/- till maturity of the security. This will ensure that the effect of charging off the economic sacrifice to the Profit & Loss account is not negated.

(viii) The diminution in the fair value may be re-computed on each balance sheet date till satisfactory completion of all repayment obligations and full repayment of the outstanding in the account, so as to capture the changes in the fair value on account of changes in MCLR or base rate (whichever is applicable to the borrower), term premium and the credit category of the borrower. Consequently, banks may provide for the shortfall in provision or reverse the amount of excess provision held in the distinct account.

(ix) If due to lack of expertise / appropriate infrastructure, a bank finds it difficult to ensure computation of diminution in the fair value of advances, as an alternative to the methodology prescribed above for computing the amount of diminution in the fair value, banks will have the option of notionally computing the amount of diminution in the fair value and providing therefor, at five per cent of the total exposure, in respect of all restructured accounts where the total dues to bank(s) are less than rupees one crore.

(x) The total provisions required against an account (normal provisions plus provisions in lieu of diminution in the fair value of the advance) are capped at 100% of the outstanding debt amount.

G.7 Prudential Norms for Conversion of Principal into Debt / Equity

G.7.1 Asset classification norms

A part of the outstanding principal amount can be converted into debt or equity instruments as part of restructuring. The debt / equity instruments so created will be classified in the same asset classification category in which the restructured advance has been classified. Further movement in the asset classification of these instruments would also be determined based on the subsequent asset classification of the restructured advance.

G.7.2 Income recognition norms

G.7.2.1 *Standard Accounts*

In the case of restructured accounts classified as 'standard', the income, if any, generated by these instruments may be recognised on accrual basis.

G.7.2.2 *Non- Performing Accounts*

In the case of restructured accounts classified as non-performing assets, the income, if any, generated by these instruments may be recognised only on cash basis.

G.7.3 Valuation and provisioning norms

These instruments should be held under AFS and valued as per usual valuation norms. Equity classified as standard asset should be valued either at market value, if quoted, or at break-up value, if not quoted (without considering the revaluation reserve, if any) which is to be ascertained from the company's latest balance sheet. In case the latest balance sheet is not available, the shares are to be valued at Re. 1. Equity instrument classified as NPA should be valued at market value, if quoted, and in case where equity is not quoted, it should be valued at Re. 1. Depreciation on these instruments should not be offset against the appreciation in any other securities held under the AFS category.

G.8 Prudential Norms for Conversion of Unpaid Interest into 'Funded Interest Term Loan' (FITL), Debt or Equity Instruments

G.8.1 Asset classification norms

The FITL / debt or equity instrument created by conversion of unpaid interest will be classified in the same asset classification category in which the restructured advance has been classified. Further movement in the asset classification of FITL / debt or equity instruments would also be determined based on the subsequent asset classification of the restructured advance.

G.8.2 Income recognition norms

G.8.2.1 The income, if any, generated by these instruments may be recognised on accrual basis, if these instruments are classified as 'standard', and on cash basis in the cases where these have been classified as a non-performing asset.

G.8.2.2 The unrealised income represented by FITL / Debt or equity instrument should have a corresponding credit in an account styled as "Sundry Liabilities Account (Interest Capitalization)".

G.8.2.3 In the case of conversion of unrealised interest income into equity, which is quoted, interest income can be recognized after the account is upgraded to standard category at market value of equity, on the date of such upgradation, not exceeding the amount of interest converted into equity.

G.8.2.4 Only on repayment in case of FITL or sale / redemption proceeds of the debt / equity instruments, the amount received will be recognized in the P&L Account, while simultaneously reducing the balance in the "Sundry Liabilities Account (Interest Capitalisation)".

G.8.2.5 It is learnt that banks have not uniformly adhered to these instructions. It is reiterated that whenever the unrealised interest income of a loan is converted into FITL / Debt or equity instrument, banks must have a corresponding credit in an account styled as "Sundry Liabilities Account (Interest Capitalization).

G.8.3 Valuation & Provisioning norms

Valuation and provisioning norms would be as per para G.7.3 above. The depreciation, if any, on valuation may be charged to the Sundry Liabilities (Interest Capitalisation) Account.

G.9 Miscellaneous

G.9.1 The banks should decide on the issue regarding convertibility (into equity) option as a part of restructuring exercise whereby the banks / financial institutions shall have the right to convert a portion of the restructured amount into equity, keeping in view the statutory requirement under Section 19 of the Banking Regulation Act, 1949, (in the case of banks) and relevant SEBI regulations.

G.9.2 Conversion of debt into preference shares should be done only as a last resort and such conversion of debt into equity/preference shares should, in any case, be restricted to a cap (say 10 per cent of the restructured debt). Further, any conversion of debt into equity should be done only in the case of listed companies.

G.9.3 Acquisition of equity shares / convertible bonds / convertible debentures in companies by way of conversion of debt / overdue interest can be done without seeking prior approval from RBI, even if by such acquisition the prudential capital market exposure limit prescribed by the RBI is breached. However, this will be subject to reporting of such holdings to RBI, Department of Banking Supervision (DBS), every month along with the regular DSB Return on Asset Quality.

Nonetheless, banks will have to comply with the provisions of Section 19(2) of the Banking Regulation Act, 1949.

G.9.4 Acquisition of non-SLR securities by way of conversion of debt is exempted from the mandatory rating requirement and the prudential limit on investment in unlisted non-SLR securities, prescribed by the RBI, subject to periodical reporting to the RBI in the aforesaid DSB return.

G.9.5 Banks may consider incorporating in the approved restructuring packages creditor's rights to accelerate repayment and the borrower's right to pre pay. Further, all restructuring packages must incorporate 'Right to recompense' clause and it should be based on certain performance criteria of the borrower. In any case, minimum 75 per cent of the recompense amount should be recovered by the lenders and in cases where some facility under restructuring has been extended below base rate, 100 per cent of the recompense amount should be recovered.

G.9.6 As stipulating personal guarantee will ensure promoters' "skin in the game" or commitment to the restructuring package, promoters' personal guarantee should be obtained in all cases of restructuring and corporate guarantee cannot be accepted as a substitute for personal guarantee. However, corporate guarantee can be accepted in those cases where the promoters of a company are not individuals but other corporate bodies or where the individual promoters cannot be clearly identified.

G.9.7 All restructuring packages will be required to be implemented in a time bound manner. All restructuring packages under CDR/JLF/Consortium/MBA arrangement should be implemented within 90 days from the date of approval. Other restructuring packages should be implemented within 120 days from the date of receipt of application by the bank.

G.9.8 Promoters must bring additional funds in all cases of restructuring. Additional funds brought by promoters should be a minimum of 20 per cent of banks' sacrifice or 2 per cent of the restructured debt, whichever is higher. The promoters' contribution should invariably be brought upfront while extending the restructuring benefits to the borrowers. Promoter's contribution need not necessarily be brought in cash and can be brought in the form of conversion of unsecured loan from the promoters into equity;

G.9.9 Banks should determine a reasonable time period during which the account is likely to become viable, based on the cash flow and the Techno Economic Viability (TEV) study;

G.9.10 Banks should be satisfied that the post restructuring repayment period is reasonable and commensurate with the estimated cash flows and required DSCR in the account as per their own Board approved policy.

G.9.11 Each bank should clearly document its own due diligence done in assessing the TEV and the viability of the assumptions underlying the restructured repayment terms.

G.10 For detailed guidelines on Flexible Structuring of Long Term Project Loans to Infrastructure and Core Industries please refer to latest Circulars issued by IRMD on the subject.

G.11 Disclosures

With effect from the financial year 2012-13, banks should disclose in their published annual Balance Sheets, under "Notes on Accounts", information relating to number and amount of advances restructured, and the amount of diminution in the fair value of the restructured advances. The information would be required for advances restructured under CDR Mechanism, SME Debt Restructuring Mechanism and other categories separately. Banks must disclose the total amount outstanding in all the accounts / facilities of borrowers whose accounts have been restructured along with the restructured part or facility. This means even if only one of the facilities / accounts of a borrower has been restructured, the bank should also disclose the entire outstanding amount pertaining to all the facilities / accounts of that particular borrower.

G.12 It has been reiterated that the basic objective of restructuring is to preserve economic value of units, not ever-greening of problem accounts. This can be achieved by banks and the borrowers only by careful assessment of the viability, quick detection of weaknesses in accounts and a time-bound implementation of restructuring packages.

G.13 **Other Guidelines related to Restructured accounts (CAD-IRD Cell)**

G.13.1 Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to advances have been circulated by RBI; latest being RBI Master Circular dated July 01,2015*.* The prudential guidelines inter-alia include guidelines on provisioning in restructured accounts. The branches are advised to take note of these guidelines while finalizing the annual accounts ***on 31.03.2018.*** For the benefit of the branches, gist of the guidelines is given hereunder:

Provisioning norms for restructured accounts Normal provisions:

Provisioning required as per normal IRAC norms shall continue to be done.
In addition to normal IRAC provisions, RBI vide their Master Circular dated 01.07.2015 on IRAC norms, has reviewed & advised modifications in the Prudential Guidelines on Restructuring of Advances by Banks and Financial Institutions as under:

i) ***Restructured standard advance- Will attract higher provision in the first two years from the date of restructuring. In cases of moratorium on payment of interest/principal after restructuring such advances will attract the prescribed higher provision for a period covering moratorium and two years ; and that aforementioned additional provision will cease to apply after the prescribed period of 2 years if the performance is as per the rescheduled programme***.

ii) Restructured accounts classified as NPA advances, when upgraded to standard category will attract this higher provision in the first year from the date of up gradation.

A. RBI has advised Banks to maintain General Provision on Restructured Standard Advances, as per enhanced rates. It may be reiterated that March 31, 2016, onwards additional provision @ 5% shall be provided in all the eligible standard restructured advances.

G.13.2 Provision for Diminution in Fair Value of Restructured Advances

•	For Accounts where total dues to Banks are less than Rs. One Crore diminution in the fair value be calculated at 5 per cent of the outstanding amount.
•	For Accounts where total dues to Banks are Rs. One Crore and above -Existing guidelines as enumerated under on computation of DFV of these account to continue.

Provision for diminution in the fair value of restructured advances of Rs 1 crore & above:

i) Reduction in the rate of interest and /or reschedulement of the repayment of principal amount, as part of the restructuring, will result in reduction/ diminution in the fair value of the advance. Such diminution in value of a restructured advance has to be provided for by debit to Profit & Loss Account. Such provision should be held in addition to the provisions as per existing IRAC provisioning norms. Such provisions shall be kept separately in an account distinct from that for normal provisions.

RBI has revised the guidelines for calculations of diminution in fair value on restructured loans vide communication no. DBR.No.BP.BC.27/21.04.048/2015-16 dated July 2, 2015, as under:

On a review, it has been decided that a rate equal to the actual interest rate charged to the borrower before restructuring may be used to discount the future cash flows for the purpose of determining the DFV of loans on restructuring. In cases where the existing credit facilities to a borrower carry different rates of interest, the weighted average interest rate (with share of each credit facility in the total outstanding of the borrower as on the date of restructuring being used as weights) may be used as the discounting rate. This discount rate may be used to discount both the pre-restructuring cash flows as well as post-restructuring cash flows.

The above methodology may be consistently used wherever banks are required to compute fair/present value of loans under the guidelines issued by the Reserve Bank of India, including for the purpose of computing net present value of project loans as required in terms of Circular DBR.No.BP.BC.53/21.04.132/2014-15 dated December 15, 2014. It is clarified that this instruction will be applicable to all projects where changes in amortization schedule have been carried out under the above circular.

On FITL outstanding, 100% provision is to be made.

Revised template for calculation of diminution in fair value has also been provided to the Circle Offices / LCBs, which has been made applicable w.e.f. Sept.-15 closing. Template is also enclosed.

Diminution in fair value is to be re-computed on quarterly basis till satisfactory completion of all repayment obligations, so as to capture the changes in the fair value of advance on account of changes in ***outstanding and the asset classification of the borrower***. Consequently, bank would provide for the shortfall in provision or reverse the amount of excess provision held in the distinct account.

In view of the complexity involved in computing the diminution in the fair value of restructured advances, Bank has decided to exercise the option of notionally computing the amount of diminution in the fair value and providing thereof, at five percent of the total exposure, in respect of all restructured accounts where the total dues to bank are less than rupees one crore till the further review.

The total provisions required against an account (normal provisions plus provisions in lieu of diminution in the fair value of the advance) are capped at 100% of the outstanding debt amount.

Circle Offices / LCBs / Branches may also be advised to meticulously follow RBI guidelines on the matter vide their master circular dated 01.07.2015.

G.13.3 Guidelines relating to DCCO

RBI guidelines, has stipulated that mere extension of DCCO would not be considered as restructuring, if the revised DCCO falls within the period of two years and one year from the original DCCO for infrastructure projects and non-infrastructure projects respectively. In such cases, the consequential shift in repayment period by equal or shorter duration (including the start date and end date of revised repayment schedule) than the extension of DCCO, would also not be considered as restructuring provided all other terms and conditions of the loan remain unchanged. As such, project loans will be treated as standard assets in all respects and they will attract standard asset provision of 0.4 per cent.

Provision Guidelines relating to DCCO – Non Infrastructure

RBI has also extended the prescribed period of six months from original DCCO to one year from the original DCCO, within which a non-infrastructure project will have to commence commercial operation for complying with the provisions ***of para 4.2.15.3 of Master Circular of RBI on IRAC Norms 2015.*** Consequently, if the delay in commencement of commercial operations extends beyond the period of one year from the date of completion as determined at the time of financial closure, banks can prescribe a fresh DCCO and retain the `standard' classification by undertaking the restructuring of accounts in accordance with the provisions in this regard provided the fresh DCCO does not extend beyond a period of 2 years from the original DCCO.

Particulars	Provisioning Requirement
Non-Infrastructure Projects (Revised Guidelines)	
If the revised DCCO is within one year from the original DCCO prescribed at the time of financial closure	0.40 per cent
If the DCCO is extended beyond One year and up to two years from the original DCCO prescribed at the time of financial closure	Higher provision as per para 'A' above, from the date of such restructuring till the revised DCCO or 2 years from the date of restructuring, whichever is later.

Provision Guidelines relating to DCCO – Infrastructure

Particulars	Provisioning Requirement
Infrastructure Projects	
If the revised DCCO is within two years from the original DCCO prescribed at the time of financial closure	0.40 per cent
If the DCCO is extended beyond two years and upto four years or three years from the original DCCO, as the case may be, depending upon the reasons for such delay)	Higher provision as per para 'A' above, from the date of such restructuring till the revised DCCO or 2 years from the date of restructuring, whichever is later..

The computation of provision necessitated by restructuring of debts as detailed above (other as in CDR accounts) shall be done at Branch level. It has been desired that for yearly closing as on March 31, templates of restructured accounts of Rs.1 Crore & above be prepared at the branch level confirming balance outstanding and other details incorporated in the templates and statement of restructured accounts (NON CDR) should be vetted by the statutory auditors of the branch along with closing returns. It is, therefore requested that for yearly closing March-2018, along-with closing returns, statutory auditor of the branch should also vet the (i) template of the restructured accounts of Rs.1 Crore and above; and (ii) statement of restructured accounts of the branch. Subsequently, after getting the same vetted, branch should send the template and statement to the Circle Office. After consolidation, Circle Office should send the statement to IRD Head Office along-with templates of all the respective branches.

-For quarterly closings for June, September and December, Internal Auditors posted at the branch shall do the needful and vet the templates and statement of restructured accounts.

Vouchers of provision on account of DFV and FITL in restructured accounts are passed at Finance Division, HO on the basis of information submitted by branches/Circles and consolidated at IRD/CAD.

G.14 As per the RBI circular RBI/2017-18/131 dated 12.02.2018(L& A Circular No 09 dated February 14, 2018) , the existing guidelines for resolution of stressed assets have been substituted with a harmonized and simplified generic framework. The extant instructions on resolution of stressed assets such as Framework for Revitalising Distressed Assets, Corporate Debt Restructuring Scheme, Flexible Structuring of Existing Long Term Project Loans, Strategic Debt Restructuring Scheme (SDR), Change in Ownership outside SDR, and Scheme for Sustainable Structuring of Stressed Assets (S4A) stand withdrawn with immediate effect. Accordingly, the Joint Lenders' Forum (JLF) as an institutional mechanism for resolution of stressed accounts also stands discontinued. All accounts, including such accounts where any of the schemes have been invoked but not yet implemented, shall be governed by the revised framework.

Provisioning Norms:

Accounts restructured under the revised framework shall attract provisioning as per the asset classification category as laid out in the Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated July 1, 2015, as amended from time to time (Recovery Division Circular RD/03/2018 dated January 6, 2018. However, the provisions made in respect of accounts restructured before the date of the circular under any of the earlier schemes shall continue to be held as per the requirements specified therein.

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CHAPTER – 7: SECOND DISPATCH- CAPITAL ADEQUACY STATEMENT

Standardized Approach on Credit Risk under Basel III -Guidelines on CRAR for credit risk as at 31/03/2018

With a view to calculate capital adequacy of Bank as per Basel III framework, Reserve Bank of India has issued guidelines vide their circulars from time to time. **With the objective to improve the banking sector's ability to absorb shocks arising from financial and economic stress,** Bank has implemented the Basel III guidelines w.e.f 01.04.2013 on the basis of regulatory guidelines issued by RBI. Guidelines of this Framework (Standardized Approach) seek to arrive at significantly more risk-sensitive approach to capital requirements.

Bank on its part has issued following internal circulars on the subject under LA/ IRMD series, which may be referred in case of need:

Table A

Sl No.	Circular No.	Date	Contents
RELEVANT CIRCULARS OF 2007			
1.	LA 142/07	24.09.2007	I) Insertion Of Limit Cancellation Clause In Loan Documents II) Levying Of Commitment Charges
RELEVANT CIRCULARS OF 2014			
1.	IRMD 33/14	30.08.2014	CONSOLIDATED CIRCULAR - BASEL III CAPITAL REGULATIONS IN INDIA
RELEVANT CIRCULARS OF 2017			
1.	IRMD 02/2017	08.02.2017	CREDIT RISK MITIGATION & COLLATERAL MANAGEMENT POLICY FOR THE F.Y. 2016–17
2.	IRMD 17/2017	11.09.2017	Credit Risk Capital charge - Basel III Regulations
3.	IRMD 18/2017	11.09.2017	Guidelines for use of External Risk Ratings under Standardized Approach of Credit Risk
4.	IRMD 19/2017	11.09.2017	Computation of capital charge on credit risk – Consolidation of Operational Issues and Frequently Asked Questions (FAQs)

5.	IRMD 24/2017	16.12.2017	FEEDING EXTERNAL RISK RATING IN CBS
RELEVANT CIRCULARS OF 2018			
1.	IRMD 02/2018	01/01/2018	External Risk Rating – Increase of Threshold Exposure
2.	IRMD 03/2018	01/01/2018	External Risk Rating – Issuer Not Cooperating

The **Basel III** guidelines broadly cover the following: (a) Classification of entire credit portfolio in various asset classes. (b) Application of prescribed risk weights against each asset class. (c) Recognition of certain collaterals (Basel guidelines does not distinguish between Primary security & Collateral security and any type of security/cover available is called as 'collateral') as credit risk mitigates. (d)Treatment of Non Fund Based limits including un-availed limits.

Risk Weighted Assets under Standardized Approach (Basel III)- RBI Guidelines

The following table depicts the various asset classes and applicable risk weights for credit exposure against these categories:

TABLE-1

S. No	Asset class	Applicable Risk Weight under Standardized Approach
1	Central Govt.@- Direct Exposure	0%
2	Central Govt. – Guaranteed Exposure	0%
3	State Govt.- Direct Exposure	0%
4	State Govt.- Guaranteed Exposure	20%
5	Corporates	Please see para 2 next page
6	Public Sector Enterprises (PSEs)	Same as applicable for corporates
7	Banks	Please see para 3 & 4
8	Primary Dealers	Same as applicable for corporates

9	Consumer credit including personal loans	**125%**
10	Capital market exposure	125% or risk weight warranted by external rating (whichever is higher)
11	Regulatory Retail Portfolio	75%
12	**Commercial Real Estate**	**Please see para 6**
13	Staff loans which are fully covered by superannuation benefits and/or mortgage of flat/house	20%
14	**Loans against mortgage of residential property - Housing loans to public**	**Please see para 6**
15	NBFC non deposit taking systemically important	100%
16	NBFC- Infrastructure Finance Companies (IFCs)	Same as applicable for corporates
17	Venture Capital Funds	150%
18	Claim on Foreign Sovereigns and Foreign central banks	Please see para 4-b

@ Note : The risk weight applicable to claims on central government exposures will also apply to the claims on the Reserve Bank of India, DICGC and **Credit Guarantee Fund Trust for Micro and Small Industries(CGTMSI) and Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH).** The claims on ECGC will attract a risk weight of 20 percent.

Important: The classification of loan a/cs in the categories mentioned in Table 1 will be done by the LADDER system on the basis of data entered by the branches in CBS. Basel III is data intensive and different set of data is required in respect of each loan asset. In order to obviate all possibilities of manual intervention, Centralized LADDER solution has been implemented which would capture the data from CBS through STP (Straight through Process) and centralized processing is done. **It is therefore necessary that data be properly entered and duly validated in CBS System. Please note that onus of filling these fields with correct and complete data lies with the branches.**

2. Risk weighted assets against Corporate, Primary Dealers (PDs), Asset Finance Companies(AFCs*), Domestic Public sector Enterprises (PSEs) &

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

NBFC-Infrastructure Finance Companies (NBFC-IFCs)- Claims on corporates, Primary dealers, Domestic PSEs, Asset Finance Companies(AFCs) and Non-Banking Finance Companies-Infrastructure Finance Companies (NBFC-IFC), shall be risk weighted as per the ratings assigned by the rating agencies registered with the SEBI and accredited by the Reserve Bank of India. The following table indicates the risk weight applicable to claims on corporates, AFCs and NBFC-IFCs.

A) Long Term ratings

CRISIL	ICRA	CARE	India Ratings	Brickwork	SMERA	INFOMERICS	Risk weight
CRISIL AAA	ICRA AAA	CARE AAA	IND AAA	BWR AAA	SMERA AAA	IVR AAA	20%
CRISIL AA	ICRA AA	CARE AA	IND AA	BWR AA	SMERA AA	IVR AA	30%
CRISIL A	ICRA A	CARE A	IND A	BWR A	SMERA A	IVR A	50%
CRISIL BBB	ICRA BBB	CARE BBB	IND BBB	BWR BBB	SMERA BBB	IVR BBB	100%
CRISIL BB	ICRA BB	CARE BB	IND BB	BWR BB	SMERA BB	IVR BB	150%
CRISIL B	ICRA B	CARE B	IND B	BWR B	SMERA B	IVR B	150%
CRISIL C	ICRA C	CARE C	IND C	BWR C	SMERA C	IVR C	150%
CRISIL D	ICRA D	CARE D	IND D	BWR D	SMERA D	IVR D	150%
Unrated	Unrated	Unrated	Unrated	Unrated	Unrated	Unrated*	100%

B) Short Term ratings

CARE	CRISIL	India Ratings	ICRA	Brickwork	SMERA	INFOMERICS	Risk weight
CARE A1+	CRISIL A1+	IND A1+	ICRA A1+	BWR A1+	SMERA A1+	IVR A1+	20 %
CARE A1	CRISIL A1	IND A1	ICRA A1	BWR A1	SMERA A1	IVR A1	30 %
CARE A2	CRISIL A2	IND A2	ICRA A2	BWR A2	SMERA A2	IVR A2	50 %
CARE A3	CRISIL A3	IND A3	ICRA A3	BWR A3	SMERA A3	IVR A3	100 %

CARE A4 & CARE D	CRISIL A4 & CRISIL D	IND A4 & IND D	ICRA A4 & ICRA D	BWR A4 & BWR D	SMERA A4 & SMERA D	IVR A4 & D	150 %
Unrated**	Unrated**	Unrated**	Unrated**	Unrated**	Unrated**	Unrated**	100%

*** Risk weight on claims on AFCs would continue to be governed by credit rating of the AFCs, except that claims that attract a risk weight of 150 percent under Basel III shall be reduced to a level of 100 percent.**

**** No claim on an unrated corporate may be given a risk weight preferential to that assigned to its sovereign of incorporation.**

<u>NOTE</u>: Following modifications have been made to the risk weights applicable for unrated exposures as per guidelines of RBI:

(i) **Claims on Corporates, AFCs, and NBFC-IFCs having aggregate exposure from banking system of more than INR 100 crore which were rated earlier and subsequently have become unrated will attract a risk weight of 150% with immediate effect.**

(ii) **All other guidelines in the matter shall remain unchanged.**

Review of eligibility criteria for external risk rating

Borrowers with total exposure (both Fund Based & Non Fund Based) of up to Rs.10 Crore may not be insisted for external risk rating, where exposure is fully secured by collateral in the following forms:

Eligible as Collateral under this criteria	**Not Eligible as Collateral under this criteria**
I. Cash / Gold	I. Personal / Corporate Guarantees
II. FDR/ NSC/ KVP	II. Agricultural Land / Properties
III. LIC Policies (Surrender Value)	III. Plant and Machinery
IV. Immovable Properties in the form of Residential Properties, Industrial Properties, Commercial Properties.	IV. Properties under Pari Passu charge / 2nd charge basis
	V. Properties under Negative lien etc.

However, levying of penal interest @1% instead of earlier 0.5% in respect of those borrowers who are otherwise eligible and have not got themselves externally rated from any of the approved rating agencies or whose external rating has expired.

<u>With a view to reflect a higher element of interest risk which may be latent in entities whose obligations have been subjected to restructuring / re-scheduling either by banks on their own or along with other bankers/creditors,</u>

the unrated standard / performing claims on these entities should be assigned a higher risk weight until satisfactory performance under the revised payment schedule has been established for one year from the date when the first payment of interest/ principal falls due under the revised schedule. The applicable risk weights will be 125%. It is therefore very important to report correct "special category code" in respect of restructured loan accounts.

****Borrowal accounts, which are not rated by domestic rating agencies, will be treated as "Unrated" even if they have been internally rated by our bank.**

D) The claims on non-resident corporates will be risk weighted as under as per the ratings assigned by international rating agencies.

S & P/ Fitch Ratings	AAA to AA	A	BBB to BB	Below BB	Unrated
Moody's ratings	Aaa to Aa	A	Baa to Ba	Below Ba	Unrated
RW (%)	20	50	100	150	100

E) All credit above Rs 5 Crore or with average annual turnover of Rs 50 Crore & above, other than those which qualify for inclusion under 'sovereign', 'bank', 'regulatory retail', 'residential mortgage', 'non performing assets'or specified category, will be classified as corporate. For instance :

a) A loan a/c (against security of FDR/NSC) with an amount over Rs 5 Crores will be classified as ' Corporate'.

b) A loan a/c of the borrower with exposure of Rs 4.50 crore and average turnover of Rs 55 Crore will be classified as ' Corporate'.

It is very important that the turnover details of the borrower are correctly fed in CBS for appropriate risk weight calculation. If in example (b) above, in case the amount of turnover is incorrectly reported as Rs 49 Crore or the field of turnover is left blank, the system will recognize the a/c under "Regulatory retail portfolio" instead of corporate loan.

F) In accordance with the guidelines laid down in the Revised Framework, Bank has decided to use the ratings of the following domestic credit rating agencies for the purposes of risk weighting their claims for capital adequacy purposes:

(a) Credit Analysis and Research Limited (CARE);

(b) CRISIL Limited;

(c) India Ratings and Research Private Ltd (India Ratings);

(d) ICRA Limited;

(e) Brickwork Ratings India Pvt. Ltd. (Brickwork)

(f) SMERA Rating Ltd. (SMERA)

(g) INFOMERICS Valuation and Rating Pvt. Ltd.

Please note that only **"Basel III rating/Bank loan rating"** conducted by these rating agencies are eligible for the purpose. The guidelines for use of External Risk Ratings of borrowers by approved rating agencies have been communicated vide IRMD circular no. 18/2017 dated 11.09.2017.

3. Risk weights on claims on banks incorporated in India & Foreign banks having branches in India:

3.1 **Under Basel III:**

Risk Weights shall be based on Common Equity level (CET) & applicable Capital Conservation Buffer (CCB) of the concerned Bank instead of CRAR applicable under Basel III.

	Risk Weights (%)					
	All Scheduled Banks			**All Non-Scheduled Banks**		
Level of Common Equity Tier 1 capital including applicable capital conservation buffer (CCB) (%) of the investee bank (where applicable)	**Investments referred to in paragraph 5.6.1(i) of RBI-Basel III guidelines**	**Investments referred to in para 5.6.1(ii) of RBI guidelines**	**All other claims**	**Investments referred to in 5.6.1(i) of RBI guidelines**	**Investments referred to in para 5.6.1(ii) of RBI guidelines**	**All Other Claims**
1	**2**	**3**	**4**	**5**	**6**	**7**
Applicable Minimum Common Equity + Applicable CCB and above	**125 % or the risk weight as per the rating of the instrument or counterparty, whichever is higher**	**250**	**20**	**125% or the risk weight as per the rating of the instrument or counterparty,**	**300**	**100**

				whichever is higher		
Applicable Minimum Common Equity + CCB = 75% and <100% of applicable CCB	150	300	50	250	350	150
Applicable Minimum Common Equity + CCB = 50% and <75% of applicable CCB	250	350	100	350	450	250
Applicable Minimum Common Equity + CCB = 0% and <50% of applicable CCB	350	450	150	625	Full deduction *	350
Minimum Common Equity Tier 1 capital less than applicable minimum	625	Full deduction*	625	Full deduction*	Full deduction *	625

*** The deduction should be made from Common Equity Tier 1 Capital.**

In order to ensure smooth migration to Basel III without aggravating any near term stress, appropriate transitional arrangements have been made. Capital ratios and deductions from Common Equity will be fully phased-in and implemented as on March 31, 2019. The phase-in arrangements for banks operating in India are indicated in the following Table:

Transitional Arrangements-Scheduled Commercial Banks (excluding LABs and RRBs)

(% of RWAs)

Minimum capital ratios	April 1, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	March 31,2018	March 31,2019
Minimum Common Equity Tier 1 (CET1)	4.5	5	5.5	5.5	5.5	5.5	5.5
Capital conservation buffer (CCB)	0	0	0	0.625	1.25	1.875	2.5
Minimum CET1+ CCB	4.5	5	5.5	6.125	6.75	7.375	8
Minimum Tier 1 capital	6	6.5	7	7	7	7	7
Minimum Total Capital *	9	9	9	9	9	9	9
Minimum Total Capital +CCB	9	9	9	9.625	10.25	10.875	11.5
Phase-in of all deductions from CET1 (in %)	20	40	60	80	100	100	100

* The difference between the minimum total capital requirement of 9% and the Tier 1 requirement can be met with Tier 2 and higher forms of capital;

The same transition approach will apply to deductions from Additional Tier 1 and Tier 2 capital.

4.(a) Claims on foreign Banks

The claims on foreign banks will be risk weighted as per the ratings assigned by international rating agencies as under:

Claims on Foreign Banks - Risk Weights

S & P / FITCH ratings	AAA TO AA	A	BBB	BB TO B	Below B	Unrated
Moody's rating	Aaa to Aa	A	Baa	Ba to B	Below B	Unrated
Risk weight %	20	50	50	100	150	50

4 (b) Claim on Foreign Sovereigns and foreign central banks:- Claims on foreign sovereigns and foreign central banks will attract risk weights as per the rating assigned to those sovereigns/central bank/sovereign claims by international rating agencies as follows:

S & P/ Fitch Ratings	AAA to AA	A	BBB	BB to B	Below B	Unrated
Moody's ratings	Aaa to Aa	A	Baa	Ba to B	Below B	Unrated
RW (%)	0	20	50	100	150	100

5. <u>Regulatory Retail Portfolio</u>

Qualifying criteria: The exposure to an individual person or persons or to a small business; Person under this clause would mean any legal person capable of entering into contracts and would include but not be restricted to individual, HUF, partnership firm, trust, private limited companies, public limited companies, co-operative societies etc. the aggregate exposure (FB+NFB) should not exceed Rs 5 crore for its classification under regulatory retail. Moreover, average annual turnover for 3 years should be less than Rs. 50 crore. The turnover criterion is linked to the average of the last three years in the case of existing entities; projected turnover in the case of new entities; and both actual and projected turnover for entities which are yet to complete three years.

It is therefore very important that the turnover details in respect of borrowal accounts enjoying aggregate (FB+NFB) credit limits are correctly reported in LADDER for appropriate risk weight calculation. It has been decided that branches should calculate/feed the turn over in respect of accounts where aggregate credit limit is above Rs.1 crore and upto Rs 5 crore. **<u>This is based on the premise that in general a borrower availing limits up to Rs.1 crore does not have annual turn over of Rs.50 crore & above</u>. However, incumbent in-charge of branch should ensure that no loan account (with aggregate credit limit upto Rs.1 crore) in the branch has three year's average sales turnover of Rs.50 crore and above and if any exception is found then the sales turnover as required should be fed in the LADDER system. It may also be ensured that the turnover details are updated for latest turnover figures.**

6. <u>Claims on Commercial Real Estate</u>:-

Reserve Bank of India (RBI) vide its Circular No.RBI/2012-13/538, DBOD.No.BP.BC. 104/08.12.015/2012-13 dated June 21, 2013 has decided to carve out a separate sub-sector called Commercial Real Estate – Residential Housing (CRE-RH) from the CRE Sector. CRE-RH would consist of loans to builders/developers for residential housing projects (except for captive consumption) under CRE segment. Such projects should ordinarily not include

non-residential commercial real estate. However, integrated housing projects comprising of some commercial space (e.g. shopping complex, school, etc.) can also be classified under CRE-RH, provided that the commercial area in the residential housing project does not exceed 10% of the total Floor Space Index (FSI) of the project. In case the FSI of the commercial area in the predominantly residential housing complex exceeds the ceiling of 10%, the project loans should be classified as CRE and not CRE-RH.

Accordingly, the prudential norms on risk weight, and LTV ratio for individual housing loans, CRE and CRE-RH exposures have been rationalized, as under:

Category of Loan	LTV * Ratio (%)	Risk Weight (%)
(a) Individual Housing Loans		
i) Upto Rs. 30 lakh	≤ 80	35
	> 80 and ≤ 90	50
ii) Above Rs. 30 lakh and upto Rs. 75 lakh	≤ 75	35
	> 75 and ≤ 80	50
iii) Above Rs. 75 lakh	≤ 75	75
(iv) Restructured housing loans	**Risk weight as prescribed above ((i) to (iii)) + 25%**	
(b) CRE-RH	**N A**	**75**
(c) CRE	**N A**	**100**

*** LTV: Loan to Value**

Note: 1. "Loan" means total outstanding in the loan account. 2. " Value" means latest Realizable value of the residential IP mortgaged to the bank, as per bank record, exclusive of stamp duty, registration and other documentation charges.

As a countercyclical measure RBI vide its Circular no DBR.BP.BC.No. 72/08.12.015/2016-17 dated 07.06.2017 has updated the guidelines on LTV ratios, risk weights and standard asset provisioning rate for individual housing loans **sanctioned on or after June 7, 2017** as under: (IRMD Circular No. 14 /2017)

Outstanding loan	**LTV ratio (%)**	**Risk Weight (%)**	**Standard Asset Provision (%)**
Up to Rs. 30 lakh	≤ 80	35	0.25%
	> 80 and ≤ 90	50	
Above Rs. 30 lakh and up to Rs. 75 lakh	≤ 80	35	
Above Rs. 75 lakh	≤ 75	50	

7. <u>Capital Market exposure & 'Non deposit taking systemically important NBFCs' -</u> Exposure to capital market will attract a higher risk weight of 125% or a risk weight warranted by the external rating (or lack of it) of the borrower, whichever is higher. Thus the minimum risk weight against such exposure even when the account remains un-rated, will be 125%.

However, claims on the rated as well as unrated NBFC-NDSI (other than AFCs & NBFC-IFCs), regardless of the amount of claim, shall be uniformly risk weighted at 100 per cent.

For 'Non deposit taking systemically important NBFC's', branches should correctly feed the constitution code as '**21' in CIF ID menu and Special category code as '33' under CCLD menu option of CBS.**

8. Consumer credit & Personal loans - Consumer credit, including personal loans and credit card receivables but excluding education loans will attract a higher risk weight of 125% or a higher risk weight (more than 125%) as warranted by the external rating (or the lack of it) of the counter-party.

9. Venture Capital Funds:- Fund based and non-fund based claims on Venture Capital Funds, which are considered as high risk exposures will attract a higher risk weight of 150 per cent.

10. Non-Performing Assets (NPAs)

The unsecured portion of NPA net of specific provision will be risk weighted as under:

a) **NPAs other than qualified residential mortgage (Housing Loan to Public)**

- 150% risk weight when specific provisions are less than 20% of the outstanding amount of the NPA;
- 100% risk weight when specific provision are at least 20% of the outstanding amount of the NPA;
- 50% risk weight when specific provisions are at least 50% of the outstanding amount of the NPA.

For the purpose of defining the secured portion of the NPA, eligible collateral will be the same as recognized for credit risk mitigation purposes (paragraph 11). Hence, other forms of collateral like land, buildings, plant, machinery, current assets, etc. will not be reckoned while computing the secured portion of NPAs for capital adequacy purposes.

In addition to the above , Where NPA is fully secured by following forms of collaterals either independently or along with other eligible collaterals a risk weight of 100% will apply where provisions reach 15% of outstanding amount.

i) Land and Building which are valued by an expert valuer and where the valuation is not more than three years old, and

ii) Plant and Machinery in good working condition at a value not higher than the depreciated value as reflected in the audited balance sheet of the borrower, which is not older than eighteen months.

The above collaterals will be recognised only where the bank is having clear title to realise the sale proceeds thereof and can appropriate the same towards the amounts due to the bank. The bank's title to the collateral should be well documented. These forms of collaterals are not recognised anywhere else under the standardised approach.

b) NPAs under qualified residential mortgage (Housing Loan to Public) Claims secured by residential property, which are NPA will be risk weighted at100% net of specific provisions. If the specific provisions in such loans are at least 20% but less than 50% of the outstanding amount, the risk weight applicable to the loan net of specific provisions will be 75%. If the specific provisions are 50% or more the applicable risk weight will be 50%.

11. Credit Risk Mitigants (CRM) Banks use a number of techniques to mitigate the credit risks to which they are exposed. For example, exposures may be collateralized in whole or in part by cash or securities, deposits from the same counter-party, guarantee of a third party, etc. The revised approach to credit risk mitigation allows a wider range of credit risk mitigants to be recognized for regulatory capital purposes.

Under Standardized Approach, the following securities (either primary or collateral) are eligible for treatment as credit risk mitigants:

(i) Cash (as well as certificates of deposit or comparable instruments including fixed deposit receipts issued by the lending bank) or deposit with the bank which is incurring the counter-party exposure.

(ii) Gold: Gold would include both bullion and jewellery. However, the value of the collateralized jewellery should be benchmarked to 99.99 purity.

(iii) Securities issued by Central and State Governments

(iv) Kisan Vikas Patra and National Savings Certificates provided no lock in period is operational and if they can be encashed with in the holding period.

(v) Life insurance policies with a declared surrender value of an insurance company which is regulated by an insurance sector regulator

(vi) Debt securities rated by a chosen Credit Rating Agency in respect of which banks should be sufficiently confident about the market liquidity $$ where these are either:
(a) Attracting 100 per cent or lesser risk weight i.e., rated at least BBB- when issued
by public sector entities and other entities (including banks and Primary dealers); or
(b)Attracting 100 per cent or lesser risk weight i.e., rated at least A3 for
short-term debt instruments.

(vii) Debt securities not rated by a recognised Credit Rating Agency in respect of which the bank should be sufficiently confident about the market liquidity where these are (a) issued by a bank; and (b) listed on a recognised exchange; and (c)classified as senior debt; and (d) all rated issues of the same seniority by the issuing bank that are rated at least BBB- or A3 by a chosen Credit Rating Agency ; and (e) the bank holding the securities as collateral has no information to suggest that the issue justifies a rating below BBB- or A3 (as applicable) and; (f) Banks should be sufficiently confident about the market liquidity of the security.

$$ A debenture would meet the test of liquidity if it is traded on a recognized stock exchange(s) on at least 90 percent of the trading days during the preceding 365 days. Further, liquidity can be evidenced in the trading during the previous one month in the recognized stock exchange if there are a minimum of 25 trades of marketable lots in securities of each issuer.

(viii) Units of Mutual funds regulated by the securities regulator of the jurisdiction of the bank's operation mutual funds where:

- a price for the units is publicly quoted daily i.e., where the daily NAV is available in public domain; and
- Mutual fund is limited to investing in the instruments listed in this paragraph.

Haircuts: Haircuts are discounting factors to be applied on CRM value. **Banks in India are allowed to use Standard supervisory haircuts**.

11.1 Benefits of Credit Risk Mitigation (CRM) The availability of a CRM security in a loan accounts reduces the risk weight against the exposure. For example: In case of a loan of Rs.10000/- against security of FDR (where the FDR is yet to be matured) of Rs.15000/-, the risk weight will be calculated as under:

1	Loan amount	Rs.10000/-
2	Value of CRM security (FDR) available	Rs.15000/-
3	Haircut on exposure	Nil
4	Haircut on CRM security	Nil (since CRM is cash security)
5	CRM adjusted exposure (1-2)	Nil
6	Total Risk weight on (5)	Nil

The above example clearly shows the benefit of CRM security. It is therefore important that the details of the CRM securities, if available in a loan account (whether primary or collateral), are correctly filled and no relevant field is left blank in the LADDER/**CBS system. VALUE OF THE CRM TO INCLUDE ACCRUED INTEREST ALSO.**

11.2 <u>Important points for filling up the data for Basel-III calculations -</u> The following are the important points for filling data for ensuring calculation of appropriate risk weights in CBS/LADDER:

i) Correct filling of Cash margin.
ii) Correct details of CRM security
iii) Correct details of issue and maturity date of security
iv) Correct value of Gold (value of Gold be equal to 99.99% purity)
v) Correct name of security of debentures/bonds
vi) Correct amount of sales turnover and **other details in CCLD menu of CBS.**
vii) Correct details of guarantee whether State/Central Govt. and amount of guarantee
viii) Correct feeding of NFB nature code and other details in NFDET menu of CBS.
ix) Correct reporting of code for banks whether Scheduled or Non Scheduled bank
x) Correct reporting of value of mortgaged property in Housing loans
xi) Correct selection & reporting of Constitution and activity codes in respect of borrowers
xii) Correct reporting of amount of limits sanctioned in all facilities*** and creation of Limit **Node through HLNM menu of CBS.**
xiii) **Correct reporting of "special category code" in respect of restructured loan Accounts and feeding of details in CBS menu RSAM.**
xiv) **Correct feeding of external credit ratings in CBS through menu option CRMS customized for the purpose**
xv) ECGC/CGTMSE/CRGFTLIH/Other Govt. Guarantees covers are to be fed properly in CBS system under “V” detail in case of fund based, and through NFDET menu in case of Non Fund based accounts.

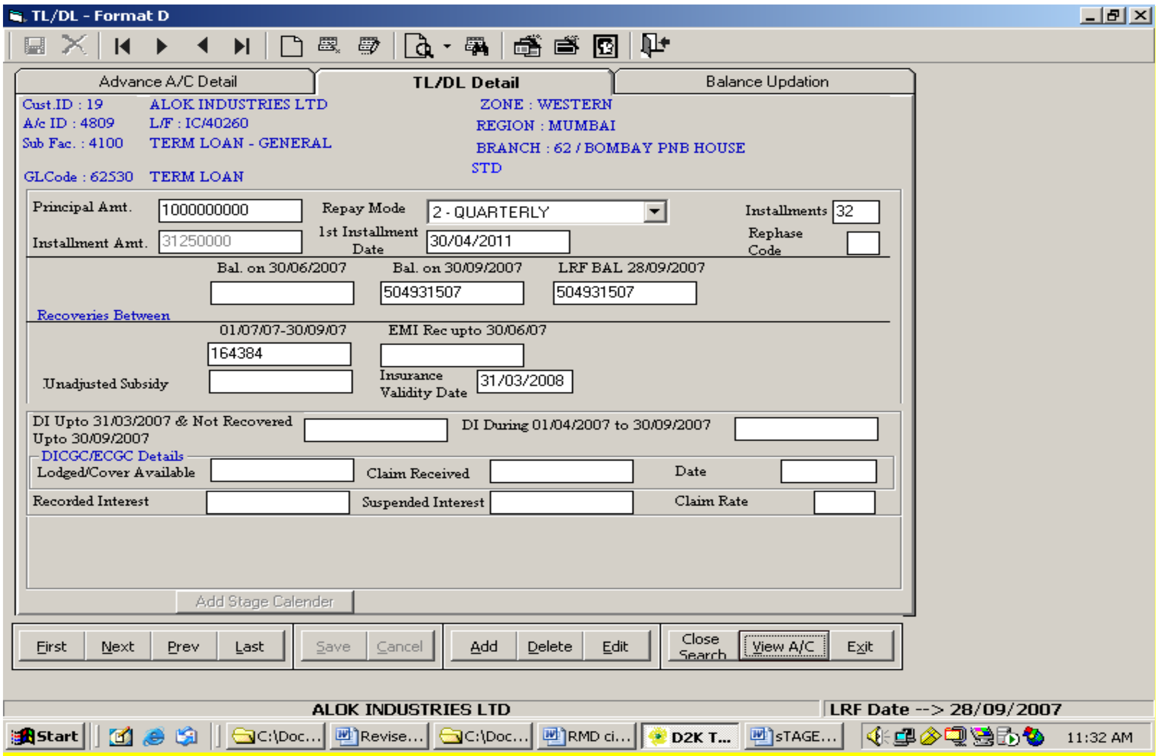
The branches should therefore ensure correct feeding of data to obviate any discrepancy in risk weight calculation.

<u>* Note</u>**: In its guideline on “Standardized Approach”, RBI has decided that the amount of un-availed limit is also to be risk weighted. The unavailed commitment is the unutilized portion of the sanctioned limit that could be availed by the borrower. The amount of unavailed limit is to risk weighted as under:

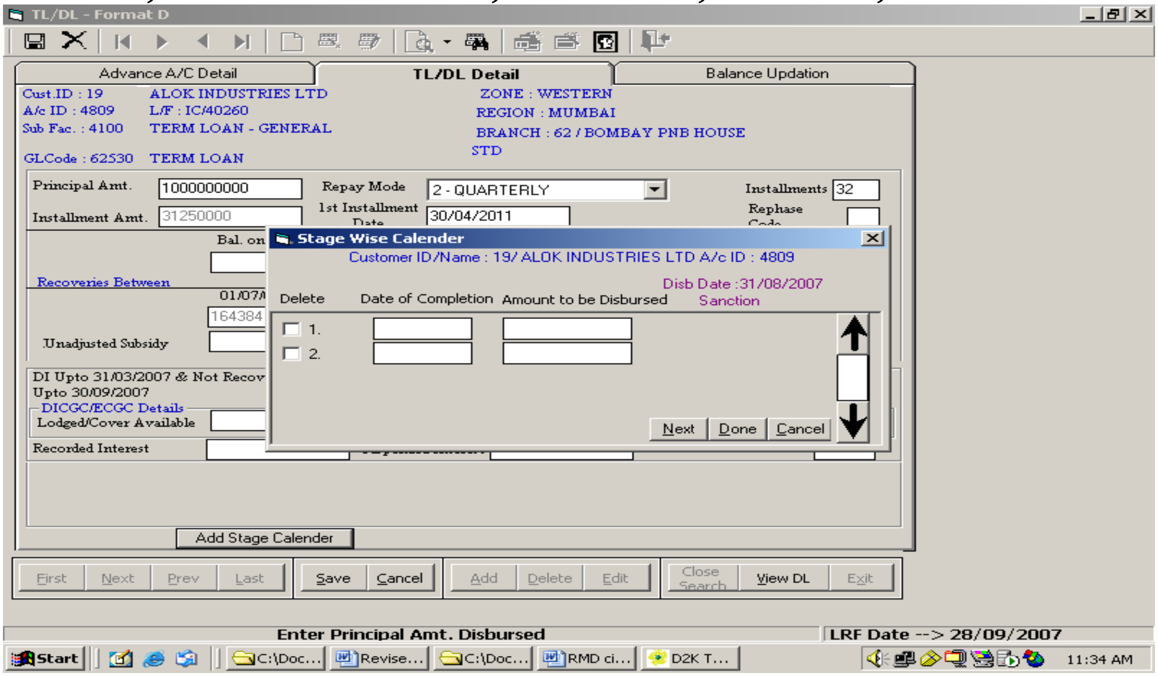
a. In the case of a cash credit facility for Rs.100 lakh (which is not unconditionally cancellable) where the availed portion is Rs. 60 lakh, the unavailed portion of Rs.40 lakh will attract a Credit Conversion Factor (CCF) of 20% (since the cash credit facility is subject to review / renewal normally once a year). The credit equivalent amount of Rs.8 lakh (20% of Rs.40 lakh) will be assigned the appropriate risk weight as applicable to the counterparty /

rating to arrive at the risk weighted asset for the unavailed portion. The availed portion (Rs.60 lakh) will attract a risk weight as applicable to the counterparty / rating.In terms of L&A circular no. 142/2007 the guidelines for insertion of limit cancellation clause in loan documents have already been issued. To capture this information, functionality in the CBS has been developed under menu option CCLD where Limit cancellation flag "Y" shall be auto populated which is modifiable by the branches.

b. A term loan of Rs.10 crore is sanctioned for a project which can be availed in stages over a three year period. The terms of sanction allow availment in three stages – Rs.5 crore in Stage I, Rs.2 crore in Stage II and Rs.3 crore in Stage III, where the borrower needs the bank's explicit approval for availment under Stages II and III after completion of certain formalities. If the borrower has availed already Rs.3 crore under Stage I, then the unavailed portion would be computed with reference to Stage I alone i.e.,it will be Rs.2 crore. If Stage I is scheduled to be completed within one year, the CCF will be 20% and if it is more than one year then the applicable CCF will be 50%. Disbursement schedule in Term loan accounts is to be updated in CBS.



After clicking the "Add Stage Calendar" button, the following screen will appear:



Branches can fill the appropriate details of stage wise disbursement of TL in “Stage wise calendar” window as shown above. Further, Branches are required to feed the disbursement schedule in “D” details while opening the account in CBS. In case of existing accounts the information can be entered through modification mode under J option of HACMLA.

11.3 The instructions contained in various IRMD circulars listed in Table A are to be adhered to.

11.4 Branches must ensure that all efforts are made to avoid any discrepancies in data, submitted by them. The discrepancies in data invites wrath of SCAs/RBI Auditors and also can have adverse impact on the computation of **Risk Weighted Assets (RWAs)** and as such on the **Capital to Risk Weighted Assets Ratio (CRAR)** of the bank. It is therefore necessary to ensure that data in the CBS system is fed correctly.

In order to avoid any scope of ambiguity a list of frequently asked questions (FAQs) along with their replies are discussed in Annexure-I of this Chapter. The examples given in the Annexure are only illustrative and not exhaustive. The branch should therefore take utmost care to ensure the correctness of the data so as to avoid any discrepancy in RWA/CRAR. The Circles should monitor this aspect closely.

11.5 The software shall calculate the amount of Risk Weighted Assets and required returns detailed below shall be generated through LADDER:

a. Master Summary of Risk Weighted assets as per Basel III (with undrawn) **$**

b. Master Summary of Risk Weighted assets as per Basel III (without undrawn) **$**

c. Report on funded credit exposure.

d. Report on off balance sheet exposure

e. Report on funded credit exposure – NPAs

f. CRM Security Volatility Computation Worksheet.

$ Note: The purpose of generation of two separate master summaries mentioned above is as under:

S. No.	Detail	Purpose
1	Master Summary of RWA (without undrawn)	To tally the Funded & Non funded Loans & Advances exposure (excluding the undrawn exposure) of the branch with balance sheet
2	Master Summary of RWA (with undrawn)	To depict the total RWA of the branch (inclusive of RWA on undrawn exposure)

ALL BRANCHES UNDER STATUTORY AUDIT MUST ENSURE TO GET THE RWA MASTER SUMMARY (with undrawn) OF RISK WEIGHETD ASSETS FOR THE YEAR ENDING MARCH 2018, CERTIFIED BY THE STATUTORY AUDITORS.

Note: For details on generating above reports & relevant steps please refer MIS Division circulars on LADDER DATA UPDATION GUIDELINES – issued before the quarter/half year/annual closing.

12. Important points before finalizing the RWA master summary (with & without undrawn) : Before finalizing the RWA summary, branch should carefully check the same and it should be ensured that no wrong classification is shown in the summary due to incorrect feeding of data at branch. Appropriate codes should be fed in the system so that loan account, which attracts higher risk weight, is not shown in lower risk weight category and vice versa. COs while compiling at their end should also ensure this by randomly checking the reports/ master summary.

12.1 Some of the common discrepancies as reported by auditors are:

- Corporate being classified retail -This needs to be corrected by filling turnover amounts of the borrower under CCLD menu option of CBS.
- Outstanding shown under domestic sovereigns, foreign sovereign, Banks and Primary Dealers while there is no such account at branch level.- This can be examined by seeing the master summary report of Basel III and can be corrected by modifying 'constitution code' of borrower in CBS.

- **External** Risk rating of borrower not considered/**multiple ratings for the same borrower from same rating agency.** IRMD on quarterly basis circulates available live external ratings of borrowal accounts. - The branches need to update/ feed the ratings properly in CBS.
- Non fund based limits shown under residential property: - Generally, there cannot be any non fund based limits being reported under residential property. Hence, this needs to be corrected by looking into activity code/ facility code.
- Restructured accounts not reported. - All unrated restructured corporate accounts **as explained in para 2** attract risk weight @125%. Feed the required details through menu option RSAM & feeding the correct "special category code" in CBS.
- Latest external rating along with date of rating not filled in.
- Amount of turnover & **other customer details** not updated.

12.2 CRMs: As informed in **para 11**, certain financial securities and guarantees are eligible for treatment as credit risk mitigants which are referred to as CRM securities. Capital charge in respect of these accounts has to be calculated on the CRM adjusted exposure. Therefore, it is very important that the details and amount of CRM securities are correctly filled in to obtain the capital relief.

Annexure 1

Frequently Asked Questions (FAQs) on Implementation of regulatory guidelines on credit risk capital charge computations:

Q1. How to segregate the claims on Banks under scheduled and other banks as per their respective CRAR?

Ans. Branches are simply to pick the name of the Bank/Branch using the bank code list available in the system. It would classify the bank as per its status and would apply RW as per its CRAR and other details already fed in Bank Master at the back end. Similarly, Branches are required to select appropriate constitution code in CBS for direct exposures on Banks and mandatorily feed the bank/branch code in Bills maintenance (MEOB/MIIB menus) during purchase/discount of bills under LC as well as counter guarantee details of the bank (if applicable), while issuing Guarantees.

Q2. Why it is important to feed turnover of the borrower accounts?

Ans. It is important for the purpose of segregating an exposure between regulatory retail and corporate. Any exposure beyond Rs. 5 crore is classified as corporate. Moreover, if the average turnover of 3 years exceeds Rs. 50 crore under Standardized approach then also the account needs to be classified as Corporate irrespective of exposure. Feeding of correct turnover and other details is required through CCLD menu option of CBS.

Q3. Does the turnover require to be filled in all accounts?

Ans. It is required to be filled in all running accounts having exposure above Rs. 1 crore and up to Rs. 5 crore. To save avoidable labour at field level, Bank has deliberately exempted filling up of these fields in case the exposure is up to Rs.1 crore. There is no need to fill up these fields in case the exposure is beyond Rs. 5 crore, as it automatically falls under corporate category.

Q4. Why a Special category code and restructuring schedule is required to be filled in for restructured accounts under corporate category?

Ans. RBI guidelines provide that exposures which have been subjected to re-structuring/ re-scheduling either by the banks on their own or along with other banks/ creditors, unrated standard/performing claims on these entities should be assigned a higher risk weight of 125% until satisfactory performance under the revised payment schedule has been established for one year from the date when the first payment of interest/ principal falls due under the revised schedule. Therefore, for application of correct risk weights, it is imperative to feed the required details through menu option RSAM in CBS in respect of all restructured accounts.

Q5. Is it necessary to obtain External Credit Risk Rating if we have our own internal rating?

Ans. As per RBI guidelines on standardized approach, ratings done by identified external rating agencies are applicable and internal ratings are applicable under Advance approaches only. Hence it is necessary to obtain ECAI ratings in all eligible accounts apart from Internal Credit Rating.

Q6. Do all borrowers need to be rated?

Ans. All borrowers having fund based and non fund based exposure more than Rs 5 crore from our bank need themselves to be rated from approved external rating agencies.

Q7. How to feed External Credit Risk Rating in CBS?

Ans. New Menu **"CRMS"** has been customized in CBS to feed the external ratings of Borrower/Guarantor/rated debt securities. Operational guidelines have been issued by ITD-CBS circular 28/13 dated 07.05.2013 for meticulous compliance by the branches.

Q8. Is it necessary to obtain external credit risk rating for exposure eligible to be classified under commercial real estate (CRE) and commercial real estate-residential housing (CRE-RH)?

Ans. **Risk weights for CRE & CRE-RH are not linked with External Credit Risk Ratings. RBI guidelines on standardized approach prescribe risk weight of 100% for CRE & 75% for CRE-RH. However, the External Credit Risk Rating is used for understanding the inherent risk and pricing of the credit facilities.**

Q9. Who will pay the fee and approach to ECAI, borrower or bank?

Ans. The borrowers themselves have to approach to ECAI and also bear the expenditure associated with the external rating.

Q10. What happens if borrower doesn't get rated?

Ans. **Claims on Corporates, AFCs, and NBFC-IFCs having aggregate exposure from banking system of more than INR 100 crore which were rated earlier and subsequently have become unrated will attract a risk weight of 150%** from 25.08.2016.

Q11. Which agency to prefer & whom to contact?

Ans. RBI has identified 7 external credit rating agencies. Bank has entered into MOU with all of them. Borrower is free to choose and negotiate with any approved agency.

Q12. How to get the rating and when to do with that?

Ans. Ratings shall be provided to bank by borrower himself. List of ratings is also available on the respective web sites of ECAIs.

Q13. What happens if borrower rating is not filled in the system?

Ans. The very purpose is defeated and the bank is deprived of the benefits accruing from the rating.

Q14. What is short term and long term rating?

Ans. Short term rating is applicable on exposure with contractual maturity up to one year and long term rating is applicable on exposure having contractual maturity over one year. However, **long term rating is applicable in case of cash credit accounts**, though the contractual maturity is generally up to one year.

Q15. How to feed the Non-Fund Based Facilities Details in CBS?

Ans. New menu "NFDET" has been customized in CBS for feeding of Non Fund Business related details viz: Sector, Subsector, Activity, guarantor, Sanctioned NFB limits. Operational guidelines have been issued by ITD-CBS circular 28/13 dated 07.05.2013 for meticulous compliance by the branches.

Q16. What is an unconditional undertaking?

Ans. RBI has introduced risk weights on un-drawn/partially drawn portion of facilities if the same are not unconditionally cancellable. As such to make the facilities unconditionally cancellable, such undertakings are obtained, which form part of loan documents.

Q17. Do I need to take unconditional undertaking in all accounts & facilities?

Ans. RBI has introduced risk weights on un-drawn/partially undrawn portion of facilities if the same are not unconditionally cancellable. As such, to make the facilities unconditionally cancellable, such undertakings are obtained, which form part of loan documents and need to be captured under CCLD menu option of CBS.

Q18. Is unconditional undertaking required to be taken in staff account also?

Ans. Yes

Q19. What happens if borrower refuses to give the same?

Ans. The undrawn portion of facility also attracts risk weight and bank has to keep capital for the same.

Q20. How do I fill up the unconditional undertaking for limit cancellation in system?

Ans. Functionality to capture the same has been developed in CCLD menu of CBS where branches to mark the flag "Y" or "N".

Q21. Do I need to take this every time when limit is enhanced?

Ans. The undertaking is a part of loan document. Hence it is to be obtained with fresh documents.

Q22. What is draw down schedule?

Ans. It is applicable in term loans accounts, where the disbursement is spread over more than one year in different stages by obtaining draw down schedule duly approved by competent authority. Disbursement scheduled for future stages do not attract risk weight for undrawn amount. Detailed Guidelines issued vide ITD-CBS circular 73/2011 on 27th July 2011.

Q23. Do I need to take draw down in all term loan accounts?

Ans. It is required where disbursement is spread in stages spanning over more than a year.

Q24. What happens if the draw down is not obtained from borrower?

Ans. The future stages of disbursements would also attract risk weight and bank has to keep capital for the same.

Q25. Is it a must to feed the financial securities details for correct RWA calculation under Basel-III in CBS?

Ans. Yes. The financial securities known as credit risk mitigants (CRM) in Basel III are allowed to be netted in the exposure for the purpose of calculation of RWA. Hence, financial securities such as Cash/FDRs/ NSCs/ KVPs/Gold/Bonds etc. need to be invariably fed in the HCLM menu of CBS and receive a collateral ID number. The said collateral ID is to be linked through menu option HSCLM with the appropriate value of CRM. If this information is not filled in, the bank will not get benefit in calculation of risk weighted assets. Further, branches are required to attach the financial securities obtained as margin in Non Fund Based facilities through "K" sub-option of OGM/ODCM menu instead of marking lien through HALM menu. Updated list of eligible CRM securities has been provided in recently consolidated IRMD circular no. 17/2017 dated 11/09/2017 on the Basel III guidelines.

- Equity and convertible bonds are not eligible CRMs.
- Deposits being maintained by a borrower, even in the same name and style, should be fed in as CRM, only if specifically offered as Primary/Collateral security in favour of the Bank.

Q26. Why value of security is also required to be filled in addition to outstanding in case of claims secured by residential property (housing loan to public)?

Ans. The RW in certain cases is determined on the basis of latest realizable value of residential property. Hence, filling in correct and latest value of security is a must in case of housing loan to public and other claims secured by residential property.

Q27. Why is it necessary to feed amount of superannuation benefits available to the staff member?

Ans. It is a necessity because any exposure to staff covered by superannuation benefits would attract risk weight @ 20%. The rest of such exposures would be classified under regulatory retail portfolio attracting risk weight @ 75%. Branches to ensure feeding of correct superannuation value in CCLD menu of CBS.

Q28. Why there is so much stress on correct feeding of one time casual limits (FOBP/ODD etc) permitted to sundry parties, which do not enjoy regular limits.

Ans. As already discussed, risk weights have also been introduced on un-availed portion of facilities. Bank can avoid the same by taking undertaking in personal accounts, but no such undertaking is possible in these impersonal accounts. Hence, it becomes imperative to ensure that the limits in such accounts do not exceed the outstanding. Otherwise also, such limits are fed in for operational convenience only without any sanction.

Q29. Why is it required to reverse the expired LC/LG in CBS ?

Ans. The system treats such limits as exposure and applies risk weights accordingly.

****

Chapter 8 – THIRD DISPATCH

1. MATURITY PATTERN OF LOANS & ADVANCES

Credit Review & Monitoring Division is the Nodal Division for computation and Audit of the information required on this aspect at corporate level. As per directions of Audit Committee of Board, the process of finalization of annual accounts has been centralized at Head office level.

IMPORTANT - "Circle Offices/Branches will not send the Maturity Pattern of Loans & Advances statement to Credit Review & Monitoring Division, Head Office. At Corporate level, the statement shall be prepared by CRMD, HO by obtaining data from MISD/ITD for Bank as a whole. Audit of the statement shall be done at corporate level only."

Maturity Pattern of Advances as per revised guidelines, viz, time buckets, distributed as under:

S.No.	Time Buckets
(i)	Next Day
(ii)	2 to 7 days
(iii)	8 to 14 days
(iv)	15 to 28 days
(v)	29 days and upto 3 months
(vi)	Over 3 months and upto 6 months
(vii)	Over 6 months and upto 1 year
(viii)	Over 1 year and upto 3 years
(ix)	Over 3 years and upto 5 years
(x)	Over 5 years and upto 7 years
(xi)	Over 7 years and upto 10 years
(xii)	Over 10 years and upto 15 years
(xiii)	Over 15 years

The relevant guidelines to the above statement are as under: -

PERFORMING ASSETS

Classification Of Bills

Bills purchased and discounted are classified in respective maturity buckets according to residual maturity period.

Demand/ Sight bills purchased: In respective maturity buckets according to residual maturity period.

Usance Bills purchased and discounted: In respective maturity buckets according to residual maturity period.

Overdue bills for less than one month: Maturity bucket of 8 – 14 days.

Overdue bills for one month and above: Maturity bucket of 29 days – 3 months.

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

Cash Credit (CC) Accounts

In case of CC account, the balance outstanding is **segregated in Core and Volatile portions** depending upon behavioural and seasonal pattern of availments.

Classification of Term Loan Accounts

Term Loans are classified according to interim cash flows as per terms of sanction, in the respective maturity buckets. However, for overdue installments, amount is placed as given below:

- **Overdue for less than 1 month: third time bucket of over 8 – 14 days.**
- **Overdue for above 1 month: Fifth time bucket of over 29 days – 3 months.**

Detail of classification of term loans with simple installments and with equated monthly installments is given below for ready reference:

(A) Loans with simple installments

For example a loan of Rs.75000/- has been sanctioned in the month of October 2007, repayable in 50 monthly installments of Rs.1500/- plus interest each w.e.f. November 2007. Suppose repayment of Rs.6000/- has been received upto 31.3.2008 and an amount of Rs.5000/- (Rs.1000/- in Dec. and Rs.4000/- in March) has been charged towards interest. Balance outstanding as on 31.3.2008 is Rs.74000/-. Classification of this term loan as on 31.3.2008 will be as under:-

Overdue amount in this term loan as on 31.3.2008 is Rs.6500/- (Rs.74000 – Rs.67500). Out of this overdue amount Rs.4000/- is on account of interest and Rs.2500/- is on account of principal. As per guidelines, overdue installment of one month plus overdue interest is classified in the third time bucket of 8 – 14 days, therefore, an amount of Rs.5500/- (Rs.4000 Interest + Rs.1500 of installment.) will be classified in the third time bucket and remaining overdue installment of Rs.1000/- will be classified in the fourth time bucket of 15 – 28 days. The remaining outstanding balance of Rs.67500/- (Rs.74000 – Rs.6500) will be classified in respective maturity buckets taking the inflow of Rs.1500/- per month as per terms of sanction. The final classification of the account in maturity buckets of Worksheet will appear as under:-

TIME BUCKET	AMOUNT (IN RUPEES)
Next day	NIL
2 days to 7 days	NIL
8 days to 14 days	5500/-
15 - 28 Days	1000/-
29 Days - 3 Months	4500/-
Over 3 months – 6 months	4500/-
Over 6 months - 1 year	9000/-

Over 1-3 years	36000/-
Over 3-5 years	13500/-
Over 5-7 years	NIL
Over 7-10 years	NIL
Over 10-15 years	NIL
Over 15 years	NIL
Total	74000/-

B) Loans with Equated Monthly Instalments (EMI)

In Term Loan Accounts with repayment in terms of EMI, the amount of EMI is converted (reduced by interest element) into simple installment and then the outstanding balance as on 31st March is classified in respective maturity buckets in terms of inflow as per reduced installment. To make it clear an illustration is given below: -

Suppose a loan of Rs.75000/ has been sanctioned in the month of October 2007 repayable in 50 monthly installments with repayment schedule in terms of EMI of Rs.2000/- w.e.f. November 2007. Suppose repayment of Rs. 6000/- has been received upto 31.03.2008 and an amount of Rs. 5000/- (Rs.1000 in Dec. and Rs.4000 in March) has been charged towards interest. Balance outstanding as on 31.03.2008 is Rs.74000/-.

For classification of the captioned Term Loan account into various maturity buckets as on 31.03.2008, amount of EMI will be reduced from Rs.2000/- to Rs.1500/- plus interest.(Rs.75000/- divided by 50) per month. Five installments have become due upto March 2008. According to reduced monthly installment of Rs.1500/-, an amount of Rs.6500/- is overdue. Out of this, Rs.4000/- is on account of interest charged in March and Rs.2500/- on account of installments. Classification of this overdue amount of Rs.6500/- will be done in third maturity bucket of 8 – 14 days (Rs.5500/-) and fourth maturity bucket of 15 – 28 days (Rs.1000/-) exactly as done in earlier example.

The remaining amount of Rs.67500/- will be classified in respective maturity buckets as per reduced installment of Rs.1500/- per month as done in earlier example.

The final classification will appear as under:-

TIME BUCKET	AMOUNT (IN RUPEES)
Next day	NIL
2 days to 7 days	NIL

8 days to 14 days	5500/-
15 - 28 Days	1000/-
29 Days - 3 Months	4500/-
Over 3 months – 6 months	4500/-
Over 6 months - 1 year	9000/-
Over 1-3 years	36000/-
Over 3-5 years	13500/-
Over 5-7 years	NIL
Over 7-10 years	NIL
Over 10-15 years	NIL
Over 15 years	NIL
Total	74000/-

This classification will appear exactly as classification in earlier case appears. However, it is ensured that while classifying, a regular account should not be considered as irregular.

Overdraft & Demand Loan Accounts

On the basis of residual maturity of underlying security.

Advances against Gold

These are granted for a maximum period of two years only. Classification of these advances is done according to their residual time period of two years from the date of sanction.

Loans against security of shares

Classified in the 8th time bucket of 1-3 years.

NON-PERFORMING ASSETS

- **Sub-standard Assets:** Classified in the 9th time bucket of over 3-5 years.

Doubtful & Loss Assets: Classified in the 10th time bucket of over 5 years.

2. MATURITY PATTERN OF INVESTMENT SECURITIES

Investment portfolio of the bank is looked after by **Treasury Division** at HO and **no information is required from the branches**.

3. MATURITY PATTERN OF DEPOSITS (ALM Cell, IRMD)

ALM Cell at Integrated Risk Management Division, HO, is the nodal office for information regarding Maturity Pattern of Deposits (MOD) Statement.

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IMPORTANT- "Circle Offices/Branches will not prepare the MOD statement. The statement shall be prepared by ALM Cell, (IRMD) by obtaining data from MISD/ITD. Audit of the MOD statement shall be done at corporate level only".

GENERAL GUIDELINES

(i) **All term deposits are to be classified as per above mentioned time buckets and reported in the statement. These would include all term deposits shown against Balance Sheet Codes 41301 to 41318.**

TOTAL TERM DEPOSITS SHOULD BE EQUAL TO BALANCE SHEET CODE 41399.

(ii) **The total of CDs + Wholesale Deposits + Other Term Deposits (Retail) in Format *ALM: RMD: AD: WS: 4 (Format given in this Chapter)* should tally with Balance Sheet code 41399.**

(iii) **Classification of current and saving deposits will be done based on behavioral models.**

(iv) **All overdue term deposits, unless transferred to current account, are to be treated as DUE NEXT DAY and be included in the "Next day" bucket.**

4. MATURITY PATTERN OF FOREIGN CURRENCY ASSETS & LIABILITIES –

Maturity profile of all Foreign Currency Assets & Liabilities of the Bank as on the date of Balance Sheet (31st March) is to be disclosed under 11 maturity buckets, based on Residual Maturity. For this purpose **International Banking Division, HO New Delhi is the Nodal Division.** For Overseas Branches the statement of Maturity profile for Foreign Currency Assets and Liabilities will be consolidated duly audited by SCA as per extant guidelines/practice.

For Domestic branches the Maturity profile of Foreign Currency Assets and Liabilities, the information will be submitted by the Treasury Division –HO as a whole duly audited by SCA.

PNB:IBD:AD:S:5 Maturity profile of Foreign Currency Liabilities & Assets (rupee Equivalent)

(The consolidated amount of all liabilities and assets should be shown in Rupees (INR) only on the basis of residual maturity)

Various components of the foreign currency assets and liabilities, as reflected in the balance sheet, are as under:

LIABILITIES	TO BE FURNISHED BY
1. Foreign Currency Deposits: (i) FCNR (B) (ii) EEFC (iii) RFC	HO-Treasury
2. Lines of credit	HO-Treasury
3. Overdraft in Nostro Accounts	HO-Treasury
4. Other foreign currency borrowings	HO-Treasury

ASSETS	TO BE FURNISHED BY
1. Foreign Currency Loans (i) PCFC (ii) EBR (iii) FCL (iv) FCTL	HO-Treasury
2. Balances held in Nostro Accounts	HO-Treasury
3.Foreign currency deposits with overseas banks	HO-Treasury
4. Other investments with overseas banks	HO-Treasury

LIABILITIES: Foreign Currency Deposits

- Foreign currency deposits are to be reported depending upon the nature of deposits (currency-wise), such as, savings, current, fixed deposits, etc. and the guidelines applicable for domestic deposits will be applicable for reporting of Foreign Currency Deposits also.

- **As regards other components of foreign currency liabilities, such as, overdrafts in Nostro A/cs and the other Foreign Currency Borrowings, this aspect is to be taken care of by Treasury (previously by FEOs) for which there are separate guidelines.**

ASSETS: Foreign Currency Assets

- The components relating to foreign currency loans such as, PCFC, EBR, FCL and FCTL are to be reflected depending upon their nature, whether they are for working capital purposes or for term loan purposes. **Treatment for Foreign currency loans, whether performing or non-performing, including bills purchased/discounted etc. be done for reporting in the 10 maturity buckets, as applicable for domestic loans & advances.**
- Information on NPAs under category of Export Credit be sent as per format **S-5 A** to **Recovery Division** (SAMD) **HO, New Delhi**.
- As regards off-balance sheet items, Treasury (previously FEOs) should submit the information to Finance division relating to forward exchange contracts (Currency wise along-with Rupee equivalent), duly authenticated by the auditors.

5. MATURITY PATTERN OF BORROWINGS (PS & FI Division)

- **PS & FI Division is the Nodal Division for compiling information regarding maturity pattern of Borrowings.** A Format PNB/PS & LB/AD/S-7 for March 2018 for compiling the information with regard to maturity pattern of all the borrowings from the designated branches has been prescribed. Borrowings from RBI and Refinance from NABARD, NHB, Exim Bank, IDBI, SIDBI, Overdraft in Bankers Accounts, Call/Short term money (Inter bank) and Call/Short term money (Financial Institutions) are to be reported in this format. Branches having exposure in any of these areas are to report the information in respective maturity buckets based on residual maturity and ensure that figures reported in the format tally with the figures reported in respective Codes of PNB 259. Total of all the heads in the format to tally with Code 41599 less Bills Rediscounted from FIs. (Code 41536 + 41537 + 41538 + 41541 + 41542 + 41570) of Balance Sheet Format, PNB - 259.

- **CIRCLE OFFICES WILL COLLECT, SCRUTINIZE, AND FORWARD THE branch-wise Statements (both audited and un-audited branches) to the PS&FI Division for CONSOLIDATION, VERIFICATION AND CERTIFICATION FROM THE SCAs AT THE CORPORATE LEVEL.**

- PS & FI Division will obtain maturity pattern of borrowings outside India from IBD, HO and to include in the statement.

- **PS & FI Division, while compiling the statement of Bank as whole should take care that figures reported in the Format PNB/ PS & LB/AD/S-7 for March 2018 tally with the figures reported in the respective code of Balance sheet.**

6. LENDING TO SENSITIVE SECTORS (CREDIT REVIEW AND MONITORING DIVISION)

Credit Review & Monitoring Division, HO is nodal office for disclosure in the `Notes on Accounts' of the Balance Sheet for sensitive sector and unsecured advances. As such, the Returns on exposure to sensitive sectors (real estate sector, capital market and commodity sector) and unsecured exposures are required to be submitted to our Division.

The detailed guidelines for preparation of closing returns on above disclosures have been provided in the 8th Edition of the Manual for yearly accounts vide Circular No.FD:CO:BS:4 /2017 dated 08.03.2017 circulated by Finance Division, Head Office.

In order to ensure smooth conduct of audit of the year end closing, the instructions relating to the above mentioned areas are given below:

CREDIT REVIEW AND MONITORING DIVISION, HO is the Nodal Division for compiling information of outstanding exposure to sensitive sectors in respect of Capital Market Exposure (advances), Real Estate Sector and Commodity Sector. The information required for this purpose is to be submitted by the branches to their respective controlling offices on the enclosed formats. LCBs are required to submit the statements to their respective Circle Offices who, in turn, will submit the consolidated statement of the Circle. It is advised that Circle Offices will **COLLECT, SCRUTINIZE, CONSOLIDATE AND FORWARD (CSCF) the statements/information received from branches under audit and un-audited branches along with the consolidated position of the Circle as a whole**

(including LCB) under the signatures of Circle Head to CREDIT REVIEW AND MONITORING DIVISION, HO. While forwarding, they must ensure that no branch/ office under their jurisdiction is missed out. Thus, the Circle Offices will proceed as under:

- **Will collect and scrutinize the statements received from each Branch in their Circle (audited as well as un-audited).**
- **Will forward consolidated statement for the Circle as a whole (including LCBs, if any) duly signed by the Circle Head. NO BRANCH SHOULD BE MISSED OUT.**
- **Will forward duly signed hard copy of the `Consolidation Sheet' as well as the soft copy thereof at bhartiya.kanika@pnb.co.in, nareshk@pnb.co.in or crmd@pnb.co.in.**

The related guidelines on exposure to various segments of Sensitive Sectors are given below.

A. ADVANCES TO CAPITAL MARKET

Based on RBI revised guidelines w.e.f 01.04.2007, the following advances shall form part of the exposure to Capital market:

i. 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;
ii. 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;
iii. 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 funds does not fully cover the advances;
iv. Secured and un-secured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers;
v. Loans sanctioned to corporates against the security of shares/ bonds/ debentures or other securities or on clean basis for meeting promoters' contribution to the equity of new companies in anticipation of raising resources;
vi. Bridge loan to companies against expected equity flows/ issues;
vii. Financing to stock brokers for margin trading;
viii. Financing to Mutual Funds;
ix. Irrevocable payment commitments (IPCs) issued on behalf of Mutual Funds in favour of Stock Exchanges.

(Since the report has been customized in EDW, please ensure that the statement submitted by you is at par with the EDW report.)

B. ADVANCES TO COMMODITY SECTOR

Commodity sector is being reported under the heads 'Cash Crops, Edible Oils, Agriculture produce and others. Branches are advised to submit the above returns keeping in view the following guidelines (as per CREDIT DIVISION circular letter No. 12 dated 27.11.2006):

- Advances granted against cash crops, edible oils and agricultural produce to processing mills/ manufacturing units etc. being used as raw material should **NOT** be treated as 'advances against sensitive commodities and need not be reported.
- Similarly, advances allowed to various procurement agencies for procurement of various commodities and **NEED NOT** be reported under Commodity sector.
- **However, advances to traders against cash crops, edible oils and agricultural produce would continue to be reported under this sector.**

STATEMENTS FOR DISCLOSURE

Advances to Capital Market and Commodity Sectors PNB/CAD/AD/S-2

The statement is to be submitted in two parts. The position of Capital market exposure (advances) is to be provided in Part I and that of Commodity sector in Part II. In case of commodity sector, the outstanding exposure is to be indicated both for fund based and non fund based facilities. In case of capital market sector, exposure would be limits sanctioned or outstanding, whichever is higher. However, in case of fully drawn term loans where there is no scope for re-drawal of any portion of the sanctioned limit, the outstanding will be taken. Incumbents are advised to ensure submission of data strictly as per the format and as per guidelines stated above (**A&B**).

Please ensure submission of above return/ information in time. The pre-audited statements should reach us by 7th April, 2018 and the audited statements (if any) immediately after the audit.

C. EXPOSURE TO REAL ESTATE SECTOR

Direct exposure

- Residential Mortgages
- Commercial Real Estate
- Investments in Mortgage Backed Securities (MBS) and other securitized exposures: a. Residential, b. Commercial Real Estate.

***CRE-RH would consist of loans to builders/developers for residential housing projects (except for captive consumption) under CRE segment. Such projects should ordinarily not include non-residential commercial real estate. However, integrated housing projects comprising of some**

commercial space (e.g. shopping complex, school, etc.) can also be classified under CRE-RH, provided that the commercial area in the residential housing project does not exceed 10% of the total Floor Space Index (FSI) of the project. In case the FSI of the commercial area in the predominantly residential housing complex exceeds the ceiling of 10%, the project loans should be classified as CRE and not CRE-RH.

Indirect Exposure

- Exposure to National Housing Bank and Housing Finance Companies

The revised definition of Direct and Indirect Exposure is as under : -

Direct Exposure

i) **Residential Mortgages**: Lendings fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs.20 lakhs may be shown separately)

ii) Commercial Real Estate
Revised guidelines (Please refer to L&A Cir.124/09)
Real Estate is generally defined as an immovable asset - land (earth space) and the permanently attached improvements to it. Income-producing real estate (IPRE) has been defined in Para 226 of the **Basel-III Framework**, which is reproduced below: "***Income-producing real estate (IPRE)*** *refers to a method of providing funding to real estate (such as, office buildings to let, retail space, multifamily residential buildings, industrial or warehouse space, and hotels) where the prospects for repayment and recovery on the exposure depend primarily on the cash flows generated by the asset. The primary source of these cash flows would generally be lease or rental payments or the sale of the asset. The borrower may be, but is not required to be, an SPE (Special Purpose Entity), an operating company focused on real estate construction or holdings, or an operating company with sources of revenue other than real estate. The distinguishing characteristic of IPRE versus other corporate exposures that are collateralised by real estate is the strong positive correlation between the prospects for repayment of the exposure and the prospects for recovery in the event of default, with both depending primarily on the cash flows generated by a property*". From the definition of IPRE given above it may be seen that for an exposure to be classified as IPRE/CRE, **the essential feature** would be that the **funding will result in the creation / acquisition of real estate** (such as, office buildings to let, retail space, multifamily residential buildings, industrial or warehouse space, and hotels) **where the prospects for repayment would depend primarily on the cash flows generated by the asset. Additionally, the prospect of recovery in the event of default would also depend primarily on the cash flows generated from such funded asset which is taken as security, as would generally be the case.** The primary source of cash flow (i.e. **more than 50% of cash flows**) for repayment would generally be lease or

rental payments or the sale of the assets as also for recovery in the event of default where such asset is taken as security.

These guidelines will also be applicable to certain cases where the exposure may not be directly linked to the creation or acquisition of CRE but the repayment would come from the cash flows generated by CRE. For example, exposures taken against existing commercial real estate whose prospects of repayments primarily depend on rental/ sale proceeds of the real estate should be classified as CRE. Other such cases may include: extension of guarantees on behalf of companies engaged in commercial real estate activities, exposures on account of derivative transactions undertaken with real estate companies, corporate loans extended to real estate companies and investment made in the equity and debt instruments of real estate companies.

iii) **Investments in Mortgage Backed Securities (MBS):** and other securitized exposures: (a) Residential and (b) Commercial Real Estate.

<u>Indirect Exposure</u>

Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).

It may be noted that as per the revised RBI guidelines, the scope of exposure to Real Estate Sector has been enlarged and now the following category of advances will also form part of Real Estate Sector Exposure:

i) Housing loans to public;
ii) Finance against Mortgage of Immovable Property;
iii) Finance against Future Lease Rentals;
iv) Investments in Mortgage based securities (MBS) and other securitized exposures i.e. a) Residential and b) Commercial Real Estate.

Industries, manufacturing building material for construction shall NOT be included in the real estate sector.

Statements for Disclosure

The following statements are prescribed for submission of information in respect of Exposure to Real Estate Sector:

i) Positions of outstanding exposure under Real Estate Sector- Direct/Indirect under various segments are to be reported on format PNB/CAD/AD/S-2A.

ii) Account-wise details of borrowers availing credit limit of Rs.1 crore & above under various segments of Real Estate Sector (PNB/CAD/AD/S-2B) is to be submitted alongwith statement PNB/CAD/AD/S-2A. Branches/Circles to ensure that account-wise details are kept ready for audit purpose.

ii (a) Format PNB/CAD/AD/S-2B for reporting details of accounts having limits of Rs.1 crore & above has been devised to include consolidated outstanding (segment wise) for accounts having limits upto Rs.1 crore and Rs.1 crore & above to facilitate self tallying of segment wise outstanding reported in the statement PNB/CAD/AD/S-2A. Also, sum total of the limits and outstanding in the accounts having limits above Rs.1 crore, details of which are given in the statement should tally with their respective segment given at A.2,B.2,C.2,D.2,E.2,F.2 and G2. Please ensure to submit complete information in respect of accounts above Rs.1 crore in the **revised** format S-2B (enclosed herewith)

ii) (b) The sum of outstanding under ‘Housing Loans’ (A.3) and ‘Others’ (B.3) should be equal to ‘Residential Mortgages.’ as reported in Col. 1 of the other statement PNB/CAD/AD/S-2A. Similarly the sum of ‘Finance against mortgage of IPs (C.3), Future Lease Rentals (D.3), Land & Building Developers (E.3), CRE-RH (F.3) and Others (G.3) will be equal to the total Commercial Real Estate of Col.3 of statement PNB/CAD/AD/S-2A and so on.

ii) (c) To cross check, the amount indicated in the items of statement PNB/CAD/AD/S-2B should tally with the amount as reported in the respective column of the statement PNB/CAD/AD/S-2 A as depicted below:-

Sr. No	PNB/CAD/AD/S-2B	PNB/CAD/AD/S-2A
1	Item 1 A.3+B.3	Col. 1
2	Item 2 C.3+D.3+E.3+F.3+G.3	Col. 3
3	Item 2 E.3 (Land & Bldg. Dev. excluding CRE-RH)	Col. 4
4	Item 2 F.3 (CRE-RH)	Col. 5
5	Item 2 D.3 (Future Lease Rental)	Col. 6
6	Item 3 C	Col. 7

Branches/Circles may note that in respect of Real Estate Sector and Land & Building Developers & CRE-RH certain ceilings have been prescribed in the Loan Policy of the Bank for outstanding exposure (fund based and non-fund based), as such, care should be taken that these statements are prepared with due care and consistency is maintained in reporting particularly in the segment of CRE, Land & Building Developers & CRE-RH. In case any account reported earlier has been deleted, reasons thereof need to be explained.

GENERAL GUIDELINES- As already mentioned, the information with regard to Additional Disclosures, called for from the branches in the form of **Third Dispatch** is to be disclosed in the Notes on Accounts to the Balance Sheet, therefore, the information is to be prepared properly on the worksheets being supplied with the closing formats and kept on record for verification by Statutory Auditors in order to satisfy them for authenticating the information on formats meant for sending to CO.

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI
Branch Office ……………………

Distinctive No……….…………

Circle ….…..….………………

EXPOSURE TO CAPITAL MARKET (UNDER SENSITIVE SECTOR) AS ON 31.03.2018

PART –I **(Rs.in lakh)**

Particulars	Limits sanctioned		Outstanding		Exposure @	Value of shares etc. kept as security	
(1)	Nature (2)	Limit (3)	Total o/s (4)	NPA out of (4)		Face value	Mkt value
Advances to individuals a) For investment in capital market (including IPO /ESOP/FPO) **b)** Against security of shares, convertible debentures / bonds and units of equity oriented mutual funds							
Advances to corporates a) For any purpose against the primary security of shares, convertible debentures/bonds and units of equity oriented mutual funds b) For any purpose where shares etc. are kept as collateral security. *							

Advances to Stock Brokers/ Market Makers a) Secured/Unsecured advances b) Guarantees issued on behalf of Stock Brokers/Market makers c) For margin trading							
Advances to corporates for meeting promoters' contribution to the equity of new companies in anticipation of raising resources							
Bridge loan to companies against expected equity flows/issues							
FINANCE TO MUTUAL FUNDS							
IRREVOCABLE PAYMENT COMMITMENTS (IPCs)							

*** To the extent secured by collateral security of shares, convertible debentures/ bonds and units of equity oriented mutual funds i.e. where primary security other than shares etc. does not fully cover the advances.**

@ Limits sanctioned or outstanding whichever is higher. In case of fully drawn Term Loans, the outstanding will be reckoned as exposure.

For reporting under capital market (Part I), please refer to L & A Cir. No. 66 dated 16.06.2014.

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PART-II ADVANCES TO COMMODITY SECTOR

Particulars		**Limit sanctioned**		**Outstanding**		**NPA Out of col.3**
		FB	**NFB**	**FB**	**NFB**	
		(1)	**(2)**	**(3)**	**(4)**	**(5)**
1	Cash Crops					
2	Edible Oils					
3	Agricultural Produce					
4	Other Sensitive Commodities (please specify)					
Total Advances to Commodity Sector (1 to 4)						

For reporting under Commodity Sector (Part II), please refer CAD (O) circular No 12 dated 27.11.2006.

OFFICER/MANAGER

INCUMBENT INCHARGE

Date:

PNB/CAD/AD/S-2

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

(Annexure to statement, PNB/CAD/AD/S-2) on Lending to Sensitive Sectors

Branch Office ________________

Dist. No. ________________

Circle ________________

Details of Accounts with outstanding of Rs.10 lakh and above as on 31.03.2018

1. Capital Market Sector (Rs.in lakh)

Name of the Borrower	**Branch**	**Date of Sanction**	**Limits Sanctioned**		**Outstanding**			**Exposure#**
			Fund Based	**Non-Fund Based**	**Fund Based**	**Non Fund Based**	**NPA out of (6 &7)**	
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**
1. Individuals								
i)								
ii)								
2. IPO/FPO Financing								
i)								
ii)								
3. Share & Stock Brokers								
i)								
ii)								
4. Market Makers								
i)								
ii)								
5.Advances to corporates a) For any purpose against the primary security of shares, convertible debentures/bonds and units of equity oriented mutual funds								
i)								
ii)								
b) For any purpose where shares etc. are kept as collateral security *								
i)								
ii)								

6.FINANCE TO MUTUTAL FUND						

* To the extent secured by collateral security of shares, convertible debentures/bonds and units of equity oriented mutual funds i.e. where primary security other than shares etc. does not fully cover the advances

Limits sanctioned or outstanding, whichever is higher. In case of fully drawn Term Loans, the outstanding will be reckoned as exposure.

2. Commodity Sector @

Name of the Borrower	Branch	Date of Sanction	Limits Sanctioned		Outstanding	
			Fund Based	Non-Fund Based	Fund Based	Non-Fund based
1. Cash Crops						
i)						
ii)						
2.Edible Oil						
i)						
ii)						
3. Agriculture Produce						
i)						
ii)						
4 Other Sensitive Commodities						
i)						
ii)						

@ Please refer to CAD(O) Cir.No.12 dated 27.11.06.

OFFICER/MANAGER
INCUMBENT INCHARGE

PNB/CAD/AD/S-3

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

PUNJAB NATIONAL BANK

MATURITY PATTERN OF BORROWINGS AS ON 31.03.2018 (ANNUAL)

ON THE BASIS OF RESIDUAL MATURITY

	BUCKET - 1	BUCKET – 2	BUCKET - 3	BUCKET - 4	BUCKET - 5	BUCKET - 6	BUCKET - 7	BUCKET - 8	BUCKET - 9	BUCKET - 10	
BORROWINGS	NEXT DAY	2-7 DAYS 2.4.18 7.4.18	8 - 14 DAYS 8.4.18 14.4.18	15-28 DAYS 15.4.18 28.4.18	29 DAYS TO 3 MTHS 29.4.18 30.6.18	>3 MTHS to 6 MTHS 1.7.18 30.9.18	>6 MTHS to 12 MTHS 1.10.18 31.3.19	>1 TO 3 YRS 1.4.18 31.3.21	>3 YRS TO 5 YRS 1.4.21 31.3.23	> 5YRS 1.4.23 ONWARDS	TOTAL
1	2	3	4	5	6	7	8	9	10	11	12
1.NABARD REFINANCE											
2. RBI											
3. NH BANK REFINANCE											
4. EXIM BANK REFINANCE											
5. IDBI REFINANCE											
6. SIDBI REFINANCE											
7. OTHERS											
(I) OVERDRAFT IN BANKER											

ACCOUNT											
(ii) CALL/SHORT TERM MONEY(inter bank)											
(iii) CALL/SHORT TERM MONEY (FIN INST)											
Borrowings outside India											
TOTAL											

Incumbent Incharge

Place:
Date:

AUDITOR / STATUTORY AUDITOR

SIGNATURE WITH SEAL

PNB:PSFI:AD:S:7

CHAPTER 9 : FIXED ASSETS- ACCOUNTING

Fixed Assets consist of four parts:

(1) Premises (2) Safe, Fixture & Furniture (3) Motor Car, Cycles & Other Vehicles of the Bank (4) Leased Assets **(only for South Delhi & Mumbai Circle)**

ACCOUNTING FOR DEPRECIATION

- **FRESH ADDITIONS TO FIXED ASSETS:** In case of fresh additions to the assets during the year, depreciation as per applicable rates be charged, **starting from the month of purchase**.

- **FIXED ASSETS SOLD/DISPOSED OFF DURING THE YEAR:** In case of fixed assets sold/ disposed off during the year, depreciation would be charged **up to the previous month by passing accounting voucher, to be generated by system**.

- Depreciation on SFF/MCC is chargeable annually in March every year on Straight Line Method by ITD, HO. The depreciation is to be calculated on Original Purchase Value of the assets.

- Depreciation is to be accounted at the branch/office where the asset is capitalized, irrespective of its physical location.
- The rates prescribed for charging depreciation in respect of Assets and Computer, ATMs & Related items (except eNBI & eNBL) are as under:

S. No.	Assets	Rate in %(Per annum)
1	Steel Articles	5
2	Wooden Articles	10
3	Mobile Phones/ I Pads/ Laptops	33.33
4	Mattresses	20
5	Machinery, Electrical & Misc. Articles	15
6	MCC	15
7	Computers, ATMs & Related Items	33.33
8	Software	20.00

- Cost of Application Software/ Operating System/ Data Base amounting to Rs, 25,000/- and less are to be charged to revenue expenditure directly.
- The Cost of Software Application, Customization, up-gradation along with relative implementation charges and expenses if any, Cost of license fee, Cost of Operating system (OS), Cost of Data Base should be capitalized.
- The cost of development of Application/Customization/up gradation/License Fee and relative implementation charges should be capitalized after the live run of the project. However, if the live run of the project is to be completed in

phases the capitalization of the project may be done in phased manner up to the extent the project is put to live.

- Software should be capitalized in the same financial year in which they are put to use for proper application of depreciation in the same financial year.
- Depreciation on Software be provided as under:

  No Depreciation for cost of Application up to Rs, 25,000/- be applied as the same is charged to revenue.

  Depreciation to be provided on straight line method @ 20% per annum.

- Total of depreciation provided during the year and depreciation on account of previous year's MOC, if any, should match with Codes 10710, 10720, 10730 & 10740 of Profit and Loss Statement.
- Depreciation on assets taken over from eNBL to be charged as per rates prescribed by GSAD, HO.
- A nominal amount of Re1/- per item must remain in the books as 'Book Value' till the item is written off/ disposed off.

PREMISES (OWNED BY BANK): GENERAL INSTRUCTIONS

1.1 All premises are parked at Circle Offices/Head Office; therefore, branches are not required to submit any return or information regarding premises.

1.2 In case any land/ building has been acquired by the Bank in satisfaction of claims, the same should not be treated/ shown under premises. This should be shown as **'Non Banking Assets** Acquired in Satisfaction of Claims' against Code 65010/65099 of the Balance Sheet (PNB-259).

1.3 Bank's own premises i.e. plot or built-up properties shall be capitalized at the time of full payment of consideration and obtaining the possession of the said premises to the debit of Bank's Own Premises Account (Balance Sheet Code No. 62710)

1.4 Further, in case any premise is demolished, the residual cost other than the cost of land be written off to the debit of Misc. Expenditure under intimation to GSAD, HO for reversal of revalued amount of the said premises.

1.5 Original Title-Deeds of all the properties, falling under the control of a Circle shall be kept in safe custody with the Circle.

1.6 Statement of Bank's Own Premises and Statement of the Premises Pending for Execution/ Registration of Title Deeds on the prescribed proforma should be submitted along-with the Statement of SFF/ MCC.

1.7 Depreciation on bank's own premises is charged on Straight Line Method for full year on all the premises existing in the books of accounts at the close of the year. Further, the construction cost is to be depreciated only when the building is complete in all respects & premises is "put to use".

1.8 For providing depreciation, bank's own premises have been divided in to the following two categories:

a) Premises acquired on freehold basis.
b) Premises acquired on leasehold basis.

1.8.1 **PNB Properties**

a) **Freehold Properties:**

i. No depreciation is to be provided on cost of land where the same is ascertainable.

ii. Depreciation @2.5% p.a. is to be provided on Construction Cost where the land cost is segregated and on total cost where the land cost is not ascertainable and cannot be segregated.

b) **Leasehold Properties:**

i. No depreciation is required to be provided on cost of land in respect of properties acquired on **Perpetual Leasehold basis where no lease period is mentioned**, but the construction cost on such land shall be depreciated @ 2.5% p.a. However, where the land cost is not segregated the total cost (land + construction) is required to be depreciated @2.5% p.a.

ii. In respect of **leasehold properties having lease period less than 40 years,** the total cost i.e. land cost and construction cost is required to be amortized over the lease period (rate of depreciation = 100 divided by lease period).

iii. a) In all other cases, where lease period is mentioned and **where land cost is segregated, the land cost is to be amortized over the lease period from retrospective effect,** whereas the construction cost shall continue to be depreciated @2.5% p.a.

c) However, where land cost is not segregated, the total cost is required to be depreciated @ 2.5% p.a.

1.8.2 **ENBI Properties**

All the ENBI properties shall be amortized over a period of 25 years i.e. @4% p.a. or over the unexpired period of lease if the same is less than 25 years except in case of plots without construction thereon acquired on freehold/ perpetual leasehold basis which shall continue on book value as on 04.09.93 which is the original cost for PNB.

1.9 **PREPARATION OF STATEMENT OF BANK'S PREMISES**

- Opening balances of total cost, total depreciation and book value must tally with the closing balances reported in the previous statement.
- Freehold and Leasehold premises should be shown separately, however, the grand total of "Depreciation For the year (Column No. 20)" and "Book Value

as on Date" (Column No. 26)" should tally with the figures shown in Profit and Loss Account Code No.10730 and Balance Sheet Code No. 62710 / Weekly Statement Code No.56111, respectively.

- Under Column No.2, the status of property, whether purchased built-up or constructed on a plot, be mentioned;
- Under Column No.3, Cost of Land in case of freehold properties and Premium Paid in case of leasehold properties be shown. However, where land cost is not available but the same is possible to segregate, the services of Govt. Approved Valuer may be utilised for the purpose;
- Under Column No.12,13 &14, in case of deletion, the figures be shown as (-) figures;
- **Under column No.27, total lease period be shown in case of leasehold properties. In case of leasehold properties with perpetual lease, where no lease period is mentioned, Perpetual Lease be shown.**
- **Under Column No. 29 & 30, the rate of depreciation on land and construction cost as arrived at as per the above guidelines, be shown separately for land and construction cost.**

2 **SAFE, FIXTURE & FURNITURE AND MCC- GENERAL -** Guidelines for compilation of Statement of SFF/ MCC have been incorporated in Chapter-I relating to 1st Despatch. In case any fixed asset has been acquired by the Bank in satisfaction of claims, this **should not be treated**/ shown under fixed assets. This should be shown as **'Non Banking Assets** Acquired in Satisfaction of Claims' against Code 65010/65099 of the Balance Sheet/Weekly Statement (PNB-259).

3. Parking of SFF Items (Office and Residential)

As per guidelines issued vide GSAD Internal Circular No. 27/2015 dated 09.11.2015,

a. All SFF items for office use, relating to branches will be capitalized at the concerned Branch Office.

b. All SFF items (for office use + residential) relating to Circle Office, residential SFF items of officers posted at Branches/offices under CO, will be capitalized at the respective Circle Offices.

c. All SFF items (for office use + residential) relating to Zonal Managers Office, residential SFF items of officers posted at ZO will be capitalized at the respective ZOs.

d. All SFF items (for office use + residential), relating to other Offices (CSC, RSC, IT Centre, ZAO, ZTC, RSDC, FEO etc.) will be capitalized at the respective Offices.

e. All SFF items for office use, relating to HO Divisions, will be capitalized at the GAD Cell of respective Building, where the Division / part of the Division / Department / Cell is housed.

f. All SFF items (residential) provided to Officers in various HO Divisions will continue to be capitalized at GSAD, HO.

4. <u>Transfer- In and Transfer-Out of Fixed Assets</u>

- SFF/ MCC items received from branches or HO/CO should not be treated as fresh purchases and be shown as '**Received From Branches**'. Similarly, if any item has been transferred to other office, the transferor office should not treat it as 'Sold/ Written Off but as '**Transferred To Branches**'. Further, while transferring any asset from one office to other, it should be clearly mentioned whether, the asset belongs to PNB or eNBL.
- To avoid the difference between the closing balance of depreciation and up to date depreciation shown in Schedule of Fixed Assets and to avoid difference due to Inter Circle transfer of SFF items due to time lag in the balance sheet it has been decided that no transaction involving 'Transfer In and Out of fixed assets ' shall be permitted from:

17th March till 31st March / 21st June till 30th June

21st September till 30th September / 21st December till 31st December

- Detail of Transfer-In and Transfer-Out of SFF/ MCC items is to be furnished by all the branches in PNB-263.
- Transfers to and Receipts from PNB Subsidiaries and RRBs should be treated as sale/ purchase. In no case these transactions should be treated as transfers.
- Any expenditure incurred in respect of transfer of assets, such as transportation and labour charges etc. should not be debited to SFF/ MCC but debited to the expenditure head.
- In case of assets being written off, the closing book value is to be credited to SFF/ MCC in General Ledger by debiting "Other Expenditure – not specified elsewhere" after crediting the original purchase value, total depreciation up to date and closing book value in SFF/ MCC registers.

5. **<u>Procedure for Collection, Scrutiny, Consolidation and Forwarding of SFF / MCC / Premises Statements</u>**

<u>A. SFF & MCC Statement -</u> Circle Offices will collect the Statement of SFF/MCC (PNB 263) from all the branches in the Circle (**under audit and un-audited branches)** mark attendance, scrutinize each statement, and prepare consolidated statement of SFF, MCC and Software of the Circle as a whole (all branches / offices in the Circle). They will also prepare statement of Transfer In and Transfer Out (within the Circle and Outside the Circle).

Opening Balances of Fixed Assets i.e. 'Original Purchase Value' and Total Depreciation up to 31.03.2018 must tally with the Closing Balance of the previous year as on 31.03.2018 as mentioned in Chapter 4 of the Manual. Further, it must be ensured that Closing Book Value, Depreciation charged, Profit / Loss on Sale of SFF/MCC etc. do tally with the respective heads of the Balance Sheet & Revenue Statement.

B. Statement of Premises and Software -Since the Premises and Software are capitalized in the books of the Circle Offices only, they will prepare the Statements of Premises and Software of the Circle, tally the closing book value and depreciation charged with the respective heads of Balance Sheet and Revenue Statement.

C. Schedule 10 of the Circle - Circle Offices will prepare Schedule-10 of Premises, other Fixed Assets(SFF & MCC), Software & Leased Assets for the Circle as a whole and forward the same to GSAD, HO along with the Branch-wise & Circle Office Statements, Annexures V-A, V-B, V-C, V-D and consolidation Sheets.

6. Accounting Standard 28 : Impairment of Assets (Fixed Assets)

Necessary instructions/guidelines on **Accounting Standard 28 on impairment of assets effective from 01.04.2004**, were given vide **GSAD Circular no. 21/2004 dated 27.12.2004 and 3/2005 dated 28.02.2005.** In terms of this standard, if the value in use or carrying value (Book value) of fixed assets exceeds the present value (Recoverable value), the same may be accounted for in the books of accounts. All Circle Heads/Divisional heads to ensure that the cases of impaired assets, if any, capitalized in the branches/offices under their control are examined for providing additional depreciation/write-off etc., if found within the said Accounting Standard. The relevant information/data shall be furnished to GSAD, Head Office only. In addition to this, instructions issued by IT Division, HO on software also to be followed.

Circle Offices will prepare the consolidated statement of all the branches as per the 'Annexure GSAD-I' given in this Chapter.

7. Statement of Bank's Premises pending for execution/registration of title deeds

Circle Offices will prepare the information as per the '**Annexure GSAD-II'** given in this Chapter and send the same to the GSAD, HO. Dwarka, New Delhi.

पंजाब नैशनल बैंक
punjab national bank

General Services Administration Division
Head Office, Dwarka, New Delhi.
Email: hogad@pnb.co.in

Annexure-GSAD-I

PUNJAB NATIONAL BANK

CIRCLE OFFICE:____________________

Circle Office To GSAD, HO Dwarka, New Delhi (After Consolidation Of The Figures Of Circle As A Whole)

ACCOUNTING STANDARD 28-IMPAIRMENT OF ASSETS (FIXED ASSETS)

DEATAILS OF ADDITIONAL DEPRECIATION CHARGED ON ACCOUNT OF IMPAIRMENT OF ASSETS FOR THE YEAR ENDED 31.03.2018 (01.04.2017 TO 31.03.2018)

We confirm meticulous compliance of the guidelines conveyed vide GSAD Internal Circular No. 03/2005 dated 28.02.2005 on impairment of assets (Fixed Assets) in all the branches/offices of our Circle.

The details regarding amount of additional depreciation charged in case of impaired fixed assets for the period **from 01.04.2017 to 31.03.2018** are given below in respect of the Circle as a whole:

Item	**Amount Of Additional Depreciation On Account Of Impairment (in Rs.)**	**Remarks**
Bank's Own Premises		
SFF		
MCC		
Total		

Manager/Sr. Manager **Chief Manager** **Statutory Branch Auditor**

पंजाब नैशनल बैंक punjab national bank
General Services Administration Division
Head Office, Dwarka, New Delhi.
Email: hogad@pnb.co.in

Annexure-GSAD-II

PUNJAB NATIONAL BANK
CIRCLE OFFICE:____________

Statement Of Bank's Own Premises Pending For Registration/ Execution of Title Deeds As On 31.03.2018

S.No.	Name Of Premises	Original Cost (Rs.)	Depreciation upto 31.03.2018	Reasons/Status

Manager/Sr. Manager **Chief Manager** **Statutory Branch**

CHAPTER-10: STATEMENT OF CONTINGENT LIABILITIES

- This statement **(Point 5 of Chapter 12)** contains details of claims lodged against the bank in courts/different forums in which monetary liability may arise against the bank. No money suit filed by the bank for recovery of dues is to be included.

- Miscellaneous suits (other than money suits) whether filed by or against the bank are not to be included in this statement.

- While submitting the captioned statement, it must be ensured that the brief history of each case is self speaking. It shall give the facts in brief as to what is the matter about, what stand bank has taken, whether bank has filed the W.S and if the matter is in appeal, whether the stay of decree has been obtained.

- Part- IV Column 6 will contain details of proceedings which have taken place during the period for the suits which are pending at the close of the quarter/half year/Year.

- The amount of suits be not increased from period to period. Even if the suit amount is increased for some reasons (by amendment to the suit incorporating additional claim etc.) the same shall be included in Part II.

- Relief by way of future interest as claimed in the suit is subject to the discretion of the court and it depends upon the decision in the suits. As such, relief in respect of future interest, cost etc. be not taken / added in the amount. Only suit claim be stated as amount of suit.

- Part IV Column 7-Remarks- Each case be critically examined and remarks be given accordingly. Review of outstanding cases and requirement thereof, if any, be given.

- The following aspects be ensured :

    - Whether all the cases are monitored for follow-up.
    - Whether in any case, any default has occurred in meeting the procedural requirement.
    - Whether cases are attended to by Branch Office and Counsel without any default.

- Circle Offices will collect information on **quarterly basis from both audited and un-audited branches (which will submit the information as per Annexure of Chapter 12) and after scrutiny, will CONSOLIDATE the position for the Circle as a whole.**

- Circle Offices will send the **consolidated sheet containing branch-wise information alongwith the consolidated position of the Circle as per Annexure-II and branch-wise certificates from both audited and un-**

audited branches to Zonal Office. Zonal offices will send the consolidated position of the Zone to Law Division, HO alongwith branch-wise certificates from both audited and un-audited branches.

- Officials of Law Division will consolidate the data received from all Zones along-with branch-wise statements/certificates and get the same certified from the SCAs at the corporate level.

- Any omission/addition in Part I of the statement has to be carried out through Part II or Part III of the statement as the case may be. Part I of the statement shall not be disturbed. Part I + Part II - Part III = Part IV. Proper compliance of the instructions will facilitate reconciliation.

- In respect of the cases filed by landlords against the bank claiming damages after a particular date, each case be examined on its merits about requirement of provision separately based on the defence taken by the bank in the case. In such cases where the bank has filed appeal against the lower court in higher court, any amount deposited by the bank in the court or paid to the landlord in terms of Court Order be also indicated in remarks column.

- **While submitting the statement it must be ensured that in remarks column the amount of claim/damages awarded against the bank is mentioned along with the "Head" debited for payment of amount.**

- Branches which are subject to Audit should get it signed by Auditors also.

- As per the Time Schedule, the consolidated statement of Contingent Liability of the Zones is required to be submitted by Zonal Offices **to Law Division, HO positively by 7th of the following month of the quarter i.e 7th April, 7th July, 7th October and 7th January.**

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CHAPTER 11: MEMORANDUM OF CHANGES

Branches must ensure that guidelines stipulated by the bank have been complied with. This is utmost necessary so as to avoid any subsequent changes suggested by Statutory Auditors. However, if any changes are suggested by the auditors, it should be made through Memorandum of Changes (MOCs) only and in no case the statements be amended.

MEMORANDUM OF CHANGES (MOCs)-GENERAL

MOCs should be complete in all respects, incorporating all required details and are to be digitally signed in CBPMS by the Branch Statutory Auditor and Incumbent In-charge. In case of difference of opinion regarding any MOC, the Incumbent should take a print out of digitally singed MOC (CBPMS) and thereafter refer the matter to CO through a dissent note with documentary evidence and proper explanations. The circle should examine the matter and in case they concur with the views of the Incumbent Incharge, they should send a proper case to HO Finance Division, duly signed by Circle Head, alongwith all documents.

The bifurcation of signing and verification of the MOCs (Loan) will be as under:

- MOC (Loan) up to Rs.10.00 Lac will be signed by Branch Manager & Auditor.
- MOC (Loan) for more than Rs.10.00 Lac and upto Rs.2 crore will be signed by Branch Manager & Auditor and will be verified by Executive Incharge at Circle Office.
- MOC (Loan) for more than Rs.2 core and upto Rs.5 crore will be signed by Branch Manager & Auditor and will be verified by Circle Head at Circle Office.
- MOC (Loan) for more than Rs.5 crore will be signed by Branch Manager & Auditor and will be verified by GM/DGM at respective Zonal office.

TYPES OF MOCs

1. MOC - (IEAL) FOR CHANGES RELATED TO INCOME, EXPENDITURE, ASSETS & LIABILITIES

All the changes suggested by Statutory Branch Auditors at the branch will be given effect through MOC IEAL (Which will affect the Income, Expenditure, Assets & Liabilities) Some of the examples are given below:

- ✓ Affecting profit of the branch, in other words, if one of the head required to be changed, is of Profit & Loss A/c then the other head will be of Balance Sheet e.g depreciation less charged by the bank, interest less/more charged in a loan account etc.
- ✓ Mistake of accounting entry of Balance Sheet heads only, either while passing the voucher or posting in books of accounts.

- ✓ Increase/decrease suggested in contra heads e.g vouchers required to be passed for reversal of expired LCs/LGs.

MOC IEAL gives impact in CBS. Branches will post MOC IEAL in CBPMS after logging in with the user id and password given already.

2. MOC LOANS - FOR CHANGES RELATED TO LOANS & ADVANCES

The MOC related to loans will also be posted in CBPMS, **MOC loans is utilized for updating LADDER**. While giving MOC Loans branch should ensure that if branch intends to change in CBS data also than MOC IEAL is also required to be passed.

For example - If any amount is to be debited in a term loan account. MOC IEAL and MOC Loans both are to be passed. But if branch has already made correction in LADDER than only MOC IEAL is required, which will change only CBS data.

3. MOC Capital Adequacy Statement (Advances)

Branches will also post MOC related to Capital Adequacy (BASEL III - Annexure - I) Advances.

Steps:

System of Posting: In the window following detail of Customer to be inserted:

1) Sol_Id no: 2) Name of Borrower: 3) Ladder Account no:

4) Ladder Customer ID: 5) CBS account no:

Further in detail: Branch will select the category from the column of particulars as per Branch and enter the amount for the rows under Heading **DETAILS** - Amount outstanding, Margin available in Cash, Amount kept in Sundries and Provision.

Same information as above will also be entered under column **Particulars as per Auditor**, give Reason for MOC under the head **Remarks** and then click on submit.

4. MOC Capital Adequacy Statement (Letter of Credit)

Branches will also post MOC in CBPMS related to Capital Adequacy (BASEL III) Letter of Credit.

Steps:

System of Posting: In the window following detail of customer to be inserted:

1) Sol_Id: 2) Name of Borrower 3) Ladder Account no:

4) Ladder Customer ID 5) Letter of Credit no:

Further in detail: For Letter of Credit - Branch will select the category from the column of **Particulars as per Branch** and enter the amount for the rows under heading **DETAILS**- i.e. Amount O/s - Guaranteed by Central Govt/State Govt,

Amount o/s Counter Guaranteed by other Banks and Amount o/s others, Margin money kept in Sundry- Guaranteed by Central Govt/State Govt, Margin Money kept in Sundry - Counter Guaranteed by other Banks and Margin Money kept in Sundry Others.
Same information as above will also be entered under column **Particulars as per Auditor,** give Reason for MOC under the head **Remarks** and then click on submit.

5.MOC Capital Adequacy Statement (Letter of Guarantee)

Branches will also post MOC in CBPMS related to Capital Adequacy (BASEL II& III) Letter of Guarantee.

Steps:

System of Posting: In the window following detail of customer to be inserted:

1) Sol_Id : 2) Name of Borrower 3) Ladder Account no:

4) Ladder Customer ID 5) Letter of Credit no:

Further in detail: For Letter of Guarantee -

Branch will select the category from the column of **Particulars as per Branch** and enter the amount for the rows under heading **DETAILS** - i.e. Amount o/s - Guaranteed by Central Govt/State Govt, Amount o/s Counter Guaranteed by other Banks and Amount o/s others, Margin money kept in Sundry- Guaranteed by Central Govt/State Govt, Margin Money kept in Sundry - Counter Guaranteed by other Banks and Margin Money kept in Sundry Others.
Same information as above will also be entered under column **Particulars as per Auditor,** give Reason for MOC under the head **Remarks** and then click on submit.

6. MOC Capital Adequacy Statement (BASEL III)

Branches will also post MOCs in CBPMS related to Capital Adequacy (BASEL- III) – fund based and non - fund based.

Steps:

System of Posting: In the window following detail of customer to be inserted:

1) Sol_Id: 2) Name of Borrower 3) Ladder Account no:

4) Ladder Customer ID 5) CBS Map key (CBS account no):

Branch will select the category from the column of **Particulars as per Branch** and enter the amount for the rows under heading **DETAILS** i.e. Counter party name, Counter party type$^{\$}$, CRAR$^{\$\$}$, Counter party Rating, Name of rating agency, Rating Valid up to, Guarantee Cover Code, Security code, Constitution code, Fund Based Applicable RW %, Fund Based Book O/s, Fund Based haircut on Book O/s, Fund

Based CRM after haircut, non Fund Based O/s, non Fund Based Haircut on Book o/s.

Same information as above will also be entered under column **Particulars as per Auditor,** give Reason for MOC under the head Remarks and then click on submit.

$: Counter Party: Whether Retail, Corporate, Commercial Real Estate, Public Sector Entity, Claim on Banks etc.

$$: CRAR of the Counter Party: Applicable only in case of Claim on Banks.

BRANCHES PLEASE NOTE:

NO HARD COPY FOR MOC IS PRINTED FOR THE ANNUAL CLOSING OF MARCH, 2018; ALL THE BRANCHES UNDER STATUTORY AUDIT WILL POST THE MOCs THROUGH CBPMS.

Branches must ensure that on receipt of Audit Report, they should pass necessary vouchers/ effect necessary corrections in CBS in current date, as the case may be, as suggested by Auditors through MOCs and send a confirmation to their respective Circle Office.

Passing of vouchers and confirmation to the respective **Circle Office should** be ensured **by all the branches/offices under statutory audit,** latest by 25.05.2018. **Circle Office will ensure** to obtain the said confirmation from all the branches/offices under their jurisdiction and send confirmation to the **Finance Division for the Circle as a whole latest by 31.05.2018.**

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CHAPTER 12: CERTIFICATES REQUIRED FROM AUDITORS

All branches whether subject to Audit or not, are required to submit following certificates. Branches which are subject to audit, will also get these certificates certified from Statutory Auditor.

CIRCLE OFFICES MUST ENSURE TO SEND THE BRANCH-WISE CERTIFICATES/ STATEMENTS RECEIVED FROM THEIR BRANCHES/ OFFICES UNDER AUDIT & UN-AUDITED ONES TO THE RESPECTIVE HO DIVISIONS ALONGWITH CONSOLIDATED STATEMENTS, WHEREVER REQUIRED, AS PER THE DETAILS MENTIONED BELOW. Before sending the certificates they must attach forwarding Attendance Sheet, so that no branch/office is left out:

1. **Certificate pertaining to Asset Classification, Income Recognition & Provisioning (Finance Division) (Link available at main screen of CBS -CBPMS)**

   Norms for Asset classification Income Recognition and Provisioning as prescribed by Reserve Bank of India have been circulated by Recovery Division (NPA Cell), HO from time to time. Branches are advised to submit the certificate in CBPMS. Branches under Audit will digitally sign this certificate. Branch under audit will generate the report from CBPMS and get it duly signed by Incumbent Incharge and the Statutory Branch Auditor only for Branch, SBA and SCA copies. (Please refer Chapter 3 for details). However, Branches not under audit will take out printout (2 copies- One for Branch and another for HO Finance) from CBPMS after entering the required data and submit to Circle office.

2. **Certificate relating to MOC entries for the previous year (Finance Division) - (Link available at main screen of CBS -CBPMS)**

   Branches must ensure that they have passed necessary accounting entries as suggested by the Auditors through MOC IEAL pertaining to audit of previous year, before annual closing. Branches are advised to submit the certificate in CBPMS. Branches under Audit will digitally sign this certificate. Branches under audit will generate the report from CBPMS and get it duly signed by Incumbent Incharge and the Statutory Branch Auditor only for Branch, SBA and SCA copies. (Please refer Chapter 3 for details). However, Branches not under audit will take out printout (2 copies- One for Branch and another for HO Finance) from CBPMS after entering the required data and submit to Circle office.

3. **Annexure-Basel III- Balance With Banks Revised Format (PNB270) (Link available at main screen of CBS -CBPMS)**

For computation of CRAR as per Basel-III norms, additional information is required to assign risk weight to the exposures of the Bank with **Scheduled and Non-Scheduled Banks.** Supplementary information is required in respect of the other assets for computation of CRAR as per Basel-III norms.

Branches are advised to submit the certificate in CBPMS. Branches under Audit will digitally sign this certificate. Branches under audit will generate the report from CBPMS and get it duly signed by Incumbent Incharge and the Statutory Branch Auditor only for Branch, SBA and SCA copies. (Please refer Chapter 3 for details). However, Branches not under audit will take out printout (2 copies- One for Branch and another for HO Finance)) from CBPMS after entering the required data and submit to Circle office. Branches not under audit should also submit the supported documents with the statement.

4. Certificate of Cash & Bank Balance (Treasury Division)

Henceforth Certificate of Cash & Bank Balance of the bank is looked after by **Treasury Division** at HO and **no information is required from the branches**.

Statutory Central Auditors have to certify the maintenance of CRR/SLR on 12 odd dates given in the **ANNEXURE-CASH & BANK BALANCE (of this Chapter),** for the financial year **2017-18**. For this purpose, Treasury Division has to provide information of Cash in Hand and Bank Balance on 12 odd dates as per **ANNEXURE-CASH & BANK BALANCE**. In case any date(s) happen to be a public holiday, balance of the previous working day may be given against the relevant date(s).

TREASURY DIVISION MUST ENSURE THAT AMOUNT TO BE FILLED IN “CASH AND BANK BALANCE ON 12 ODD DATES” IS **REPORTED IN THOUSANDS ONLY**.

5. STATEMENT OF CONTINGENT LIABILITIES: (FORMAT XII-i a-b)(Please refer chapter 10 of Manual for details)

This statement contains details of claims lodged* against the bank in courts/different forums in which financial liability may arise against the bank.

(*No money suit filed by the bank for recovery of dues is to be included in the statement.)

Circle Offices will collect information on **quarterly basis from branches as per Annexure (FORMAT XII-i a-b) of this Chapter and after scrutiny; will CONSOLIDATE the position for the Circle as a whole.**

Circle Offices will send the **consolidated sheet containing branch-wise information to Zonal Office and Zonal Offices will send the consolidated position of the Zone to Law Division, HO.**

6. **Certificate of Attendance (Finance Division) (NOT TO BE SIGNED BY STATUTORY AUDITORS)- (FORMAT XII-ii)**

Branches are required to give a certificate of Attendance as per **ANNEXURE-ATTENDANCE CERTIFICATE** to the Statutory Auditors conducting branch audit, giving details of persons of audit team & man days spent in the audit along-with few other details. All the details of the certificate should be properly filled before signing and handing it over to Auditors. A copy of the same be sent to Circle Office, immediately on completion of Audit.

7. **Interest Subvention Certificate- 2% Subvention for KCC/Short Term Crop Loans, for KCC/Short Term Crop Loans restructured, for Produce (Marketing) Loan and Additional Interest Subvention of 3 % for Short Term Crop Loans (Priority Sector & FI Division).**

- **Procedure to be followed in Non CBS Application – Finance CFA**

The certificates will be submitted in CFA package. The navigation and procedure for submission of certificates is as under:

The branches will access following link in CBS:

Non CBS Application – Finance (CFA) – Priority Sector & Financial Inclusion & DICGC Certificates

The branches will then log into the utility (User ID will be Branch Sol ID) and password will be pnb@123

The branches will submit all the 4 forms. The forms are to be submitted even if the statement for the Branch is NIL.

The forms will be submitted after being digitally signed by Statutory Branch Auditors (SBA) and Branch Head where the Branches are under audit and where the branches are not under audit

The Auditors Certificate will be available only after the Branch Head has signed the form digitally. The Auditor’s Certificate then will be filled by the Auditor and the authorized signatory will sign digitally.

The Circle Offices can access the reports by logging into the utility. Clicking on Incumbent Report will show the certificates of all the branches in the Circle. The same can be viewed/ downloaded by the Circle Office. Similarly, clicking on Auditors Certificate will show the certificate signed by the auditors.

If any changes are required, then the form can be deleted by the Circle Office user and the Branch will have to fill the forms afresh.

- **Accounting procedure for 2% interest subvention for KCC/Short Term Crop Loans, for KCC/Short Term Crop Loans restructured, for Produce (Marketing) Loan to be claimed from RBI on half yearly basis is given as under :-**

- **At Branch Office level:**

(i) Branch will calculate the 2 per cent interest subvention on eligible short term credit provided to the farmersupto Rs.3 lakh on Half Yearly Basis w.e.f. 01.04.2017 and after thorough scrutiny will submit the claim through CFA package. Branches will also calculate 2% subvention on KCC/ Short – term crop loans restructured on account of Natural Calamity upto outstanding of Rs. 3 lakh for the first year from date of restructuring and after thorough scrutiny will submit the claim through CFA package. Further, Branches will also calculate 2% subvention on the Produce (Marketing) Loan (of Small & Marginal Farmers having KCC) against negotiable warehouse receipts, for a period of 6 months from the date of disbursement on the balance outstanding upto Rs 3 Lakh and will submit the subvention claim for the year 2017-18 through CFA package. Branches will pass the following entries in their books: -

Debit: Suspense Account **Credit:** Income - Interest on Advances

1. Branches will credit the income interest on advances with the amount of 2 % subvention to the debit of suspense account and submit the claim through CFA package.
2. After receiving the Credit from Circle Office, the Branches will adjust the suspense entries.

- **At Circle Office level:**

(i) Circle Offices will SCRUTINIZE the branch wise certificates submitted in the CFA package and will pass the following entry in their books:

Debit: Suspense Account

Credit: Non Customer Account (3171160) - Sundry Branches

(ii) Circle Office will send the Credit to all eligible Branches by debiting its Suspense Account.

(iii) Circle Office will adjust the Suspense entry after receiving the claim amount from PS&FI Division, HO.

- **At Priority Sector & FI Division, Head Office level:**

(i) After doing the necessary scrutiny, Priority Sector & FI Division, Head Office will submit the consolidated claim to RBI.

(ii) Priority Sector & FI Division, Head Office will send the Credit to Circle Offices by debiting its Suspense Account and will pass the following entry in their books:

Debit: **Suspense Account - Amount receivable from Government**

Credit: **Non Customer Account (3171160) - Circle Offices**

(iii) At the time of receipt of claim from RBI, Priority sector & FI Division, Head Office will adjust the suspense entry and will pass the following entry in their books.

Debit: Banker Account
Credit: Suspense Account - Amount receivable from Govt.

(iv) Information Technology Division, HO and Priority sector & FI Division, HO has sent to all Offices the detailed guidelines for charging the 7 per cent per annum rate of interest on short term credit provided to the farmers upto Rs. 3 lakh. In all the regular crop loan / KCC accounts, 7% p.a. rate of interest is to be charged upto outstanding balance of Rs.3 lakh. In the irregular accounts applicable interest is to be charged and no subvention is to be claimed. For balance outstanding more than Rs.3 lakh in regular accounts also the applicable rate of interest be charged. Further, in Produce (Marketing) Loan accounts (of Small & Marginal Farmers having KCC) against negotiable warehouse receipts, 7% interest will be charged for a period of 6 months from the date of disbursement on the balance outstanding upto Rs 3 Lakh. Similarly, in KCC/ Short-term crop loans restructured on account of Natural Calamity 7% rate of interest is to be charged upto outstanding of Rs. 3 lakh for the first year and applicable normal rate of interest from the 2nd year onwards. On the outstanding balance beyond Rs.3 lakh applicable normal rate of interest is to be charged.

(v) The reports (MIS) are available in Menu option **PNBRPT 3/26**.

(vi) The branches will claim the interest subvention on half yearly basis w.e.f 01.04.2017 after careful and detailed scrutiny will submit the certificates through CFA package so that the correct claim can be lodged with Reserve Bank of India within the stipulated time schedule, i.e, within a month from the end of the respective year.

Branches shall keep ready all the relevant records required for Statutory Audit certifying that the claims for subvention for the **half years ending September 30, 2017 and March 2018** are true and correct and submit the same through **CFA package**.

➢ **Accounting procedure for additional 3% incentive subvention to be claimed from RBI for timely repayment of short term crop loan disbursed in 2016-17 is given as under:-**

(a) At Branch Office level:

(i) Branch will calculate the 3 per cent incentive interest subvention for timely repayment of short term crop loan disbursed in 2016-17 and after thorough scrutiny will submit the claim through CFA package. The branches will pass the following entries in their books:

Debit: Suspense Account **Credit:** Farmers' loan account

1. Branches will credit the farmers' account with the amount of additional 3 % incentive subvention to the debit of suspense account and submit the claim through CFA package.
2. After receiving the claim amount from Circle Office, the Branches will adjust the suspense entries.

(b) <u>At Circle Office level:</u>

(i) Circle Offices will SCRUTINIZE the branch wise certificates submitted in the CFA package and will pass the following entry in their books:

Debit: Suspense Account **Credit:** Non Customer Account (3171160) - Sundry Branches

(ii) Circle Office will send the Credit to all eligible Branches by debiting its Suspense Account.

(iii) Circle Office will adjust the Suspense entry after receiving the claim amount from PS&FI Division, HO.

(c) <u>At Priority Sector & FI Division, Head Office level</u>:

(i) After doing the necessary scrutiny, PS&FI Division, Head Office will submit the consolidated claim to RBI.

(ii) Priority Sector & FI Division, Head Office will send the Credit to Circle Offices by debiting its Suspense Account and will pass the following entry in their books:

Debit: Suspense Account - Amount receivable from Government
Credit: Non Customer Account (3171160) - Circle Offices

(iii) At the time of receipt of claim from RBI, Prioriy Sector & FI Division, Head Office will adjust the suspense entry and will pass the following entry in their books.

Debit: Banker Account

Credit: Suspense Account - Amount receivable from Government

(iv) Information Technology Division, HO has sent to all Offices the detailed guidelines for calculation of 3% incentive subvention in respect of those prompt paying farmers who repay their short term production credit within one year of disbursement of such loans.

(v) Reports (MIS) are available in Menu option **PNBRPT 3/26**.

(vi) The branches will submit their one time consolidated claims for the entire year 2016-17 latest by 15.04.2018 duly audited by Statutory Auditor certifying the correctness.

Branches shall keep ready all the relevant records required for Statutory Audit certifying that the claims for 3% incentive subvention for the year 2016-17 **are true and correct and submit the same through** CFA package.

8. Certificate regarding claim under central scheme to provide interest subsidy in education loan (CSIS) (Retail Banking Division (advances)) (format- XII (iii)- a)

1. Pursuant upon the receipt of notification No.F.11-4/2010-U-5 dated 25.05.2010 issued by Ministry of Human Resources Development, Department of Higher Education, Government of India, the detail & other operational guidelines of the CSIS scheme has been circulated vide HO,RAD Cir. 36/10 dated 06.10.2010. The consolidated guidelines is presently available in RAD Cir.60/2014 dated 01.08.2014.

2. The scheme provides full interest subsidy during the period of moratorium on education loans for EWS students on loan disbursement made on or after 01.04.2009 for pursuing any of the approved courses of studies in technical / professional streams from recognized institutions in India, which is linked with the education loan scheme of IBA's Model Education Loan Scheme.

3. The clarification received from Govt. of India / IBA and other operational guidelines on the CSIS have been consolidated and is available in RAD Cir. 60/2014 dated 01.08.2014. The functionality for generation of the claim in CBS module is also provided and the operative guidelines in this regard are issued by Information Technology Division vide its Circular ITD/CBS/Cir. No.40/30.03.2011.

4. As per directions under the scheme, certificate pertaining to interest subsidy claimed by the Bank in the accounts for scheme year 2016-17 in the claim lodged during the period 01.04.2017 to 31.03.2018, is to be got certified by the statutory auditor of the Bank.

5. The required certificates are placed under **format XII iii - a.**

6. The process to be followed is detailed hereunder:

A. **<u>At Branch Office level:</u>**

(i) Branch will obtain valid income Certificate from the student borrower issued by the designated State Govt. authority and will establish eligibility of the borrower strictly as per provisions of the scheme.

(ii) Branch will obtain supplementary agreement in terms of instructions issued vide RAD Circular 36/2010, 12/2011 & 60/2014.

(iii) Branches will incorporate/ update the record/data in CBS through menu option "EDULOANM" (Previously SUBEDU) as per operational instructions issued by ITD/CBS/ Circular 40/30.03.2011, in eligible accounts where guidelines stated at para (i) & (ii) above are complied and eligibility of the borrower, course and institute is established strictly as per the provisions of the scheme, to ensure lodgement of the claim under the scheme.

(iv) The claim in the eligible accounts, so completed / updated in the system through menu option "EDULOANM" (Previously SUBEDU), can be generated from the CBS through PNBREP 1/34i for the FY 2016-17.

(v) On receipt of the amount from Circle Offices, branches will again ensure that all the stipulations for determining eligibility stand complied with, before crediting the subsidy in the individual education loan account of the eligible borrower/s.

(vi) In case of ineligible accounts, if any, the branches will return the amount of subsidy mentioning valid reasons, to the respective Circle Offices for onward submission to HO, Retail Banking Division which in turn will remit to Government of India through Nodal Bank, as per provisions of the scheme.

(vii) The branches will credit interest subsidy amount in the respective account of the eligible borrower/s in terms of ITD Circular No 49/2008.

(viii) The branches will certify the interest subsidy claimed in the accounts for Scheme year 2016-17, as per **Format XII iii- a**. This certificate will be signed by the dealing officer & Branch Incumbent and will be certified by Branch Statutory Auditor/Auditor **(in case of audited branches).**

(ix) Branches will keep ready all the relevant records required for statutory audit in this regard.

B. **<u>At Circle Office level :</u>**

(i) Circle Office to ensure that the guidelines and instructions issued, under the provisions of the scheme, by the Division are percolated to the field functionaries for meticulous compliance.

(ii) On receipt of the subsidy amount from the Division, Circle will pass on the same along with account wise detail to their respective branches mentioning the observation of the Division, if any, for crediting the account of the eligible borrowers as per the provisions of the scheme.

(iii) Circle Office will call back the amount not passed on to the borrowers / wrongly received / received in excess from the Division, from its branches along with the complete details/reasons.

(iv) After consolidating the branch wise and account wise detail of such excess claim, the Circle Office will remit the consolidated amount to the Division along with the detail of each account for onward returning of the amount to Government of India through Nodal Bank as per provisions of the scheme.

(v) Circle Office will collect the Interest Subsidy Claim **Certificate Format XII iii-a**, **in two copies** from all the branches under their jurisdiction.

(vi) Based on the Interest Subsidy Claim Certificate (audited / unaudited (in case of unaudited branches) received from the individual branches under their jurisdiction, Circle Offices will prepare consolidated Interest Subsidy Claim Certificate for the Circle as a whole, as per the referred formats, for the scheme year 2016-17. This consolidated certificate is to be signed by the authorized officer of the Circle, not below the rank of Chief Manager along with the Circle Head.

(vii) One copy of the Circle wise consolidated certificate/s duly tallied with that of the total of all the branches of the Circle, along with one copy of the individual (audited / unaudited (in case of unaudited branches) certificates of each branch of the Circle for the above referred period be forwarded to RBD (Adv), HO as per time frame specified under 2nd Dispatch guidelines.

(viii) Soft copy of the above consolidated Certificates as per the format for the scheme year 2016-17, be also mailed to **rbd@pnb.co.in**.

C. **At HO, RBD (Adv) level:**

(i) The centralized claim generated through the system will be lodged online by the Division with the nodal bank i.e. Canara Bank on Comma Separated Value (, Comma delimited file) making it compatible with the web portal provided by Nodal Bank, for lodgement of such claims.

(ii) On receipt of the claim amount, from the nodal bank, the same will be sent to respective Circle Offices by the Division along with the branch wise and account wise detail for passing on the subsidy to their respective branches for onward credit to the individual borrower's account.

(iii) On receipt of the refund amount from Circle Offices which has not been passed on to the borrowers / wrongly received / received in excess, the same will be remitted to Government of India through Nodal Bank as per provisions of the scheme.

(iv) On the basis of consolidated certificates of all the Circles as detailed under para B (vii) above, the Division will get the certification from the Statutory Auditor (SCA) for the bank as a whole, for the scheme year 2016-17 in the claim lodged during the period 01.04.2017 to 31.03.2018, for onward submission to the Nodal bank.

9. Certificate regarding claim under padho pardesh scheme to provide interest subsidy on education loan for overseas studies for the students belonging to minority communities (Retail Banking Division (advances) (format- XII iii- b).

(i) Pursuant to communication from Govt. of India, Ministry of Minority Affairs to award interest subsidy to meritorious students belonging to economically weaker sections of notified minority communities under "PADHO PARDESH" scheme, the detail & other operational guidelines of the "PADHO PARDESH" scheme has been circulated vide HO,RAD Cir. 82/2014 dated 08.10.2014.

(ii) The scheme provides full interest subsidy during the period of moratorium on education loans taken by EWS students belonging to minority communities, which have been sanctioned and disbursed from FY 2013-14 onwards, for pursuing Post Graduate Diploma, Post Graduate degree course/Masters, M.Phil & Ph.D from any Foreign University. Students, who have completed M.Tech in India but is now pursuing MBA abroad and have received subsidy under CSIS/ state subsidy scheme for the M.Tech course, are also eligible in this Scheme.

(iii) The functionality for generation of the claim in CBS module is also provided and the operative guidelines in this regard have been issued vide RAD Cir. 82/2014 dated 08.10.2014.

(iv) As per directions under the scheme, certificate pertaining to interest subsidy claimed by the Bank in the accounts for period 01.04.2016 to 31.03.2017 for scheme year 2016-17, for which the claim lodged during the period 01.04.2017 to 31.03.2018, is to be got certified by the statutory auditor of the Bank.

(v) The required certificates are placed under **format XII iii- b.**

(vi) The process to be followed is detailed hereunder:

A. **<u>At Branch Office level :</u>**

(i) Branch will obtain valid income Certificate from the student borrower issued by the designated State Govt. authority and will establish eligibility of the borrower strictly as per provisions of the scheme.

(ii) Branch will obtain supplementary agreement in terms of instructions issued vide RAD Circular 82/2014.

(iii) Branches will incorporate/ update the record/data in CBS through menu option "EDULOANM" (Previously PPEDU) as per operational instructions issued by RAD Cir 82/2014 dated 08.10.2014, in eligible accounts where guidelines stated at para (i) & (ii) above are complied and eligibility of the borrower, course and institute is established strictly as per the provisions of the scheme, to ensure lodgement of the claim under the scheme.

(iv) The claim in the eligible accounts, so completed / updated in the system through menu option "EDULOANM" (Previously PPEDU), can be generated from the CBS through PNBREP 1/37 for period 01.04.2016 to 31.03.2017 for scheme year 2016-17.

(v) On receipt of the amount from Circle Offices, branches will again ensure that all the stipulations for determining eligibility stand complied with, before crediting the subsidy in the individual education loan account of the eligible borrower/s.

(vi) In case of ineligible accounts, if any, the branches will return the amount of subsidy mentioning valid reasons, to the respective Circle Offices for onward submission to HO, Retail Banking Division which in turn will remit to Government of India through Nodal Bank, as per provisions of the scheme.

(vii) The branches will credit interest subsidy amount in the respective partition account of the eligible borrower/s.

(viii) The branches will certify the interest subsidy claimed in the accounts for period 01.01.2016 to 31.03.2017 for scheme year 2016-17 as per **Format XII iii-b**. This certificate will be signed by the dealing officer & Branch Incumbent and will be certified by Branch Statutory Auditor/Auditor (in case of audited branches).

(ix) Branches will keep ready all the relevant records required for statutory audit in this regard.

B. **<u>At Circle Office level :</u>**

(i) Circle Office to ensure that the guidelines and instructions issued, under the provisions of the scheme, by the Division are percolated to the field functionaries for meticulous compliance.

(ii) On receipt of the subsidy amount from the Division, Circle will pass on the same along with account wise detail to their respective branches mentioning the observation of the Division, if any, for crediting the account of the eligible borrowers as per the provisions of the scheme.

(iii) Circle Office will call back the amount not passed on to the borrowers / wrongly received / received in excess from the Division, from its branches along with the complete details/reasons.

(iv) After consolidating the branch wise and account wise detail of such excess claim, the Circle Office will remit the consolidated amount to the Division along with the detail of each account for onward returning of the amount to Government of India through Nodal Bank as per provisions of the scheme.

(v) Circle Office will collect the Interest Subsidy Claim **Certificate Format XII iii- b**, **in two copies** from all the branches under their jurisdiction.

(vi) Based on the Interest Subsidy Claim Certificate (audited / unaudited (in case of unaudited branches) received from the individual branches under their jurisdiction, Circle Offices will prepare consolidated Interest Subsidy Claim Certificate for the Circle as a whole, as per the referred formats, for period 01.04.2016 to 31.03.2017 for scheme year 2016-17. This consolidated certificate is to be signed by the authorized officer of the Circle, not below the rank of Chief Manager along with the Circle Head.

(vii) One copy of the Circle wise consolidated certificate/s duly tallied with that of the total of all the branches of the Circle, along with one copy of the individual (audited / unaudited (in case of unaudited branches) certificates of each branch of the Circle for the above referred period be forwarded to RBD (Adv), HO as per time frame specified under 2nd Dispatch guidelines.

(viii) Soft copy of the above consolidated Certificates as per the format for period 01.04.2016 to 31.03.2017 for scheme year 2016-17 be also mailed to **rbd@pnb.co.in**.

C. **At HO, RBD (Adv) level:**

(i) The centralized claim generated through the system will be lodged online by the Division with the nodal bank i.e. Canara Bank on Caret Separated Value-CSV (^ delimited file) making it compatible with the web portal provided by Nodal Bank, for lodgement of such claims.

(ii) On receipt of the claim amount, from the nodal bank, the same will be sent to respective Circle Offices by the Division along with the branch wise and account wise detail for passing on the subsidy to their respective branches for onward credit to the individual borrower's account.

(iii) On receipt of the refund amount from Circle Offices which has not been passed on to the borrowers / wrongly received / received in excess, the same will be remitted to Government of India through Nodal Bank as per provisions of the scheme.

(iv) On the basis of consolidated certificates of all the Circles as detailed under para B (vii) above, the Division will get the certification from the SCA for the bank as a whole, for 01.04.2016 to 31.03.2017 for scheme year 2016-17 in the claim lodged during the period 01.04.2017 to 31.03.2018, for onward submission to the Nodal bank.

10. Certificate regarding claim under Dr. Ambedkar Central Sector Scheme of Interest Subsidy (ACSIS) to provide interest subsidy on education loan for

overseas studies for the students belonging to OBCs & EBCs (Retail Banking Division (Advances) (format- XII iii- c1,c2, c3, c4 & c5)

Pursuant to communication from The Ministry of Social Justice & Empowerment (MoSJ&E) has launched "**Dr. Ambedkar Central Sector Scheme of Interest Subsidy on Educational Loan for Overseas Studies for Other Backward Classes (OBCs) & Economically Backward Classes (EBCs)**" for the welfare of other weaker sections of the society. It provides InterestSubsidy for meritorious students from OBCs communities as notified in **The National Commission For Backward Classes Act, 1993,** & EBCs communities/castes, who are not included in SC/ST/OBC categories so as to provide them better opportunities for higher education abroad and enhance their employability. The scheme has been named as "**Dr. Ambedkar Central Sector Scheme of Interest Subsidy**" and is effective from 2014-15 has been circulated vide RAD Cir 107/2015 dated 21.11.2015 followed by operational guidelines vide RAD Circular 14/2016 dated 03.03.2016 and RBD (A) Circular No.16/2018 dated 20.02.2018.

(i) The scheme provides full interest subsidy during the period of moratorium. The student should belong to the OBCs & EBCs communities. The OBCs communities shall be as per the notification in the National Commission for Backward Classes Act, 1993. The OBC Certificate issued by the Competent Authority as per the prescribed performa would be a proof to determine OBC Community and the total income from all sources of the employed candidateds or his/her parents/guardians in case of unemployed candidates shall not exceed Rs 3.00 lakh per annum. EBCs are those communities /caste who are not included in SC/ST/OBC categories and whose family income is below Rupees one lakh per annum. With effect from 01.10.2017, in case of OBCs the total income from all sources of the employed candidates or his/her parents/guardians in case of unemployed candidates shall not exceed Rs 8.00 lakh per annum. EBCs are those communities /caste who are not included in SC/ST/OBC categories and whose family income is below Rupees 2.50 lakh per annum.

(ii) As per directions under the scheme, certificate pertaining to interest subsidy claimed by the Bank in the accounts for period 01.10.2016 to 31.03.2017 (2 quarters) for scheme year 2016-17 and for period 01.04.2017 to 31.12.2017 (3 quarter) for scheme year 2017-18, for which the claim lodged during the period 01.04.2017 to 31.03.2018, is to be got certified by the statutory auditor of the Bank.

(iii) The required certificates are placed under **format XII iii – c1,c2,c3,c4 & c5.**

(iv) The process to be followed is detailed hereunder:

A. **At Branch Office level:**

(i) Branch will obtain valid income Certificate from the student borrower issued by the designated State Govt. authority and will establish eligibility of the borrower strictly as per provisions of the scheme.

(ii) Branch will obtain supplementary agreement in terms of instructions issued vide RAD Circular 107/2015 dated 21.11.2015.

(iii) Branches will incorporate/ update the record/data in CBS through menu option "EDULOANM" (Previously OBEDU) as per operational instructions issued by RBD(A) Cir 16/2018 dated 20.02.2018, in eligible accounts where guidelines stated at para (i) & (ii) above are complied and eligibility of the borrower, course and institute is established strictly as per the provisions of the scheme, to ensure lodgement of the claim under the scheme.

(iv) The claim in the eligible accounts, so completed / updated in the system through menu option "EDULOANM" (Previously **OBEDU),** can be generated from the CBS through **PNBREP 1/46 a (OBC) & 1/46 b(EBC)** for period 01.10.2016 to 31.03.2017 for scheme year 2016-17 and for period 01.04.2017 to 31.12.2017 for scheme year 2017-18.

(v) On receipt of the amount from Circle Offices, branches will again ensure that all the stipulations for determining eligibility stand complied with, before crediting the subsidy in the individual education loan account of the eligible borrower/s.

(vi) In case of ineligible accounts, if any, the branches will return the amount of subsidy mentioning valid reasons, to the respective Circle Offices for onward submission to HO, Retail Banking Division which in turn will remit to Government of India through Nodal Bank, as per provisions of the scheme.

(vii) The branches will credit interest subsidy amount in the respective partition account of the eligible borrower/s.

(viii) The branches will certify the interest subsidy claimed in the accounts for period for period 01.10.2016 to 31.03.2017 for scheme year 2016-17 and for period 01.04.2017 to 31.12.2017 for scheme year 2017-18, as per **Format XII iii- c1, c2, c3, c4 & c5.** This certificate will be signed by the dealing officer & Branch Incumbent and will be certified by Branch Statutory Auditor/Auditor **(in case of audited branches).**

(ix) Branches will keep ready all the relevant records required for statutory audit in this regard.

B. **At Circle Office level:**

(i) Circle Office to ensure that the guidelines and instructions issued, under the provisions of the scheme, by the Division are percolated to the field functionaries for meticulous compliance.

(ii) On receipt of the subsidy amount from the Division, Circle will pass on the same along with account wise detail to their respective branches mentioning the observation of the Division, if any, for crediting the account of the eligible borrowers as per the provisions of the scheme.

(iii) Circle Office will call back the amount not passed on to the borrowers / wrongly received / received in excess from the Division, from its branches along with the complete details/reasons.

(iv) After consolidating the branch wise and account wise detail of such excess claim, the Circle Office will remit the consolidated amount to the Division along with the detail of each account for onward returning of the amount to Government of India through Nodal Bank as per provisions of the scheme.

(v) Circle Office will collect the Interest Subsidy Claim **Certificate Format XII iii - c1, c2, c3, c4 & c5**, **in two copies** from all the branches under their jurisdiction.

(vi) Based on the Interest Subsidy Claim Certificate (audited / unaudited (in case of unaudited branches) received from the individual branches under their jurisdiction, Circle Offices will prepare consolidated Interest Subsidy Claim Certificate for the Circle as a whole, as per the referred formats, for period 01.10.2016 to 31.03.2017 for scheme year 2016-17 and for period 01.04.2017 to 31.12.2017 for scheme year 2017-18. This consolidated certificate is to be signed by the authorized officer of the Circle, not below the rank of Chief Manager along with the Circle Head.

(vii) One copy of the Circle wise consolidated certificate/s duly tallied with that of the total of all the branches of the Circle, along with one copy of the individual (audited / unaudited (in case of unaudited branches) certificates of each branch of the Circle for the above referred period be forwarded to RBD, HO as per time frame specified under 2nd Dispatch guidelines.

(viii) Soft copy of the above consolidated Certificates as per the format for period 01.10.2016 to 31.03.2017 for scheme year 2016-17 and for period 01.04.2017 to 31.12.2017 for scheme year 2017-18 be also mailed to **rbd@pnb.co.in**.

C. **At HO, RBD (Adv) level:**

(i) The centralized claim generated through the system will be lodged online by the Division with the nodal bank i.e. Canara Bank on Caret Separated Value

(^ delimited file) making it compatible with the web portal provided by Nodal Bank, for lodgement of such claims.

(ii) On receipt of the claim amount, from the nodal bank, the same will be sent to respective Circle Offices by the Division along with the branch wise and account wise detail for passing on the subsidy to their respective branches for onward credit to the individual borrower's account.

(iii) On receipt of the refund amount from Circle Offices which has not been passed on to the borrowers / wrongly received / received in excess, the same will be remitted to Government of India through Nodal Bank as per provisions of the scheme.

(iv) On the basis of consolidated certificates of all the Circles as detailed under para B (vii) above, the Division will get the certification from the SCA for the bank as a whole, for period 01.10.2016 to 31.03.2017 for scheme year 2016-17 and for period 01.04.2017 to 31.12.2017 for scheme year 2017-18 in the claim lodged during the period 01.04.2017 to 31.03.2018, for onward submission to the Nodal bank.

11. Interest Equalization Scheme on Rupee Export Credit to specified categories of Exporters: (ANNEXURE- INTEREST EQUALISATION ON PRE AND POST SHIPMENT RUPEE EXPORT CREDIT) (implemented wef 01-04-2015 for a period of 5 years): FORMAT (Annexure XII iv - a) FOR the period 01.04.17 to 31.03.2018 on Monthly basis.

A. <u>INTEREST EQUALISATION SCHEME:</u>

Reserve Bank of India has announced the Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit to eligible exporters with effect from 1st April, 2015 for a period of 5 years. Detailed guidelines for the same have been circulated vide IRMD (L&A) Circular No. 116 Dated 09.12.2015 and Circular No. 38 dated 18.05.16 and subsequent circulars and guidelines, to be followed while passing on the benefit to the eligible exporters.

Branches are to submit the above claim for the Financial Year 2017-18 w.e.f. 01st April 2017 to 31st March 2018 (FY2017-18) as per RBI circular No. DBR.Dir.BC.No.62/04.02.001/2015-16 dated December 04, 2015 on the same terms and conditions mentioned in Annexure- III.

The following are the features of the Interest Equalisation Scheme:

(a) The rate of interest equalisation @ 3% per annum will be available on Pre and Post Shipment Rupee Export Credit to specified categories as per RBI guidelines.

(b) The scheme would be applicable w.e.f 01.04.2015 for 5 years. Government, however, reserves the right to modify / amend the Scheme at any time.

(c) The scheme will be available to all exports under 416 tariff lines [at ITC (HS) code of 4 digit] as per **Annexure XII iv – b** and exports made by Micro, Small & Medium Enterprises (MSMEs) across all ITC (HS) codes.

(d) **Scheme will not be available to Merchant Exporters.**

(e) Banks are required to completely pass on the benefit of interest equalisation, as applicable, to the eligible exporters **upfront** and submit the claims to RBI for reimbursement, duly certified by the external auditor on a **monthly basis** before 15th of each month.

(f) Ministry of Commerce and Industry will place funds in advance with RBI for a requirement of one month and reimbursement would be made on a monthly basis through a revolving fund system.

(g) All eligible exports under the scheme would have to meet the criteria of minimum processing for the goods to be called as Originating from India and would be governed by provision of Paragraph 2.108 (a) (Rules of Origin [Non preferential]) of Handbook of Procedures of Foreign Trade Policy 2015-2020.

(h) The rebate will be from the date of disbursement and upto the date of repayment or upto the date beyond which it becomes overdue. Further the benefit is applicable only during the period till the scheme is in force.

The operational procedures for claiming reimbursement as suggested by RBI are as under:

A. Procedure for passing on the benefit of interest equalisation to exporters:

(i) For the period April 1, 2015 to November 30, 2015 and thereafter on a monthly basis, banks shall identify the eligible exporters as per the Government of India scheme and credit their accounts with the eligible amount of interest equalisation.

(ii) From the month of December 2015 onwards, banks shall reduce the interest rate charged to the eligible exporters as per extant guidelines on interest rates on advances by the rate of interest equalisation provided by Government of India.

(iii) The interest equalisation benefit will be available from the date of disbursement up to the date of repayment or up to the date beyond which the outstanding export credit becomes overdue. However, the interest equalisation will be available to the eligible exporters only during the period the scheme is in force.

B. Procedure for claiming reimbursement of interest equalisation benefit already passed on to eligible exporters:

1) The sector-wise consolidated reimbursement claim for a consolidated 8 months period w.e.f. April 1, 2015 to November 30, 2015 (consolidated) and thereafter on a monthly basis w.e.f. December 2015 onwards should be submitted in original to RBI within 15 days from the end of the respective month, with bank's seal and signed by authorised person, in the prescribed format given in **Annex XII iv - a.**

2) The claims should be accompanied by an External Auditor's Certificate (with stamp and membership number) certifying that the claim for interest equalisation of Rupees…………….. for the month ended ………….. has been verified and found to be strictly in accordance with the provisions of the Government scheme enclosed with the circular DBR.Dir.BC.No.62/04.02.001/2015-16 dated December 4, 2015. Claims for reimbursement will be considered for settlement only after receipt of this certificate.

3) The claims may be submitted to the Chief General Manager, Department of Banking Regulation, Reserve Bank of India, Central Office, Shahid Bhagat Singh Marg, Fort Mumbai – 400 001.

4) The reimbursement of interest equalisation claim will be made as and when the funds are received from Government of India.

5) Proper record of all the claims lodged, reimbursement received and reversed should be meticulously kept for audit and record at all levels.

B. At Branch Office level:

Branches including LCBs, are required to submit on a monthly basis, the duly signed interest equalisation claim statement alongwith Internal Concurrent auditor's / External auditor's certificate on the prescribed format to their respective Circle Offices, within
5 days from the end of the respective month and to ensure that the claim is as per RBI and Bank guidelines. A detailed guidelines on interest equalisation claim scheme have been circulated vide IRMD(L&A) Circular No. 116 Dated 09.12.2015 and L & A Circular No.38 (MCLR Circular) dated 18.05.16 and subsequent circulars and guidelines, to be followed while passing on the benefit to the eligible exporter.

NOTE: If there is NIL claim for the Branch, duly signed NIL certificate must be sent as per prescribed format to their respective Circle Offices .

B. At Circle Office level:

(a) Circle Offices after scrutinizing and verifying the duly signed and auditor certified claims received from the branches (including LCBs), will submit a consolidated Interest Equalization claim of the Circle (including LCBs), duly signed and certified by Internal Concurrent auditor/ External auditor in the prescribed format on a monthly basis to Head Office, IBD before 7th of each month after ensuring that the claim is as per RBI / Bank's guidelines.

NOTE: If there is NIL claim for Circle, duly signed NIL certificate to be sent as per prescribed format.

(b) On receipt of reimbursement against interest equalization claim on Rupee Export Credit in the Non-customer account of the circle office from IBD HO, the Circle offices will reverse the entry and pass on the claim amount to the respective branches immediately.

C. At Zonal Office level:

Zonal Offices will coordinate and ensure timely submission of duly signed scrutinized and verified auditor certified Circle-wise (including LCBs) consolidated claim data on interest equalisation rupee export credit, from all the Circles under their Zone to IBD HO before 7th of each month strictly as per RBI / Bank's Guidelines.

D. At IBD Head Office level:

IBD after scrutinizing and consolidating the claim received from all Circles(including LCBs), as per RBI guidelines, shall submit the claim in original within 15 days from the end of the respective month, with bank's seal and signed by authorised person, in the prescribed format to the Chief General Manager, Department of Banking Regulation, Reserve Bank of India, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai – 400 001 accompanied by an External Auditor's Certificate, as advised by RBI .

On receipt of reimbursement from RBI, IBD HO will reverse the entry and accord credit to the respective Circle Offices immediately.

Other Guidelines: The concerned branches, Circle Offices, Zonal Offices and IBD HO shall keep ready all the relevant records required for statutory audit certifying that the claims for the equalization for the period 01.04.2017 to 31.03.2018 (FY 2017-18).

The branches shall ensure that correct interest has been charged on the specified category of exporters. Any amount charged in excess is refunded to the concerned exporter before lodging the claim.

12. Certificate pertaining to additional information of deposits required for payment of insurance premium to Deposit Insurance Corporation by the bank. (Statement DI, DI-01 & DI-02) (Finance Division) (FORMAT XII v- a-f)

Branches are also required to submit this certificate in DICGC through CFA and same is to be digitally signed.

Branches are required to furnish additional information on deposit as per **Statement, DI, and DI-01& DI-02** (**as per the Annexure given in this Chapter)**. Insurance premium is calculated at H.O. level based on the information furnished by the branches and available at Head office.

AT BRANCH LEVEL.

All the branches under statutory audit should keep ready the DI, DI-01 & DI-02 statement as per instructions given in the statement for verification of Statutory Branch Auditors for Sep.2017 (Half Year) and March'2018 (Half Year) and after getting the same verified and signed, forward the same to their Circle Office. The branches/offices, which are not subject to Statutory Audit should also prepare the statement and send the same to circle office.

AT CIRCLE OFFICE LEVEL

After receiving the certificates from the branches under their jurisdiction (**both audited and un-audited**), the circle will consolidate the statement for the circle as a whole for half year ended Sep, 2017 and **March, 18. Circles will COLLECT, SCRUTINIZE, CONSOLIDATE AND FORWARD (CSCF)** branch wise Certificates (**of both audited and un-audited branches**) to HO: Finance Division for certification to be got done at corporate level from the SCAs.

13. Certificate in respect of FLCs/FLGs on FEDAI Rates (IBD, HO)- (FORMAT XII vi)

In terms of **Accounting Standard 11** issued by the Institute of Chartered Accountants **(ICAI),** the Guarantees and Letter of Credits issued in Foreign currencies (FC) by Authorized Branches (AD's) are valued in Indian rupees(INR) as per the conversion rates applicable on the respective commitment date, i.e. date of issue of the FLGs/FLCs, which need to be revalued at FEDAI revaluation rates (spot rates) as on the date of Balance Sheet.

In view of the above, authorized branches including LCBs shall mandatorily key in the requisite inputs in **CBPMS** currency-wise details of Foreign letters of Guarantees (FLGs) and Foreign letters of credit (FLCs) outstanding as on the date of Balance

Sheet {(Code 45116 for FLG) and (Code 45113 +45114 for FLC)} along-with Rupee equivalent at the commitment rate(duly tallied upto the unit INR/FC value) and shall also submit the same data, **duly audited & signed by the auditors,** to respective Circle Offices, **in the format given in this chapter (Annexure-FLCs/FLGs-Branch).**

The Circle Offices to ensure that each branch including LCB incorporate the information in **CBPMS**. Circle Offices shall prepare one set of consolidation based on the data collected from **CBPMS** and another set as per the old system and send the consolidated currency-wise position of FLGs and FLCs **(Annexure-FLCs/FLGs - Circle)** after recalculating their value at FEDAI rates of the respective currencies for implication of CRAR/Risk – weight accordingly.

Circle Offices shall keep a record of the duly audited & signed Branch Statements and shall submit the consolidated position as per CBPMS and manual (as per old system) duly signed by the Circle Head to IBD-HO latest by 7th April 2018 for preparing the data for the Bank as a whole for onward submission.

14. Certificate –Country-wise Exposure (Mid Office Annexures I, II, III & IV(a),IV(b) & V Mid Office, Integrated Risk Management Division)

I. Reserve Bank of India, vide their Circular No.DBOD.BP.BC.71/21.04.103/2002-03 dt.19/2/2003 had issued guidelines for the Banks on Country Risk Management (CRM) and provisioning thereof.

II. As per **RBI guidelines,** Bank has to reckon both **funded** and **non-funded** exposures from their domestic as well as foreign branches while identifying, measuring, monitoring and controlling country risk. An illustrative list of funded and non-funded exposures is furnished below:

Funded Exposures	**Non-Funded Exposures**
• **Cash balances** • **Bank balances** • **Deposit placements** • **Investments** • **Loans and advances** • **Trade credits/ receivables** • **Overdraft in Vostro Account**	• **Letters of Credit** • **Committed lines of credit** • **Guarantees** • **Performance bonds, bid – bonds, warranties.** • **Confirmation of LCs**

• **Remittances honoured under Drawing arrangement** • **Other monetary assets.**	**issued by foreign banks.** • **Commitments undertaken against the counter-guarantee of foreign banks.**

III. Bank has also to take into account indirect country risk. For example, exposures to a domestic commercial borrower with a large economic dependence on a certain country may be considered as subject to indirect country risk. Indirect exposures have to be reckoned at 50% of the exposure for the purpose of these guidelines.

A large number of circles are reporting **'indirect exposure'** as "NIL", which has been commented by the **statutory central auditors.** Hence, it is essential that the field functionaries understand the subjectivity in the matter and ensure that all the indirect exposures are captured for reporting.

We reiterate that the indirect exposure is the risk that the repayment ability of a domestic borrower is adversely affected by developments in a foreign country where the borrower has business interests. In other words, his business is adversely affected by the economic, social or political conditions in a foreign country that he has substantial business interests. For example, if such dependency is only small part of their total business, say 20% or so, it may not adversely affect the repayment capacity. But if such dependency is large, it adversely affects borrower's overall business that results in default on debt repayment obligations. Please note that the substantial exposure is not defined in terms of % of business. Incumbents/circle heads and other dealing staff have to subjectively assess "**whether the repayment capacity of the borrowers is adversely affected by adverse developments in the country of dependence or not".** If 'yes' it is substantial otherwise it is not.

Please ensure that Indirect Country Risk exposure should be verified by Concurrent Auditor of the branch/office.

IV. Exposures are required to be computed on a net basis i.e., gross exposure 'minus' collaterals, guarantees, insurance etc. Netting is permitted for cash collaterals, bank guarantees and credit insurance available in/ issued by countries in a lower risk category than the country on which exposure is assumed.

V. In order to ensure compliance of RBI guidelines, the requisite information to be submitted in the formats enclosed as follows:-

1 **Statement of Funded Exposure-Mid-office Annexure I**

2 **Statement of Non Funded Exposure-Mid-office Annexure II**

3 **Statement of Indirect Exposure –Mid-office Annexure III**

4 **Statement of -Country wise exposure -Mid-office Annexure IV (a)**

5 **Statement of Summary of Country wise exposure -Mid-office Annexure IV (b)**

6 **Statement of Country wise exposure -Mid Office Annexure V**

VI. **The provision for country risk shall be in addition to the provisions required to be held according to the asset classification status of the asset. In case of 'loss assets' and 'doubtful assets', provision (including provision held for country risk) should not exceed 100% of the outstanding. Hence, please provide separate detail of country wise exposure reported in Annexure I & III in respect of Loss & Doubt full assets where 100% provision is held according to the asset classification status so that further provision is not made for Country risk for that exposure.**

VII. Branches/Offices which are **subject to Statutory Audit** and have category wise country risk exposures are required to submit the above statement duly verified by the concurrent auditor of the branch if any posted at the branch to **their Circle Offices/Control Offices** on **Mid-Office Annexure I, II, III, IV (a) & IV (b).**

VIII. Branches/Offices having NIL exposure are required to submit the above statement to their circle/controlling office on **Mid-Office Annexure-V.**

IX. Circle Offices will **COLLECT,SCRUTINIZE, CONSOLIDATE AND FORWARD** the statements/certificates/information received from branches (both audited and unaudited) **along-with the consolidated position of the Circle as a whole and submit the same to MID OFFICE, INTEGRATED RISK MANAGEMENT DIVISION, HO, DWARKA, NEW DELHI** under intimation to their Zonal Office. Please ensure that Country Risk Exposure should be verified/signed by concurrent auditor of the branch/office, if any, posted at the branch/office.

b) While forwarding statements/certificates/information received from branches under **audit and other branches which are not subject to audit, Circle** Offices must ensure that no branch under their jurisdiction is left.

X. The above statement forms part of the disclosures in the Notes on Accounts for the financial year ending 31.03.2018. Finance Division, Head office, has included the above statements in the documents to be signed by the Statutory Central Auditors. Circle Offices must send the un-audited information through e-mail (arpit_pmodi@pnb.co.in, midoffice@pnb.co.in) along-with the list of branches under their jurisdiction. Whether the branch is subject to audit or not, should also be mentioned against each branch. Audited statements be provided immediately at the completion of statutory audit.

15. Annexure-Impersonal Heads Outstanding for more than 1 year (Inspection & Audit Division and Finance Division) (FORMAT XII vii)

Format of Annexure-Impersonal Heads captures the information in respect of "**Details of Suspense Entries outstanding for more than 1 year as on 31.03.2018 and other Impersonal Heads**". **Branches will report all such entries giving details of nature of entry, to be certified by the respective Statutory Branch Auditors. However, Circle Offices will send the consolidated position of ONLY THOSE ENTRIES FOR WHICH PROVISION IS REQUIRED TO BE MADE, to Head Office, Inspection & Audit Division at iadimpersonal@pnb.co.in for scrutiny & consolidation. IAD would consolidate the data for Bank as a whole (Circles and Head Office Division), get it audited by the Central Statutory Auditor of the Division and inform Finance Division the amount of Provision required against each head for passing necessary accounting vouchers.**

16. Certificate related to Prudential Norms On Unsecured Advances {CREDIT REVIEW AND MONITORING DIVISION} (L&A Circular no. 105 dated 31.12.2016) (XII viii)

In order to enhance transparency and ensure correct reflection of the unsecured advances in Schedule 9 of the Bank's Balance Sheet, the Reserve Bank of India, in the Circular NO.DBOD:NO.BP.BC.125/21.04.048/2008-09 dated 17.04.2009 has advised as under:

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

b) Banks should also disclose the total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken alongwith the estimated value of such intangible collateral.

Keeping in view the above guidelines, the following information would be required to be disclosed in the Notes on Accounts in the Balance Sheet for the year ending 31.03.2018:

(i) Total amount of unsecured advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken.

(ii) The value of such intangible collateral.

In view of the foregoing, it is advised that the Circle Offices will Collect, Scrutinize, Consolidate and Forward (CSCF) the **STATEMENT AS PER ENCLOSED FORMAT i.e. PNB/CAD/US/1,** received from branches under audit and un-audited branches alongwith the consolidated position of the Circle as a whole (including LCBs, if any) under the signatures of Circle Head to CREDIT REVIEW AND MONITORING DIVISION, HO. While forwarding, they must ensure that no branch/ office under their jurisdiction is missed out. **Thus, the Circle Offices will proceed as under:**

- **Will collect and scrutinize the said statement received from each Branch in their Circle (audited as well as un-audited).**
- **Will forward consolidated statement for the Circle as a whole (including LCBs, if any) duly signed by the Circle Head. NO BRANCH SHOULD BE MISSED OUT.**
- **Will forward duly signed hard copy of the `Consolidation Sheet' as well as the soft copy thereof at bhartiya.kanika@pnb.co.in, pramod.bansal@pnb.co.in or crmd@pnb.co.in.**

The format for submission of statement containing 3 parts on the unsecured exposure has been revised and is enclosed herewith.

LCBs, if any, shall submit the above returns to the respective Circles who in turn shall submit the consolidated position to Credit Review and Monitoring Division, HO.

Please ensure that no format is modified by including/deleting the column/row. Also please ensure that the information is submitted through e-mail followed by signed hard copies.

To facilitate fast submission of these statements, you may use our following email:

Email : **bhartiya.kanika@pnb.co.in/ crmd@pnb.co.in / pramod.bansal@pnb.co.in**

Please ensure submission of above return/ information in time. The pre-audited statements should reach us by 7th April, 2018 and the audited statements (if any) immediately after the audit.

17. Certificate For Prime Minister's Employment Generation Programme (MSME Division) (FORMAT XII ix a-c)

PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP) SCHEME of Ministry of MSME has been implemented by our Bank and duly circulated vide Circular No. PSLB/SME 73/2008 dated.20.10.2008 and subsequent Circulars issued thereafter. **Latest guidelines are consolidated and circulated vide MSME Circular No. 53/2015 dated 09.09.2015 and subsequent Circulars issues thereafter.**

The audit of subsidy claims of PMEGP for the programme year 2017-18 is to be carried out at the close of financial 2017-18, for which you are requested to ensure as under:-.

(A) Incumbents Incharge of branches selected for Statutory Audit shall obtain a certificate (Proforma at **Annexure-PMEGP-B given in this Chapter**) from Statutory Branch Auditors and forward the same immediately to their respective Circle Offices. Similarly, branches which are not selected for audit shall forward the certificate, as per **Annexure-PMEGP-A given in this Chapter**, duly signed by the Incumbents Incharge, to their Circle Offices immediately after the close of the financial year alongwith usual closing returns.

(B) **Subsidy claim certificate for the financial year 2017-18 should include those cases for the Programme Year 2017-18, which were lodged during the Financial Year 2017-18.**

Compilation of PMEGP at Circle level for audited and unaudited branches should be done (Proforma at Annexure **PMEGP-C given in this Chapter)** and be sent to Head Office: MSME Division, 4th Floor, Sector-10, Dwarka, Delhi-110075 along with branch wise Audit Certificates as per Proforma **Annexure PMEGP A** and **Annexure PMEGP B** for **unaudited and audited branches respectively.**

Incumbents Incharge and Circle Heads are requested for meticulous compliance of these instructions for smooth conduct of the audit work.

18. Subsidy utilization Certificate under Credit Linked Capital Subsidy Scheme (MSME DIVISION) (XII x a-b)

Branches who have received subsidy under CLCSS during the **FY 2017-18**, are required to furnish certificate as per **Annexure- CLCSS-1**, **(will be generated through CBS-CBPMS link)** confirming that the claims made by their branch are as per the guidelines under Ministry of MSME. In case certificate reveals excess/short claims, the same will be rectified by recoveries/adjustments against future claims. The said certificate for preceding financial year is required to be furnished by the said branch before submission of claims for the following financial year. In case the certificate is not furnished by the said branch in respect of claims for the preceding financial year, the claim(s) for the following financial year will not be paid.

A. ROLE OF BRANCHES:

1) It is to be certified by the branches that subsidy amount received from HO: MSME Division during the financial year 2017-18 under CLCSS has been disbursed to the concerned Micro & Small Enterprises and the amount has been kept under FDR/TDR for three years from date of receipt of subsidy as per the provisions of the Scheme. They **will submit Subsidy Utilization Certificate as per <u>Annexure-CLCSS-1 (XII xa)</u>** to their Circle Offices.

2) Branches, who have not received any Subsidy amount from the HO: MSME Division during the financial year **2017-18** under CLCSS, are required to submit **<u>NIL</u> Certificates** to their Circle Offices**.**

3) Branches under audit should submit certificate signed by Incumbent as well as by Auditors (Concurrent / Statutory) after audit of the same. In case of unaudited branches, certificate is to be signed by Branch Incumbent itself.

B. ROLE OF THE CIRCLE OFFICES:

1) Circle offices will **COLLECT, SCRUTINIZE and CONSOLIDATE** the certificates received from branches under audited and un-audited branches separately.

2) Circle Office after consolidation of certificates, will send copies of the certificate **(Annexure-CLCSS-1)** received from branches to HO: MSME Division, 4th Floor , Plot No.4, Sector-10, Dwarka, New Delhi- 110075. **COs are NOT required to send the individual NIL certificates of the branches**.

3) However Every Circle Office should submit a list of branches under their control showing amount of subsidy received during FY 2017-18 against each branch, as per **<u>Annexure-CLCSS-2 (XII x –b)</u> .**

<u>Note: Annexure-CLCSS-1 will be generated through CBS-CBPMS link</u>

19. Guidelines for uploading statements of restructured accounts (Non CDR) and Templates for ensuing yearly closing as on 31.03.2018

<u>CENTRALISED FINANCIAL AUDIT (CFA)- WEB APPLICATION</u>

A web application i.e. CFA (<u>C</u>entralised <u>F</u>inancial <u>A</u>udit) developed by **Finance Division** for posting & online submission of various reports viz.

pertaining to Tax Audit and Long Form Audit Report and Statements of Restructured Accounts (Non CDR) and templates of Rs.1 Crore and above for calculation of diminution in fair value, in restructured accounts, by the Branches and Circle Offices, is available on CBS Main page under **Non CBS Applications under FINANCE DIVISION OPTION.**

For yearly closing as on 31.03.2018, statement of restructured accounts and templates for calculation of diminution in fair value (DFV) in respect of restructured accounts of Rs.1 Crore and above and Statement of Restructured Accounts (Annexure IV-B) of accounts below Rs.1 Crore (small accounts) as on 31.03.2018 is to be submitted by all the branches under audit, online bearing **digital signatures of the Statutory Branch Auditor and Incumbent Incharge**, through **CENTRALISED FINANCIAL AUDIT (CFA).**

Statements of restructured accounts and templates are to be uploaded under the option, `NON CDR STATEMENT UPLOAD' and NON CDR TEMPLATE UPLOAD, in CFA Module. Circle Offices will down-load, scrutinize and consolidate the statements/templates/information uploaded in the said software from Branches/LCBs under audit. **LCBs are advised to submit templates & statements (soft copy) through concerned Circle Office and complete upload thereof at their office.** In respect of **unaudited branches** (where branches are not under audit) Circle Offices should prepare the statement/templates of the concerned branch and upload the same in the said software.

Incumbent Incharge of concerned branches / LCBs should ensure that input relating to ROI / Balance outstanding and other details, in the templates and in the statements, is correct. There should not be mis-match in the **EDW – NON CDR** and the accounts reported in these statements.

Based on the statements and templates uploaded in the CFA by the branches/LCBs, Circle Offices are also to submit to Industrial Rehabilitation Department (IRD) – Credit Division, Head Office consolidated position of the Circle as a whole, {**Statements of Restructured Accounts (NON CDR) (Annexure III, Annexure IV A and Annexure IV B**). While submitting the statements, Circle Offices to ensure that no Branch/LCB under their jurisdiction is missed out. Zonal Offices to issue guidelines to Circle Offices / LCBs under their jurisdiction for compliance.

Formats and templates in respect of restructured accounts (Non CDR) of Rs.1 Crore and above are available in Centralised Financial Audit (CFA) for which, LOGIN ID and password is separately provided by Finance Division, Head Office.

Statements and template relating to NON CDR restructured accounts, as per details given below are to be uploaded:

1	***Statement of Restructured Accounts (NON CDR) as on 31.03.2018 Annexure III (For accounts restructured during the year 2017-18).***
2	***Statement of Restructured Accounts (NON CDR) as on 31.03.2018 Annexure IV A (Details of accounts of Rs.1 Crore and above, restructured during the years 2008-09. 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 & 2016-17).***

3	***Statement of Restructured Accounts (NON CDR) as on 31.03.2018 Annexure IV B (Details of small accounts – below Rs.1 Crore, restructured during the years 2008-09. 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 & 2016-17).***
4	***Templates of Accounts of Rs.1 Crore and above restructured (NON CDR) as on 31.03.2018.***

Formats in respect of above statements and templates are also attached herewith***.***

Guidelines relating to submission of statements of restructured accounts and templates of restructured accounts of Rs.1 Crore and above will also be separately sent to all Zonal Offices / Circle Offices / LCBs for compliance by Industrial Rehabilitation Department – Credit Division, Head Office.

In view of above, it is requested that the above statements & templates be uploaded in **Centralised Financial Audit (CFA) by all the branches under audit with digital signatures of Statutory Branch Auditors and Incumbent Incharge** by 09.04.2018. The statements, uploaded in CFA, is to be consolidated by Circle Offices for submission to Industrial Rehabilitation Department – Credit Division, Head Office by **09.04.2018 by e-mail, followed by signed copies of statements / status notes.**

20.a) Certificate of Interest Reimbursement / Capital subsidy claims under Technology Upgradation Fund Scheme (TUFS)- (CAD (O) for Non-MSE Sector to be submitted to CAD: HO, New Delhi (XII xi)

20.b) Certificate of Interest Reimbursement/Capital subsidy claims under Technology Upgradation Fund Scheme (TUFS)- for SSI/MSEs Sector) (XII xii a-b)

The Branches having accounts of eligible borrowers under TUFS are required to furnish certificate as per **Annexure- TUFS (MSE)-1** **(will be generated through CBS-CBPMS link)** confirming that the claims made by their branch are as per the guidelines under TUFS. The said certificate for preceding financial year is required to be furnished by the said branch before submission of interest reimbursement/Capital Subsidy claims for the following financial year. In case the certificate is not furnished by the said branch in respect of claims for the preceding financial year, the claim(s) for the following financial year will not be paid.

A. ROLE OF BRANCHES:

1) It is to be certified by the branches that subsidy amount received from HO MSME Division during the financial year 2017-18 under TUFS-SSI cases has

been disbursed to the concerned Micro & Small Enterprises. They **will submit hard copies of Subsidy Utilization Certificate as per <u>Annexure-TUFS (MSE)-1 (XII xii a)</u>** to their Circle Office.

2) Branches, who have not received any Subsidy amount from the HO MSME Division during the financial year 2017-18 under TUFS SSI cases, are required to submit **<u>NIL</u> statement** to their Circle Office.

3) Branches under audit should submit utilization certificate signed by Incumbent as well as by Auditors (Concurrent / Statutory) after audit of the same. In case of unaudited branches, certificate is to be signed by Branch Incumbent itself.

B. ROLE OF THE CIRCLE OFFICES:

4) Circle offices will **COLLECT, SCRUTINIZE and CONSOLIDATE** the certificates received from branches under audited and un-audited branches separately.

5) Circle Office after consolidation of certificates, will send copies of the certificate **(Annexure-TUFS (MSE)-1)** received from branches to HO, MSME Division, 4th Floor, Corporate Office, Plot No.4, Sector-10, Dwarka, New Delhi-110075. **COs are NOT required to send the individual NIL certificates of the branches**.

6) However Every Circle Office should submit a list of branches under their control showing amount of subsidy received during FY 2017-18 against each branch, as per **<u>Annexure-TUFS (MSE)-2 (XII xii b)</u>.**

<u>Note: Annexure-TUFS (MSE)-1 will be generated through CBS-CBPMS link</u>

21. Certificate pertaining to DICGC Transactions (Priority Sector & FI Division) (Linkavailable at main screen of CBS -CBPMS) (XII xiii)

Branches are also required to furnish a certificate in respect of transactions pertaining to Deposit Insurance & Credit Guarantee Corporation during the financial year on the format as per **ANNEXURE-DICGC TRANSACTIONS (of this chapter).**

- Bank has decided not to share the recoveries with DICGC w.e.f. 01.11.2002 and to keep the amount of share of DICGC in Sundry Account. The format is accordingly amended so as to depict factual position.
- **Circle Offices will ONLY COLLECT, SCRUTINIZE AND FORWARD (CSF) the certificates received both, from branches under audit and un-audited branches to the PS&FI Division, for consolidation and getting them verified and certified from the SCAs at the corporate level.**

22. National Rural Livelihood Mission (NRLM) – Interest Subvention Scheme FY 2017-18 (XII xiv a-b).

The Reserve Bank of India, Central Office, Mumbai vide its Circular RBI/2017-18/80-FIDD,GSDD,CO,BC.NO. 17/09.01.03/2017-18 dated October 18, 2017 has issued detailed guidelines for operationalization of the interest Subvention Scheme for FY 2017-18, which was circulated vide our Codified Circular No. PSFID/Priority Sector Cir 59/2017 dated 31.10.2017 on National Rural Livelihood Mission (NRLM)

I. Interest subvention scheme for the SHG credit during the year 2017-18 in 250 districts.

Interest subvention scheme on credit to Women SHGs during the Year 2017-18 for all Commercial Banks (only Public Sector Banks, Private Sector Banks and Regional Rural Banks) and Co-operative Banks in 250 districts.

1. All women SHGs will be eligible for interest subvention to avail the credit up to Rs. 3 lakhs at 7% per annum. SHGs which have availed capital subsidy under S.G.S.Y in their existing loans, will not be eligible for benefit for their subsisting loan under this scheme.
2. Bank will lend to all the women SHGs at the rate of 7% in the 250 districts (*Annexure-1)*
3. Bank will be sub vented to the extent of difference between the Weighted Average Interest charged *(WAIC as specified by Ministry of Finance, Department of Financial Services,- Annexure II)* and 7% subject to the maximum limit of 4.5%, for the FY-2017-18. This subvention will be available to banks on the condition that they make SHG credit available at 7% p.a. in the 250 districts.
4. Further, the SHGs will be provided with an additional 3% subvention on prompt repayment of loan. For the purpose of the Interest Subvention of additional 3% on prompt repayment, an SHG account will be considered as prompt payee if it satisfies the following criterion as specified by RBI:

a. For Cash Credit Limit:

i. Outstanding balance shall not have remained in excess of the limit/drawing power continuously for more than 30 days

ii. There should be regular credit and debits in the accounts. In any case there shall be at least one customer induced credit during a month

iii. Customer induced credit should be sufficient to cover the interest debited during the month.

b. For the Term loans: A term loan account where all of the interest payments and/or instalments of principal were paid within 30 days of the due date during the tenure of the loan, would be considered as an account having prompt payment.

The prompt payment guidelines would continue to be guided by RBI guidelines on the subject in the future. All prompt payee SHG accounts as on the end of the reporting quarter will be eligible for the additional interest subvention of 3%. The banks should credit the amount of 3% interest subvention to the eligible SHG loan accounts and thereafter seek the reimbursement.

5. The Interest Subvention scheme shall be implemented through a Nodal Bank selected by the Ministry of Rural Development. The Nodal Bank will operationalize the scheme through a web based platform, as advised by MORD. For the FY 17-18, Canara Bank is nominated as the Nodal Bank by MORD.

6. In order to avail the interest subvention on credit extended to SHGs @ 7%. Regular subvention. Bank is required to upload the SHG loan account information on the Nodal Bank's portal as per the required technical specification. Banks must submit the claims for 3% additional subvention on the same portal.

7. All Commercial Banks (excluding RRBs) are required to submit their claims, regular as well as additional to the Nodal bank on a quarterly basis as at June 30, 2017, September 30,2017, December 31, 2017 and March 31,2018 by last week of the subsequent month.

8. The claims submitted by bank should be accompanied by a Statutory Auditor's certificate (in original) certifying the claims for subvention as true and correct. The claims of any Bank for the year ending March 2018 will be settled by MORD only on receipt of Statutory Audited certificate for the complete FY 17-18 by the Bank.

9. Any remaining claim pertaining to the disbursement made during the year 2017-18 and not included during the year, may be consolidated separately and marked as an 'Additional' Claim and submitted to Nodal Bank latest by June 30, 2018, duly audited by Statutory Auditors certifying the correctness.

10. Any correction in claims by PSBs and Pvt Sector Banks shall be adjusted from later claims based on auditor's certificate. The correctness must be made on the Nodal Bank's portal accordingly.

II. Interest Subvention Scheme for the Category II Districts (other than 250 districts)

For the category II districts, comprising of districts other than the above 250 districts, all women SHGs under N.R.L.M will continue to be eligible for interest subvention to avail the loan facility at an interest rate of 7%. The funding for this subvention will be provided to the State Rural Livelihoods Missions (S.R.L.Ms). The State-wise distribution of the provision under this budget head would be determined each year. In the Category II districts, Banks will charge the SHGs as per their respective lending norms to the SHGs and the difference between the lending rates and 7% subject to a maximum limit of 4.5% for the year 2017-18 will be subvented in the loan accounts of the SHGs by the SRLM. In pursuance of the above, the salient features and the operational guidelines in respect of the interest subvention for the category II, for the year 2017-18, are as follows:

(A) Role of the Banks:

All the banks who are operating on the Core Banking Solution (CBS) are required to furnish the details of the Credit disbursement and credit outstanding of SHGs across all districts in the desired format as given by the MORD, directly from the CBS platform, to the Ministry of Rural Development *(through FTP)* and to the SRLMs. The information should be provided on a monthly basis to facilitate the calculation of the Interest Subvention amount to SHGs.

(B) Role of the State Governments:

1. All women SHGs, comprising of more than 70% BPL or rural poor members (rural poor as per the Participatory Identification Process) are regarded as NRLM. Such SHGs comprising of rural poor members from the intended NRLM target group will be eligible for interest subvention to avail the credit up to Rs. 3 lakhs at the rate of 7% per annum on prompt repayment.

2. This scheme will be implemented by the State Rural Livelihood Missions (SRLMs). SRLMs will provide interest subvention to the eligible SHGs who have accessed loan from Commercial and Cooperative Banks. The funding for this subvention will be met out of the Central allocation; State contribution in the ratio of 75:25.

3. The SHGs will be sub vented with the extent of difference between the Lending Rate of the banks and 7% subject to a maximum limit of 4.5% for the year 2017-18 by the SRLMs, directly on a monthly/quarterly basis. An e-transfer of the subvention amount will be made by the SRLM to the loan accounts of the SHGs who have repaid promptly.

4. For the purpose of the Interest Subvention, an account will be considered as prompt payee if it satisfies the following criterion as specified by RBI:

a. **For Cash Credit Limit:**

i. Outstanding balance shall not have remained in excess of the limit/drawing power continuously for more than 30 days.

ii. There should be regular credit and debits in the accounts. In any case there shall be at least one customer induced credit during a month.

iii. Customer induced credit should be sufficient to cover the interest debited during the month.

b. **For the Term loans:** A term loan account where all of the interest payments and/or instalments of principal were paid within 30 days of the due date during the tenure of the loan, would be considered as an account having prompt payment.

The prompt payment guidelines would continue to be guided by RBI guidelines on the subject in future.

5. Women SHGs who have availed capital subsidy under S.G.S.Y in their existing loans will not be eligible for benefit of Interest Subvention for their subsisting loan under this scheme.

6. The SRLM should submit the Quarterly Utilization Certificate indicating monthly credit of interest subvention amounts transferred to the Loan accounts of the SHGs.

List of the 250 districts (Category I) eligible for Interest Subvention Scheme

Annexure I

Sl. No.	States	Sl. No.	Name of districts
1	ANDHRA PRADESH	1	Guntur
		2	Krishna
		3	Srikakulam
		4	East Godavari
		5	Vijaynagram
		6	Visakhapatnam
2	ARUNACHAL PRADESH	1	East Siang
		2	East Kameng
		3	Papumpare
		4	Lohit
3	ASSAM	1	Chirang
		2	Karbi Anglong
		3	Sonitpur
		4	Tinsukiya
		5	Hailakandi
		6	Dhemeji
		7	Jorhat
		8	Nagaon
4	BIHAR	1	Saharsa
		2	Supaul
		3	Madhepura
		4	Nalanda
		5	Khagria
		6	EastChamparan (Motihari)
		7	Arwal
		8	Aurangabad
		9	Gaya
		10	Jamui
		11	Jehanabad
		12	Kaimur
		13	Munger
		14	Nawada
		15	Rohtas
		16	Paschim Champaran
		17	Sitamarhi

5	CHATTISGARH	1	Balarampur
		2	Surajpur
		3	Sukama
		4	Kondagaon

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		5	Gariyaband
		6	Baloda Bazar
		7	Dhamtari
		8	Raigarh
		9	Bastar
		10	Bijapur
		11	Dantewada
		12	Jashpur
		13	Kanker
		14	Kawardha
		15	Koriya
		16	Narayanpur
		17	Rajnandgaon
		18	Sarguja
6	GUJARAT	1	Chhotaudepur
		2	Mahisagar
		3	Mehsana
		4	Junagadh
		5	Vadodara
		6	Banaskantha
		7	Panchmahal
7	JHARKHAND	1	Pakkur
		2	Dumka
		3	Godda
		4	Bokarao
		5	Chatra
		6	Garhwa
		7	Giridh
		8	Gumla
		9	Hazaribagh
		10	Khunti
		11	Kodarma
		12	Latehar(N)
		13	Lohardaga
		14	Paschim Singhbhum
		15	Palamu

		16	Purbi Singhbhum
		17	Ramgarh
		18	Ranchi(Rural)
		19	Saraikela(N)
		20	Simdega(N)
8	KARNATAKA	1	Bijapur
		2	Chamrajnagar
		3	Chitradurga
		4	Gulbarga
		5	Mysore
		6	Tumkur
		7	Gadag
		8	Koppal

9	MADHYA PRADESH	1	Sager
		2	Damoh
		3	Tikamgarh
		4	Panna
		5	Chahatapur
		6	Jhabua
		7	Dhar
		8	Annupur
		9	Balaghat
		10	Dindori
		11	Mandala
		12	Seoni
		13	Shahdol
		14	Sidhi
		15	Umaria
		16	Chhindwara
		17	Singrauli
		18	Badwani
		19	Sheopur
		20	Alirajpur
10	MAHARASHTRA	1	Solapur
		2	Ratnagiri
		3	Thane
		4	Wardha
		5	Beed
		6	Sindhurdurg
		7	Chandrapur
		8	Gadchiroli
		9	Gondia

		10	Jalna
		11	Osmanabad
		12	Nandurbar
		13	Yavatmal
11	ODISHA	1	Angul
		2	Bhadrak
		3	Balasore
		4	Cuttack
		5	Balangir
		6	Devagarh
		7	Gajapati
		8	Ganjam
		9	Jaipur
		10	Kalahandi
		11	Kandhamal
		12	Kendujhar
		13	Koraput
		14	Malkangiri
		15	Mayurbhanj
		16	Nabarangpur
		17	Nayagarh
		18	Nuapada
		19	Rayagada
		20	Sambalpur
		21	Sonapur
		22	Sundargarh
12	RAJASTHAN	1	Dungarpur
		2	Banswara
		3	Dholpur
		4	Jhalawar
		5	Baran
		6	Ajmer
		7	Alwar
		8	Dausa
		9	Udaipur
13	TAMIL NADU	1	Cuddalore
		2	Nagapattinam
		3	Thanjaore
		4	Trichy
		5	Dindugal
		6	Vilupuram
		7	Vellore

		8	Thiruvannamalai
		9	Dharmapuri
14	UTTAR PRADESH	1	Agra
		2	Aligarh
		3	Auraiya
		4	Basti
		5	Bijnor
		6	Lakhimpur Kheri
		7	Unnao
		8	Varanasi
		9	Bara banki
		10	Gorakhpur
		11	Lucknow
		12	Chandauli
		13	Mirzapur
		14	Sonbhadra
		15	Badaun
		16	Hardoi
		17	Etwah
		18	Azamgarh
		19	Allahabad
		20	Ambedkarnagar
		21	Bahraich
		22	Deoria
		23	Jalaun
		24	Hamirpur
		25	Banda
15	WEST BENGAL	1	Alipurdwar
		2	Purba Medinipur
		3	South 24 Parganas
		4	Bankura
		5	Medinipur West
		6	Coochbehar
		7	Birbhum
		8	Puruliya
16	TELANGANA	1	Mahabubnagar
		2	Adilabad
		3	Warangal
		4	Khammam
		5	Karimnagar
17	KERALA	1	Idukki
		2	Vayanadu

		3	Pallakkad
		4	Mallapuram
18	HARYANA	1	Mahendergarh
		2	Karnal
		3	Jind
		4	Mewat
		5	Bhiwani
		6	Jhajjar
19	HIMACHAL PRADESH	1	Kangra
		2	Una
		3	Shimla
		4	Mandi
20	JAMMU & KASHMIR	1	Kupwara
		2	Poonch
		3	Kistwar
		4	Ganderbal
		5	Budgam
		6	Udhampur
21	PUNJAB	1	Patiala
		2	Sangrur
		3	Bathinda
		4	Tarn Taran
		5	Gurdaspur
		6	Ferozepur
22	UTTRAKHAND	1	Pithoragarh
		2	Pohri Garwal
		3	Chamoli
		4	Bageshwar
23	MANIPUR	1	Chandel
		2	Imphal East
24	MEGHALAYA	1	West Garo Hills
		2	South West Khasi Hills
		3	West Khasi Hill
25	MIZORAM	1	Serchhip
		2	Aizwal
		3	Lunglei
26	NAGALAND	1	Kiphere
		2	Longleng
		3	Peren
		4	Tuensang
		5	Mon
27	TRIPURA	1	Dhalai
		2	West Tripura
		3	North Tripura

28	PUDUCHERRY	1	Puducherry
29	ANDAMAN & NICOBAR ISLANDS	1	North & Middle Andhman Dist
30	SIKKIM	1	South Sikkim
		2	East Sikkim
31	GOA	1	North Goa Koppal

Weighted Average Interest Charged (as specified by Ministry of Finance)

Annexure II

Sr. No.	Name of Bank	Weighted average interest charged (WAIC)	Interest to be subvented above 7% based on WAIC, subject to cap of 5.5 percent
(1)	(2)	(3)	(4)
1	Allahabad Bank	10.52	3.52
2	Andhra Bank	12.5	5.50
3	Bank of Baroda	9.65	2.65
4	Bank of India	13.27	5.50
5	Bank of Maharashtra	11.2	4.20
6	Canara Bank	11.15	4.15
7	Central Bank of India	10.5	3.50
8	Corporation Bank	11.65	4.65
9	Dena Bank	11.09	4.09
10	Indian Bank	11.95	4.95
11	Indian Overseas Bank	10.81	3.81
12	Oriental Bank of Commerce	11.45	4.45
13	Punjab National Bank	11.50	4.50
14	Punjab & Sind Bank	11.62	4.62
15	State Bank of Bikaner & Jaipur	12.73	5.50
16	State Bank of Hyderabad	12.05	5.05
17	State Bank of India	12.25	5.25
18	State Bank of Mysore	10.6	3.60
19	State Bank of Patiala	10.78	3.78
20	State Bank of Travancore	11.49	4.49

21	Syndicate Bank	11.15	4.15
22	UCO Bank	10.7	3.70
23	Union Bank	10	3.00
24	United Bank of India	11.47	4.47
25	Vijaya Bank	13.93	5.50
26	IDBI	11.50	4.50
27	Bhartiya Mahila Bank	11.7	4.70

23. Income From Legal Settlements/Insurance Claims (ORMD, HO):

For the computation of capital charge for Operational Risk under Basic Indicator Approach (BIA), the "Income from Legal Settlement & Insurance Claims" is to be booked correctly by all the offices.

In terms of HO-IRMD Circular No. 14/2013 dated 20.05.2013, all branches, Circle Offices (COs), Zonal Manager's Offices (ZOs), Zonal Audit Offices (ZAOs), HO-Divisions & other offices are required to record the "Income from Legal Settlement & Insurance Claims" against the following revenue sub-codes:

Sl. No	Revenue Code	GL Sub Head	Revenue Sub-code No.	Description of code	Created for
1	20616	45250	2061605	Income from Legal Settlement	All Branches/Circle Offices/Offices other than HO Divisions & ZAOs
2	20616	45250	2061606	Income from Insurance Claim	
3	20616	HO616	20616105	Income from Legal Settlement	All HO: Divisions & All Zonal Audit Offices
4	20616	HO616	20616106	Income from Insurance Claim	

It may be observed that two sets of revenue sub-codes have been created in CBS – One applicable for HO Divisions & ZAOs and the other for all branches/Cos/other offices.

Income booked against these revenue sub-codes is to be audited by Statutory Auditors in quarterly/annually Balance Sheet of the concerned office.

Revenue Sub Code 2061605 & 20616105:

Amount of Income from Legal Settlement decided in favour of the Bank: This pertains to income received on a/c of legal settlements decided in favour of the bank and the amount that has been credited into P & L a/c (PNB 260). This income shall

NOT INCLUDE the recovery of interest or other charges in borrowal accounts. Given below are two such examples which are illustrative and not exhaustive in nature:

(i) Bank booked a car by paying advance payment but the dealer was not able to deliver the car for a long. The bank filed a suit and was awarded refund of amount along-with payment of compensation. The compensation received over and above the amount paid and cost of suit was credited in the P & L account. Only that portion over and above the amount paid and cost of suit will be booked against **Revenue sub code 2061605 & 20616105.**

(ii) In any suit involving bank (not in lender capacity e.g. defamation suit etc.) and case is decided in favour of the bank and receives some amount and the same is credited to P & L account net of expenses incurred. Such amount shall be booked against Revenue sub code 2061605 & 20616105.

Revenue Sub Code 2061606 & 20616106:

Amount of Income from Insurance Claims decided in favour of the Bank: This pertains to income received on account of insurance claims decided in favour of the bank and the amount has been credited into P & Loss Statement (PNB 260). This income shall NOT INCLUDE the recovery of interest or other charges in borrowal accounts. Given below are two such examples which are illustrative and not exhaustive in nature:

(i) One of the Bank's car, having Book value Rs. 0.80 lacs and insurance amount of Rs. 1.00 lacs, met an accident and got totally damaged. Insurance claim of Rs. 1.00 lacs was received. The insurance claim received over and above the Book value was credited in the P & L account. Only that portion over and above the book value of the asset will be booked against **Revenue sub code 2061606 & 20616106.**

(ii) In case of insurance of primary/ collateral security charged in favour of the bank and thus insurance is obtained in Bank's name. The amount of claim received is credited to borrowers' account and any amount received over and above the bank's dues is refunded to borrower. In this case, NO amount is credited to P&L a/c and thus NO amount shall be booked against **Revenue Sub Code 2061606 & 20616106.**

The incomes booked under the new revenue codes will be got audited by the Central / Branch Statutory Auditors (CSAs) before finalization of Balance Sheet in the following format:

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

(Amount in Rs.)

Sr. No.	Code No.	Particular	Amt For 1st quarter ended June 2017	Amt For 2nd quarter ended Sept. 2017	Amt For 3rd quarter ended Dec. 2017	Amt For 4th quarter ended March 2018	Total Amount For the Financial year 2017-18
1.	2061605 / 20616105	Amount of Income from legal settlements decided in favour of the bank					
2.	2061606 / 20616106	Amount of Income from insurance claims settled in favour of the bank					
		Total					

Further, offices booking income/reversing the entries booked earlier under these revenue sub-codes are to submit the additional information as per following formats:

a) **Revenue Code: 2061605 – Income from Legal Settlement:** Details of income from legal settlement and justification for reversal of entry (ies) in CBS, if any.____

b) **Revenue Code: 2061606 – Income from Insurance Claim:**

Sr. No.	Name of the Branch /Office	D. N O.	Details of Items Damaged	Date of Purchase	Original Purchase Value	Depreciation (up to date)	Book Value of the Item (F-G)	Amount of Claim Lodged	Claim Amount Received	Income booked	Remarks
A	B	C	D	E	F	G	H	I	J	K	L

c) **Details of Income booked in the quarter and subsequently reversed for any reasons by the concerned branch/office is as under:**

Sr. No.	Name of the Branch / Office (D. No.)	Date of Transaction	Amount (in Rs.)	Date of Reversal	Justification for reversal / Remarks

Authorized Signatory

24. Verification of Status of compliance of Ghosh & Jilani Committee (Inspection & Audit Division) (Link available at main screen of CBS - CBPMS)

Soft copy of the **GHOSH & JILANI COMMITTEE RECOMMENDATIONS** shall be available to the branches in CBPMS. Branches/ Auditors will enter status of all recommendation (Yes / No / Not Applicable) after logging in CBPMS. After entering all the details one page summary report will be generated by the branch indicating the number of recommendations which are **Not Implemented** by the branches or which are **Not Applicable** in the branch instead of complete statement. The hard copy of one page summary report will be generated by the branch from CBPMS which shall be duly signed by the Incumbent Incharge and the Auditor. Submission of the summary report to Inspection & Audit through Circle Office will be same as being done earlier. **The branches/offices, which are not subject to Statutory Audit shall also generates the information and send the same to the Circle Office as a part of the 1st dispatch.**

➢ Circle Offices will **COLLECT, SCRUTINIZE, CONSOLIDATE and FORWARD** the information received from the branches (**both audited and un-audited)** under their jurisdiction and prepare the position for the Circle as a whole. They will further send the **consolidated position along-with the branch-wise Certificates (for both audited and un-audited branches)** and send the same to **Inspection & Audit Division, for further verification to be got done by them from the SCAs, at the corporate level.**

➢ Certain recommendations may not be applicable for implementation in some of the branches e.g Currency Chests may not be in branch. In such cases, against Recommendation **“N.A” should be mentioned instead of ticking “Yes” or “No”.**

➢ Since all the recommendations have been accepted for implementation, branches should ensure that they are complying with these recommendations. In case any recommendation is not implemented at a branch, a justifiable explanation be given for such recommendation.

25. CGTMSE A/B/C (Link available at main screen of CBS –CBPMS) (XII xv a-c)

Bank is required to send the certificate to CGTMSE duly signed by the Statutory Auditors that recoveries made post settlement of claims have been fully passed on to CGTMSE as per the provisions of the Credit Guarantee Scheme. The said certificate is required to be submitted **once in a year i.e. as on March 31 of every year.** Details are as follows:-

Name of Certificate	To be submitted by	To be sent to	Upto

CGTMSE "A"	Unaudited Branch	Circle Office	25th April every year
CGTMSE "B"	Audited Branch	Circle Office	25th April every year
CGTMSE "C"	Circle Office	MSME Division Head Office, New Delhi	15th May every year

26. Certificate of Debt Waiver Scheme (Applicable for UP State only)

The Government of Uttar Pradesh has formulated a Crop Loan redemption scheme for upliftment and Sustainable Development of Small & Marginal farmers **(Applicable for UP state only)**.

The scheme stipulates one of the conditions that the lending institution (those branches identified for Debt Waiver) will provide **AUDITED CERTIFICATE (Statutory Branch Auditor)** to their respective DLCs (District Level Committee), regarding the correctness of eligible farmers and the amount credited to their identified crop loan accounts under the scheme. In this respect all branches to ensure obtention of the auditor's certificate in **four** copies as per the scheme **(One for branch; One for SBA; One for Zonal Office Lucknow & One for DLC).**

Branches will send one copy to ZM Lucknow and one copy directly to their respective DLCs (district level committees, headed by DMs).

Format of certificate will be shared separately.

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

CASH & BANK BALANCE

PUNJAB NATIONAL BANK

HO TREASURY DIVISION DISTN. NO. 2442

MUMBAI DATE 31.03.2018

CERTIFICATE OF CASH & BANK BALANCE ON 12 ODD DATES.

We certify that the Cash and Bank Balance as per report generated from CBS system of the bank as a whole on the following dates were as under:

Rupees 000, omitted

Date	Cash in hand (Weekly Code : 51199)	Deposit with Banks Assets (Weekly Code : 51399)	Deposit from banks Liabilities (Weekly Code : 31411)
12.04.2017			
22.05.2017			
20.06.2017			
06.07.2017			
16.08.2017			
04.09.2017			
25.10.2017			
09.11.2017			
28.12.2017			
10.01.2018			
22.02.2018			
13.03.2018			

It is certified that Cash and Bank balance on above 12 dates is as per report generated from CBS system of the bank.

Note: This certificate of Cash & Bank Balance of the bank is looked after by Treasury Division at HO and no information is required from the branches.

Officer **Dy. General Manager**

(DivisionalHead)

Statutory Auditors   **Seal** **Date**

Note: If any of the above date(s) is a holiday, balance on the previous working day be reported against the relevant date(s).

Certificate of Cash & Bank Balance of the bank is looked after by **Treasury Division** at HO and **no information is required from the branches**.

(XII i)

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

STATEMENT OF CONTINGENT LIABILITIES

BRANCH ______________ **DISTN.No.** ____________

CIRCLE OFFICE __________ **ZONE** __________

(Amount in Rs.)

Part I Suits pending as on 1.4.17 (Opening Balance)

Name of Party	Court in which pending	Date of filing suit	Amount of Suit	Brief History of the case	Latest position	Remarks
1	**2**	**3**	**4**	**5**	**6**	**7**

Part II Suits instituted during the year i.e. 1.4.17 to 31.3.18

Name of Party	Court in which pending	Date of filing suit	Amount of Suit	Brief History of the case	Latest position	Remarks
1	**2**	**3**	**4**	**5**	**6**	**7**

Part III Suits disposed off during the year i.e. 1.4.17 to 31.3.18

Name of Party	Court in which pending	Date of filing suit	Amount of Suit	Brief History of the case	Latest position	Remarks
1	**2**	**3**	**4**	**5**	**6**	**7**

Part IV Suits pending as on 31.3.18 (Closing Balance)

Name of Party	Court in which pending	Date of filing suit	Amount of Suit	Brief History of the case	Latest position	Remarks
1	**2**	**3**	**4**	**5**	**6**	**7**

INCUMBENT INCHARGE **STATUTORY AUDITOR**

Note:

1. This statement in triplicate is to be sent to Circle Office by **3rd April**, **2018**. Circle Offices will send the consolidated position to Zonal Offices by 5th April, 2018 and Zonal Offices to **Law Division, HO by 7th April, 2018**

2. **Separate statements- PNB, eNBI, eHCB and eNBL be sent.**

3. In Part I, pending matters as on 31st March, 2017 should be reported as opening Balance.

4. This statement shall inter se reconcile itself as under:-
   Part I + Part II - Part III = Part IV

5. Brief history should be self explanatory.

(XII i -a)

PUNJAB NATIONAL BANK

CIRCLE ________________

ZONE ________________

<u>SUMMARY STATEMENT OF CONTINGENT LIABILITIES AS ON 31st MARCH 18</u>

Amount in Rupees

	Claim o/s 1st April 2017	**Fresh Claim** During the Year **(**1st April 17 to 31st March 18)	**Claim vacated** During the Year **(**1st April 17 to 31st March 18)	**Claim o/s** as on 31st March 18
PNB				
ENBI				
EHCB				
ENBL				
TOTAL				

INCUMBENT INCHARGE **STATUTORY AUDITOR**

Note:

This statement is to be submitted by Zonal Offices to Law Division, Head Office positively by 7th April, 2018 along with consolidated position of the Zone Annexure- I.

1. While consolidating Annexure II, it should be ensured that:

- Part I of Annexure I shall include only those cases which cover the amount of contingent liabilities as shown in Schedule 12 of Balance Sheet as on 31.3.17. (Opening Balance).

- Part IV of Annexure I shall include only cases which cover the amount of contingent liabilities as shown in Schedule 12 (item 1) of Balance Sheet as on 31.3.18 (Closing Balance).

(XII i-b)

Annexure Certificate of Attendance

PUNJAB NATIONAL BANK

BRANCH_________________ **DISTN. NO .______________**

CIRCLE OFFICE___________
DATE____________________

We certify that:

1. Following representatives of M/s.____________________, Chartered Accountants, have conducted the statutory audit of this branch for the Financial year ended **31st March, 2018.**

S.No	Name	Designation*	Arrival Time Date		Departure Time Date		Total Man days (including Sundays & holidays

2. No advance against Fees, TA or HA was paid to them.

3. The audit team stayed at______________(Place), which is___KM away from the branch, as no staying facilities are available at this place.

4. The audit team has travelled by own car/taxi from__________(Place).

5. Auditors being local, the distance from auditors' office to our branch is approximately __ KM.

6. Branch's advances (Post MOC) as on **31.3.2018** were Rs.________thousands

i.e. Total of Code No.62599 & 62699 of Balance Sheet.

OFFICER	**INCUMBENT INCHARGE**
GBPA. NO.	**GBPA.NO**

Instructions for Incumbent Incharge:

- IT SHOULD BE ENSURED THAT THE CERTIFICATE IS COMPLETE IN ALL RESPECTS BEFORE IT IS SIGNED.THERE SHOULD BE NO CUTTING/ALTERATION WITHOUT PROPER AUTHENTICATION BY THE INCUMBENT INCHARGE. IMMEDIATELY ON COMPLETION OF AUDIT COPY OF CERTIFICATE OF ATTENDENCE IS TO BE SENT BY INCUMBENT INCHARGE TO THEIR CIRCLE OFFICE.

- * There are separate rates of TA & HA payable to

  i) Partner/Proprietor of the firm, (ii) Qualified Assistants(iii) Unqualified Assistants .

  The Designation column therefore, must specify one of the above categories and this can be ascertained from representative of audit firm. **Partner/Proprietor of the firm & Qualified Assistants must mention their membership no. allotted by ICAI.**

- +Delete, if not applicable.

(XII ii)

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI
PUNJAB NATIONAL BANK

Retail Banking Division (Advances); HO Dwarka, Sector-10, New Delhi

BRANCH _____D.NO. ____ ,CIRCLE OFFICE __________

CERTIFICATE

Scheme Year: 2016-17

CENTRAL SECTOR INTEREST SUBSIDY (CSIS) SCHEME ON EDUCATIONAL LOANS TO STUDENTS BELONGING TO ECONOMICALLY WEAKER SECTION (EWS)

Statement on Interest subsidy claimed for the period ending **March 2017**.
(Claim lodged during the period 01.04.2017 to 31.03.2018)

(Financial year from April 1, 2016 to March 31, 2017)

(A/cs & Amt. Rs in Actual)

Particulars	**Interest Subsidy claims**	
	No. of Accounts	**Amount**
General Category		
Scheduled Caste Category		
Scheduled Tribe Category		
Total		

We certify that the amounts stated above is strictly in terms as per the notification no. F.11-4/2010-U-5 dated 25.05.2010 issued by Ministry of Human Resources Development, Department of Higher Education, Government of India and the courses covered under CSIS Scheme are as per IBA's Model Education Loan Scheme . We also certify that the above claims are true and correct and declare that the same is as per the records of the books of the Bank.

Dealing officer   Incumbent Incharge
Place:
Date:

AUDITOR / STATUTORY AUDITOR

SIGNATURE WITH SEAL

(XII iii a)

PUNJAB NATIONAL BANK
Retail Banking Division (Advances); HO Dwarka, Sector-10, New Delhi

BRANCH ________D. NO. _____CIRCLE OFFICE ______________

CERTIFICATE

Scheme Year: 2016-17

PADHO PARDESH - SCHEME FOR INTEREST SUBSIDY ON EDUCATIONAL LOAN FOR OVERSEAS STUDIES FOR THE STUDENTS BELONGING TO MINORITY COMMUNITIES

Statement on Interest subsidy claimed for the period ending **March 2017**.
(Claim lodged during the period 01.04.2017 to 31.03.2018)

(Financial year from April 1, 2016 to March 31, 2017)

(A/cs & Amt. Rs in Actual)

Particulars	Interest Subsidy claims	
	No. of Accounts	Amount
Christian		
Muslim		
Sikh		
Jain		
Buddhist		
Parsi (ZOROASTRIAN)		
Total		

We certify that the amount stated above is strictly in terms as per the Padho Pardesh scheme issued by Government of India, Ministry of Minority Affairs. We also certify that the above claims are true and correct and declare that the same is as per the records of the books of the Bank.

Dealing officer — Incumbent Incharge
Place:
Date:

AUDITOR / STATUTORY AUDITOR

SIGNATURE WITH SEAL

(XII iii b)

PUNJAB NATIONAL BANK
Retail Banking Division (Advances); HO Dwarka,
Sector-10, New Delhi

BRANCH ________D. NO. ______CIRCLE OFFICE _______

CERTIFICATE

Scheme Year: 2016-17

Dr. Ambedkar Central Sector Scheme of Interest Subsidy (ACSIS) TO PROVIDE INTEREST SUBSIDY ON EDUCATION LOAN FOR OVERSEAS STUDIES FOR THE STUDENTS BELONGING TO OBCs & EBCs

Statement on Interest subsidy claimed for the Qtr ending December **2016**.
(Claim lodged during the period 01.04.2017 to 31.03.2018)

(Qtr beginning from October 1, 2016 to December 31 , 2016 - FY 2016-17)

(A/cs & Amt. Rs in Actual)

Particulars	**Interest Subsidy claims**	
	No. of Accounts	**Amount**
OBC		
EBC		
Total		

We certify that the amount stated above is strictly in terms as per the **ACSIS** scheme issued by Government of India, Ministry Social Justice & Empowerment. We also certify that the above claims are true and correct and declare that the same is as per the records of the books of the Bank.

Dealing officer   Incumbent Incharge

Place:
Date:

AUDITOR / STATUTORY AUDITOR

SIGNATURE WITH SEAL

(XII iii c1)

PUNJAB NATIONAL BANK
Retail Banking Division (Advances); HO Dwarka,
Sector-10, New Delhi

BRANCH ________D. NO. ______CIRCLE OFFICE __________

CERTIFICATE

Scheme Year: 2016-17

Dr. Ambedkar Central Sector Scheme of Interest Subsidy (ACSIS) TO PROVIDE INTEREST SUBSIDY ON EDUCATION LOAN FOR OVERSEAS STUDIES FOR THE STUDENTS BELONGING TO OBCs & EBCs

Statement on Interest subsidy claimed for the Qtr ending March - **2017**.
(Claim lodged during the period 01.04.2017 to 31.03.2018)

(Qtr beginning from January 1, 2017 to March 31, 2017– FY 2016-17)

(A/cs & Amt. Rs in Actual)

Particulars	Interest Subsidy claims	
	No. of Accounts	Amount
OBC		
EBC		
Total		

We certify that the amount stated above is strictly in terms as per the **ACSIS** scheme issued by Government of India, Ministry Social Justice & Empowerment. We also certify that the above claims are true and correct and declare that the same is as per the records of the books of the Bank.

Dealing officer   Incumbent Incharge

Place:
Date:

AUDITOR / STATUTORY AUDITOR

SIGNATURE WITH SEAL

(XII iii c2)

PUNJAB NATIONAL BANK
Retail Banking Division (Advances); HO Dwarka,
Sector-10, New Delhi

BRANCH _______D. NO. ______CIRCLE OFFICE __________

CERTIFICATE

Scheme Year: 2017-18

Dr. Ambedkar Central Sector Scheme of Interest Subsidy (ACSIS) TO PROVIDE INTEREST SUBSIDY ON EDUCATION LOAN FOR OVERSEAS STUDIES FOR THE STUDENTS BELONGING TO OBCs & EBCs

Statement on Interest subsidy claimed for the Qtr ending **June 2017**.
(Claim lodged during the period 01.04.2017 to 31.03.2018)

(Qtr beginning from April 1, 2017 to June 30, 2017 – FY 2017-18)

(A/cs & Amt. Rs in Actual)

Particulars	Interest Subsidy claims	
	No. of Accounts	Amount
OBC		
EBC		
Total		

We certify that the amount stated above is strictly in terms as per the **ACSIS** scheme issued by Government of India, Ministry Social Justice & Empowerment. We also certify that the above claims are true and correct and declare that the same is as per the records of the books of the Bank.

Dealing officer Incumbent Incharge

Place:
Date:

AUDITOR / STATUTORY AUDITOR

SIGNATURE WITH SEAL

(XII iii c3)

PUNJAB NATIONAL BANK
Retail Banking Division (Advances); HO Dwarka,
Sector-10, New Delhi

BRANCH _______D. NO. ______CIRCLE OFFICE __________

CERTIFICATE

Scheme Year: 2017-18

Dr. Ambedkar Central Sector Scheme of Interest Subsidy (ACSIS) TO PROVIDE INTEREST SUBSIDY ON EDUCATION LOAN FOR OVERSEAS STUDIES FOR THE STUDENTS BELONGING TO OBCs & EBCs

Statement on Interest subsidy claimed for the Qtr ending **September 2017**.
(Claim lodged during the period 01.04.2017 to 31.03.2018)

(Qtr beginning from Julyl 1, 2017 to September 30, 2017 – FY 2017-18)

(A/cs & Amt. Rs in Actual)

Particulars	**Interest Subsidy claims**	
	No. of Accounts	**Amount**
OBC		
EBC		
Total		

We certify that the amount stated above is strictly in terms as per the **ACSIS** scheme issued by Government of India, Ministry Social Justice & Empowerment. We also certify that the above claims are true and correct and declare that the same is as per the records of the books of the Bank.

Dealing officer   Incumbent Incharge

Place:
Date:

AUDITOR / STATUTORY AUDITOR

SIGNATURE WITH SEAL

(XII iii c4)

PUNJAB NATIONAL BANK
Retail Banking Division (Advances); HO Dwarka,
Sector-10, New Delhi

BRANCH _______D. NO. ______CIRCLE OFFICE __________

CERTIFICATE

Scheme Year: 2017-18

Dr. Ambedkar Central Sector Scheme of Interest Subsidy (ACSIS) TO PROVIDE INTEREST SUBSIDY ON EDUCATION LOAN FOR OVERSEAS STUDIES FOR THE STUDENTS BELONGING TO OBCs & EBCs

Statement on Interest subsidy claimed for the Qtr ending **December 2017**.
(Claim lodged during the period 01.04.2017 to 31.03.2018)

(Qtr beginning from October 1, 2017 to December 31, 2017 – FY 2017-18)

(A/cs & Amt. Rs in Actual)

Particulars	Interest Subsidy claims	
	No. of Accounts	Amount
OBC		
EBC		
Total		

We certify that the amount stated above is strictly in terms as per the **ACSIS** scheme issued by Government of India, Ministry Social Justice & Empowerment. We also certify that the above claims are true and correct and declare that the same is as per the records of the books of the Bank.

Dealing officer   Incumbent Incharge

Place:
Date:

AUDITOR / STATUTORY AUDITOR

SIGNATURE WITH SEAL

(XII iii c5)

INTEREST EQUALIZATION CLAIM ON RUPEE EXPORT CREDIT

PUNJAB NATIONAL BANK

BO:________________________CIRCLE _______________DATE ___________

Government of India Interest Equalisation scheme on pre-post shipment rupee export credit Claim for the month ended ………		
Sector		Amount of interest equalization reimbursement claimed (rounded off to the nearest rupee)
1	Process agriculture/Food items	
2	Handicraft	
3	Carpet (Excl. Silk) Handmade	
4	Handloom Products	
5	Coir & Coir Manufactures	
6	Jute Raw, Yarn	
7	Other Jute Manufactures	
8	Readymade Garments and Made ups	
9	Fabric of all types	
10	Toys	
11	Sports Goods	
12	Paper, Stationary	
13	Cosmetics and Toiletries	
14	Leather Goods and footwear	
15	Ceramics and Allied Products	
16	Glass and Glassware	
17	Medical and Scientific Instruments	
18	Optical Frames, Lenses, Sunglasses Etc.	
19	Auto Components/Parts	
20	Bicycle & Parts	
21	Articles of Iron or Steel	
22	Misc. Articles of base metals	
23	Industrial Machinery, Electrical and Engineering items, 1C Engine, Machine tools, Parts	
24	Electrical Machinery and Equipment	

25	Telecom Instruments	
26	All items manufactured by MSMEs other than those covered above	
	Grand Total	

We certify having charged interest rates on the above loans to the eligible exporters as stated in the RBI circular No. DBR.Dir.BC.No.62/04.02.001/2015-16 dated December 04, 2015 during the month mentioned above.

(Name and stamp of authorised signatory of the bank)
Dated :

Internal Concurrent/External Auditors

Seal

Date

(XII iv a)

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

List of exports (416 HS lines) covered under Government of India Interest Equalisation Scheme on Pre & Post Shipment Rupee Export Credit.

S.No	ITC(HS) Code of 4 digit	Product Category	ITC (HS) Product Description
1	1101	Process agriculture/Food items	Wheat Or Meslin Flour
2	1102	Process agriculture/Food items	Cereal Flours Other Than That Of Wheat Or Meslin
3	1103	Process agriculture/Food items	Cereal Groats, Meal And Pellets
4	1105	Process agriculture/Food items	Flour, Meal, Powder, Flakes, Granules And Pellets Of Potatoes
5	1107	Process agriculture/Food items	Malt, Whether Or Not Roasted
6	1108	Process agriculture/Food items	Starches; Inulin
7	1704	Process agriculture/Food items	Sugar Confectionery (Including White Chocolate), Not Containing Cocoa
8	1803	Process agriculture/Food items	Cocoa Paste, Whether Or Not Defatted
9	1804	Process agriculture/Food items	Cocoa Butter, Fat And Oil
10	1805	Process agriculture/Food items	Cocoa Powder, Not Containing Added Sugar Or Other Sweetening Matter
11	1806	Process agriculture/Food items	Chocolate And Other Food Preparations Containing Cocoa
12	2101	Process agriculture/Food items	Extracts, Essences And Concentrates Of Coffee, Tea Or Mate And Preparations With A Basis Of These Products Or With A Basis Of Coffee, Tea Or Mate; Roasted Chicory & Other Roasted Coffee Substitutes, And Extracts, Essences And

			Concentrates Thereof
13	2102	Process agriculture/Food items	Yeasts (Active Or Inactive); Other Single Cell Micro-Organisms, Dead (But Not Including Vaccines Of Heading 3002); Prepared Baking Powders
14	2103	Process agriculture/Food items	Sauces And Preparations Therefor; Mixed Condiments And Mixed Seasonings; Mustard Flour And Meal And Prepared Mustard
15	2104	Process agriculture/Food items	Soups And Broths And Preparations Therefor; Homogenized Composite Food Preparations
16	2105	Process agriculture/Food items	Ice-Cream And Other Edible Ice, Whether Or Not Containing Cocoa
17	2106	Process agriculture/Food items	Food Preparations, Not Elsewhere Specified Or Included
18	2209	Process agriculture/Food items	Vinegar And Substitutes For Vinegar Obtained From Acetic Acid
19	2301	Process agriculture/Food items	Flours, Meals And Pellets, Of Meat Or Meat Offal, Of Fish Or Of Crustaceans, Molluscs Or Other Aquatic Invertebrates, Unfit For Human Consumption; Greaves
20	2303	Process agriculture/Food items	Residues Of Starch Manufacture And Similar Residues, Beet-Pulp, Bagasse And Other Waste Of Sugar Manufacture, Brewing Or Distilling Dregs And Waste, Whether Or Not In The Form Of Pellets
21	2308	Process agriculture/Food items	Vegetable Materials And Vegetable Waste, Vegetable Residues And By-Products, Whether Or Not In The Form Of Pellets, Of A Kind Used In Animal Feeding, Not Elsewhere Specified Or Included
22	2309	Process agriculture/Food items	Preparations Of A Kind Used In Animal Feeding
23	3301	Handicraft	Essential Oils (Terpeneless Or Not), Including Concretes And Absolutes; Resinoids; Extracted Oleoresins; Concentrates Of Essential Oils In Fats, In Fixed Oils, In Waxes Or The Like, Obtained By Enfleurage Or Maceration; Terpenic By-Products Of The Deterpenation Of Essential Oils; Aqueous Distillates And

			Aqueous Solutions Of Essential Oils
24	3302	Cosmetics and Toiletries	Mixtures Of Odoriferous Substances And Mixtures (Including Alcoholic Solutions) With A Basis Of One Or More Of These Substances, Of A Kind Used As Raw Materials In Industry; Other Preparations Based On Odoriferous Substances, Of A Kind Used For The Manufacture Of Beverages
25	3303	Cosmetics and Toiletries	Perfumes And Toilet Waters
26	3304	Cosmetics and Toiletries	Beauty Or Make-Up Preparations And Preparations For The Care Of The Skin (Other Than Medicaments), Including Sunscreen Or Suntan Preparations; Manicure Or Pedicure Preparations
27	3305	Cosmetics and Toiletries	Preparations For Use On The Hair
28	3306	Cosmetics and Toiletries	Preparations For Oral Or Dental Hygiene, Including Denture Fixative Pastes And Powders; Yarn Used To Clean Between The Teeth (Dental Floss), In Individual Retail Packages
29	3307	Handicraft	Pre-Shave, Shaving Or After-Shave Preparations, Personal Deodorants, Bath Preparations, Depilatories And Other Perfumery, Cosmetic Or Toilet Preparations, Not Elsewhere Specified Or Included, Prepared Room Deodorisers, Whether Or Not Perfumed Or Having Disinfectant Properties .
30	3401	Cosmetics and Toiletries	Soap; Organic Surface-Active Products And Preparations For Use As Soap, In The Form Of Bars, Cakes, Moulded Pieces Or Shapes, Whether Or Not Containing Soap; Organic Surface Active Products And Preparations For Washing The Skin, In The Form Of Liquid Or Cream And Put Up For Retail Sale, Whether Or Not Containing Soap; Paper, Wadding, Felt And Nonwovens, Impregnated, Coated Or Covered With Soap Or Detergent.
31	3402	Cosmetics and Toiletries	Organic Surface-Active Agents (Other Than Soap), Surface-Active Preparations, Washing Preparations (Including Auxiliary Washing

			Preparations) And Cleaning Preparations, Whether Or Not Containing Soap, Other Than Those Of Heading 3401
32	3406	Handicraft	Candles, Tapers And The Like
33	3823	Cosmetics and Toiletries	Industrial Monocarboxylic Fatty Acids; Acid Oils From Refining; Industrial Fatty Alcohols
34	3923	Paper, Stationary	Articles For The Conveyance Or Packing Of Goods Of Plastics; Stoppers, Lids, Caps And Other Closures, Of Plastics
35	4201	Leather Goods and footwear	Saddlery And Harness For Any Animal (Including Traces, Leads, Knee Pads, Muzzles, Saddle Cloths, Saddle Bags, Dog Coats And The Like), Of Any Material
36	4202	Handicraft	Trunks, Suit-Cases, Vanity-Cases, ExecutiveCases, Brief-Cases, School Satchels, Spectacle Cases, Binocular Cases, Camera Cases, Musical Instrument Cases, Gun Cases, Holsters And Similar Containers; Travelling-Bags, Insulated Food Or Beverages Bags, Toilet Bags, Rucksacks, Handbags, Shopping-Bags, Wallets, Purses, MapCases, Cigarette-Cases, Tobacco-Pouches, Tool Bags, Sports Bags, Bottle Cases, Jewellery Boxes, Powder-Boxes, Cutlery Cases And Similar Containers, Of Leather Or Of Composition Leather, Of Sheeting Of Plastics, Of Textile Materials, Of Vulcanised Fibre Or Of Paperboard, Or Wholly Or Mainly Covered With Such Materials Or With Paper
37	4203	Sports Goods	Articles Of Apparel And Clothing Accessories, Of Leather Or Of Composition Leather
38	4205	Leather Goods and footwear	Other Articles Of Leather Or Of Composition Leather
39	4414	Paper, Stationary	Wooden Frames For Paintings, Photographs, Mirrors Or Similar Objects
40	4419	Handicraft	Tableware And Kitchenware, Of Wood
41	4420	Paper, Stationary	Wood Marequetry And Inlaid Wood; Caskets And Cases For Jewellery Or Cutlery, And Similar Articles, Of Wood; Statuettes And Other Ornaments, Of Wood; Wooden Articles Of Furniture Not Falling In Chapter 94
42	4421	Handicraft	Other Articles Of Wood

43	4601	Handicraft	Plaits And Similar Products Of Plaiting Materials, Whether Or Not Assembled Into Strips; Plaiting Materials, Plaits And Similar Products Of Plaiting Materials, Bound Together In Parallel Strands Or Woven, In Sheet Form, Whether Or Not Being Finished Articles (For Example, Mats, Matting, Screens)
44	4602	Handicraft	Basketwork, Wickerwork And Other Articles, Made Directly To Shape From Plaiting Materials Or Made Up From Goods Of Heading 4601; Articles Of Loofah
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
45	4802	Paper, Stationary	Uncoated Paper And Paperboard, Of A Kind Used For Writing, Printing Or Other Graphic Purposes, And Non-Perforated Punch Card And Punch Tape Paper , In Rolls Or Rectangular (Including Square)Sheets Of Any Size, Other Than Paper Of Heading 4801 Or 4803; Hand-Made Paper And Paperboard
46	4818	Paper, Stationary	Toilet Paper And Similar Paper, Cellulose Wadding Or Webs Of Cellulose Fibres, Of A Kind Used For Household Or Sanitary Purposes, In Rolls Of A Width Not Exceeding 36 Cm, Or Cut To Size Or Shape; Handkerchiefs, Cleansing Tissues, Towels, Table Cloths, Serviettes, Bed Sheets And Similar Household, Sanitary Or Hospital Articles, Articles Of Apparel And Clothing Accessories, Of Paper Pulp, Paper, Cellulose Wadding Or Webs Of Cellulose Fibres
47	4823	Paper, Stationary	Other Paper, Paperboard, Cellulose Wadding And Webs Of Cellulose Fibres, Cut To Size Or Shape; Other Articles Of Paper Pulp, Paper, Paperboard,Cellulose Wadding Or Webs Of Cellulose Fibres
48	5007	Handloom Products	Woven Fabrics Of Silk Or Of Silk Waste

49	5111	Fabric of all types	Woven Fabrics Of Carded Wool Or Of Carded Fine Animal Hair
50	5112	Handloom Products	Woven Fabrics Of Combed Wool Or Of Combed Fine Animal Hair
51	5113	Fabric of all types	Woven Fabrics Of Coarse Animal Hair Or Of Horse Hair
52	5208	Fabric of all types	Woven Fabrics Of Cotton, Containing 85% Or More By Weight Of Cotton, Weighing Not More Than 200 G/M2
53	5209	Fabric of all types	Woven Fabrics Of Cotton, Containing 85% Or More By Weight Of Cotton, Weighing More Than 200 G/M2
54	5210	Fabric of all types	Woven Fabrics Of Cotton, Containing Less Than 85% By Weight Of Cotton, Mixed Mainly Or Solely With Man-Made Fibres, Weighing Not More Than 200 G/M2
55	5211	Fabric of all types	Woven Fabrics Of Cotton, Containing Less Than 85% By Weight Of Cotton, Mixed Mainly Or Solely With Man-Made Fibres, Weighing More Than 200 G/M2
56	5212	Fabric of all types	Other Woven Fabrics Of Cotton
57	5303	Jute Raw, Yarn	Jute And Other Textile Bast Fibres (Excluding Flax, True Hemp And Ramie), Raw Or Processed But Not Spun; Tow And Waste Of These Fibres (Including Yarn Waste And Garnetted Stock)
58	5305	Coir & Coir Manufactures	Coconut, Abaca (Manila Hemp Or Musa Textilis Nee), Ramie And Other Vegetable Textile Fibres, Not Elsewhere Specified Or Included, Raw Or Processed But Not Spun;
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
			Tow, Noils And Waste Of These Fibres (Including Yarn Waste And Garnetted Stock)

59	5307	Jute Raw, Yarn	Yarn Of Jute Or Of Other Textile Bast Fibres Of Heading 5303
60	5308	Coir & Coir Manufactures	Yarn Of Other Vegetable Textile Fibres; Paper Yarn
61	5309	Fabric of all types	Woven Fabrics Of Flax
62	5310	Fabric of all types	Woven Fabrics Of Jute Or Of Other Textile Base Fibres Of Heading 5303
63	5311	Coir & Coir Manufactures	Woven Fabrics Of Other Vegetable Textile Fibres; Woven Fabrics Of Paper Yarn
64	5407	Fabric of all types	Woven Fabrics Of Synthetic Filament Yarn, Including Woven Fabrics Obtained From Materials Of Heading 5404
65	5408	Fabric of all types	Woven Fabrics Of Artificial Filament Yarn, Including Woven Fabrics Obtained From Materials Of Heading 5405
66	5513	Fabric of all types	Woven Fabrics Of Synthetic Staple Fibres, Containing Less Than 85% By Weight Of Such Fibres, Mixed Mainly Or Solely With Cotton, Of A Weight Not Exceeding 170g/M2
67	5514	Fabric of all types	Woven Fabrics Of Synthetic Staple Fibres, Containing Less Than 85% By Weight Of Such Fibres, Mixed Mainly Or Solely With Cotton, Of A Weight Exceeding 170 G/M2
68	5515	Fabric of all types	Other Woven Fabrics Of Synthetic Staple Fibres
69	5516	Fabric of all types	Woven Fabrics Of Artificial Staple Fibres
70	5605	Handicraft	Metallised Yarn, Whether Or Not Gimped Being Textile Yarn, Or Strip Or The Like Of Heading 5404 Or 5405, Combined With Metal In The Form Of Thread, Strip Or Powder Or Covered With Metal
71	5607	Coir & Coir Manufactures	Twine, Cordage, Ropes And Cables, Whether Or Not Plaited Or Braided And Whether Or Not Impregnated, Coated, Covered Or Sheathed With Rubber Or Plastics
72	5609	Coir & Coir Manufactures	Articles Of Yarn, Strip Or The Like Of Heading 5404 Or 5405, Twine, Cordage, Rope Or Cables,Not Elsewhere Specified Or Included

73	5701	Carpet(Excl. Silk) Handmade	Carpets And Other Textile Floor Coverings, Knotted, Whether Or Not Made Up
74	5702	Carpet(Excl. Silk) Handmade	Carpets And Other Textile Floor Coverings, Woven, Not Tufted Or Flocked, Whether Or Not Made Up, Including "Kelem", "Schumacks", "Karamanie" And Similar Hand-Woven Rugs
75	5703	Carpet(Excl. Silk) Handmade	Carpets And Other Textile Floor Coverings, Tufted, Whether Or Not Made Up
76	5704	Carpet(Excl. Silk) Handmade	Carpets And Other Textile Floor Coverings, Of Felt, Not Tufted Or Flocked, Whether Or Not Made Up
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
77	5705	Carpet(Excl. Silk) Handmade	Other Carpets And Other Textile Floor Coverings , Whether Or Not Made Up
78	5801	Fabric of all types	Woven Pile Fabrics And Chenille Fabrics, Other Than Fabrics Of Heading 5802 Or 5806
79	5802	Fabric of all types	Terry Towelling And Similar Woven Terry Fabrics, Other Than Narrow Fabrics Of Heading 5806; Tufted Textile Fabrics, Other Than Products Of Heading 5703
80	5804	Fabric of all types	Tulles And Other Net Fabrics, Not Including Woven, Knitted Or Crocheted Fabrics; Lace In The Piece, In Strips Or In Motifs, Other Than Fabrics Of Heading 6002 To 6006.
81	5805	Handicraft	Hand-Woven Tapestries Of The Type Gobelins, Flanders, Aubusson, Beauvais And The Like, And Needle-Worked Tapestries (For Example, Petit Point, Cross Stitch), Whether Or Not Made Up
82	5806	Fabric of all types	Narrow Woven Fabrics Other Than Goods Of Heading 5807; Narrow Fabrics Consisting Of Warp Without Weft Assembled By Means Of An Adhesive (Bolducs)

83	5808	Handicraft	Braids In The Piece; Ornamental Trimmings In The Piece, Without Embroidery, Other Than Knitted Or Crocheted; Tassels, Pompons And Similar Articles
84	5809	Fabric of all types	Woven Fabrics Of Metal Thread And Woven Fabrics Of Metallised Yarn Of Heading 5605, Of A Kind Used In Apparel, As Furnishing Fabrics Or For Similar Purposes, Not Elsewhere Specified Or Included
85	5810	Handicraft	Embroidery In The Piece, In Strips Or In Motifs
86	5811	Handicraft	Quilted Textile Products In The Piece, Composed Of One Or More Layers Of Textile Materials Assembled With Padding By Stitching Or Otherwise, Other Than Embroidery Of Heading 5810
87	5901	Fabric of all types	Textile Fabrics Coated With Gum Or Amylaceous Substances, Of A Kind Used For The Outer Covers Of Books Or The Like; Tracing Cloth; Prepared Painting Canvas; Buckram And Similar Stiffened Textile Fabrics Of A Kind Used For Hat Foundations
88	5902	Fabric of all types	Tyre Cord Fabric Of High Tenacity Yarn Of Nylon Or Other Polyamides, Polyesters Or Viscose Rayon
89	5903	Fabric of all types	Textile Fabrics, Impregnated, Coated, Covered Or Laminated With Plastics, Other Than Those Of Heading 5902
90	5906	Fabric of all types	Rubberised Textile Fabrics, Other Than Those Of Heading 5902
91	5907	Fabric of all types	Textile Fabrics Otherwise Impregnated, Coated Or Covered; Painted Canvas Being Theatrical Scenery, Studio Back-Cloths Or The Like
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
92	5908	Fabric of all types	Textile Wicks, Woven, Plaited Or Knitted, For

			Lamps, Stoves, Lighters, Candles Or The Like; Incandescent Gas Mantles And Tubular Knitted Gas Mantle Fabric Therefor, Whether Or Not Impregnated
93	5911	Fabric of all types	Textile Products And Articles, For Technical Uses, Specified In Note 7 To This Chapter
94	6001	Fabric of all types	Pile Fabrics, Including Long Pile Fabrics And Terry Fabrics, Knitted Or Crocheted
95	6002	Fabric of all types	Knitted Or Crocheted Fabrics Of A Width Not Exceeding 30 Cm, Containing By Weight 5% Or More Of Elastomeric Yarn Or Rubber Thread, Other Than Those Of Heading 6001
96	6003	Fabric of all types	Knitted Or Crocheted Fabrics Of A Width Not Exceeding 30 Cm, Other Than Those Of Heading 6001 Or 6002
97	6004	Fabric of all types	Knitted Or Crocheted Fabrics Of A Width Exceeding 30 Cm, Containing By Weight 5% Or More Of Elastomeric Yarn Or Rubber Thread, Other Than Those Of Heading 6001
98	6005	Fabric of all types	Warp Knit Fabrics (Including Those Made On Galloon Knitting Machines), Other Than Those Of Headings 6001 To 6004
99	6006	Fabric of all types	Other Knitted Or Crocheted Fabrics
100	6101	Readymade Garments and Made ups (Ch 61-63)	Men's Or Boys' Overcoats, Carcoats, Capes, Cloaks, Anoraks (Including Ski-Jackets), WindCheaters, Wind-Jackets And Similar Articles, Knitted Or Crocheted, Other Than Those Of Heading 6103
101	6102	Readymade Garments and Made ups (Ch 61-63)	Women's Or Girls' Overcoats, Carcoats, Capes, Cloaks, Anoraks (Including Ski-Jackets), WindCheaters, Wind-Jackets And Similar Articles, Knitted Or Crocheted, Other Than Those Of Heading 6104
102	6103	Readymade Garments and Made ups (Ch 61-63)	Men's Or Boys' Suits,Ensembles, Jackets, Blazers, Trousers,Bib And Brace Overalls, Breeches And Shorts(Other Than Swim Wear),

			Knitted Or Crocheted
103	6104	Readymade Garments and Made ups (Ch 61-63)	Women's Or Girls' Suits, Ensembles, Jackets, Blazers, Dresses, Skirts, Divided Skirts, Trousers, Bib And Brace Overalls, Breeches And Shorts (Other Than Swim Wear), Knitted Or Crocheted
104	6105	Readymade Garments and Made ups (Ch 61-63)	Men's Or Boys' Shirts, Knitted Or Crocheted
105	6106	Readymade Garments and Made ups (Ch 61-63)	Women's Or Girls' Blouses, Shirts And ShirtBlouses, Knitted Or Crocheted
106	6107	Readymade Garments and Made ups (Ch 61-63)	Men's Or Boys' Underpants, Briefs, Nightshirts, Pyjamas, Bathrobes, Dressing Gowns And Similar Articles, Knitted Or Crocheted
107	6108	Readymade Garments and Made ups (Ch 61-63)	Women's Or Girls' Slips, Petticoats, Briefs, Panties, Night Dresses, Pyjamas, Negligees, Bathrobes, Dressing Gowns And Similar Articles,
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
			Knitted Or Crocheted
108	6109	Readymade Garments and Made ups (Ch 61-63)	T-Shirts, Singlets And Other Vests, Knitted Or Crocheted
109	6110	Readymade Garments and Made ups (Ch 61-63)	Jerseys, Pullovers, Cardigans, Waistcoats And Similar Articles, Knitted Or Crocheted
110	6111	Readymade Garments and Made ups (Ch 61-63)	Babies' Garments And Clothing Accessories, Knitted Or Crocheted
111	6112	Readymade Garments and Made ups (Ch 61-63)	Track Suits, Ski Suits And Swimwear, Knitted Or Crocheted

112	6113	Readymade Garments and Made ups (Ch 61-63)	Garments, made up of knitted or crocheted fabrics of heading 5903, 5906 or 5907
113	6114	Readymade Garments and Made ups (Ch 61-63)	Other Garments, Knitted Or Crocheted
114	6115	Readymade Garments and Made ups (Ch 61-63)	Pantyhose, Tights, Stockings, Socks And Other Hosiery, Including Graduated Compression Hosiery (For Example, Stockings For Varicose Veins) And Footwear Without Applied Soles, Knitted Or Crocheted
115	6116	Readymade Garments and Made ups (Ch 61-63)	Gloves, Mittens And Mitts, Knitted Or Crocheted
116	6117	Readymade Garments and Made ups (Ch 61-63)	Other Made Up Clothing Accessories, Knitted Or Crocheted; Knitted Or Crocheted Parts Of Garments Or Of Clothing Accessories
117	6201	Readymade Garments and Made ups (Ch 61-63)	Men's Or Boys' Overcoats, Car-Coats, Cloaks, Anoraks (Including Ski-Jackets), Wind-Cheaters, Wind Jackets And Similar Articles Other Than Those Of Heading 6203
118	6202	Readymade Garments and Made ups (Ch 61-63)	Women's Or Girls' Overcoats, Car-Coats, Capes, Cloaks, Anoraks (Including Ski-Jackets), WindCheaters, Wind-Jackets And Similar Articles, Other Than Those Of Heading 6204
119	6203	Readymade Garments and Made ups (Ch 61-63)	Men's Or Boys' Suits, Ensembles, Jackets, Blazers, Trousers Bib And Brace Overalls, Breeches And Shorts (Other Than Swimwear)
120	6204	Readymade Garments and Made ups (Ch 61-63)	Women's Or Girls' Suits, Ensembles, Jackets, Blazers, Dresses, Skirts, Divided Skirts, Trousers, Bib And Brace Overalls, Breeches And Shorts (Other Than Swimwear)
121	6205	Readymade Garments and Made ups (Ch 61-63)	Men's Or Boys' Shirts
122	6206	Readymade Garments and Made ups (Ch	Women's Or Girls' Blouses, Shirts And

		61-63)	ShirtBlouses
123	6207	Readymade Garments and Made ups (Ch 61-63)	Men's Or Boys' Singlets And Other Vests, Underpants, Briefs, Nightshirts, Pyjamas, Bathrobes, Dressing Gowns And Similar Articles
124	6208	Readymade Garments and Made ups (Ch 61-63)	Women's Or Girls' Singlets And Other Vests, Slips, Petticoats, Briefs, Panties, Nightdresses, Pyjamas, Negliges, Bathrobes, Dressing Gowns And Similar Articles
125	6209	Readymade Garments and Made ups (Ch 61-63)	Babies' Garments And Clothing Accessories
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
126	6210	Readymade Garments and Made ups (Ch 61-63)	Garments, Made Up Of Fabrics Of Heading 5602, 5603, 5903, 5906 Or 5907
127	6211	Readymade Garments and Made ups (Ch 61-63)	Track Suits, Ski Suits And Swimwear; Other Garments
128	6212	Readymade Garments and Made ups (Ch 61-63)	Brassieres, Girdles, Corsets, Braces, Suspenders, Garters And Similar Articles And Parts Thereof, Whether Or Not Knitted Or Crocheted
129	6213	Readymade Garments and Made ups (Ch 61-63)	Handkerchiefs
130	6214	Readymade Garments and Made ups (Ch 61-63)	Shawls, Scarves, Mufflers, Mantillas, Veils And The Like
131	6215	Readymade Garments and Made ups (Ch 61-63)	Ties, Bow Ties And Cravats

132	6216	Readymade Garments and Made ups (Ch 61-63)	Gloves, Mittens And Mitts
133	6217	Readymade Garments and Made ups (Ch 61-63)	Other Made Up Clothing Accessories; Parts Of Garments Or Of Clothing Accessories, Other Than Those Of Heading 6212
134	6301	Readymade Garments and Made ups (Ch 61-63)	Blankets And Travelling Rugs
135	6302	Readymade Garments and Made ups (Ch 61-63)	Bed Linen, Table Linen, Toilet Linen And Kitchen Linen
136	6303	Readymade Garments and Made ups (Ch 61-63)	Curtains (Including Drapes) And Interior Blinds: Curtain Or Bed Valances
137	6304	Readymade Garments and Made ups (Ch 61-63)	Other Furnishing Articles, Excluding Those Of Heading 9404
138	6305	Readymade Garments and Made ups (Ch 61-63)	Sacks And Bags, Of A Kind Used For The Packing Of Goods
139	6306	Readymade Garments and Made ups (Ch 61-63)	Tarpaulins, Awnings And Sunblinds; Tents; Sails For Boats, Sailboards Or Landcraft; CampingGoods
140	6307	Readymade Garments and Made ups (Ch 61-63)	Other Made Up Articles, Including Dress Patterns
141	6308	Readymade Garments and Made ups (Ch 61-63)	Sets consisting of woven fabric and yarn, whether or not with accessories, for making up into rugs, tapestries, embroidered table cloths or serviettes, or similar textile articles, put up in packings for retail sale
142	6401	Leather Goods and footwear	Waterproof Footwear With Outer Soles And Uppers Of Rubber Or Of Plastics, The Uppers Of Which Are Neither Fixed To The Sole Nor Assembled By Stitching, Riveting, Nailing,Screwing, Plugging Or Similar Processes

143	6402	Leather Goods and footwear	Other Footwear With Outer Soles And Uppers Of Rubber Or Plastics
144	6403	Leather Goods and footwear	Footwear With Outer Soles Of Rubber, Plastics, Leather Or Composition Leather And Uppers Of Leather
145	6404	Leather Goods and footwear	Footwear With Outer Soles Of Rubber, Plastics, Leather Or Composition Leather And Uppers Of Textile Materials
146	6405	Leather Goods and footwear	Other Footwear
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
147	6406	Handicraft	Parts Of Footwear (Including Uppers Whether Or Not Attached To Soles Other Than Outer Soles); Removable In-Soles, Heel Cushions And Similar Articles; Gaiters, Leggings And Similar Articles, And Parts Thereof
148	6504	Handicraft	Hats and other headgear, plaited or made by assembling strips of any material, whether or not lined or trimmed
149	6505	Handicraft	Hats And Other Headgear, Knitted Or Crocheted, Or Made Up From Lace, Felt Or Other Textile Fabric, In The Piece (But Not In Strips), Whether Or Not Lined Or Trimmed; Hair-Nets Of Any Material, Whether Or Not Lined Or Trimmed
150	6601	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Umbrellas And Sun Umbrellas (IncludingWalking-Stick Umbrellas, Garden Umbrellas And Similar Umbrellas)
151	6602	Handicraft	Walking-sticks, seat-sticks, whips, riding-crops and the like
152	6603	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machinetools,	Parts, Trimmings And Accessories Of Articles Of Heading 6601 To 6602

		Parts	
153	6701	Handicraft	Skins And Other Parts Of Birds With Their Feathers Or Down, Feathers, Parts Of Feathers, Down And Articles Thereof (Other Than Goods Of Heading 0505 And Worked Quills And Scapes)
154	6702	Other Jute Manufactures	Artificial Flowers, Foliage And Fruit And Parts Thereof; Articles Made Of Artificial Flowers, Foliage Or Fruit
155	6703	Handicraft	Human Hair, Dressed, Thinned, Bleached Or Otherwise Worked; Wool Or Other Animal Hair Or Other Textile Materials, Prepared For Use In Making Wigs Or The Like
156	6813	Ceramics and Allied Products	Friction Material And Articles Thereof (For Example, Sheets, Rolls, Strips, Segments, Discs, Washers, Pads), Not Mounted, For Brakes, For Clutches Or The Like, With A Basis Of Asbestos, Of Other Mineral Substances Or Of Cellulose, Whether Or Not Combined With Textile Or Other Materials
157	6815	Handicraft	Articles Of Stone Or Of Other Mineral Substances (Including Carbon Fibres, Articles Of Carbon Fibres And Articles Of Peat), Not Elsewhere Specified Or Included
158	6901	Ceramics and Allied Products	Bricks, Blocks, Tiles And Other Ceramic Goods, Of Siliceous Fossil Meals (For Example, Kieselguhr, Tripolite Or Diatomite) Or Of Similar Siliceous Earths
159	6902	Ceramics and Allied Products	Refractory Bricks, Blocks, Tiles And Similar Refractory Ceramic Constructional Goods, Other
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
			Than Those Of Siliceous Fossil Meals Or Similar Siliceous Earths

160	6903	Ceramics and Allied Products	Other Refractory Ceramic Goods (For Example, Retorts, Crucibles, Muffles, Nozzles, Plugs, Supports, Cupels, Tubes, Pipes, Sheaths And Rods), Other Than Those Of Siliceous Fossil Meals Or Of Similar Siliceous Earths
161	6904	Ceramics and Allied Products	Ceramic Building Bricks, Flooring Blocks, Support Or Filler Tiles And The Like
162	6905	Ceramics and Allied Products	Roofing Tiles, Chimney-Pots, Cowls, Chimney Liners, Architectural Ornaments And Other Ceramic Constructional Goods
163	6906	Ceramics and Allied Products	Ceramic pipes, conduits, guttering and pipe fittings
164	6907	Ceramics and Allied Products	Unglazed Ceramic Flags And Paving, Hearth Or Wall Tiles; Unglazed Ceramic Mosaic Cubes And The Like, Whether Or Not On A Backing
165	6908	Ceramics and Allied Products	Glazed Ceramic Flags And Paving, Hearth Or Wall Tiles; Glazed Ceramic Mosaic Cubes And The Like, Whether Or Not On A Backing
166	6909	Ceramics and Allied Products	Ceramic Wares For Laboratory, Chemical Or Other Technical Uses; Ceramic Troughs, Tubs And Similar Receptacles Of A Kind Used In Agriculture; Ceramic Pots, Jars And Similar Articles Of A Kind Used For The Conveyance Or Packing Of Goods
167	6910	Ceramics and Allied Products	Ceramic Sinks, Wash Basins, Wash Basin Pedestals, Baths, Bidets, Water Closet Pans, Flushing Cisterns, Urinals And Similar Sanitary Fixtures
168	6911	Handicraft	Tableware, Kitchenware, Other Household Articles And Toilet Articles, Of Porcelain Or China
169	6912	Handicraft	Ceramic Tableware, Kitchenware, Other Household Articles And Toilet Articles, Other Than Of Porcelain Or China
170	6913	Handicraft	Statuettes And Other Ornamental Ceramic

			Articles
171	6914	Handicraft	Other Ceramic Articles
172	7001	Glass and Glassware	Cullet And Other Waste And Scrap Of Glass; Glass In The Mass
173	7002	Glass and Glassware	Glass In Balls (Other Than Microspheres Of Heading 7018), Rods Or Tubes, Unworked
174	7003	Glass and Glassware	Cast Glass And Rolled Glass, In Sheets Or Profiles, Whether Or Not Having An Absorbent, Reflecting Or Non-Reflecting Layer, But Not Otherwise Worked
175	7004	Glass and Glassware	Drawn Glass And Blown Glass, In Sheets, Whether Or Not Having An Absorbent, Reflecting Or Non-Reflecting Layer But Not Otherwise Worked
176	7005	Glass and Glassware	Float Glass And Surface Ground Or Polished
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
			Glass, In Sheets, Whether Or Not Having An Absorbent, Reflecting Or Non-Reflecting Layer, But Not Otherwise Worked
177	7007	Glass and Glassware	Safety Glass, Consisting Of Toughened (Tempered) Or Laminated Glass
178	7008	Glass and Glassware	Multiple-Walled Insulating Units Of Glass
179	7009	Handicraft	Glass Mirrors, Whether Or Not Framed, Including Rear-View Mirrors
180	7010	Glass and Glassware	Carboys, Bottles, Flasks, Jars, Pots, Phials, Ampoules And Other Containers, Of Glass, Of A Kind Used For The Conveyance Or Packing Of Goods; Preserving Jars Of Glass; Stoppers, Lids And Other Closures, Of Glass
181	7011	Glass and Glassware	Glass Envelopes (Including Bulbs And Tubes), Open, And Glass Parts Thereof, Without Fittings,

			For Electric Lamps, Cathode-Ray Tubes Or The Like
182	7013	Handicraft	Glassware Of A Kind Used For Table, Kitchen, Toilet, Office, Indoor Decoration Or Similar Purposes (Other Than That Of Heading 7010 Or 7018)
183	7014	Glass and Glassware	Signalling Glassware And Optical Elements Of Glass (Other Than Those Of Heading 7015), Not Optically Worked
184	7015	Glass and Glassware	Clock Or Watch Glasses And Similar Glasses, For Non-Corrective Or Corrective Spectacles, Curved, Bent, Hollowed Or The Like; Not Optically Worked; Hollow Glass Spheres And Their Segments, For The Manufacture Of Such Glasses
185	7016	Glass and Glassware	Paving Blocks, Slabs, Bricks, Squares, Tiles And Other Articles Of Pressed Or Moulded Glass, Whether Or Not Wired, Of A Kind Used For Building Or Construction Purposes; Glass Cubes And Other Glass Small Wares, Whether Or Not On A Backing, For Mosaics Or Similar Decorative Purposes; Leaded Lights And The Like; MultiCellular Or Foam Glass In Blocks, Panels, Plates, Shells Or Similar Forms
186	7017	Glass and Glassware	Laboratory, Hygienic Or Pharmaceutical Glassware, Whether Or Not Graduated Or Calibrated
187	7018	Handicraft	Glass Beads, Imitation Pearls, Imitation Precious Or Semi-Precious Stones And Similar Glass Smallwares, And Articles Thereof Other Than Imitation Jewellery; Glass Eyes Other Than Prosthetic Articles; Statuettes And Other Ornaments Of Lamp-Worked Glass, Other Than Imitation Jewellery; Glass Microspheres Not Exceeding 1 Mm In Diameter
188	7019	Glass and Glassware	Glass Fibres (Including Glass Wool) And Articles Thereof (For Example, Yarn, Woven Fabrics)

S.No	ITC(HS) Code of 4 digit	Product Category	ITC (HS) Product Description
189	7020	Handicraft	Other Articles Of Glass
190	7117	Handicraft	Imitation Jewellery
191	7301	Articles of Iron or Steel	Sheet Piling Of Iron Or Steel, Whether Or Not Drilled, Punched Or Made From Assembled Elements; Welded Angles, Shapes And Sections, Of Iron Or Steel
192	7302	Articles of Iron or Steel	Railway Or Tramway Track Construction Material Of Iron Or Steel, The Following: Rails, Check-Rails And Rack Rails, Switch Blades, Crossing Frogs, Point Rods And Other Crossing Pieces, Sleepers (Cross-Ties), Fish-Plates, Chairs, Chair Wedges, Sole Plates (Base Plates), Rail Clips, Bedplates, Ties And Other Material Specialized For Jointing Or Fixing Rails
193	7304	Articles of Iron or Steel	Tubes, Pipes And Hollow Profiles, Seamless, Of Iron (Other Than Cast Iron) Or Steel
194	7306	Articles of Iron or Steel	Other Tubes, Pipes And Hollow Profiles (For Example, Open Seam Or Welded, Riveted Or Similarly Closed), Of Iron Or Steel
195	7307	Articles of Iron or Steel	Tube Or Pipe Fittings (For Example, Couplings, Elbows, Sleeves), Of Iron Or Steel
196	7309	Articles of Iron or Steel	Reservoirs, Tanks, Vats And Similar Containers For Any Material (Other Than Compressed Or Liquefied Gas), Of Iron Or Steel, Of A Capacity Exceeding 300 L, Whether Or Not Lined Or HeatInsulated, But Not Fitted With Mechanical Or Thermal Equipment
197	7310	Articles of Iron or Steel	Tanks, Casks, Drums, Cans, Boxes And Similar Containers, For Any Material (Other Than Compressed Or Liquefied Gas), Of Iron Or Steel, Of A Capacity Not Exceeding 300 L, Whether Or Not Lined Or Heat-Insulated, But Not Fitted With Mechanical Or Thermal Equipment

198	7311	Articles of Iron or Steel	Containers For Compressed Or Liquefied Gas, Of Iron Or Steel
199	7314	Articles of Iron or Steel	Cloth (Including Endless Bands), Grill, Netting And Fencing, Of Iron Or Steel Wire; Expanded Metal Of Iron Or Steel
200	7315	Articles of Iron or Steel	Chain And Parts Thereof, Of Iron Or Steel
201	7316	Articles of Iron or Steel	Anchors, Grapnels And Parts Thereof, Of Iron Or Steel
202	7317	Articles of Iron or Steel	Nails, Tacks, Drawing Pins, Corrugated Nails, Staples (Other Than Those Of Heading 8305) And Similar Articles, Of Iron Or Steel, Whether Or Not With Heads Of Other Material, But Excluding Such Articles With Heads Of Copper
203	7318	Articles of Iron or Steel	Screws, Bolts, Nuts, Coach-Screws, Screw Hooks, Rivets, Cotters, Cotter-Pins, Washers (Including Spring Washers) And Similar Articles, Of Iron Or Steel
204	7319	Articles of Iron or Steel	Sewing Needles, Knitting Needles, Bodkins,
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
			Crochet Hooks, Embroidery Stilettos And Similar Articles, For Use In The Hand, Of Iron Or Steel; Safety Pins And Other Pins, Of Iron Or Steel, Not Elsewhere Specified Or Included
205	7320	Auto Components/Parts	Springs And Leaves For Springs, Of Iron Or Steel
206	7321	Articles of Iron or Steel	Stoves, Ranges, Grates, Cookers (Including Those With Subsidiary Boilers For Central Heating), Barbecues, Braziers, Gas-Rings, Plate Warmers And Similar Non-Electric Domestic Appliances,And Parts Thereof, Of Iron Or Steel
207	7322	Articles of Iron or Steel	Radiators For Central Heating, Not Electrically Heated, And Parts Thereof, Of Iron Or Steel; Air Heaters And Hot Air Distributors (Including Distributors Which Can Also Distribute Fresh Or

			Conditioned Air), Not Electrically Heated, Incorporating A Motor-Driven Fan Or Blower, And Parts Thereof, Of Iron Or Steel
208	7323	Articles of Iron or Steel	Table, Kitchen Or Other Household Articles And Parts Thereof, Of Iron Or Steel; Iron Or Steel Wool; Pot Scourers And Scouring Or Polishing Pads, Gloves And The Like, Of Iron Or Steel
209	7324	Articles of Iron or Steel	Sanitary Ware And Parts Thereof, Of Iron Or Steel
210	7325	Articles of Iron or Steel	Other Cast Articles Of Iron Or Steel
211	7326	Articles of Iron or Steel	Other Articles Of Iron Or Steel
212	8201	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Hand Tools, The Following: Spades, Shovels, Mattocks, Picks, Hoes, Forks And Rakes; Axes, Bill Hooks And Similar Hewing Tools; Secateurs And Pruners Of Any Kind; Scythes, Sickles, Hay Knives, Hedge Shears, Timber Wedges And Other Tools Of A Kind Used In Agriculture, Horticulture Or Forestry
213	8202	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Hand Saws; Blades For Saws Of All Kinds (Including Slitting, Slotting Or Toothless Saw Blades)
214	8203	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Files, Rasps, Pliers (Including Cutting Pliers), Pincers, Tweezers, Metal Cutting Shears, PipeCutters, Bolt Croppers, Perforating Punches And Similar Hand Tools
215	8204	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Hand-Operated Spanners And Wrenches (Including Torque Meter Wrenches But Not Including Tap Wrenches); Interchangeable Spanner Sockets, With Or Without Handles
216	8205	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Hand Tools (Including Glaziers Diamonds), Not Elsewhere Specified Or Included; Blow Lamps; Vices; Clamps And The Like, Other Than Accessories For And Parts Of, Machine Tools; Anvils; Portable Forges; Hand-Or Pedal-OperatedGrinding Wheels With Frameworks
217	8206	Industrial Machinery, Electrical and	Tools Of Two Or More Of The Headings 8202 To 8205, Put Up In Sets For Retail Sale

		Engineerring	
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
		items, IC Engine,Machine tools, Parts	
218	8207	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Interchangeable Tools For Hand Tools, Whether Or Not Power-Operated, Or For Machine – Tools (For Example, For Pressing, Stamping, Punching, Tapping, Threading, Drilling, Boring, Broaching, Milling, Turning Or Screw Driving), Including Dies For Drawing Or Extruding Metal, And Rock Drilling Or Earth Boring Tools
219	8208	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Interchangeable Tools For Hand Tools, Whether Or Not Power-Operated, Or For Machine – Tools (For Example, For Pressing, Stamping, Punching, Tapping, Threading, Drilling, Boring, Broaching, Milling, Turning Or Screw Driving), Including Dies For Drawing Or Extruding Metal, And Rock Drilling Or Earth Boring Tools
220	8209	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Plates, Sticks, Tips And The Like For Tools, Unmounted, Of Cermets
221	8210	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Hand-operated mechanical appliances, weighing 10 kg or less, used in the preparation, conditioning or serving of food or drink
222	8211	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Knives With Cutting Blades, Serrated Or Not (Including Pruning Knives), Other Than Knives Of Heading 8208, And Blades Therefor

223	8212	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Razors And Razor Blades (Including Razor Blades Blanks In Strips)
224	8213	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Scissors, tailors' shears and similar shears, and blades therefor
225	8214	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Other Articles Of Cutlery (For Example, Hair Clippers, Butchers' Or Kitchen Cleavers, Choppers And Mincing Knives, Paper Knives); Manicure Or Pedicure Sets And Instruments (Including Nail Files)
226	8215	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Spoons, Forks, Ladles, Skimmers, Cake-Servers, Fish-Knives, Butter-Knives, Sugar Tongs And Similar Kitchen Or Tableware
227	8301	Misc Articles of base metals	Padlocks And Locks (Key, Combination Or Electrically Operated), Of Base Metal; Clasps And Frames With Clasps, Incorporating Locks,Of Base Metal; Keys For Any Of The Foregoing Articles, Of Base Metal
228	8302	Misc Articles of base metals	Base Metal Mountings, Fittings And Similar Articles Suitable For Furniture, Doors, Staircases, Windows, Blinds, Coachwork,
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
			Saddlery, Trunks, Chests, Caskets Or The Like; Base Metal Hat-Racks, Hat-Pegs, Brackets And Similar Fixtures; Castors With Mountings Of Base Metal; Automatic Door Closures Of Base Metal

229	8303	Misc Articles of base metals	Armoured or reinforced safes, strong-boxes and doors and safe deposit lockers for strong rooms, cash or deed boxes and the like, of base metal
230	8304	Misc Articles of base metals	Filing, cabinets, card-index cabinets, paper trays, paper rests, pen trays, office-stamp stands and similar office or desk equipment, of base metal, other than office furniture of heading 9403
231	8305	Misc Articles of base metals	Fittings For Loose-Leaf Binders Or Files, Letter Clips, Letter Corners, Paper Clips, Indexing Tags And Similar Office Articles, Of Base Metal; Staples In Strips (For Example, For Offices, Upholstery, Packaging), Of Base Metal
232	8306	Misc Articles of base metals	Bells, Gongs And The Like, Non-Electric, Of Base Metal; Statuettes And Other Ornaments, Of Base Metal; Photograph, Picture Or Similar Frames, Of Base Metal; Mirrors Of Base Metal
233	8307	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Flexible Tubing Of Base Metal, With Or Without Fittings
234	8308	Misc Articles of base metals	Clasps, Frames With Clasps, Buckles, BuckleClasps, Hooks, Eyes, Eyelets And The Like, Of Base Metal, Of A Kind Used For Clothing, Footwear, Awnings, Handbags, Travel Goods Or Other Made Up Articles; Tubular Or Bifurcated Rivets, Of Base Metal; Beads And Spangles, Of Base Metals
235	8309	Misc Articles of base metals	Stoppers, Caps And Lids (Including Crown Corks, Screw Caps And Pouring Stoppers), Capsules For Bottles, Threaded Bungs, Bung Covers, Seals And Other Packing Accessories, Of Base Metal
236	8310	Misc Articles of base metals	Sign-Plates, Name-Plates, Address-Plates And Similar Plates, Numbers, Letters And Other Symbols, Of Base Metal, Excluding Those Of Heading 9405
237	8311	Industrial Machinery, Electrical and Engineerring items, IC	Wire, Rods, Tubes, Plates, Electrodes And Similar Products, Of Base Metal Or Of Metal Carbides, Coated Or Cored With Flux Material, Of A Kind Used For Soldering, Brazing, Welding Or

		Engine,Machine tools, Parts	Deposition Of Metal Or Of Metal Carbides; Wire And Rods, Of Agglomerated Base Metal Powder, Used For Metal Spraying
238	8401	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Nuclear Reactors; Fuel Elements (Cartridges), Non-Irradiated, For Nuclear Reactors, Machinery And Apparatus For Isotopic Separation
239	8402	Industrial Machinery, Electrical and Engineerring	Steam Or Other Vapour Generating Boilers (Other Than Central Heating Hot Water Boilers
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
		items, IC Engine,Machine tools, Parts	Capable Also Of Producing Low Pressure Steam): Super-Heated Water Boilers
240	8403	Industrial Machinery, Electrical and Engineering items, IC Engine, Machine tools, Parts	Central Heating Boilers Other Than Those Of Heading 8402
241	8404	Industrial Machinery, Electrical and Engineering items, IC Engine, Machine tools, Parts	Auxiliary Plant For Use With Boilers Of Heading 8402 Or 8403 (For Example, Economisers, Super-Heaters, Soot Removers, Gas Recovers); Condensers For Steam Or Other Vapour Power Units
242	8405	Industrial Machinery, Electrical and Engineering items, IC Engine, Machine tools, Parts	Producer Gas Or Water Gas Generators, With Or Without Their Purifiers; Acetylene Gas Generators And Similar Water Process Gas Generators, With Or Without Their Purifiers
243	8406	Industrial Machinery, Electrical and	Steam Turbines And Other Vapour Turbines

		Engineering items, IC engine, Machine tools, Parts	
244	8407	Industrial Machinery, Electrical and Engineering items, IC Engine, Machine tools, Parts	Spark-Ignition Reciprocating Or Rotary Internal Combustion Piston Engines
245	8408	Industrial Machinery, Electrical and Engineering items, IC Engine, Machine tools, Parts	Compression-Ignition Internal Combustion Piston Engines (Diesel Or Semi-Diesel Engines)
246	8409	Industrial Machinery, Electrical and Engineering items, IC Engine, Machine tools, Parts	Parts Suitable For Use Solely Or Principally With The Engines Of Heading 8407 Or 8408
247	8410	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Hydraulic Turbines, Water Wheels And Regulators Therefor Hydraulic Turbins And Water Wheels
248	8411	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Turbo-Jets, Turbo-Propellers And Other Gas Turbines
249	8412	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Other Engines And Motors
250	8413	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools,	Pumps For Liquids, Whether Or Not Fitted With A Measuring Device; Liquid Elevators

S.No	ITC(HS) Code of 4 digit	Product Category	ITC (HS) Product Description
		Parts	
251	8414	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Air Or Vacuum Pumps, Air Or Other Gas Compressors And Fans; Ventilating Or Recycling Hoods Incorporating A Fan, Whether Or Not Fitted With Filters
252	8415	Industrial Machinery,	Air Conditioning Machines, Comprising A Motor
		Electrical and Engineering items, IC Engine, Machine tools, Parts	Driven Fan And Elements For Changing The Temperature And Humidity, Including Those Machines In Which The Humidity Cannot Be Separately Regulated.
253	8416	Industrial Machinery, Electrical and Engineering items, IC Engine, Machine tools, Parts	Furnace Burners For Liquid Fuel, For Pulverised Solid Fuel Or For Gas; Mechanical Stokers, Including Their Mechanical Grates, Mechanical Ash Dischargers And Similar Appliances
254	8417	Industrial Machinery, Electrical and Engineering items, IC Engine, Machine tools, Parts	Industrial Or Laboratory Furnaces And Ovens, Including Incinerators, Non-Electric
255	8418	Industrial Machinery, Electrical and Engineering items, IC Engine, Machine tools, Parts	Refrigerators, Freezers And Other Refrigerating Or Freezing Equipment, Electric Or Other; Heat Pumps Other Than Air Conditioning Machines Of Heading 8415
256	8419	Industrial Machinery, Electrical and Engineering items, IC Engine, Machine tools, Parts	Machinery, Plant Or Laboratory Equipment, Whether Or Not Electrically Heated,(Excluding Furnaces, Ovens And Other Equipment Of Heading 8514), For The Treatment Of Materials By A Process Involving A Change Of Temperature Such As Heating, Cooking, Roasting, Distilling, Rectifying, Sterilising

			Pasteurising, Steaming, Drying, Evaporating, Vapourising, Condensing Or Cooling, Other Than Machinery Or Plant Of A Kind Used For Domestic Purposes
257	8420	Industrial Machinery, Electrical and Engineering items, IC Engine, Machine tools, Parts	Calendering Or Other Rolling Machines, Other Than For Metals Or Glass, And Cylinders Therefor
258	8421	Industrial Machinery, Electrical and Engineering items, IC Engine, Machine tools, Parts	Centrifuges, Including Centrifugal Dryers; Filtering Or Purifying Machinery And Apparatus, For Liquids Or Gases
259	8422	Industrial Machinery, Electrical and Engineering items, IC Engine ,Machine tools, Parts	Dish Washing Machines; Machinery For Cleaning Or Drying Bottles Or Other Containers; Machinery For Filling, Closing, Sealing Or Labelling Bottles, Canes, Boxes, Bags Or Other Containers; Machinery For Capsuling Bottles Jars, Tubes And Similar Containers; Other Packing Or Wrapping Machinery (Including Heat-Shrink Wrapping Machinery); Machinery For Aerating Beverages
260	8423	Industrial Machinery, Electrical and Engineering items, IC Engine, Machine tools, Parts	Weighting Machinery (Excluding Balances Of A Sensitivity Of 5 Centigrams Or Better), Including Weight Operated Counting Or Checking Machines; Weighing Machine Weights Of All Kinds
261	8424	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Mechanical Appliances (Whether Or Not HandOperated) For Projecting, Dispersing Or Spraying Liquids Or Powders; Fire Extinguishers, Whether Or Not Charged; Spray Guns And Similar Appliances; Steam Or Sand Blasting Machines
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**

			And Similar Jet Projecting Machines
262	8425	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Pulley Tackle And Hoists Other Than Skip Hoists; Winches And Capstans; Jacks
263	8426	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Ship's Derricks; Cranes, Including Cable Cranes; Mobile Lifting Frames, Straddle Carriers And Works Trucks Fitted With A Crane
264	8429	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Self-Propelled Bulldozers, Angledozers, Graders, Levellers, Scrapers, Mechanical Shovels, Excavators, Shovel Loaders, Tamping Machines And Road Rollers
265	8430	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Other Moving, Grading, Levelling, Scrapping, Excavating, Tamping, Compacting, Extracting Or Boring Machinery, For Earth, Minerals Or Ores; Pile-Drivers And Pile-Extractors; Snow-Ploughs And Snow-Blowers
266	8432	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Agricultural, Horticultural Or Forestry Machinery Of Soil Preparation Or Cultivation; Lawn Or Sports-Ground Rollers
267	8433	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Harvesting Or Threshing Machinery, Including Straw Or Fodder Balers; Grass Or Hay Mowers; Machines For Cleaning, Sorting Or Grading Eggs, Fruit Or Other Agricultural Produce, Other Than Machinery Of Heading 8437
268	8434	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Milking Machines And Dairy Machinery
269	8435	Industrial Machinery,	Presses, Crushers & Similar Machinery Used In

		Electrical and engineering items, IC engine, Machine tools, Parts	The Manufacture Of Wine, Cider, Fruit Juices Or Similar Beverages
270	8436	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Other Agricultural, Horticultural, Forestry, Poultry-Keeping Or Bee-Keeping Machinery, Including Germination Plant Fitted With Mechanical Or Thermal Equipment; Poultry Incubators And Brooders
271	8437	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Machines For Cleaning, Sorting Or Grading Seed, Grain Or Dried Leguminous Vegetables; Machinery Used In The Milling Industry Or For The Working Of Cereals Or Dried Leguminous Vegetables, Other Than Farm-Type Machinery
272	8438	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Machinery, Not Specified Or Included Elsewhere In This Chapter, For The Industrial Preparation Or Manufacture Of Food Or Drink, Other Than Machinery For The Extraction Or Preparation Of Animal Or Fixed Vegetable Fats Or Oils
273	8439	Industrial Machinery, Electrical and engineering items, IC engine, Machine	Machinery For Making Pulp Of Fibrous Cellulosic Material Or For Making Or Finishing Paper Or Paperboard
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
		tools, Parts	
274	8440	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Book-Binding Machinery, Including Book-Sewing Machines
275	8441	Industrial Machinery, Electrical and engineering items, IC	Other Machinery For Making Up Paper Pulp, Paper Or Paper Board, Including Cutting Machines Of All Kinds

		engine, Machine tools, Parts	
276	8442	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Machinery, Apparatus And Equipment (Other Than The Machine Tools Of Headings 8456 To 8465) For Preparing Or Making Plates, Printing Components; Plates, Cylinders And Other Printing Components; Plates, Cylinders And Litho Graphic Stones, Prepared For Printing Purposes (For Example, Planed, Grained Or Polished)
277	8443	Telecom Instruments	Printing Machinery Used For Printing By Means Of Plates, Cylinders And Other Printing Components Of Heading 8442; Other Printers, Copying Machines And Facsimile Machines, Whether Or Not Combined; Parts And Accessories Thereof
278	8444	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Machines For Extruding, Drawing, Texturing Or Cutting Man-Made Textile Materials
279	8445	Industrial Machinery, Electrical and engineering items, IC Engine, Machine tools, Parts	Machines For Preparing Textile Fibres; Spinning, Doubling Or Twisting Machines And Other Machinery For Producing Textile Yarns; Textile Reeling Or Winding (Including Weft-Winding) Machines And Machines For Preparing Textile Yarns For Use On The Machines Of Heading 8446 Or 8447
280	8446	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Weaving Machines (Looms)
281	8447	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Knitting Machines, Stich-Bonding Machines And Machines For Making Gimped Yarn, Tulle, Lace, Embroidery, Trimmings, Braid Or Net And Machines For Tufting
282	8448	Industrial Machinery,	Auxiliary Machinery For Use With Machines Of Headings 8444, 8445, 8446 Or 8447 (For

S.No	ITC(HS) Code of 4 digit	Product Category	ITC (HS) Product Description
		Electrical and engineering items, IC engine, Machine tools, Parts	Example, Dobbies, Jacquaards, Automatic Stop Motions, Shuttle Changing Mechanisms); Parts & Accessories Suitable For Use Solely Or Principally With The Machines Of This Heading Or Of Headings 8444, 8445, 8446 Or 8447 (For Example, Spindles & Spindle Flyers, Card Clothing, Combs, Extruding Nipples Shuttles,Healds & Heald Frame, Hosiery Needles)
283	8449	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Machinery For The Manufacture Or Finishing Of Felt Or Nonwovens In The Piece Or In Shapes, Including Machinery For Making Felt Hats; Blocks For Making Hats
284	8450	Industrial Machinery, Electrical and engineering items, IC Engine, Machine tools, Parts	Household Or Laundry-Type Washing Machines, Including Machines Which Both Wash And Dry
285	8451	Industrial Machinery, Electrical and engineering items, IC Engine, Machine tools, Parts	Machinery (Other Than Machines Of Heading 8450) For Washing, Cleaning, Wringing, Drying, Ironing, Pressing (Including Fusing Presses), Bleaching, Dyeing, Dressing, Finishing, Coating Or Impregnating Textile Yarns, Fabrics Or Made Up Textile Articles And Machines For Applying The Paste To The Base Fabric Or Other Support Used In The Manufacture Of Floor Coverings Such As Linoleum; Machines For Reeling, Unreeling, Folding, Cutting Or Pinking Textile Fabrics
286	8452	Industrial Machinery, Electrical and engineering items, IC Engine, Machine tools,	Sewing Machines, Other Than Book-Sewing Machines Of Heading 8440; Furniture, Bases And Covers Specially Designed For Sewing Machines; Sewing Machine Needles

		Parts	
287	8453	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Machinery For Preparing, Tanning Or Working Hides, Skins Or Leather Or For Making Or Repairing Footwear Or Other Articles Of Hides, Skins Or Leather, Other Than Sewing Machines
288	8454	Industrial Machinery, Electrical and engineering items, IC Engine, Machine tools, Parts	Converters, Ladles, Ingot Moulds And Casting Machines, Of A Kind Used In Metallurgy Or In Metal Foundries
289	8455	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Metal-Rolling Mills And Rolls Therefore
290	8456	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Machine-Tools For Working Any Material By Removal Of Material, By Laser Or Other Light Or Photon Beam, Ultra-Sonic, Electro-Discharge, Electro-Chemical, Electron Beam, Ionic-Beam Or Plasma Arc Process; Water-Jet Cutting Machines
291	8457	Industrial Machinery, Electrical and engineering items, IC Engine, Machine tools, Parts	Machining Centres, Unit Construction Machines (Single Station) And Multi-Station Transfer Machines For Working Metal
292	8458	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Lathes (Including Turning Centres) For Removing Metal
293	8459	Industrial Machinery, Electrical and engineering items, IC Engine, Machine tools, Parts	Machine-Tools (Including Way-Type Unit Head Machines) For Drilling, Boring, Milling, Treading Or Tapping By Removing Metal, Other Than Lathes (Including Turning Centres) Of Heading 8458
294	8460	Industrial Machinery,	Machine-Tools For Deburring, Sharpening,

		Electrical and engineering	Grinding, Honing, Lapping, Polishing Or
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
		items, IC engine, Machine tools, Parts	Otherwise Finishing Metal Or Cermets By Means Of Grinding Stones, Abrasives Or Polishing Products, Other Than Gear Cutting, Gear Grinding Or Gear Finishing Machines Of Heading 8461
295	8461	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Machine-Tools For Planing, Shaping, Slotting, Broaching, Gear Cutting, Gear Grinding Or Gear Finishing, Sawing, Cutting-Off And Other Machine Tools Working By Removing Metal, Or Cermets, Not Elsewhere Specified Or Included
296	8462	Industrial Machinery, Electrical and engineering items, IC Engine, Machine tools, Parts	Machine-Tools (Including Presses) For Working Metal By Forging, Hammering Or Die-Stamping; Machine-Tools (Including Presses) For Working Metal By Bending, Folding Straightening, Flattening, Shearing, Punching Or Notching; Presses For Working Metal Or Metal Carbides, Not Specified Above
297	8463	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Other Machine Tools For Working Metal Or Cermets Without Removing Material
298	8464	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Machine Tools For Working Stone, Ceramics, Concrete, Asbestos Cement Or Like Mineral Materials Or For Cold Working Glass
299	8465	Industrial Machinery, Electrical and engineering items, IC	Machine-Tools (Including Machines For Nailing, Stapling, Glueing Or Otherwise Assembling) For Working Wood, Cork, Bone, Hard Rubber, Hard

		Engine, Machine tools, Parts	Plastics Or Similar Hard Materials
300	8466	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Parts And Accessories Suitable For Use Solely Or Principally With The Machines Of Headings 8456 To 8465, Including Work Or Tool Holders, SelfOpening Dieheads, Dividing Heads And Other Special Attachments For Machine-Tools; Tool Holders For Any Type Of Tool, For Working In The Hand
301	8467	Industrial Machinery, Electrical and engineering items, IC Engine, Machine tools, Parts	Tools For Working In The Hand, Pneumatic, Hydraulic Or With Self-Contained Electric Or Non-Electric Motor
302	8468	Industrial Machinery, Electrical and engineering items, IC Engine, Machine tools, Parts	Machinery And Apparatus For Soldering, Brazing Or Welding Whether Or Not Capable Of Cutting, Other Than Those Of Heading 8415; GasOperated Surface Tempering Machines And Appliances
303	8474	Industrial Machinery, Electrical and engineering items, IC Engine, Machine tools, Parts	Machinery For Sorting, Screening, Separating, Washing, Crushing, Grinding, Mixing Or Kneading Earth, Stone, Ores Or Other Mineral Substances, In Solid (Including Powder Or Paste) Form; Machinery For Agglomerating, Shaping Or Moulding Solid Mineral Fuels, Ceramic Paste, Unhardened Cements, Plastering Materials Or Other Mineral Products In Powder Or Paste
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
			Form; Machines For Forming Foundry Moulds Of Sand
304	8475	Industrial Machinery, Electrical and engineering items, IC	Machines For Assembling Electric Or Electronic Lamps, Tubes Or Valves Or Flash-Bulbs, In Glass Envelopes; Machines Of Manufacturing Or Hot

		engine, Machine tools, Parts	Working Glass Or Glassware
305	8476	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Automatic Goods-Vending Machines (For Example, Postage Stamps, Cigarette, Food Or Beverage Machines), Including Money-Changing Machines
306	8477	Industrial Machinery, Electrical and engineering items, IC Engine, Machine tools, Parts	Machinery For Working Rubber Or Plastics Or For The Manufacture Of Products From These Materials, Not Specified Or Included Elsewhere In This Chapter
307	8478	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Machinery For Preparing Or Making Up Tobacco, Not Specified Or Included Elsewhere In This Chapter
308	8479	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Machines And Mechanical Appliances Having Individual Functions, Not Specified Or Included Elsewhere In This Chapter
309	8480	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Moulding Boxes For Metal Foundry; Mould Bases; Moulding Patterns; Moulds For Metal (Other Than Ingot Moulds), Metal Carbides, Glass, Mineral Materials, Rubber Or Plastics
310	8481	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Taps, Cocks, Valves And Similar Appliances For Pipes, Boiler Shells, Tanks, Vats Or The Like, Including Pressure-Reducing Valves And Thermostatically Controlled Valves
311	8482	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Ball Or Roller Bearings

312	8483	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Transmission Shafts (Including Cam Shafts And Crank Shafts) And Cranks; Bearings Housings And Plain Shaft Bearings; Gears And Gearing; Ball Or Roller Screws; Gear Boxes And Other Speed Changers, Including Torque Converters; Flywheels And Pulleys, Including Pulley Blocks; Clutches And Shaft Couplings (Including Universal Joints)
313	8484	Auto Components/Parts	Gaskets And Similar Joints Of Metal Sheeting Combined With Other Material Or Of Two Or More Layers Of Metal; Sets Or Assortments Of Gaskets And Similar Joints, Dissimilar In Composition, Put Up In Pouches, Envelopes Or Similar Packings; Mechanical Seals
314	8486	Industrial Machinery, Electrical and engineering items, IC Engine, Machine	Machines And Apparatus Of A Kind Used Solely Or Principally For The Manufacture Of Semiconductor Boules Or Wafers, Semiconductor
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
		tools, Parts	Devices, Electronic Integrated Circuits Or Flat Panel Displays; Machines And Apparatus Specified In Note 9 (C) To This Chapter; Parts And Accessories
315	8487	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Machine Parts, Not Containing Electrical Connectors, Insulators, Coils, Contacts Or Other Electrical Features, Not Specified Or Included Elsewhere In This Chapter
316	8502	Industrial Machinery, Electrical and engineering items, IC Engine, Machine tools, Parts	Electric Generating Sets And Rotary Converters
317	8503	Industrial Machinery, Electrical and engineering items, IC	Parts Suitable For Use Solely or Principally With The Machines of Heading 8501 or 8502

		Engine, Machine tools, Parts	
318	8504	Industrial Machinery, Electrical and engineering items, IC Engine, Machine tools, Parts	Electrical Transformers, Static Converters (for example, Rectifiers) and Inductors
319	8506	Industrial Machinery, Electrical and engineering items, IC Engine, Machine tools, Parts	Primary Cells And Primary Batteries
320	8507	Industrial Machinery, Electrical and engineering items, IC engine, Machine tools, Parts	Electric Accumulators, Including Separators Therefor, Whether Or Not Rectangular (Including Square)
321	8508	Industrial Machinery, Electrical and engineering items, IC Engine,Machine tools, Parts	Vaccum Cleaners
322	8509	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Electro-Mechanical Domestic Appliances, With Self-Contained Electric Motor, Other Than Vacuum Cleaners Of Heading 8508
323	8510	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Shavers, Hair Clippers And Hair-Removing Appliances, With Self-Contained Electric Motor
324	8511	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Electrical Ignition Or Starting Equipment Of A Kind Used For Spark-Ignition Or CompressionIgnition Internal Combustion Engines (For Example, Ignition Magnetos, Magneto-Dynamos, Ignition Coils, Sparking Plugs And Glow Plugs, Starter Motors); Generators (For Example, Dynamos, Alternators) And Cut-Outs Of

			A Kind Used In Conjunction With Such Engines
325	8512	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Electrical Lighting Or Signalling Equipment (Excluding Articles Of Heading 8539), Windscreen Wipers, Defrosters And Demisters, Of A Kind Used For Cycles Or Motor Vehicles
326	8513	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Portable Electric Lamps Designed To Function By their Own Source Of Energy (For Example, Dry Batteries, Accumulators, Magnetos), Other Than Lighting Equipment Of Heading 8512
327	8514	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Industrial Or Laboratory Electric Furnaces And Ovens (Including Those Functioning By Induction Or Dielectric Loss); Other Industrial Or Laboratory Equipment For The Heat Treatment Of Materials By Induction Or Dielectric Loss
328	8515	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Electric (Including Electrically Heated Gas), Laser Or Other Light Or Photo Beam, Ultrasonic, Electron Beam, Magnetic Pulse Or Plasma Arc Soldering, Brazing Or Welding Machines And Apparatus, Whether Or Not Capable Of Cutting; Electric Machines And Apparatus For Hot Spraying Of Metals Or Cermets
329	8516	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Electric Instantaneous Or Storage Water Heaters And Immersion Heaters; Electric Space Heating Apparatus And Soil Heating Apparatus; ElectroThermic Hair-Dressing Apparatus (For Example, Hair Dryers, Hair Curlers, Curling Tong Heaters) And Hand Dryers, Electric Smoothing Irons; Other Electro-Thermic Appliances Of A Kind Used For Domestic Purposes; Electric Heating Resistors, Other Than Those Of Heading 8545
330	8517	Telecom Instruments	Telephone Sets, Including Telephones For Cellular Networks Or For Other Wireless Networks; Other Apparatus For The Transmission Or Reception Of Voice, Images Or Other Data, Including Apparatus For Communication In A Wired Or Wireless Network (Such As A Local Or Wide Area Network), Other Than Transmission Or Reception Apparatus Of Heading 8443, 8525, 8527 Or 8528.

331	8519	Telecom Instruments	Sound Recording Or Reproducing Apparatus
332	8525	Telecom Instruments	Transmission Apparatus For Radio-Broadcasting Or Television, Whether Or Not Incorporating Reception Apparatus Or Sound Recording Or Reproducing Apparatus; Television Cameras, Digital Cameras And Video Camera Recorders
333	8526	Telecom Instruments	Radar Apparatus, Radio Navigational Aid Apparatus And Radio Remote Control Apparatus
334	8527	Telecom Instruments	Reception Apparatus For Radio-Broadcasting Whether Or Not Combined, In The Same Housing, With Sound Recording Or Reproducing Apparatus Or A Clock
335	8530	Electrical Machinery and Equipment	Electrical Signaling, Safety Or Traffic Control Equipment For Railways, Tramways, Roads, Inland Waterways, Parking Facilities, Port Installations Or Airfields (Other Than Those Of Heading 8608)
336	8535	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Electrical Apparatus For Switching Or Protecting Electrical Circuits, Or For Making Connections To Or In Electrical Circuits (For Example, Switches, Fuses, Lightning Arresters, Voltage Limiters, Surge Suppressors, Plugs And Other Connectors, Junction Boxes), For A Voltage Exceeding 1,000 Volts
337	8536	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Electrical Apparatus For Switching Or Protecting Electrical Circuits, Or For Making Connections To Or In Electrical Circuits (For Example, Switches, Relays, Fuses, Surge Suppressors, Plugs, Sockets, Lamp-Holders And Other Connectors, Junction Boxes), For A Voltage Not Exceeding 1,000 Volts: Connectors For Optical Fibres, Optical Fibre Bundles Or Cables
338	8539	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Electric Filament Or Discharge Lamps, Including Sealed Beam Lamp Units And Ultra-Violet Or Infra-Red Lamps; Arc-Lamps
339	8544	Misc Articles of base metals	Insulated (Including Enamelled Or Anodised) Wire, Cable (Including Co-Axial Cable) And Other Insulated Electric Conductors, Whether Or Not Fitted With Connectors; Optical Fibre Cables, Made Up Of Individually Sheathed Fibres,

			Whether Or Not Assembled With Electric Conductors Or Fitted With Connectors
340	8545	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Carbon Electrodes, Carbon Brushes, Lamp Carbons, Battery Carbons And Other Articles Of Graphite Or Other Carbon, With Or Without Metal, Of A Kind Used For Electrical Purposes
341	8546	Glass and Glassware	Electrical Insulators Of Any Material
342	8547	Ceramics and Allied Products	Insulating Fittings For Electrical Machines, Appliances Or Equipment, Being Fittings Wholly Of Insulating Material Apart From Any Minor Components Of Metal (For Example, Threaded Sockets) Incorporated During Moulding Solely For The Purposes Of Assembly, Other Than Insulators Of Heading 8546; Electrical Conduit Tubing And Joints Therefor, Of Base Metal Lined With Insulating Material
343	8701	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Tractors (Other Than Tractors Of Heading 8709)
344	8706	Auto Components/Parts	Chassis Fitted With Engines, For The Motor Vehicles Of Headings 8701 To 8705
345	8707	Auto Components/Parts	Bodies (Including Cabs), For The Motor Vehicles Of Headings 8701 To 8705
346	8708	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Parts And Accessories Of The Motor Vehicles Of Headings 8701 To 8705
347	8709	Auto Components/Parts	Works Trucks, Self-Propelled, Not Fitted With Lifting Or Handling Equipment, Of The Type Used In Factories, Warehouses, Dock Areas Or Airports For Short Distance Transport Of Goods; Tractors Of The Type Used On Railway Station Platforms; Parts Of The Foregoing Vehicles

348	8712	Bicycle & Parts	Bicycles And Other Cycles (Including Delivery Tricycles), Not Motorised
349	8713	Bicycle & Parts	Carriages For Disabled Persons, Whether Or Not Motorised Or Otherwise Mechanically Propelled
350	8714	Auto Components/Parts	Parts And Accessories Of Vehicles Of Headings 8711 To 8713
351	8715	Bicycle & Parts	Baby Carriages And Parts Thereof
352	8716	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Trailers And Semi-Trailers; Other Vehicles, Not Mechanically Propelled; Parts Thereof
353	9001	Optical Frames, Lenses, Sunglasses Etc	Optical Fibres And Optical Fibre Bundles; Optical Fibre Cables Other Than Those Of Heading No 8544; Sheets And Plates Of Polarising Material; Lenses (Including Contact Lenses), Prisms, Mirrors And Other Optical Elements, Of Any Material, Unmounted, Other Than Such Elements Of Glass Not Optically Worked
354	9002	Optical Frames, Lenses, Sunglasses Etc	Lenses, Prisms, Mirrors And Other Optical Elements, Of Any Material, Mounted, Being Parts Of Or Fittings For Instruments Or Apparatus, Other Than Such Elements Of Glass Not Optically Worked
355	9003	Optical Frames, Lenses, Sunglasses Etc	Frames And Mountings For Spectacles, Goggles Or The Like, And Parts Thereof
356	9004	Optical Frames, Lenses, Sunglasses Etc	Spectacles, Goggles And The Like, Corrective, Protective Or Other
357	9005	Medical and Scientific Instruments	Binoculars, Monoculars, Other Optical Telescopes And Mountings Therefor; Other Astronomical Instruments And Mountings Therefor, But Not Including Instruments For Radio-Astronomy
358	9006	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools,	Photographic (Other Than Cinematographic) Cameras; Photographic Flashlight Apparatus And Flash Bulbs Other Than Discharge Lamps Of

		Parts	Heading 8539
359	9007	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Cinematographic Cameras And Projectors Whether Or Not Incorporating Sound Recording Or Reproducing Apparatus
360	9008	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Image Projectors, Other Than Cinematographic; Photographic (Other Than Cinematographic) Enlargers And Reducers
361	9010	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Apparatus And Equipment For Photographic (Including Cinematographic) Laboratories Not Specified Or Included Elsewhere In This Chapter; Negatoscopes; Projection Screens
362	9011	Medical and Scientific Instruments	Compound Optical Microscopes, Including Those For Photomicro-Graphy, Cinephotomicrography Or Microprojection
363	9013	Medical and Scientific Instruments	Liquid Crystal Devices Not Constituting Articles Provided For More Specifically In Other Headings; Lasers, Other Than Laser Diodes; Other Optical Appliances And Instruments, Not Specified Or Included Else Where In This Chapter
364	9014	Medical and Scientific Instruments	Direction Finding Compasses; Other Navigational Instruments And Appliances
365	9015	Medical and Scientific Instruments	Surveying (Including Photogrammetrical Surveying), Hydrographic Oceanographic, Hydrological, Meterological Or Geo-Physcial Instruments And Appliances, ExcludingCompasses; Rangefinders
366	9017	Medical and Scientific Instruments	Drawing, Marking-Out Or Mathematical Calculating Instruments (For Example, Drafting Machines, Pantographs, Protractors, Drawing Sets, Slide Rules, Disc Calculators); Instruments For Measuring Length For Use In The Hand (For Example, Measuring Rods And Tapes, Micrometers, Callipers), Not Specified Or Included Elsewhere In This Chapter
367	9019	Medical and Scientific Instruments	Mechano-Therapy Appliances; Massage Apparatus; Psychological Aptitude-Testing Apparatus; Ozone Therapy, Oxygen Therapy, Aerosol Therapy, Artificial Respiration Or Other

			Therapeutic Respiration Apparatus
368	9020	Medical and Scientific Instruments	Other Breathing Appliances And Gas Masks, Excluding Protective Masks Having Neither Mechanical Parts Nor Replaceable Filters
369	9023	Medical and Scientific Instruments	Instruments, Apparatus And Models, Designed For Demonstrational Purposes (For Example, In Education Or Exhibitions), Unsuitable For Other Uses
370	9024	Medical and Scientific Instruments	Machines And Appliances For Testing The Hardness, Strength, Compressibility, Eleasticity Or Other Mechanical Properties Of Materials (For Example, Metals, Wood, Textiles, Paper, Plastics)
371	9025	Glass and Glassware	Hydrometers, And Similar Floating Instruments, Thermometers, Pyrometers, Barometers, Hygrometers And Psychrometers, Recording Or Not, And Any Combination Of These Instruments
372	9026	Medical and Scientific Instruments	Instruments And Apparatus For Measuring Or Checking The Flow, Level, Pressure Or Other Variables Of Liquids Or Gases (For Example, Flow Meters, Level Gauges, Manometers, Heat Meters), Excluding Instruments And Apparatus Of Heading 9014, 9015, 9028 Or 9032
373	9028	Medical and Scientific Instruments	Gas, Liquid Or Electricity Supply Or Production Meters, Including Calibrating Meters Therefor
374	9029	Medical and Scientific Instruments	Revolution Counters, Production Counters, Taximeters, Milo Meters, Pedometers And The Like; Speed Indicators And Tacho Meters, Other Than Those Of Heading 9014 Or 9015; Stroboscopes
375	9031	Medical and Scientific Instruments	Measuring Or Checking Instruments, Appliances And Machines, Not Specified Or Included Elsewhere In This Chapter; Profile Projectors
376	9033	Medical and Scientific Instruments	Parts and accessories (not specified or included elsewhere in this Chapter) for machines, appliances, instruments or apparatus of Chapter 90
377	9101	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools,	Wrist-Watches, Pocket-Watches And Other Watches, Including Stop-Watches, With Case Of Precious Metal Or Of Metal Clad With

		Parts	Precious Metal
378	9102	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Wrist-Watches, Pocket-Watches And Other Watches, Including Stop Watches, Other Than Those Of Heading 9101
379	9104	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Instrument Panel Clocks And Clocks Of A Similar Type For Vehicles, Aircraft, Spacecraft Or Vessels
380	9107	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Time Switches With Clock Or Watch Movement Or With Synchronous Motor
381	9110	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Complete Watch Or Clock Movements, Unassembled Or Partly Assembled (Movement Sets); Incomplete Watch Or Clock Movements, Assembled; Rough Watch Or Clock Movements
382	9111	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Watch Cases And Parts Thereof
383	9112	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Clock Cases And Cases Of A Similar Type For Other Goods Of This Chapter, And Parts Thereof
384	9113	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Watch Straps, Watch Bands And Watch Bracelets, And Parts Thereof
385	9114	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Other Clock Or Watch Parts
386	9201	Industrial Machinery, Electrical and	Pianos, Including Automatic Pianos;

		Engineerring items, IC Engine,Machine tools, Parts	HarpsiChords And Other Keyboard Stringed Instruments
387	9202	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Other String Musical Instruments (For Example, Guitars, Violins, Harps)
388	9205	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Wind Musical Instruments (For Example, Keyboard Pipe Organs, Accordions, Clarinets, Trumpets, Bagpipes) Other Than Fairground Organs And Mechanical Street Organs
389	9206	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Percussion Musical Instruments (For Example, Drums, Xylophones, Cymbols, Castanets, Maracas)
390	9207	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Musical Instruments, The Sound Of Which Is Produced, Or Must Be Amplified, Electrically (For Example, Organs, Guitars, Accordions)
391	9208	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Musical Boxes, Fairground Organs, Mechanical Street Organs, Mechanical Singing Birds, Musical Saws And Other Musical Instruments Not Falling Within Any Other Heading Of This Chapter; Decoy Calls Of All Kinds; Whistles, Call Horns And Other Mouth-Blown Sound Signalling Instruments
392	9209	Industrial Machinery, Electrical and Engineerring items, IC Engine,Machine tools, Parts	Parts (For Example, Mechanisms For Musical Boxes) And Accessories (For Example, Cards, Discs And Rolls For Mechanical Instruments) Of Musical Instruments; Metronomes, Tuning Forks And Pitch Pipes Of All Kinds
393	9303	Sports Goods	Other Firearms And Similar Devices Which Operate By The Firing Of An Explosive Charge (For Example, Sporting Shortguns And Rifles, Muzzle-Loading Firearms, Very Pistols And Other Devices Designed To Project Only Signal Flares, Pistols And Revolvers For Firing Blank Ammunition, Captive-Bolt Humane Killers, Line-Throwing Guns)

394	9304	Sports Goods	Other Arms (For Example, Spring, Air Or Gas Guns And Pistols, Truncheons), Excluding Those Of Heading 9307
395	9305	Industrial Machinery, Electrical and Engineering items, IC Engine,Machine tools, Parts	Parts And Accessories Of Articles Of Headings 9301 To 9304
396	9307	Industrial Machinery, Electrical and Engineering items, IC Engine,Machine tools, Parts	Swords, Cut Lasses, Bayonets, Lances And Similar Arms And Parts Thereof And Scabbards And Sheaths Thereof
397	9401	Industrial Machinery, Electrical and Engineering items, IC Engine,Machine tools, Parts	Seats (Other Than Those Of Heading 9402), Whether Or Not Convertible Into Beds, And Parts Thereof
398	9402	Industrial Machinery, Electrical and Engineering items, IC Engine,Machine tools, Parts	Medical, Surgical, Dental Or Veterinary Furniture (For Example, Operating Tables, Examination Tables, Hospital Beds With Mechanical Fittings, Dentists' Chairs); Barbers' Chairs And Similar Chairs, Having Rotating As Well As Both Reclining And Elevating Movements; Parts Of The Foregoing Articles
399	9403	Handicraft	Other Furniture And Parts Thereof
400	9404	Handicraft	Mattress Supports; Articles Of Bedding And Similar Furnishing (For Example, Mattresses, Quilts, Eiderdowns, Cushions, Pouffes And Pillows) Fitted With Springs Or Stuffed Or Internally Fitted With Any Material Or Of Cellular Rubber Or Plastics, Whether Or Not Covered
401	9405	Industrial Machinery, Electrical and Engineering items, IC Engine,Machine tools, Parts	Lamps And Lighting Fittings Including Searchlights And Spotlights And Parts Thereof, Not Elsewhere Specified Or Included; Illuminated Signs, Illuminated Name-Plates And The Like, Having A Permanently Fixed Light Source, And Parts Thereof Not Elsewhere Specified Or Included
402	9503	Toys	Tricycles, Scooters, Pedal Cars And Similar Wheeled Toys; Dolls' Carriages; Dolls; Other Toys; Reduced-Size ("Scale") Models And Similar Recreational Models, Working Or Not; Puzzles Of All Kinds.
403	9504	Sports Goods	Video Game Consoles And Machines, Articles

			For Funfair, Table Or Parlour Games, Including Pintables, Billiards, Special Tables For Casino Games And Automatic Bowling Alley Equipment
404	9505	Sports Goods	Festive, Carnival Or Other Entertainment Articles, Including Conjuring Tricks And Novelty Jokes
405	9506	Sports Goods	Articles And Equipment For General Physical Exercise, Gymnastics, Athletics, Other Sports (Including Table-Tennis) Or Out-Door Games, Not Specified Or Included Elsewhere In This Chapter; Swimming Pools And Paddling Pools
406	9507	Sports Goods	Fishing Rods, Fish-Hooks And Other Line Fishing Tackle; Fish Landing Nets, Butterfly Nets And Similar Nets; Decoy "Birds" (Other Than Those Of Heading 9208 Or 9705) And Similar Hunting Or Shooting Requisites
407	9508	Sports Goods	Roundabouts, Swings, Shooting Galleries And Other Fairground Amusements; Traveling Circuses, Traveling Menageries And Traveling Theatres
S.No	**ITC(HS) Code of 4 digit**	**Product Category**	**ITC (HS) Product Description**
408	9601	Handicraft	Worked Ivory, Bone, Tortoise-Shell, Horn, Antlers, Coral, Mother-Of-Pearl And Other Animal Carving Material, And Articles Of These Materials (Including Articles Obtained By Moulding)
409	9602	Handicraft	Worked Vegetable Or Mineral Carving Material And Articles Of These Materials Moulded Or Carved Articles Of Wax, Of Stearin, Of Natural Gums Or Natural Resins Or Of Modelling Pastes, And Other Moulded Or Carved Articles, Not Elsewhere Specified Or Inlcluded; Worked, Unhardened Gelatin (Except Gelatin Of Heading 3503) And Articles Of Unhardened Gelatin
410	9603	Handicraft	Brooms, Brushes (Including Brushes Constituting Parts Of Machines, Appliances Or Vehicles), Hand-Operated Mechanical Floor Sweepers, Not Motorised, Mops And Feather Dusters; Prepared Knots And Tufts For Broom Or

			Brush Making; Paint Pads And Rollers; Squeegees (Other Than Roller Squeegees)
411	9606	Handicraft	Buttons, Press-Fasteners, Snap-Fasteners And Press-Studs, Button Moulds And Other Parts Of These Articles; Button Blanks
412	9608	Paper, Stationary	Ball Point Pens; Felt Tipped And Other PorousTipped Pens And Markers; Fountain Pens; Stylograph Pens And Other Pens; Duplicating Stylos; Propelling Or Sliding Pencils; Pen Holders, Pencil Holders And Similar Holders; Parts (Including Caps And Clips) Of The Foregoing Articles, Other Than Those Of Heading 9609
413	9614	Handicraft	Smoking Pipes (Including Pipe Bowls) And Cigar Or Cigarette Holders And Parts Thereof
414	9617	Glass and Glassware	Vacuum Flasks And Other Vacuum Vessels, Complete With Cases; Parts Thereof Other Than Glass Inners
415	9619	Paper, Stationary	Sanitary Towels (Pads) And Tampons, Napkins And Napkin Liners For Babies And Similar Articles, Of Any Material
416	9701	Handicraft	Paintings, Drawings And Pastels, Executed Entirely By Hand, Other Than Drawings Of Heading 4906 And Other Than Hand-Painted Or Hand-Decorated Manufactured Articles; Collages And Similar Decorative Plaques

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HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

PUNJAB NATIONAL BANK

STATEMENT-DI-01

BRANCH OFFICE:______________
DISTINCTIVE NUMBER:_________
CIRCLE OFFICE:_______________

DEPOSIT INSURANCE INFORMATION FOR THE HALF YEAR ENDED 31.03.2018

(Rs in '000)

Sl. No.	PARTICULARS	No. of Accounts	Amount
1.	Deposit of any nature in the name of Foreign Governments (See instruction No.1 below)		
2	Deposits of Central Governments (See instruction No.2 below)		
3	Deposits of state Governments (See instruction No.3 below)		
4.	A. Amount held in Sundries Account (Total amount of only those entries is to be shown, which are held by the branches on account of amount received for credit of Depositor's accounts) including Surplus credited to "Sundry Accounts" after appropriating loan due from the proceeds of Term Deposits. B. Un-presented Drafts and Payment Orders held in the Depositor's accounts. C. Amounts representing Pay Orders/ Bankers Cheques / Demand Drafts issued by closing deposit accounts with or without reference to depositors, but remaining		

	unpaid		
	Total 4 (A+B+C)		

Instructions:

1. Deposits held in the **individual names of embassy officials** not to be included.

2. **To report the amount of deposits in the name of Govt. of India** or any of its Ministries / Departments. This includes Security Deposits (Earnest Money) held in the name of Government.

3. To report the amount of deposits in the name of any of the State Governments of India or any of its Ministries / Departments. This includes Security Deposits (Earnest Money) held in the name of Government.

Note on Item No. 2 and 3: Not to include the following items:-

A.Deposits of local authorities and quasi-government bodies like Municipal Corporations, District Boards, Housing and electricity Boards etc. which are separate legal entities.

B.Deposits of autonomous or statutory bodies, Government owned Corporations, Government Companies, Life Insurance Corporation, Industrial and State Financial Corporation etc.

C.Security Deposits and Earnest Monies held in the name of Government Departments on account of constituents which are payable to the constituents, if not claimed by Government.

D. Deposits held in the individual names of Government and Regimental Officers etc.

INCUMBENT INCHARGE **STATUTORY BRANCH AUDITOR**

(XII v a)

PUNJAB NATIONAL BANK

BRANCH _______________**DISTN. NO .** _____________

CIRCLE ________________**DATE** _________________

<u>WORK SHEET FOR COMPILATION OF STATEMENT- DI</u>

METHOD FOR CALCULATING NET ASSESSABLE DEPOSIT- 31.03.2018

Sl. No.	Particulars	Amount ('000)	To Tally With
1.	Total deposits as per Balance Sheet **as on 31.03.2018**		Balance Sheet Codes: 41099 + 41199 + 41299 + 41399
2.	**<u>Add:</u>** Sundries (Funds received for credit of Deposits Accounts)		Sl. No. 4 of the Statement DI-01
3	**<u>Add</u>**: Interest accrued on deposits excluding Saving Fund		Balance Sheet Codes: 41820 + 41830
4.	**<u>Add:</u>** Security deposits		Balance Sheet code no: 42251
5.	**<u>Less:</u>** Inter Bank Deposits		**<u>Total of</u>** (i) Balance Sheet Code:41011 (ii) Balance Sheet Code: 41311
6.	**<u>Less:</u>** Deposits from Foreign, Central or State Govts.		**<u>Total of</u>** Sl. No.1,2, 3 of Statement DI-01
7	Less: Term deposits of Two years and above, if any of the following nomenclature of accounts is not included while arriving at Assessable Deposits for calculation of premium payable to DICGC: - Army Group Insurance Directorate(AGID) - Naval Group Insurance fund		

	(NGIF) - Air Force Group Insurance Society		
8.	**NET ASSESSABLE DEPOSITS** **(1+2+3+4-5-6-7)**		**This amount will be equivalent to grand total of Deposits in the Statement DI-O2.**

INCUMBENT INCHARGE **STATUTORY BRANCH AUDITOR**

(XII v b)

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI
PUNJAB NATIONAL BANK

STATEMENT-DI-02

BRANCH OFFICE:_________________________
DISTINCTIVE NUMBER:____________________
CIRCLE OFFICE:__________________________

STATEMENT SHOWING DISTRIBUTION OF NET ASSESSABLE DEPOSITS ACCOUNTS ACCORDING TO SIZE AS ON LAST DAY OF March, 2018 i.e.31.03.2018

Serial. No.	NET ASSESSABLE DEPOSIT	Number of Accounts	Amount of Deposits ('000)
(i)	Upto and inclusive of Rs. 1,00,000/-		
(ii)	Over Rs. 1,00,000/- and upto Rs. 2,00,000/-		
(iii)	Over Rs. 2,00,000/- and upto Rs. 3,00,000/-		
(iv)	Over Rs. 3,00,000/-		
	GRAND TOTAL		This amount will be equivalent to the grand total deposits in the work sheet for compilation of statement -D I.

INCUMBENT INCHARGE **STATUTORY BRANCH AUDITOR**

(XII v c)

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI
PUNJAB NATIONAL BANK

STATEMENT-DI-01

BRANCH OFFICE:______________

DISTINCTIVE NUMBER:_________

CIRCLE OFFICE:_______________

DEPOSIT INSURANCE INFORMATION FOR THE HALF YEAR ENDED 30.09.2017

(Rs in '000)

Sl. No.	PARTICULARS	No. of Accounts	Amount
1.	Deposit of any nature in the name of Foreign Governments (See instruction No.1 below)		
2	Deposits of Central Governments (See instruction No.2 below)		
3	Deposits of state Governments (See instruction No.3 below)		
4.	A. Amount held in Sundries Account (Total amount of only those entries is to be shown, which are held by the branches on account of amount received for credit of Depositor's accounts) including Surplus credited to "Sundry Accounts" after appropriating loan due from the proceeds of Term Deposits. B. Un-presented Drafts and Payment Orders held in the Depositor's accounts. C. Amounts representing Pay Orders/ Bankers Cheques / Demand Drafts issued by closing deposit accounts with or without reference to depositors, but remaining unpaid		
	Total 4 (A+B+C)		

Instructions:

1. Deposits held in the **individual names of embassy officials** not to be included.

2. **To report the amount of deposits in the name of Govt. of India** or any of its Ministries / Departments. This includes Security Deposits (Earnest Money) held in the name of Government.

3. To report the amount of deposits in the name of any of the State Governments of India or any of its Ministries / Departments. This includes Security Deposits (Earnest Money) held in the name of Government.

Note on Item No. 2 and 3 : Not to include the following items:-

A.Deposits of local authorities and quasi-government bodies like Municipal Corporations, District Boards, Housing and electricity Boards etc. which are separate legal entities.

B.Deposits of autonomous or statutory bodies, Government owned Corporations, Government Companies, Life Insurance Corporation, Industrial and State Financial Corporation etc.

C.Security Deposits and Earnest Monies held in the name of Government Departments on account of constituents which are payable to the constituents, if not claimed by Government.

D.Deposits held in the individual names of Government and Regimental Officers etc.

INCUMBENT INCHARGE **STATUTORY BRANCH AUDITOR**

(XII v d)

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI
PUNJAB NATIONAL BANK

BRANCH _______________**DISTN. NO.** _____________

CIRCLE ________________**DATE** _________________

<u>WORK SHEET FOR COMPILATION OF STATEMENT- DI</u>

METHOD FOR CALCULATING NET ASSESSABLE DEPOSIT- 30.09.2017

Sl. No.	**Particulars**	**Amount ('000)**	**To Tally With**
1.	Total deposits as per Balance Sheet **as on 30.09.2017**		Balance Sheet Codes: 41099 + 41199 + 41299 + 41399
2.	**<u>Add:</u>** Sundries (Funds received for credit of Deposits Accounts)		Sl. No. 4 of the Statement DI-01
3.	**<u>Add</u>:** Interest accrued on deposits excluding Saving Fund		Balance Sheet Codes: 41820 + 41830
4.	**<u>Add:</u>** Security deposits		Balance Sheet code no: 42251
5.	**<u>Less:</u>** Inter Bank Deposits		**<u>Total of</u>** (i) Balance Sheet Code:41011 (ii) Balance Sheet Code: 41311
6.	**<u>Less:</u>** Deposits from Foreign, Central or State Govts.		**<u>Total of</u>** Sl. No.1,2, 3 of Statement DI-01
7	Less: Term deposits of Two years and above, if any of the following nomenclature of accounts is not included while arriving at Assessable Deposits for calculation of premium payable to DICGC: - Army Group Insurance Directorate(AGID) - Naval Group Insurance fund (NGIF) - Air Force Group Insurance Society		
8.	**NET ASSESSABLE DEPOSITS (1+2+3+4-5-6-7)**		**This amount will be equivalent to grand total of Deposits in the Statement DI-O2.**

INCUMBENT INCHARGE **STATUTORY BRANCH AUDITOR**

(XII v e)

PUNJAB NATIONAL BANK

STATEMENT-DI-02

BRANCH OFFICE:_________________________

DISTINCTIVE NUMBER:____________________

CIRCLE OFFICE: _________________________

STATEMENT SHOWING DISTRIBUTION OF NET ASSESSABLE DEPOSITS ACCOUNTS ACCORDING TO SIZE AS ON LAST DAY OFSEPT, 2017 i.e. 30.09.2017

Serial. No.	NET ASSESSABLE DEPOSIT	Number of Accounts	Amount of Deposits ('000)
(i)	Upto and inclusive of Rs. 1,00,000/-		
(ii)	Over Rs. 1,00,000/- and upto Rs.2,00,000/-		
(iii)	Over Rs. 2,00,000/- and upto Rs. 3,00,000/-		
(iv)	Over Rs. 3,00,000/-		
	GRAND TOTAL		This amount will be equivalent to the grand total deposits in the work sheet for compilation of statement -D I.

INCUMBENT INCHARGE **STATUTORY BRANCH AUDITOR**

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HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

ANNEXURE-FLCs/FLGs (Branch)

PUNJAB NATIONAL BANK

BRANCH OFFICE :____ **DIST No.______** **CIRCLE______**

FLCs & FLGs* (inclusive of DPGs) Outstanding as on 31.03.2018**

FLC

Currency	**FLC Outstanding (FC) in Units**	**Commitment rate**	**Equivalent Rupees (in Units)**	**FEDAI Rate**	**Equivalent Rupees (in Units)**
USD					
EURO					
GBP					
YEN					
TOTAL			**(**To tally with Balance sheet Code 45113+45114)		

****** Certified that FLC balance tallied as per Balance Sheet (Code 45113+45114) Rs.___________.

FLG

Currency	**FLG Outstanding (FC) in Units**	**Commitment rate**	**Equivalent Rupees (in Units)**	**FEDAI Rate**	**Equivalent Rupees (In Units)**
USD					
EURO					
GBP					
YEN					
TOTAL			**(**To tally with Balance sheet Code 45116)		

***** Certified that FLG balance tallied as per Balance Sheet (Code 45116)
Rs.________________

Date:

STAMP **INCUMBENT INCHARGE** **STATUTORY BRANCH AUDITOR**

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

CONSOLIDATED SHEET FOR THE CIRCLE OFFICES ONLY **ANNEXURE-FLCs / FLGs (Circle)**

PUNJAB NATIONAL BANK

CIRCLE OFFICE :_____ **DIST No._______**

FLCs & FLGs* (inclusive of DPGs) Outstanding as on 31.03.2018**

FLC

Currency	FLC Outstanding (FC) in Units	Commitment rate	Equivalent Rupees (in Units)	FEDAI Rate	Equivalent Rupees (in Units)
USD					
EURO					
GBP					
YEN					
TOTAL			(To be tallied with BalanceSheetCode 45113+45114)		

****** Certified that FLC balance tallied as per Balance Sheet (Code 45113+45114) Rs.____________.

FLG

Currency	FLG Outstanding (FC) in Units	Commitment rate	Equivalent Rupees (in Units)	FEDAI Rate	Equivalent Rupees (In Units)
USD					
EURO					
GBP					
YEN					
TOTAL			(To be tallied with Balance sheet Code 45116)		

***** Certified that FLG balance tallied as per Balance Sheet (Code 45116) Rs.__________________

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

Certified that FLC-FLG Certificates signed by Branch Head & Auditor for all the Branches under our jurisdiction are held on record.

Date:

STAMP **CHIEF MANAGER / AGM** **CIRCLE HEAD**

(XII vi)

Annexure: Impersonal Heads

PUNJAB NATIONAL BANK

BRANCH:_________DIST. No._____CIRCLE OFFICE:_____________

DETAILS OF SUSPENSE ENTRIES OUTSTANDING FOR MORE THAN 1 YEAR AS ON 31.03.2018 & OTHER IMPERSONAL HEADS

(AMOUNT IN RUPEES)

Part-A: Suspense: Item(s) of not of adjustable nature e.g. Almost Permanent nature i.e. Advance rent payment, entries pertaining to Govt. or Govt Department e.g. Pension, Gratuity, Interest subvention, Export Subvention, Deposit with Govt. Deptt. as security, Deposit with court as deposit/ Security etc.

S.No.	Date Of Entry	Amount of Entry	Details Of Nature Of Entry and Reasons For Non-Adjustment*
1.			
2.			
3.			
4.			
5.			
Sub total Part A			

Part-B : Other than Part -A (This will include Suspense entries other than reported in Part"A" and Inter Bank & Clearing Difference Receivable etc.)

1.			
2.			
3.			
4.			
5.			
6.			
Sub total of Part B			
Total of Part A + B			

*** BRANCHES MUST ENSURE TO CLEARLY INDICATE THE NATURE OF ENTRY IN SUSPENSE e.g**

- Entry pertaining to Interest Subvention/Export Subvention/Pension Paid
- Whether entry is **not of adjustable nature i.e. almost Permanent nature** and relates to Govt./Quasi Govt /Public Sector Undertaking / Bank / Margin Money / Earnest Money / Advance Payment/Token Money/Advance Payment made to the Land lord/ deposit with Govt. Deptt. as security/ Deposit with

Court as deposit/ Security etc. **OR any other valid reason (specify).** (The above examples are merely suggestive in nature and not exhaustive, Branches must ensure that correct amount/information be submitted so that necessary action may be initiated.)

Dealing Official **Incumbent Incharge** **Statutory Auditor (With Seal)**

(XII vii)

Annexure – Unsecured Advances

Punjab National Bank ___________
Branch Office ……………………….
Distinctive No. ………………………
Circle ………………………………..

PRUDENTIAL NORMS ON UNSECURED ADVANCES – ADDITIONAL DISCLOSURE AS ON 31.03.2018

(Rs. in lakh)

Sl. No.	Particulars	Infrasture		Others	
		Limit	O/s.	Limit	O/s.
1.	**Amount of Unsecured Exposure** (Fund Based) **which is secured by intangible securities such as charge over the rights, licenses, authority etc.**				
2.	**The estimated value of Intangible Securities as stated at 1 above**				
3.	**Amount of Unsecured Exposure** (Non Fund Based) **which is secured by intangible securities such as charge over the rights, licenses, authority etc.**				
4.	**The Estimated Value of Intangible Securities as stated at 3 above.**				

Note: Please refer L&A Circular No. 105 dated 31.12.2016.

OFFICER/MANAGER INCUMBENT INCHARGE

PNB/CAD/US/1

(XII viii)

Annexure- PMEGP- "A"

PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)

(To be issued by Incumbents Incharge of branches which are not selected for statutory audit)

SUBSIDY CLAIM CERTIFICATE

FINANCIAL YEAR 2017-2018

PUNJAB NATIONAL BANK

BRANCH ____________________

CIRCLE_______________________

We certify that the claim of Rs.______________(Rupees_______________________

_______________only) for the financial year from 1st April 2017 to 31st March, 2018 made by our branch in respect of subsidy due under PMEGP Scheme for the programme year 2017-18 is correctly detailed hereunder:

(Amount in Rs.)

PROGRAMME YEAR	TOTAL SUBSIDY CLAIMED DURING FY 2017-18			
	SUBSIDY CLAIMED		SUBSIDY RECEIVED	
	No.	Amount	No.	Amount
2017-18				

SEAL **INCUMBENT INCHARGE**

PLACE:_________________

DATE:__________________

(XII ix a)

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

Annexure- PMEGP- "B"

PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)

(In case of Audited branches)

PUNJAB NATIONAL BANK
BRANCH ____________________DISTINCTIVE NO.______________________
CIRCLE OFFICE ______________________________ FINANCIAL YEAR 2017-2018

SUBSIDY CLAIM CERTIFICATE

We certify that the claim of Rs.______________(Rupees___________________________________ only) for the financial year from 1st April 2017 to 31st March, 2018 made by the branch in respect of subsidy due under PMEGP Scheme for the programme year 2017-18 is correctly detailed hereunder: (Amount in Rs.)

PROGRAMME YEAR 2017-18	TOTAL SUBSIDY CLAIMED DURING FY 2017-18			
	SUBSIDY CLAIMED		SUBSIDY RECEIVED	
	No.	Amount	No.	Amount

PLACE : **SEAL** **INCUMBENT INCHARGE**
DATE :

AUDITOR's CERTIFICATE

We have examined the claim of Rs.____________ (Rupees_____________________________ only) for the financial year from 1st April 2017 to 31st March, 2018 made by __________________Branch of Punjab National Bank in respect of subsidy due under Prime Minister's Employment Generation Programme (PMEGP) Scheme framed by Ministry of MSME, Govt. of India, for the programme year 2017-18 with the books of accounts and other records at the Branch, as detailed hereunder:

PROGRAMME YEAR 2017-18	TOTAL SUBSIDY CLAIMED DURING FY 2017-18			
	SUBSIDY CLAIMED		SUBSIDY RECEIVED	
	No.	Amount	No.	Amount

On the basis of such examination of records and registers and statements and information/explanation of records, we certify that to the best of our knowledge and belief the claim of Rs._____________ (Rupees ___________________________________only) is correct.

SEAL

STATUTORY BRANCH AUDITOR

PLACE:__________________
DATE:____________________

(XII ix b)

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI
Name of the Circle:

Annexure- PMEGP- "C"

The Chief Manager
MSME Division, H.O.
4th Floor, Plot No.4, Sector-10
Dwarka, New Delhi-110075

PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME(PMEGP)
SUBSIDY CLAIMED AND RECEIVED IN FINANCIAL YEAR 2017-18
(To be compiled by Circle Offices for all the branches, Audited and Unaudited)
(Amt. in Rs.)

S. No	Name of the Branch	D. No.	TOTAL SUBSIDY CLAIMED DURING FY 2017-18			
			SUBSIDY CLAIMED		SUBSIDY RECD.	
			No.	Amount	No.	Amount
A	Audited Branches					
1						
2						
3						
	Total of Audited Branches					
B	Unaudited Branches					
1						
2						
3						
	Total of Unaudited Branches					
	Grand Total					

Signature:

(XII ix c)

(To be submitted by the Branch to concerned Circle Office)

Annexure-CLCSS-1

PUNJAB NATIONAL BANK

Branch: _______
Circle: ________
Date: _______________

The Chief Manager
Punjab National Bank
MSME Division, H.O.
4th Floor, Plot No.4, Sector-10
Dwarka, New Delhi-110075

SUBSIDY UTILISATION CERTIFICATE UNDER CREDIT LINKED CAPITAL SUBSIDY SCHEME (CLCSS) FOR TECHNOLOGY UPGRADATION OF MICRO & SMALL ENTERPRISES

Certificate for the year ended 31st March, 2018 in respect of Capital Subsidy Received by Punjab National Bank (Branch/Circle Office________________)

This is to certify that during financial year 2017-18 an amount of Rs_____________ (Rs____ _only) has been received by our Branch released from Punjab National Bank, MSME Division, H.O, New Delhi (Nodal Agency) from 01.04.2017 to 31.03.2018 towards Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Upgradation of Micro & Small Enterprises.

It is certified that the above said amount has been disbursed to the concerned Enterprises against their claims of Capital Subsidy under Credit Linked Capital Subsidy Scheme of Ministry of MSME, GOI during 01.04.2017 to 31.03.2018 and the amount has been kept under FDR/TDR for three years from date of receipt of subsidy. It is further certified that the amount of subsidy has been utilized for the purpose it was sought and as per the provisions of the Credit Linked Capital Subsidy scheme of Ministry of MSME, GOI.

List of CLCSS Beneficiaries during the financial year 2017-18

S.No.	Name of Unit	TL Account No.	Amount of Subsidy	Account No. of FDR/TDR

(Attach separate list if required)

Signature/Seal of Incumbent Incharge **Signature/Seal of Auditor**
Date:

(XII x a)

(To be submitted by Circle Office/s to MSME Division, HO)

Annexure-CLCSS-2

PUNJAB NATIONAL BANK

Circle Office: ___________________

Name of the Scheme: CLCSS for Technology Upgradation of Micro and Small Enterprises (Ministry of MSME, GOI)

S.No.	Name of Branch	Sol Id	CLCSS Subsidy received during FY 2017-18 (Rs.)	Audited/ Unaudited
		TOTAL		

Certified that no branch other than mentioned above has received any subsidy under CLCSS.

Authorised Signatory
(CM/ AGM)

Seal:

Date:

NOTE:

i) Copy of the certificates (Annexure-CLCSS-1) is to be annexed only in case of branches having received any amount of subsidy under CLCSS during FY-2017-18.

(XII x b)

ANNEXURE-TUFS-NON-SSI

PUNJAB NATIONAL BANK

BRANCH ______________________ DISTN. NO .______

CIRCLE ________________________DATE____________

Technology Upgradation Fund Scheme (TUFS)- Non-SSI Textile Sector

Certificate for the year ended 31st March, 2018 in respect of interest reimbursement/ Capital subsidy received by Punjab National Bank (Branch/Circle_________________)

We have verified the records/books of above Branch and certify that during the FY 2017-2018 an amount of Rs.___________(Rupees __________________________________only) has been received by it from PUNJAB NATIONAL BANK, HEAD OFFICE, TUFS CELL CAD from 01.04.2017 to 31.03.2018 as under:

TUFS, R- TUFS & RR-TUFS **separately** for Non-SSI Textile Sector as under:

TUFS - **Rs.** _______________(Rupees ________________________________ only)

R-TUFS- **Rs.** ______________(Rupees _________________________________only)

RR-TUFS- **Rs.** ____________(Rupees _________________________________only)

Total **Rs.** _________________(Rupees ________________________________ only)

It is further certified that the claims in respect of which interest reimbursement/ capital subsidy was received from ministry of Textiles under the TUFS for the FY 2017-2018 have been processed by the above Branch, in conformity with the guidelines under TUFS issued by Office of the Textile Commissioner/Ministry of Textiles, Government of India, from time to time.

Place:

Date:

SIGNATURE OF THE INCUMBENT (With Seal)

STATUTORY BRANCH AUDITORS

Seal:

(XII xi)

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI
(To be submitted by the Branch to concerned Circle Office)

ANNEXURE TUFS (MSE)-1

PUNJAB NATIONAL BANK

Branch:________
Circle:________
Date: ________

The Chief Manager,
MSME Division, HO.
Plot No.4, Dwarka, Sector-10
New Delhi-110075

Subsidy Utilization Certificate Under
Technology Up gradation Fund Scheme (TUFS)-Textile Sector
For Micro & Small (MSE) units

Certificate for the year ended 31st March, 2018 in respect of Interest/Capital Subsidy Received by Punjab National Bank (Branch/Circle Office: ____________)

This is to certify that during financial year 2017-18 an amount of Rs. _______ (Rupees __________) has been received by our branch for the claims lodged by us, released from Punjab National Bank MSME Division, HO, New Delhi from 01.04.2017-31.03.2018 towards interest subsidy /Capital subsidy under TUFS for MSE textile sector.
It is certified that the above said amount has been disbursed to the concerned Micro & Small Enterprises against their claims of interest/Capital subsidy under TUFS for MSE Textile sector during 01.04.2017-31.03.2018. It is further certified that the amount of subsidy has been utilized for the purpose it was sought and as per the provisions of the TUFS scheme (Ministry of Textiles, GOI), as per detail below-

TUFS subsidy details received during FY 2017-18

S.no.	Unit Name	Loan Account No.	Amount of loan (in Rs.)	Subsidy Details				
				Quarter	Subsidy received from HO MSME Division (in	Date of Receipt of subsidy	Date of credit in to beneficiary's account	Account number in which Subsidy is cred

					Rs.)			ited

(Attach separate list, if required)

Signature/Seal of Incumbent In charge

Signature/Seal of Auditor

(XII xii a)

(To be submitted by Circle Office/s to MSME Division, HO)

Annexure-TUFS (MSE)-2

PUNJAB NATIONAL BANK

Circle Office: ____________________

Name of the Scheme: Technology Up-gradation Fund Scheme-TUFS (Ministry of Textiles, GOI)

S.No.	Name of Branch	Sol Id	TUFS (SSI) Subsidy received during FY 2017-18 (Rs.)	Audited/ Unaudited
		TOTAL		

Authorised Signatory
(CM/ AGM)

Seal:

Date:

NOTE:

i) Copy of the certificates (Annexure-TUFS (MSE)-1) is to be annexed only in case of branches having received any amount of subsidy under TUFS-SSI during FY-2017-18.

(XII xii b)

ANNEXURE

PUNJAB NATIONAL BANK
BRANCH ___________________
DISTN. NO.__________________
DATE _____________________

Certificate pertaining to recoveries in Claims Paid Accounts under Small Loan Guarantee Scheme, 1971, and Small Loan (SSI) Guarantee Scheme, 1981/Govt.'s Scheme for small scale industries (since cancelled) – remittances made to Corporation under Subrogation Rights – Statement for the period from 1st April 2017 to 31st March 2018.

Certified that Branch Office_______________ has not remitted the share of the deposit insurance and credit guarantee corporation out of recoveries effected since 1.4.2017 to 31.3.2018 in claims paid accounts on the due date as prescribed by the corporation vide its Circular No.10/93-94 and 85 dated 14th February 1994 and 7th July 1995 respectively and that a sum of Rs.______________ is held by the branch during the said period to be shared with DICGC.

This is the true and correct position as on 31.3.2018 as per the books of accounts of the bank.

Sector-wise breakup of the amount held by the branch during 1.4.2017 to 31.3.2018 is as under:-

SLGS 1971 Rs.	SL(SSI)GS, 1981 Rs.	Govt.'s Scheme for Small Scale Industries (Since Cancelled) Rs.	Total Rs.	Remarks, if any

BRANCH HEAD

Signature of Auditor	
Seal	Date

(XII xiii)

Claim for regular Interest Subvention on loans to women SHGs at 7% per annum, for the credit up-to 3 Lakhs, for the year 2017-18

PUNJAB NATIONAL BANK
BRANCH __________________
DISTN. NO.________________
CIRCLE ___________________
DATE ____________________

Statement for claims for the perio 01.04.2017 to 31.03.2018 Loans disbursed/outstanding up-to 3 lakhs

New loans accounts opened during the period 01.04.17 to31.03.2018		**Outstanding as at 31.03.2017(end of pervious period)**		**Total Outstanding as at 31.03.2018**		**Amount of interest subvention**
No of A/Cs	**Amount**	**No of A/Cs**	**Amount**	**No of A/Cs**	**Amount**	**Amount**

We hereby certify that loans to women SHGs up-to 3 lakhs were charged Interest @ 7% per annum on the above disbursement/outstanding in the year 2017-18. We certify that the above claimed amount and the accounts are from the Category-I districts only and all the accounts claimed are eligible for interest subvention as per RBI guidelines. We also certify that there is no duplication in the claims and with minimal human intervention while submitting the regular claim or additional interest subvention claim from the branch level onwards

Dated

Signature/Seal of Incumbent In charge Signature/Seal of Auditor

(This claim format, consolidated for the year, needs to be duly certified by Statutory Auditors and submitted along with the claims for the quarter ending March 31st, within June 30th of the next financial year)

(XII xiv a)

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

PUNJAB NATIONAL BANK

BRANCH ____________________

DISTN. NO.__________________

CIRCLE _____________________

DATE ______________________

Claim for additional Interest Subvention @ 3% on the prompt repayment, for the credit up-to ` 3 Lakhs, for the year 2017-18

Name of Bank:

Statement for claims for the period 01.04.2017 to 31.03.2018: Loans disbursed/outstanding upto ` 3 lakhs

New loans accounts opened during the period 01.04.2017 to 31.03.2018		**Outstanding as at 31.03.2017(end of pervious period)**		**Total outstanding as at 31.03.2018** -----------------------		**Regular/eligible women SHGs**		**Amount of interest subvention**
No of A/Cs	**Amount**	**No of A/Cs**	**Amount**	**No of A/Cs**	**Amount**	**No of A/Cs**	**Amount**	**Amount**

We certify that the above loans were repaid on time and the benefit of additional 3% interest subvention has been passed on to the women SHGs account, reducing the effective rate of interest to 4% for the prompt payee women SHGs. There is minimal human intervention while submitting the regular claim or additional interest subvention claim from the branch level onwards.

Signature/Seal of Incumbent In charge Signature/Seal of Auditor

(This claim format, consolidated for the year, needs to be duly certified by Statutory Auditors and submitted along with the claims for the quarter ending March 31st, within June 30th of the next financial year)

(XII xiv b)

CGTMSE - "A"

CREDIT GUARANTEE TRUST FOR MICRO AND SMALL ENTERPRISES (CGTMSE)

(TO BE ISSUED BY INCUMBENTS INCHARGE OF BRANCHES WHICH ARE NOT SELECTED FOR STATUTORY AUDIT)

CGTMSE RECOVERY CERTIFICATE

FINANCIAL YEAR 2017-2018

PUNJAB NATIONAL BANK

BRANCH ____________________ **DISTINCTIVE NO.** _____________

CIRCLE_______________________ **ZO :** _______________________

We certify that the recovery of Rs.______________(Rupees_______________________

_______________only) during the financial year from 1st April 2017 to 31st March, 2018 made by our branch in respect of a/c where CGTMSE claim has been received/settled is correctly detailed hereunder:

(Amount in Rs.)

S.No.	Name of Borrower	CGPAN	Account No.	Recovery Received during FY 2017-18	
				Date of recovery	Date of remittance

SEAL **INCUMBENT INCHARGE**

PLACE:_________________

DATE:__________________

Signature of Concurrent Auditor
(In case branch is under Concurrent Audit)

(XII xv a)

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

CGTMSE "B"

CREDIT GUARANTEE TRUST FOR MICRO AND SMALL ENTERPRISES (CGTMSE)
(IN CASE OF AUDITED BRANCHES)

PUNJAB NATIONAL BANK

BRANCH ____________________ **DISTINCTIVE NO.____________**
CIRCLE OFFICE ________________ **ZO: ________________________**

FINANCIAL YEAR 2017-2018

CGTMSE RECOVERY CERTIFICATE

We certify that the recovery of Rs.________________(Rupees________________________ ________________only) during the financial year from 1st April 2017 to 31st March, 2018 made by our branch in respect of a/c where CGTMSE claim has been received/settled is correctly detailed hereunder:

(Amount in Rs.)

S.No.	Name of Borrower	CGPAN	Account No.	Recovery Received during FY 2017-18	
				Date of recovery	Date of remittance

SEAL **INCUMBENT INCHARGE**

PLACE:__________________
DATE:___________________

AUDITOR's CERTIFICATE

We have examined the amt. of recovery of Rs.____________ (Rupees_____________________________ only) as detailed above during the financial year from 1st April 2017 to 31st March, 2018 made by __________________Branch of Punjab National Bank for the financial year 2017-18 with the books of accounts and other records at the Branch.

On the basis of such examination of records and registers and statements and information/explanation of records, we certify that to the best of our knowledge and belief the amt. of recovery of Rs._____________ (Rupees ___________________________________only) is correct.

SEAL

STATUTORY BRANCH AUDITOR

(XII xv b)

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

CGTMSE - "C"

CREDIT GUARANTEE TRUST FOR MICRO AND SMALL ENTERPRISES (CGTMSE)

(CONSOLIDATED CERTIFICATE TO BE SENT TO HO BY CO)

CGTMSE RECOVERY CERTIFICATE

FINANCIAL YEAR 2017-2018

PUNJAB NATIONAL BANK

CIRCLE________________________ **ZO:** ________________________

MLI NO. ________________________

We certify that the recovery of Rs.________________(Rupees_________________________ ________________only) during the financial year from 1st April 2017 to 31st March, 2018 made by our branches in respect of a/c where CGTMSE claim has been received/settled is correctly detailed hereunder:

(Amount in Rs)

S.No.	Name of Branch	Branch Dist. No.	No. of Certificate	No. of borrowers	Total amt. of Recovery

SEAL **CIRCLE HEAD**

PLACE:__________________

DATE:___________________

(XII xv c)

CHAPTER – 13: LONG FORM AUDIT REPORT (LFAR)

Statutory Auditors are required to submit LFARs of the branches/offices to respective branch, Circle Office/Zonal Office# & Finance Division, commenting upon our Bank's systems and procedures and scrutinize their implementation at field level.

 # LFAR of LCBs shall also be submitted to respective Zonal Office through email.

The formats for the LFAR provided by RBI vide their circular No.DBS.CO.PP.BC.11/11.01.005/2001-2002 dt.17.4.2002, are explained below:

1. **Annexure-A** format for LFAR of the Branches

2. **Annexure-B** format for Specialized Branches dealing in Foreign Exchange Transactions

3. **Annexure-C** format for Specialized Branches dealing in very Large Advances such as Corporate Banking Branches and Industrial Finance Branches or Branches with advances in excess of Rs.100 Crore.

4. **Annexure-D** format for Specialized Branches dealing in Recovery of NPAs

5. **Annexure-E** format for Specialized Branches dealing in clearing house operations.

6. **Annexure-F** format for Large/Irregular/Critical advance accounts (to be obtained from branches dealing in Large Advances/Asset Recovery Branches)

All above Annexure are available in **CFA** (an in-house developed web application) i.e. at home page of CFA/after login in CFA by the branches & filling respective Annexure in the field “LFAR Posting” & “Posting-Annexure to LFAR”.

In addition to above formats / templates (Annexure A to Annexure F), following formats / templates pertaining to Long Form Audit Report will be made available in the CFA website for downloading/filing in respective Annexure: -

7. **Annexure-G** format for Long Form Audit Report of the Circles
8. **Annexure** to the above Annexure [Annexure a to z except f, g & p (small letters),
   Annexure B/I, C/I & D/I, D/II, D/III, D/IV, D/V].
9. **CFA LFAR Manual/Operational guidelines** for working in the Digitalized version of the LFAR.
10. **Annexure-H** format for monthly progress report of the Circle/Zone.

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

PROCEDURE/INSTRUCTIONS FOR THE YEAR 2017-18:-

At Branch Office

1. From the Financial Year 2012-13, the system of sending hard copies of Long Form Audit Report has been replaced by on-line submission of digitally signed LFAR.

2. The format of LFAR and the annexure / templates for recording of account - wise observations of the Statutory Auditors will be made available in the '**CFA**' (an in-house developed web application) for downloading/filling. The operational guidelines regarding the Digitalized version of LFAR will also be placed in the same web application.

3. Formats for LFAR **i.e. Annexure A, Annexure F and Annexure to Annexure B, C & D are available in CFA which should be downloaded first by the branch for completion. After completion, all Annexure are to be mandatorily uploaded in CFA duly digitally signed.**

4. Annexure **B to E** (meant for specialised branches) and Annexure to LFAR (Annexure **a to z**) shall be available in the **CFA** and are to be filled on line and submitted after appending digital signatures.

5. All branches under Audit must compile / prepare and keep Annexure **F (i.e. large / irregular / critical borrowal loan accounts outstanding of Rs. 2 crores and above)** ready with all the data well in advance for audit and for auditor's certification/ observations. Branch incumbents should be ready with necessary data / information before commencement of audit, which is crucial for the successful implementation of Digitalized LFAR.

6. Branches should ensure that comments proposed in LFAR are discussed with the auditors and are based on facts & figures. Branches should also ensure that Long Form Audit is completed simultaneously with the Statutory Audit. It should be ensured that the irregularities/deficiencies are removed on the spot to the extent possible and the report is clean.

7. It should be ensured that irregularities/deficiencies related to documentation do not figure in the LFAR and rectification should be undertaken simultaneously during the course of audit.

8. It may be noted that no change shall be permitted in the Long Form Audit Report after it has been digitally signed. If any change is necessary, the report has to be digitally signed again.

9. Reply to the outstanding items of branch LFAR should be submitted to respective Circle Offices (for other than LCBs)/ Zonal Offices (In case of LCBs only) on regular basis so that all irregularities are marked off at the earliest.

10. Branches should remove irregularities pointed out in LFAR on priority basis and submit regular progress report to the respective **Circle Head / Zonal Manager who is empowered to drop/mark off the items*.**

    Note: In case of LCBs, progress report shall be submitted to the respective Zonal Manager, who will be competent authority to drop/mark off the item.

<u>**At Circle Office / Zonal Office**</u>

1. **Circle offices have to consolidate Circle LFAR on Annexure G on the basis of LFAR of branches which shall also enclose consolidated annexure to LFAR (a to z) and Annexure F. (Only those Annexure F are to be included in the Annexure G where auditors have given some observations).**

   Consolidated Annexure to LFAR (a to z) shall be available to the circles through the system.

   Circle Offices should finalize the Circle LFAR as per format (Annexure-'G') simultaneously with the progress of audit and ensure to submit the same to Finance Division by 25th April 2018.

2. Circle Offices to ensure compliance of all operational guidelines and also timely submission of LFAR in digitalized form.

3. It has been observed that the irregularities observed by auditors in branch LFAR are, by and large, of the nature of our Internal Inspection objections/observations and there are overlapping of certain items between Inspection Report and LFAR.

4. Immediately on receipt of LFAR from branches, Circle Offices (for other than LCBs)/ Zonal Offices (In case of LCBs only) should go through the Inspection Report of the concerned branches/ LCB vis-à-vis LFAR and mark off the irregularities in the LFAR, which also appear in Inspection Report of the branches so that these can be followed up through the Inspection file and there is no duplication of such irregularities.

5. For remaining irregularities branches should be asked to submit the progress of removal of irregularities to Circle Offices (other than LCBs)/ Zonal Offices (In case of LCBs only), as the case may be.

6. On receipt of progress from branches, the same should be processed at Circle Offices (for other than LCBs)/ Zonal Offices (In case of LCBs only) level. Irregularities should be marked off as per extant guidelines pointed out in LFAR.

7. Vigorous follow up be made with the branches by the respective Circle Offices (for other than LCBs)/ Zonal Offices (In case of LCBs only) and it should be

ensured that all irregularities pointed out in the branch LFARs are removed before 30th September 2018.

8. **The Circle Offices (for other than LCBs)/ Zonal Offices (In case of LCBs only) should ensure that all the irregularities are dropped/ marked off and progress report/closure report (Annexure – H) is submitted to the Finance Division, HO New Delhi, within the stipulated time schedule i.e. latest by 30.09.2018 positively to enable Finance Division to place the closure report to Audit Committee of the Board for approval, within the stipulated time.**

9. **Besides it, Circle Offices/ Zonal Offices are also required to submit progress (reply of branches along with dropping confirmation) by 15.07.2018 on all the irregularities incorporated by the Statutory Central Auditors (SCAs) in Bank's LFAR (which will be conveyed separately by Finance Division, HO: New Delhi) to enable Finance Division, HO: New Delhi to place the bank's reply before ACE/ACB/Board, for approval and onward submission to RBI with in the stipulated time.**

SUBMISSION OF PROGRESS REPORT/CLOSURE REPORT-ANNEXURE H

Monthly Progress report as per enclosed format (**Annexure-'H')** is to be submitted by **Circles/ Zonal Offices,** as the case may be to **Finance Division, latest by 7th of the following month. It is reiterated that all irregularities pointed out in the branch LFARs should invariably be removed and closure report be submitted latest by 30th September 2018 positively.**

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ANNEXURE-H

FORMAT FOR MONTHLY PROGRESS REPORT

(To be submitted by Circles/ Zonal Offices to Finance Division, HO: New Delhi by 7th of the following month)

CIRCLE/ ZONAL OFFICE ____________________ **DATE** ____________________

To,

The Dy. General Manager,
Finance Division,
1st Floor, East Wing, Plot No.4
Sector -10, Dwarka,
New Delhi-110075

MONTHLY PROGRESS IN RECTIFICATION OF IRREGULARITIES OBSERVED IN STATUTORY AUDIT REPORT FOR THE FINANCIAL YEAR 2017-18

REPORT FOR THE MONTH OF_______________

1.	No. of branches / offices under the circle / Zonal Office	
2.	No. of branches/ offices audited during the financial year	

LFAR IRREGULARITIES

		No. of Branches	**No. of Irregularities**
1.	No. of branches having LFAR irregularities		
2.	Removed till last month		
3.	Removed during the month		
4.	Pending at the end of this month {1-(2+3)}		

Zonal Manager / Circle Head

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

CHAPTER: 14- TAX AUDIT REPORT

INSTRUCTIONS FOR TAX AUDIT FOR THE FINANCIAL YEAR 2017-18

In terms of section 44AB of the Income-Tax Act, 1961, the Bank is under statutory obligation to get the tax audit conducted for the financial year 2017-18. Bank's tax audit will be conducted by the Central Statutory Auditors on the basis of:-

(i) The tax audit reports to be submitted by the respective auditors (Form 3 CA & Form 3 CD) along with Annexure & Inputs in case of audited branches and administrative offices and

(ii) Statements (Form 3 CD) along with Annexure & Inputs by the Incumbents In-charge of unaudited branches/ offices.

The Tax Audit Report is to be submitted on-line through a web application namely CFA (Centralized Financial Audit). Detailed guidelines for feeding the data in various annexure, Input Sheet, preparation and download of Audit Report (3CD) has been provided in the CFA for user.

Certain new clauses have been incorporated in the Tax audit Report (Form 3CD) requiring additional information under these clauses. Form 3CD (Tax Audit Report), clause 34 also requires information on:

(i) Total payment (expenditure) and deduction of TDS at applicable rates under various section of IT Act, 1961. (ii) Timely filing of Quarterly TDS statements (iii) Timely deduction of TDS wherever applicable (iv) Timely deposit of TDS amount to Govt. account and (v) deduction of tax at source at a rate lower than the specified rate on the basis of certificate issued under section 195 or 197, the lower rate or nil rate.

As per Income Tax Rules, for the purpose of tax audit, a questionnaire as per Form 3CD consisting of 41 clauses in which information/comments of the auditor in case of audited branches/offices and statements in case of unaudited branches/offices is required to be filled in. Further, the auditors are required to give their Tax Audit Report as per Form 3CA as prescribed under the Income Tax Rules. Most of the clauses of Form 3CD is either **not applicable** as Assessee being a bank or to be done at HO level. The clauses where information/ comments are required as part of tax audit report, are being captured/reported through various Annexure normally having voluminous data. Accordingly, the Annexure along with Form 3CD & Form 3CA have been customized and facilitated in CFA.

However, there are certain other clauses of 3CD where comments/observations of auditors are required and that is not covered under information provided through various annexure. For this purpose, a separate **Inputs Sheet** has been customized in CFA for flow of data/information. Any information/comments fed in Input Sheet automatically reflect in Form 3CD (Tax Audit Report). All these data/information captured through annexure and Input Sheet and downloaded from CFA will form the complete Tax audit Report.

In case of audited branches Form 3CD is to be digitally signed by auditor and Incumbent In charge and Form 3CA by auditor only.

A link has been provided in CFA for feeding the data for Annexures as listed below and Inputs of Tax Audit Reports. At Branch level, the data should be fed in the above Annexures / inputs and after completion of feeding, it should be signed (digitally) by Incumbent In-charge and Auditors in case of audited branches/offices. Thereafter, One set of soft copy(branch copy) of tax audit report (PDF) as fed in CFA be downloaded, got signed by auditor in case of audited offices and kept as branch copy.

It has been observed that in most of the branches, there is NIL information in many Annexure and submitting such Annexure having NIL information serves no purpose. Rather, it results in wastage of man power delaying thereof the compilation process of Tax audit at HO level. **Therefore, only those Annexure having some information/data is to be submitted and all others having NIL information are not to be submitted.**

Circle offices to ensure that all the branches/offices compile their Tax Audit Report as per prescribed annexures having certain data so that the same may be timely submitted through CFA as any delay in submission of TAR may uphold the audit process and compilation of TAR thereof.

INSTRUCTIONS FOR BRANCHES:

(a.) The data should be fed in the Annexure as listed below having some data only and Input Sheet. After completion of feeding, it should be signed (digitally) by Incumbent In-charge and Auditors in case of audited branches/offices. Thereafter, One set of soft copy (branch copy) of tax audit report (PDF) as fed in CFA be downloaded, got signed by the auditor in case of audited offices and kept as branch copy.

S.No	Annexure Number	Description
1	VA	Details of Safe, Fixture & Furniture- Put to Use, Sold/written off during the year
2	VB	Details of MCC put to use & sold/written off during the year
3	VC	Value of premises as at 31.03.2018
4	VD	Value of premises added during the financial year
5	VII	Expenditure of Capital Nature debited to profit & loss account
6	VIII	Payment made to club and debited to profit & loss account
7	IX	Amount debited to profit & loss account on account of penalty
8	XA	Nature of expenditure in which tax deducted at source (TDS), but not deducted during the previous year ended 31.03.2018. **(RESIDENT/NON-RESIDENT)**

9	XB	Nature of expenditure in which tax deducted at source (TDS), but not paid to the credit of Central Govt. during the previous year ended 31.03.2018. **(RESIDENT/NON-RESIDENT)**	
10	XI	Payment of expenditure made other than by account payee cheque or demand Draft in excess of Rs.10000/- which have been debited to P & L account in 2017-18.	
11	XII	Amount of interest paid to the Micro Small & Medium Enterprises under section 23 of Micro Small & Medium Enterprises Development Act, 2006	
12	XIII	Payment made to Directors of the bank	**By Board & Coordination ,HO.**
13	XIV	Pre-existed on the first day of the previous year but was not allowed in the assessment of any preceding previous year	
14	XV	Statutory Liability incurred during the financial year	
15	XVI	Particulars of Income of prior period credited to Profit & Loss A/c during the financial year	
16	XVII	Particulars of expenditure(s) of prior period debited to Profit & Loss A/c during the financial year	
17	XVIII	Statement of repayment of loans or deposits in excess of Rs. 20,000/- or more, as specified in section 269 T of the Income Tax	
18	XIX	Whether the assessee is required to deduct as per the provisions of Chapter XVII-B or Chapter XVII-BB, if yes please furnish:	
19	XX	Whether the assessee has furnished the statement of tax deducted within the prescribed time. If not, please furnish the details:	
20	XXI	Whether the assessee is liable to pay interest under section 201(1A) or section 206C (7). If yes, please furnish:	
21	XXII	Details of demand raised or refund issued during the previous year under any tax laws other than Income Tax Act, 1961 and Wealth tax Act, 1957 alongwith details of relevant proceedings.	

(b.) Delay in submission of statement/tax audit report by even one branch would withhold finalization of tax audit report/annual accounts of the Bank. Therefore, Incumbents should ensure that the information is promptly fed in CFA after personally verifying correctness thereof.

(c.) In respect of branches/offices selected for audit, the Incumbents-Incharge of the branches /offices is advised to prepare and keep ready the Tax Audit Report as per enclosed Performa for submission to the Branch Statutory Auditors. The Incumbents should impress upon the branch auditors that the branch tax audit is conducted simultaneously with the statutory audit as no separate TA/DA is payable to them for a second visit for Tax Audit. Audited Tax Audit report be submitted latest by **13.04.2018.**

(d.) In the case of unaudited branches/offices, the Incumbents In-charge should fed the statements of Tax Audit Report prepared as per the Annexure and Inputs facilitated in CFA latest by **07.4.2018** without fail.

(e.) It may be mentioned here that wrong reporting of information may cause additional Tax liability to the Bank. While preparing the tax audit report, the branches/offices are advised to keep in mind the action points given below every item of Annexure/statement, and wherever required to get the reporting modified/ amended from Statutory Auditors before submitting Tax Audit Report.

INSTRUCTIONS FOR CIRCLE OFFICES:

(a.)***Access to CFA has also been provided for Circle Offices to check the correctness of data and submission thereof of TAR of all the offices/branches under their jurisdiction. Circle Office will ensure that Tax Audit Reports of all the sols has been submitted within the prescribed time limit and* send confirmation for the same to Finance Division (Taxation Cell) by 16.04.2018.**

(b.) As per guidelines issued by GSAD, HO**,** Circle Offices prepare schedule-X of premises, other Fixed assets (SFF & MCC), software & leased Assets for the Circle (all sols) as a whole and forward the same to GSAD, HO along with consolidated soft as well as hard copy of Annexure VA to VD. However, it has been generally observed that information provided in Annexure VA to VD of tax Audit Reports does not match with the figure reported as above causing delay in compilation/ consolidation of Tax Audit of the bank as a whole at HO level.

Circle office will ensure that the figure reported by the branches in the Annexure VA to VD of Tax audit Report must tally with the information provided to GASD for Schedule-10 and ***soft copy of consolidation sheets in excel of annexure of VA to VD of the circle (sol-wise) as a whole and be emailed to fintax@pnb.co.in as provided to GASD, HO.***

INSTRUCTIONS FOR HO DIVISIONS:

Incumbents of all **Head Office Divisions/Training Centres/ZAOs** should submit hard copy of audited Tax Audit report duly signed from concerned Central Statutory Auditors **and unaudited information (unaudited offices)** latest by **25.04.2018** positively.

The enclosed format of Form 3CD contains the information that is generally applicable to branches/offices whereas under the tax audit, the scope of information required to be reported/commented upon by the auditors is much wider. Therefore, the statutory auditors are free to call for any additional information, which in their opinion is relevant to and required for the tax audit. In such an event, the Incumbents Incharge should ensure that such additional information is also provided immediately to the auditors without any delay.

Further, all the Annexure and Input Sheet required to be submitted in Tax Audit report should be got duly audited from the auditors.

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

FORM NO. 3CA"

[See rule 6G(1)(a)]

Audit report under section 44 AB of the Income-tax Act, 1961,

in a case where the accounts of the business or profession of a person

have been audited under any other law

We report that the statutory audit of BO/CO/Division of Punjab National Bank, HO: Sector-10, Dwarka, New Delhi (Permanent Account No. AAACP0165G) was conducted by us in pursuance of the provisions of the Banking Regulation Act 1949 and Banking Companies (Acquisition & Transfer of undertakings) Act 1970 and we annex hereto a copy of our audit report dated alongwith a copy each of-

(a) the audited Profit and Loss Account for the Year ended 31st March, 2018;
(b) the audited Balance Sheet as at 31st March, 2018 and
(c) documents declared by the said Act to be part of, or annexed to, the said Profit and Loss Account and Balance Sheet in which are incorporated the returns of (i) ______ branches audited by us, (ii) ______branches and _______other controlling offices and ATM Centres audited by other auditors and (iii) unaudited returns in respect of ___________branches not visited by us . (Applicable at HO Level)

2. The statement of particulars required to be furnished under section 44AB is annexed herewith in Form No. 3CD.

3. In our opinion and to best of our information and according to explanations given to us, the particulars given in the said form 3CD and the Annexure thereto are true and correct.

( )

Place: Partner

Date: **,2018** Membership No.

____

(Firm's Name)

Chartered Accountants,

Address:_____________

(Seal)

FORM NO. 3CD
[See rule 6 G(2)]

Statement of particulars required to be furnished under section 44AB of the Income Tax Act, 1961

PART A

1.	Name of the assessee	Branch Office, ------ Circle Office ---------
2.	Address	PUNJAB NATIONAL BANK
3.	Permanent Account Number (PAN)	AAACP 0165 G
4.	Whether the assessee is liable to pay : indirect tax like excise duty, service tax/GST, sales tax, customs duty,etc. if yes, please furnish the registration number or any other identification number allotted for the same	
5.	Status	Company in which public are substantially interested
6.	Previous year from	01.04.2017 to 31.03.2018
7.	Assessment year	2018-19
8.	Indicate the relevant clause of section 44AB under which the audit has been conducted	44AB(a)

PART - B

9.	(a) If firm or association of persons, indicate names of partners/members and their profit sharing ratios.	NOT APPLICABLE
	(b) If there is any change in the partners or members or in their profit sharing ratio since the last date of the preceding year, the particulars of such change	NOT APPLICABLE
10.	(a) Nature of business or profession (if more than one business or profession is carried on during the previous year, nature of every business or	Banking, Treasury and other ancillary/ related business (i.e. Credit Card, Bullion & Depository

	profession)	etc)
	(b) If there is any change in the nature of business or profession, the particulars of such change.	Not applicable at branches/CO level.
11.	(a) Whether books of account are prescribed under section 44AA, if yes, list of books so prescribed.	No books of account are prescribed under Sec.44AA for Banking business.
	(b) List of books of account maintained and the address at which the books of accounts are kept. (In case books of account are maintained in a computer system, mention the books of account generated by such computer system. If the books of accounts are not kept at one location, please furnish the addresses of locations along with the details of books of accounts maintained at each location.)	Not applicable at branches/CO level.
	(c) List of books of account and nature of relevant documents examined.	Not applicable at branches/CO level.
12.	Whether the profit and loss account includes any profits and gains assessable on presumptive basis, if yes, indicate the amount and the relevant section (44AD, 44AE, 44AF, 44B, 44BB, 44BBA, and 44BBB, Chapter XII-G, First Schedule or any other relevant section.)	NOT APPLICABLE
13.	(a) Method of accounting employed in the previous year	Not applicable at branches/CO level.
	(b) Whether there had been any change in the method of accounting employed vis-a-vis the method employed in the immediately preceding previous year.	
	(c) If answer to (b) above is in the affirmative, give details of such change, and the effect thereof on the profit or loss.	
	(d) Whether any adjustment is required to be made to the profits or loss for complying with the provisions of income computation and disclosure standards notified under section 145(2)	

(e) If answer to (d) above is in the affirmative, give details of such adjustments:

Effects	Accounting	Increase in profit(Rs)	Decrease in profit(Rs)	Net(Rs)
ICDS I	Accounting Policies			
ICDS II	Valuation of Inventories			
ICDS III	Construction contracts			
ICDS IV	Revenue Recognition			
ICDS V	Tangible Fixed Assets			
ICDS VI	Change in Foreign Exchange rates			
ICDS VII	Government Grants			
ICDS VIII	Securities			
ICDS IX	Borrowing Costs			
ICDS X	Provisions, contingent Liabilities, Contingent Assets			
	TOTAL			

(f) Disclosure as per ICDS:

(I)	ICDS I-Accounting Policies
(II)	ICDS II-Valuation of Inventories
(III)	ICDS III-Construction Contracts
(IV)	ICDS IV-Revenue Recognition
(V)	ICDS V-Tangible Fixed Assets
(VI)	ICDS VII-Government Grants
(VII)	ICDS IX-Borrowing Costs
(VIII)	ICDS X-Provisions, Contingent Liabilities & Contingent

	Assets".	
14.	(a) Method of valuation of closing stock employed in the previous year.	Not applicable as assessee being a bank
	(b) In case of deviation from the method of valuation prescribed under section 145A, and the effect thereof on the profit or loss, please furnish:	
15.	Give the following particulars of the capital asset converted into stock-in trade: - (a) Description of capital asset; (b) Date of acquisition; (c) Cost of acquisition; (d) Amount at which the asset is converted into stock-in-trade.	(Applicable for Treasury Division of Head Office).
16.	Amounts not credited to the profit and loss account, being, -	
	(a) the items falling within the scope of section 28;	Rs.________ Specify, if there is any.
	(b) the pro forma credits, drawbacks, refund of duty of customs or excise or service tax/GST, or refund of sales tax or value added tax where such credits, drawbacks or refunds are admitted as due by the authorities concerned;	Rs.________ Specify, if there is any.
	(c) escalation claims accepted during the previous year;	Rs.________ Specify, if there is any.
	(d) any other item of income;	Rs.________ Specify, if there is any.
	(e) capital receipt, if any.	Rs.________ Specify, if there is any.
17.	Where any land or building or both is transferred during the previous year for a consideration less than value adopted or assessed or assessable	Applicable to COs/HOs

	by any authority of a State Government referred to in section 43CA or 50C, please furnish: i. Details of property ii. Considerations received /accrued iii. Value adopted or assessed or assessable.	
18.	Particulars of depreciation allowable as per the Income Tax Act, 1961 in respect of each asset or block of assets, as the case may be, in the following form :-	
	(a) Description of asset/block of assets. (b) Rate of depreciation. (c) Actual cost of written down value, as the case may be.	To be done at HO level.
	(d) Additions/deductions during the year with dates; in the case of any addition of an asset, date put to use; including adjustments on account of – i) Central Value Added Tax credits claimed and allowed under the Central Excise Rules, 1944, in respect of assets acquired on or after 1st March, 1994, ii) change in rate of exchange of currency, and iii) subsidy or grant or reimbursement, by whatever name called. (e) Depreciation allowable. (f) Written down value at the end of the year	Refer Annexure – VA, VB, VC & VD for the year ended 31-03-2018.
19.	Amounts admissible under sections: 32AC,33AB,33ABA,35(1)(i),35(1)(ii),35(1)(iia) 35(1)(iii),35(1)(iv),35(2AA),35(2AB),35ABB 35AC,35AD,35CCA,35CCB,35CCC,35CCD,35D 35DD,35DDA,35E (a) Amount debited to P & L Account : (b) Admissible under section :	 Rs.-------------

20.	(a) Any sum paid to an employee as bonus or commission for services rendered, where such sum was otherwise payable to him as profits or dividend. [Section 36(1)(ii)]	
	(b) Details of contributions received from employees for various funds as referred to in section 36(1)(va):	PF & Pension Division, HO
21.	(a) Please furnish the details of amounts debited to the profit and loss account, being:- (i) Expenditure of capital nature : (ii) Expenditure of personal nature; (iii) Expenditure on advertisement in any souvenir, brochure, tract, pamphlet or the like, published by a political party (iv) Expenditure incurred at clubs being cost for club services and facilities used. (v) Expenditure by way of penalty or fine for violation of any law for the time being force (vi) Expenditure by way of any other penalty or fine not covered above (vii) Expenditure incurred for any purpose which is an offence or which is prohibited by law	Rs. ______________ Details as per Annexure -VII Rs. ______________ Rs. ______________ Rs.________________ Details as per Annexure -VIII Rs. ______________ Rs. ___________Details as per Specify, if any.

		(v, vi & vii) Annexure-IX
	(b) Amounts inadmissible under section 40(a):-	
	(i) as payment to **non-resident** referred to in sub-clause (i)	
	(A) Details of payment on which tax is not deducted:	As per ANNEXURE -XA
	(B) Details of payment on which tax has been deducted but has not been paid during the previous year or in the subsequent year before the expiry of time prescribed under section 200(1)	As per ANNEXURE - XB
	(ii) as payment referred to in sub-clause (ia) -- **RESIDENT:**	
	(A) Details of payment on which tax is not deducted:	As per ANNEXURE - XA
	B) Details of payment on which tax has been deducted but has not been paid on or before the due date specified in sub- section (1) of section 139.	As per ANNEXURE - XB
	(iii) under sub-clause (ic) [Wherever applicable] **- (FRINGE BENEFIT)**	NOT APPLICABLE
	(iv) under sub-clause (iia)	Not applicable at branches/CO level
	(v) under sub-clause (iib) (any amount paid by way of a royalty, license fees, service fees, privilege fees, service charge or any other fees or charge by whatever name called, which is levied exclusively on; or (b) which is appropriated, directly or indirectly from, a State Government undertaking by the State Government.)	NOT APPLICABLE
	(vi) under sub-clause (iii) (The **amount of salary** which is paid outside India or to a non-resident in respect of which tax has not been deducted but which is required to be deducted under the applicable provisions of the Income Tax Act or tax has not been paid after deduction)	

	(vii) under sub-clause (iv)	PF & Pension, HO
	(viiii) under sub-clause (v)	Not applicable at branches/CO level
	(c) Amounts debited to profit and loss account being, interest, salary, bonus, commission or remuneration inadmissible under section 40(b)/40(ba) and computation thereof;	NOT APPLICABLE
	(d) Disallowance/deemed income under section 40A(3): (A) On the basis of the examination of books of account and other relevant documents /evidence, whether the expenditure covered under section 40A(3) read with rule 6DD were made by account payee cheque drawn on a bank or account payee bank draft. If not, please furnish the details: (B) On the basis of the examination of books of account and other relevant documents /evidence, whether the payment referred to in section 40A(3A) read with rule 6DD were made by account payee cheque drawn on a bank or account payee bank draft If not, please furnish the details of amount deemed to be the profits and gains of business or profession under section 40A(3A);	As PER ANNEXURE - XI
	(e) provision for payment of gratuity not allowable under section 40A(7);	Not applicable at branches/CO level.
	(f) any sum paid by the assessee as an employer not allowable under section 40A(9);	Not applicable at branches/CO level.
	(g) particulars of any liability of a contingent nature;	Not applicable at branches/CO level.
	(h) amount of deduction inadmissible in terms of section 14A in respect of the expenditure incurred in relation to income which does not form part of the total income;	Applicable for Treasury Division of Head Office only
	(i) amount inadmissible under the proviso to section 36(1)(iii).	Rs.----------------
22.	Amount of interest inadmissible under section 23 of the Micro, Small and Medium Enterprises	Rs.______________(As per Annexure XII) by concerned

	Development Act, 2006.	branch/CO/HO Division
23.	Particulars of payments made to persons specified under section 40A (2)(b).	Rs. ______________ (As per Annexure-XIII by Board & Coordination Division.)
24.	Amounts deemed to be profits and gains under section 32AC or 33AB or 33ABA or 33AC.	Not applicable.
25.	Any amount of profit chargeable to tax under section 41 and computation thereof.	Not applicable at Branch/CO Level.
26.	In respect of any sum referred to in clause (a),(b), (c), (d), (e) or (f) of section 43B, the liability for which:- (A) pre-existed on the first day of the previous year but was not allowed in the assessment of any preceding previous year and was (a) paid during the previous year; (b) not paid during the previous year;	Details as per Annexure-XIV
	(B) was incurred in the previous year and was (a) paid on or before the due date for furnishing the return of income of the previous year under section 139(1); (b) not paid on or before the aforesaid date. (State whether sales tax, customs duty, excise duty or any other indirect tax, levy, cess, impost, etc., is passed through the profit and loss account.)	Details as per Annexure-XV
27.	(a) Amount of Central Value Added Tax credits availed of or utilised during the previous year and its treatment in the profit and loss account and treatment of outstanding Central Value Added Tax credits in the accounts.	To be compiled by Circle Office as per Annexure XXIII
	(b) Particulars of income or expenditure of prior period credited or debited to the profit and loss account.	Details as per Annexure –XVI & XVII
28.	Whether during the previous year the assessee has received any property, being share of a	Not Applicable

	company not being a company in which the public are substantially interested, without consideration or for inadequate consideration as referred to in section 56(2)(viia), if yes, please furnish the details of the same.	
29.	Whether during the previous year the assessee received any consideration for issue of shares which exceeds the fair market value of the shares as referred to in section 56(2)(viib), if yes, please furnish the details of the same.	Not Applicable
30.	Details of any amount borrowed on hundi or any amount due thereon (including interest on the amount borrowed) repaid, otherwise than through an account payee cheque. [Section 69D]	Not applicable.
31.	*(a) Particulars of each loan or deposit in an amount exceeding the limit specified in section 269SS taken or accepted during the previous year :- (i) name, address and permanent account number (if available with the assessee) of the lender or depositor; (ii) amount of loan or deposit taken or accepted; (iii) whether the loan or deposit was squared up during the previous year; (iv) maximum amount outstanding in the account at any time during the previous year; (v) whether the loan or deposit was taken or accepted otherwise than by an account payee cheque or an account payee bank draft. *(These particulars needs not be given in the case of a Government company, a banking company or a corporation established by a Central, State or Provincial Act.)	Not applicable as the assessee being a Banking Company.
	(b) Particulars of each repayment of loan or deposit in an amount exceeding the limit specified in section 269T made during the previous year :- (i) name, address and Permanent Account Number (if available with the assessee) of the payee;	(Details as per Annexure-XVIII)

	(ii) amount of the repayment; (iii) maximum amount outstanding in the account at any time during the previous year; (iv) Whether the repayment was made otherwise than by account payee cheque or account payee bank draft.	
	(c) Whether the taking or accepting loan or deposit, or repayment of the same were made by account payee cheque drawn on a bank or account payee bank draft based on the examination of books of account and other relevant documents (The particulars (i) to (iv) at (b) and comment at (c) above need not be given in the case of a repayment of any loan or deposit taken or accepted from Government, Government company, banking company or a corporation established by a Central, State or Provincial Act)	(Yes/No)
32.	(a) Details of brought forward loss or depreciation allowance, in the following manner, to the extent available :	Not applicable to Branches
	(b) Whether a change in shareholding of the company has taken place in the previous year due to which the losses incurred prior to the previous year cannot be allowed to be carried forward in terms of section 79.	
	(c) Whether the assessee has incurred any speculation loss referred to in section 73 during the previous year, If yes, please furnish the details of the same.	Applicable for Treasury Division of Head Office only
	(d) Whether the assessee has incurred any loss referred to in section 73A in respect of any specified business during the previous year, if yes, please furnish details of the same.	
	(e) In case of a company, please state that whether the company is deemed to be carrying on a speculation business as referred in explanation to section 73, if yes, please furnish the details of speculation loss if any incurred during the previous year.	
33.	Section-wise details of deductions, if any, admissible under Chapter VIA or Chapter III	Not applicable to Branches.(Information to be given by CCD,

	(Section 10A, Section 10AA).	HO)
34.	(a) Whether the assessee is required to deduct or collect tax as per the provisions of Chapter XVII-B or Chapter XVII-BB, if yes please furnish:	ANNEXURE -XIX
	(b) Whether the assessee has furnished the statement of tax deducted or tax collected within the prescribed time. If not, please furnish the details:	ANNEXURE -XX
	(c) Whether the assessee is liable to pay interest under section 201(1A) or section 206C(7). If yes, please furnish:	ANNEXURE -XXI
35.	(a) In the case of a trading concern, give quantitative details of principal items of goods traded : (i) Opening Stock; (ii) purchases during the previous year; (iii) sales during the previous year; (iv) closing stock; (v) shortage/excess, if any	Not applicable.
	(b) In the case of a manufacturing concern, give quantitative details of the principal items of raw materials, finished products and by-products : A. Raw Materials : (i) opening stock; (ii) purchases during the previous year; (iii) consumption during the previous year; (iv) sales during the previous year; (v) closing stock; (vi) yield of finished products; (vii) percentage of yield; (viii) shortage/excess, if any. B. Finished products/by- products : (i) opening stock; (ii) purchases during the previous year; (iii) quantity manufactured during the previous year; (iv) sales during the previous year; (v) closing stock; (vi) shortage/excess, if any.	Not applicable.

36	In the case of a domestic company, details of tax on distributed profits under section 115-O in the following form :- (a) total amount of distributed profits; (b) amount of reduction as referred to in section 115-O(1A)(i); (c amount of reduction as referred to in section 115-O(1A)(ii); (d) total tax paid thereon; (e) dates of payment with amounts.	Not applicable to Branches/CO Level
37.	Whether any cost audit was carried out, if yes, give the details, if any, of disqualification or disagreement on any matter/item /value/ quantity as may be reported/identified by the cost auditor.	Not Applicable
38.	Whether any audit was conducted under the Central Excise Act, 1944, if yes, give the details, if any, of disqualification or disagreement on any matter/item/value/quantity as may be reported/identified by the auditor.	Not applicable
39.	Whether any audit was conducted under section 72A of the Finance Act,1994 in relation to valuation of taxable services, Finance Act,1994 in relation to valuation of taxable services, if yes, give the details, if any, of disqualification or disagreement on any matter/ item/value /quantity as may be reported/identified by the auditor.	Applicable to CO/HO Divisions
40.	Details regarding turnover, gross profit, etc., for the previous year and preceding previous year: i)Total turnover of the assessee ii) Gross profit/turnover iii)Net profit/turnover iv) Stock-in-trade/turnover v) Material consumed/finished goods	Not Applicable

	produced (The details required to be furnished for principal items of goods traded or manufactured or services rendered)	
41.	Please furnish the details of demand raised or refund issued during the previous year under any tax laws other than Income Tax Act, 1961 and Wealth tax Act, 1957 alongwith details of relevant proceedings.	ANNEXURE-XXII

This is the Form 3CD referred to in our report in the form 3CA of even date. We confirm that the above statements are true and correct to the best of our knowledge and belief.

Signature of Auditor (In case of Audited Branches) Seal Name Address Membership No.	Signature of Incumbent Incharge BO/ CO: Distrinctive No.

Dated :-
Place :-

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

ANNEXURE TO FORM 3 C D

Annexure I

LIST OF BOOKS/LEDGERS MAINTAINED

All the following transactions are captured code wise in Centralised Banking Solutions (CBS):

1. Cash transactions, Transfer entries, Clearing Report, Deposit A/c, Advances A/c, Bills Report, GL/SGL, Revenue Statement, Imprest Report, Suspense statement, Sundry statement, L/C, L/G Report, Overdraft statement, Cash Order issue Report, Cash Order Payment Report, Draft Issue Report, Investment Report.

2. Fixed assets Register.

LIST OF SUPPORTING/EXPLANATORY REGISTERS

Remittance Paid/Advice Received Report, Security Report, Bills Report, Collection Report, Stop Payment Report, Remittances Issue Report, Interest Report, Cash Payment Report, Cash Receipt Report, Inward Clearing Report, Outward Clearing Report, DD Cancellation Suspense Report, Cheque Issue Report, Standing Instruction Report, A/c Open & Close Report, Cheque Returning Report, FDRs Standing Instructions Report, FDRs Lost Report, FDRs Nomination Report, FDRs Lien Report, Majority Attainment Report, Outward Clearing Report, Drawing Power Report, Irregularity Report, Limit Slab Report, Nomination Report, Security Form Report, Salary Report, TA Bill Report, Leave Report, Voucher Report, Cash Balance Book, Cash Reserve Report, Progressive Balance Book, Stationery Report, Stamp Balance Book.

Various other supporting subsidiary Reports/Ledgers maintained in CBS have not been mentioned.

Out of the above, Branches/COs/HO Divisions maintained such books which are necessary for the purpose of carrying out business for complying with the HO Regulations/Instructions.

Signature of Auditor (In case of Audited Branches) Seal Date Name	Signature of Incumbent Incharge BO: Distinctive No.

ANNEXURE II

LIST OF BOOKS EXAMINED BY AUDITORS (By Statutory and Branch Auditors) CBS

1. Auditors have been provided access to the Centralized Banking Solutions to access the following transactions:

Cash transactions, Transfer entries, Clearing Report, Deposit A/c, Advances A/c, Bills Report, GL/SGL, Revenue Statement, Imprest Report, Suspense statement, Sundry statement, L/C/ L/G Report, Overdraft Statement, Cash Order Issue Report, Cash Order Payment Report, Draft Issue Report, Investment Report.

2. Fixed assets Register.

The above list is illustrative only. The Branch Auditors also examined other books and registers as listed in Annexure – I to the extent found necessary by them in the course of their audit.

Signature of Auditor (In case of Audited Branches) Seal Date Name Address Membership No.	Signature of Incumbent Incharge BO: Distinctive No.

ANNEXURE-III

METHOD OF ACCOUNTING

The Bank is generally following accrual system of accounting, read with Significant Accounting Policies of the bank detailed in Schedule 17 of the annexed Balance Sheet as at 31st March 2018, except the following:

a) Income on non-performing assets is recognized on realization as per RBI guidelines.

b) Recovery in non-performing advances is appropriated first towards recorded interest and thereafter towards (i) arrears of installments in term loans and (ii) principal irregularity in other accounts. However, recovery in suit filed (including accounts where recovery is under SARFEASI Act), decreed accounts and compromise cases is first appropriated towards principal or as per terms of decree/settlement.

c) Commission (excluding on Government Business), interest on overdue bills of exchange, locker rent, income from Merchant Banking transactions, dividend income and insurance claims are accounted for on realization/ settlement.

d) Income from interest on refund of income tax interest tax is accounted for in the year the order is passed by the concerned authority.

e) Interest on unpaid and unclaimed matured term deposits is accounted for at savings bank rate. Interest differential on matured term deposit for overdue period is accounted for as and when such deposits are renewed as per Bank's rule.

Signature of Auditor (In case of Audited Branches) Seal Date Name Address Membership No.	Signature of Incumbent Incharge BO: Distinctive No.

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

ANNEXURE - V A

Name of the Branch/Circle/Division

Distinctive No.

DETAILS OF SAFE, FIXTURE & FURNITURE- PUT TO USE,SOLD/WRITTEN OFF DURING THE YEAR ENDED 31.03.2018 (Amt. In Rs.)

SR. NO.	Item	Total Addition During 2017-18			Assets Purchased Prior to 1/4/2017 but not put to use				Assets Purchased in 1st Half			Assets Purchased in 2nd Half	Assets Put to use		Assets not put to use till 31st March 2018	Sale Value / written off
		Ist Half	2nd Half	Total	Opening Balance on 1/4/2017	Put to use in 1st Half	Put to use in 2nd Half	Not put to use till 31st March 2018	Not put to use till 30th Sept	Put to use in 2nd Half	Not put to use till 31st March 2018	But not put to use till 31st March 2018	1st Half	2nd Half		
1	2	3	4	5=3+4	6 (a)	6	7	8=6a-(6+7)	9	10	11=9-10	12	13=(3+6-9)	14=(4+7+10-12)	15=(8+11+12)	16

1	Typewriter/Calculating Machine															
2	Locker Cabinets															
3	AC/ Water Cooler/Air Cooler															
4	Fans/Other elec. Appliances & Machines															
5	Furniture & Fixtures															
6	Lifts															
7	Others															
8	Computer Hardware and related items															
9	Computer Software Capatalised at Circles															
10	TOTAL															
11	Computer Software Purchased at															

	Branches (UP TO Rs. 5000/-)													

Notes:

1. Purchases of Block Assets made in YEAR 2017-18 shown in Col.(5) at Sl.No.10 to tally with col.B-I of SFF (PNB 263-Part 1) statement of YEAR ended 31.03.2018

2. Original purchase price of computer software capitalized at Circles to be reported in col.(5) at Sl.No.9. It may be noted that figures of purchase price of computer software capitalized during the year is to be reported and not book Value (which denotes original purchase price minus depreciation)

3. Amount booked by branches under Revenue Code No. 11425 for purchasing computer software upto Rs.5000/-to be reported in col.(5) at S.No.11. Any amount of repair, computer stationery, AMC etc. booked, if any, under this Revenue Code not to be reported. This should tally with the Annexure i.e. Capital Expenditure booked to Revenue.

4. Figures of Sale Price of SFF Items sold during the YEAR ended MARCH 2018 to be reported in col. (16).In case any SFF items is written off then its book value is to be reported in column no. 16

4. Figure of Sale Price/Written Off in Col (16) at Sr. No. 10 to tally with at A plus B of PNB 263 Part C.

Manager/Sr. Manager **Incumbent Incharge** **Statutory Auditor**

Seal

Name of the Branch/Circle/Division

Distinctive No.

ANNEXURE VB

DETAILS OF MCC PUT TO USE & SOLD/WRITTEN OFF DURING THE YEAR ENDED MARCH 2018 (Amt. in Rs.)

SR NO	Item	Total Addition During 2017-18			Assets Purchased Prior to 1/4/2017 but not put to use				Assets Purchased in 1st Half Year			Assets Purchased in 2nd Half Year	Assets Put to use		Assets not put to use till 31st March 2018	Sale Value / written off
		Ist Half	2nd Half	Tot-al	Opening Balance on 1/4/2017	Put to use in 1st Half Yea	Put to use in 2nd Half Yea	Not put to use till 31st March 2018	Not put to use till 30th Sept	Put to use in 2nd Half Year	Not put to use till 31st March	But not put to use till 31st March	1st Half	2nd Half		

						r	r		.		2018	2018				
1	2	3	4	5=3+4	6(a)	6	7	8=6a-(6+7)	9	10	11=9-10	12	13=(3+6-9)	14=(4+7+10-12)	15=(8+11+12)	16
	Cars & Jeep, Vans & Buses, Motor Cycle, Scooter & Cycles															

Notes:

1. Purchases of Block Assets made in financial Year ended 31.03.2018 shown in Col.(5) to tally with col. B-I of MCC (PNB 263-Part II) statement for the year ended 31.03.2018

2. Figures of Sale Price of MCC Items sold during the year ended MARCH 2018 to be reported in col. (16). In case MCC item is written off then its book value is to be reported in column no. 16

Manager/Sr. Manager **Incumbent Incharge** **Statutory Auditor**

Seal

ANNEXURE VC

NAME OF CIRCLE/DIVISION

DISTINCTIVE NO.

VALUE OF PREMISES AS AT 31.03.2018

	Particulars	**Amt. in Rs**
1	Value of Premises as at 31.03.2017	
2	Additions during the first Half Year(Details as per Annexure VD)	
3	Additions during 2nd half Year (Details as per Annexure VD)	
4	Total (1+2+3)	
5	Deletion/Adjustment during the year	
6	Value of premises as at 31.03-2018 (4-5)	
7	Less: Depreciation during the year 2017-18	
8	Value of premises as at 31.03.2018 after depreciation (6-7)	

Certified that value of premises (L&B) tallies with the Head "Premises" (Code No. 62710/62799 of Balance Sheet as at 31.03.2018) and also with Schedule 10 of Balance Sheet as at 31.03.2018. Figures of depreciation should tally with the total of the head “Depreciation on Bank's own Premises" (Code No. 10730) of P&L Account for the year ended 31.03.2018.

Manager/ Sr.Manager **Incumbent Incharge**

Statutory Auditor

Seal

ANNEXURE VD

CIRCLE /DIVISION

VALUE OF PREMISES ADDED DURING THE FINANCIAL YEAR 2017-18								(AMT. IN Rs.)		
TYPE OF PREMISES	LAND	BUILDING						SUB TOTAL COL. 3 TO 8	TOTAL COL.2 TO 8	Building completed before 31.3.17, but put to use during the period 01.04.2017 to 31.03.2018
		Under Construction		Construction completed but not put to use		In use				
	Cost of land pur-chased	Cost of Land pur-chased	Cost of construction incurred during the year	Cost of Land purcha-sed	Cost of con struction incurred dur ing the year	Cost of Land purcha-sed	Cost of constructio n incurred during the year			
1	2	3	4	5	6	7	8	9	10	11
A.Residential										
UPTO 30.09.2017										

AFTER 30.09.2017										
B. Commercial										
UPTO 30.09.2017										
AFTER 30.09.2017										
GRAND TOTAL										

MANAGER/SR. MANAGER **INCUMBENT INCHARGE** **STATUTORY AUDITOR**

SEAL

DATE

NOTE:- (1) In respect of buildings Under Construction/Construction Completed/In Use, the original cost of land AND the cost of construction charged to the debit of Head "Premises" is to be reported.

(2) In case of Buildings where ever the cost of land & construction made thereon is inseparable then the cost of construction charged to the debit of Head "Premises" is to be reported in Col.No.4,6 or 8.

(3) The total of Addition of "Premises" during the year as per Column 10 (Grand Total) should tally with Additions shown in Schedule 10 of Balance Sheet.

BRANCH/CIRCLE /DIVISION: **Distinctive No.:**

ANNEXURE-VII

EXPENDITURE OF CAPITAL NATURE DEBITED TO PROFIT & LOSS ACCOUNT DURING THE PERIOD 1ST APRIL 2017 TO 31ST MARCH 2018

S.NO.	NATURE OF CAPITAL EXPENDITURE	AMOUNT	HEAD OF REVENUE A/C DEBITED	IF THE BRANCH/ OFFICE IS AUDITED, STATE WHETHER MEMORANDUM OF CHANGES SUGGESTED BY AUDITORS, **NOT** PASSED BY BRANCH	BRIEF REASONS FOR DEBITING CAPITAL EXPENDI-TURE TO PROFIT & LOSS A/C & FOR NOT CAPITALI-SING
(i)	(ii)	(iii)	(iv)	(v)	(vi)

Manager/Sr. Manager **Incumbent Incharge** **Statutory Auditor Seal**

Guidance Note:

(i) Expenditures required to be debited to SFF, MCC, Land and buildings are of capital expenditure. If such expenditures are debited to Revenue instead of SFF/MCC/Land & Building as the case may be, then MOC should be passed to rectify the entry before finalizing P & L statement for 31.03.2018.

(ii) Any MOC suggested by Branch Auditor when given effect at Circle/ Head Office, will have the effect of reversing the wrong debit to revenue. It is to ensure that entries, in respect of which MOCs given by Auditors have been passed to capitalize the item, are not reported.

(iii) Software purchased costing upto Rs.5000/-, by branches and booked under revenue code 11425 should be included in this detail. it should tally with details of SFF Put to Use & Sold/written off during 2016-2017 Annexure V A- item no 11

BRANCH/CIRCLE /DIVISION: **Distinctive No.:**

Annexure-VIII

PAYMENT MADE TO CLUB AND DEBITED TO PROFIT & LOSS ACCOUNTDURING THE PERIOD FROM 01.04.2017 TO 31.03.2018

			Debited to Revenue Code 11420 of P&L A/c.				Give reve-nue code if any other head debited	Amount	Date of payment
Sl. No.	Name of the club	Name of Employee	Entra nce fees	Subscription	Cost of Club Services				
(1)	(2)	(3)	(4)	(5)	Amt. (6)	Nature (7)	(8)	(9)	(10)
A. Debit to Revenue Code 11420 of Profit & Loss A/c:									
Grand Total (Col.4+5+6)									
B. Debited to any other head:									

Manager/Sr. Manager **Incumbent Incharge**

Statutory Auditor

Seal

Guidance Note:

(i) Report all amounts debited being expenditure incurred at clubs towards (a) entrance fee (b) subscription and (c) cost of club services/ facilities separately. Total of amounts in Col.4+5+6 of sub- head 'A' should tally with Revenue code 11420 of Profit & Loss statement (PNB-260)

(ii) Amount debited under any other expenditure heads, if any, like HO Sanction, Miscellaneous Expenditure etc., if not rectified before finalizing Profit & Loss statement of 31.3.2018 be reported indicating the revenue code in col.(8)

(iii) Payments to bankers club, rotary / lions clubs are not for entertainment but incidental to the banking business and hence not TO BE considered as payments to clubs.

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

BRANCH/CIRCLE /DIVISION:

Distinctive No.:

Annexure – IX

AMOUNT DEBITED TO PROFIT & LOSS ACCOUNT ON ACCOUNT OF PENALTY DURING 2017- 2018

S1. No.	Nature of penalty or fine or for any violation of law for the time being in force/an offence or which is prohibited by law	Amt. (Rs.)	Remarks
(1)	(2)	(3)	(4)

Manager/Sr. Manager **Incumbent Incharge** **Statutory Auditor Seal**

Guidance Note:

(i) There can be varied type of fines or penalties, like: (a) Penalty imposed by Income Tax Authority for delayed payment of tax (b) Fine by Consumer forum etc. Only fine/penalty imposed by Revenue authorities or by Consumer Forum etc. specifically termed as 'penalty' in their order are to be reported.

(ii) However **penal interest and compensation** for loss which is not in the form of punishment to Bank, has been held as **not a penalty for violation of law as per guidelines of the Institute of Chartered Accountants of India and hence should not be reported.**

ANNEXURE X A

Name of Branch/Circle:
Distinctive No.:

NATURE OF EXPENDITURE IN WHICH TAX DEDUCTED AT SOURCE (TDS) BUT NOT DEDUCTED. DURING THE PREVIOUS YEAR ENDED 31.03.2018 (RESIDENT/NON-RESIDENT)

Sl. No	Date of Credit/ Payment	Amount of payment	Nature of Expenditure	TDS to be deducted	Resident/ Non-resident	Remarks

Manager/Sr. Manager **Incumbent Incharge**

Statutory Auditor

Seal

Date

ANNEXURE XB

Name of Branch/Circle:

Distinctive No.:

NATURE OF EXPENDITURE IN WHICH TAX DEDUCTED AT SOURCE (TDS) BUT NOT PAID TO THE CREDIT OF CENTRAL GOVT. DURING THE PREVIOUS YEAR ENDED 31.03.2018 (RESIDENT/NON-RESIDENT)

Sl.No	Date of Credit/ payment	Amount of payment/Expenditure	Nature of payment/Expenditure	TDS (tax) deducted	Resident/Non-resident	Remarks

Manager/ Sr.Manager **Incumbent Incharge** **Statutory Auditor**

Seal **Date:**

Note: Auditor should also verify that the particulars given under this clause do not differ from the particulars given under clause 34 of Form no. 3CD to the extent applicable.

BRANCH/CIRCLE /DIVISION: **Distinctive No.:** **Annexure-XI**

Payment of expenditure made other than by account payee cheque or demand Draft in excess of Rs.10,000/- which have been debited to P & L account in 2017-18

The particulars may be furnished in the following form:

Sl.No.	Nature and particulars of revenue expenditure & debited to which head	Date of payment	Amount	Name and Permanent Account Number of the payee, if available	Reasons for making cash payment in excess of Rs.10,000/-	Revenue Code Debited
(i)	(ii)	(iii)	(iv)	(v)	(vi)	

Manager/Sr. Manager **Incumbent Incharge** **Statutory Auditor Seal**

Guidance Note:

(i) Only those payments which are made to the debit of any revenue expenditure head if made in cash in excess of Rs.10,000/- should be reported.

(ii) On Account' (through employee's/party's Bank account) or payment to the debit of Suspense account as advance for LFC, purchase or Impersonal Accounts or Capital Accounts (for purchase of SFF/MCC etc) not to be reported here, but adjustment against such `On Account` payments if routed through Profit & Loss account to be reported.

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

BRANCH/CIRCLE /DIVISION:

Distinctive No.:

Annexure-XII

Amount of interest paid to the Micro Small & Medium Enterprises under section 23 of Micro Small & Medium Enterprises Development Act, 2006

The particulars may be furnished in the following form:

Sl.No.	ame of the enterprise covered under MSMED Act, 2006	Amount of expenditure	Date of payment	Period of delay	Amount of interest paid
(i)	(ii)	(iii)	(iv)	(v)	(vi)

Manager/Sr. Manager **Incumbent Incharge** **Statutory Auditor**

Seal

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

ANNEXURE -XIII

BRANCH/CIRCLE /DIVISION

PAYMENT MADE TO DIRECTORS OF THE BANK FOR THE PERIOD 01.04.2017 TO 31-03-2018

Sr. No.	Name of Circle/Divn.	Name of Director	Designation	Emoluments Paid including employer's contribution to PF	Traveling Expenses	Halting expenses (Board-ing & Lodging expenses	Meeting Fees	INTT. IN DEPOSIT ACCOUNTS	Total(col 5+6+7+8+9)
1	2	3	4	5	6	7	8	9	10
			GRAND TOTAL						

Manager /Sr. Manager **Incumbent Incharge** **Statutory Auditors**

Seal

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

BRANCH/CIRCLE /DIVISION: Distinctive No.:

Annexure-XIV

STATUTORY LIABILITY PRE-EXISTING ON THE FIRST DAY OF THE CURRENT FINANCIAL YEAR I.E. IST APRIL – 2017

Amount kept in Sundry Provision made against expenditure which is statutory in nature i.e. (Sales Tax on Gold, Municipal/Corporation/Panchayat Tax, Service Tax/GST, Professional Tax, Building Tax. (House Tax, Property Tax), Road Tax, Toll Tax, Custom duty, Registration Fee, Octroi, Gun Licence Charges & Stamp Duty (to be booked under Revenue Code 10540 – Misc. Tax) and interest on Public Financial Institutions, cess or fee payable by the Bank under any law for the time being in force and Interest on borrowings/refinance from Public Financial Institutions e.g. SIDBI/IDBI, EXIM to be reported.

Sl. No	**Nature of liability**	**Opening balance of sundry provision outstanding as at the beginning of the financial year i.e. 1st April 2017**	**Amount paid during the year out of provision mentioned against Col.3 or adjusted as written back to P&L A/c**	**Date of payment**	**Balance as on last day of the accounting year (31.03.2018)**	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Manager/Sr. Manager **Incumbent Incharge** **Statutory Auditor Seal**

Guidance Note:

(i) It is to ensure that amount of Col. 3 tally with the Outstanding of the last year's Tax Audit Report (Col. 6) plus Col.9 of Annexure XIII.

(ii) Commercial expenditure like water, lighting and electricity charges (code no. 10520), Expenditure on Bank Premises (Revenue code 10530) is not to be reported as these are not statutory payments.

(iii) Entries which are reported as outstanding in Col. No. 6 of the above statement should be paid immediately and if payment is made after submission of this report, date(s) of such payment be intimated to Finance Division (Taxation Cell) alongwith the proof of payment viz. copy of challan etc.

Annexure- XV

Name of Branch/Circle

Distinctive No.

Statutory Liability incurred during the financial year ended 31.3.2018

Any Statutory Payment such as in the nature of any tax & interest on Public Financial Institutions, duty, cess or fee payable by whatever name called and amount payable in lieu of any leave by the Bank under any law for the time being in force and Interest on borrowings/refinance from Public Financial Institutions e.g. SIDBI/IDBI, EXIM to be reported.

S. No	Nature of liability	Amount incurred during the year ended March 2018	Amount paid during the year in respect of column No. 3	Amt. Outstanding as on 31.3.2018	Whether passed through the P&L A/c (indicate Yes or No)	Amount paid against col. No. 5 after last day of the year i.e from 1.4.2018, to the date of signing this form	Date of pay-ment	Balance outstanding on the date of the audit report	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

MANAGER/SR. MANAGER **INCUMBENT INCHARGE** **STATUTORY AUDITOR**

DATE **SEAL**

Guidance Note:

(i) Commercial expenditure like water, lighting and electricity charges (code no. 10520),Expenditure on Bank Premises (Revenue code 10530) are not to be reported as these are not Statutory payments

(ii) Provident / Pension contribution **SHOULD NOT** be reported under above item as information in this regard is to be reported under Annexure -VI.

(iii) Payment made after the submission of Tax Audit Report, as mentioned in Column No. 7 should be intimated to HO Finance Division (Taxation Cell) immediately along with the proof of payment viz copy of challan etc.

(iv) Note to report amount paid /shown in Col. No.(4) also in Col. No. (3).

(v) All payments of Misc. Taxes such as Municipal Taxes/ Corporation Tax / Panchayat Tax, Sales Tax on gold ,Service Tax/GST*, BCTT, professional Tax, Building Tax (House Tax, Property Tax), Road Tax, Toll Tax, Gun License Fee, Custom Duty, Registration Fee, Octroi & Stamp Duty etc. booked under Revenue Code 10540 of P & L Statement (PNB-260) are to be reported

(vi) Payments of Interest on borrowings/refinance from Public Financial Institutions e.g. SIDBI/IDBI/EXIM booked under respective Revenue Code 10221, 10222,10223,10224,10225 & 10227 of P & L Statement (PNB-260) are to be reported.

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

Name of Branch/Circle: **Distinctive No.:**

Annexure - XVI

Particulars of Income of prior period credited to Profit & Loss A/c during the financial year 2017-18

Sl. No.	Nature of Income	Revenue Code	Period to which relate	Amount	Detailed reasons for booking income in this financial year
(1)	(2)	(3)	(4)	(5)	(6)

Manager/Sr. Manager **Incumbent Incharge**

Statutory Auditor

Seal

<u>Guidance Note:</u>

(i) Prior period items refer only to Income which arise in current period as a result of errors or omissions in preparation of financial statements of one or more prior periods. **This does not include other adjustments necessitated by circumstances though related to prior period which are determined in current period.**

<u>(ii)</u> Entries booked in prior period based on accounting estimates which by nature are approximations may need revision as additional information became known in current period e.g. **Income recognized on outcome of contingency which previously could not be estimated reliably does not constitute a prior period item.** In such cases, though income may relate to earlier year, it can be considered as arising on basis that liability materialized or crystallized during the current financial year and such cases are not to be reported under this clause.

<u>(iii)</u> All foreseeable income to be booked on accrual basis. MOC given by branch auditor to be given effect before finalizing P& L statement of 31.3.2018. **Check if MOC passed at CO/HO level and if so then such entries not to be reported.**

<u>(iv)</u> Thorough scrutiny of items based on facts to be done before reporting entries giving reasons for crediting income of prior year(s) booked in this year in Col. No. (6).

<u>(v)</u> The objective of reporting prior period items is to know their material impact on P&L of current period.

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

Name of Branch/Circle: **Distinctive No.:**

Annexure - XVII

Particulars of expenditure(s) of prior period debited to Profit & Loss A/c during the financial year 2017-18

S.No.	Nature of Expenditure	Revenue Code	Period to which relate	Amount	Detailed reasons for booking expenditure in this financial year
(1)	(2)	(3)	(4)	(5)	(6)

Manager/Sr. Manager **Incumbent Incharge**

Statutory Auditor

Seal

Guidance Note:

(i) In case of non-receipt of bills/demand, estimated amount based on past bills/demand to be booked. Only expenditure items which crystallized in previous year and for which no MOC was given effect at branch / circle/HO level and expenditure booked during current year are to be reported .

(ii) **Thorough scrutiny of entries based on facts to be done before reporting as income tax authorities do not allow prior period expenditure**; Branch to give detailed reasons for debiting expenditure of prior period in this year in Col. No.(6).

(iii) Payment of rent "revised" on or after 1.4.2017 from back date for months of previous year booked during 2017-18 is not prior period expenditure.

(iv) Payment of arrears of salary on wage revision, salary for suspended /dismissal period on reinstatement by Disciplinary Authority/order of Court, of past period, paid during 2017-18 is not prior period expenditure.

(v) Officiating allowance (OA) is paid in succeeding months for total no. of days of month an employee has worked in branch. OA for March, 2018 paid in April, 2018 and likewise OA for March, 2017 paid in April 2017 should not be treated as prior-period expenditure.

(vi) Any refund of interest/charges/Commission of/LG etc. arrived in financial year 2017-18 should not be treated as prior period expenditure

(vii) Interest for past period paid at the time of renewal of FDR is not prior period as depositor's decision to renew/to encash has happened in financial year 2017-18. Payment of interest for past period on settlement of claims in financial year 2017-18 in favor of legal heirs in case of deceased depositor's FDRs, is not prior period.

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

Name of Branch/Circle

Distinctive No. **Annexure – XVIII**

STATEMENT OF REPAYMENT OF LOANS OR DEPOSITS IN EXCESS OF RS. 20,000/- OR MORE, AS SPECIFIED IN Section 269 T OF THE INCOME TAX DURING 2017-18

The mode of repayment of (Term Deposits) is clearly laid down in Chapter IV A of Book of Instructions (Routine)–Volume-2. Please confirm that there is no violation of these provisions of Book of Instructions. Violation are to be reported as under:

NAME OF BRANCH	NAME OF THE DEPOSITOR	ADDRESS OF THE DEPOSITOR	PIN CODE	INCOME TAX PAN NO. OR GIR NO. KNOWN TO THE BRANCH, IF ANY	AMOUNT OF CASH PAYMENT/ CREDIT TO ANOTHER PERSON'S ACCOUNT	MAXIMUM AMOUNT OUTSTAN-DING DURING THE PREVIOUS YEAR
1	2	3	4	5	6	7

MANAGER/SR. MANAGER **INCUMBENT INCHARGE**

STATUTORY AUDITOR

SEAL

DATE

Guidance Note: (i) No column be left blank as col. nos 2,4,5,7 are reportedly left blank in respect of some branches.

(ii) In terms of Tax Laws, if principal amount coupled with interest due thereon is Rs. 20000/- or more, it should be credited to beneficiary's account. There should not be any violation of this law and as for this violation, Assessing Officer may impose heavy penalty on branch/erring official/bank. (iii)Branch to give detailed reasons giving circumstances, if any, due to which amount is paid in cash.

Name of Branch : **Annexure-XIX**

Circle:

Clause 34 (a) Whether the assessee is required to deduct as per the provisions of Chapter XVII-B or Chapter XVII-BB, if yes please furnish:

(TAN)	Section	Nature of payment	Total amount of payment of the nature specified in column (3)	Total amount on which tax was required to be deducted out of (4)	Total amount on which tax was deducted at specified rate out of (5)	Amount of tax deducted out of (6)	Total amount on which tax was deducted at less than specified rate out of (7)	Amount of tax deducted on (8)	Amount of tax deducted not deposited to the credit of the Central Government out of (6) and (8)
1	2	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Note: (i) Since the reporting under column (4) is required to be made with regard to the nature of payments made, there may be a difference in the amounts reported under column (4) and column (5). **The reasons for difference may be applicability of certificates issued under section 195/197 or threshold limits provided in specific sections or difference of opinion with regard to applicability of a particular section and the like.**

(ii) In column (6) to furnish the total amount out of the amount deductible as mentioned in column (5) at which the tax was deducted at the specified rate. In case tax deducted at source at a rate lower than the specified rate on the basis of certificate issued under section 195 or 197, the lower rate or nil rate, as the case may be, will be considered as the specified rate for the purpose of reporting under this clause.

In the case of payment to **non-residents** the applicable rate of tax deduction at source is to be read along with the Double Taxation Avoidance Agreement.

(iii) **Column (8)** requires to furnish the total amount out of the amount deductible as mentioned in column (5) at which the tax was deducted at the rate less than the specified rate. The lesser deduction is required to be reported in this clause. This will include deduction at a lower rate than what is prescribed, application of wrong section for deduction of tax at source, etc. For example section 194C requires deduction @2% in case payment is made to a person other than individual or HUF, but the deductor deducts only 1%, the same has to be reported under this clause.

(iv) The information given in clause 34 should tally with the disallowances reported u/s 40(a) in clause 21(b) to the extent applicable.

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

Name of Branch: **Annexure-XX**

Circle:

34 (b) Whether the assessee has furnished the statement of tax deducted within the prescribed time. If not, please furnish the details:

TAN	Type of Form	Due date for furnishing	Date of furnishing, if furnished	Whether the statement of tax deducted contains information about all transactions which are required to be reported

Note:

(i) The reporting requirement arises only where the assessee has either not furnished within prescribed time or furnished the statement of tax deducted after the expiry of prescribed time.

Manager/ Sr.Manager **Incumbent Incharge**

Statutory Auditor

Seal

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

Name of Branch: **Annexure-XXI**

Circle:

34 (c) Whether the assessee is liable to pay interest under section 201(1A). If yes, please furnish:

TAN	Amount of interest under section 201(1A) is payable	Amount paid out of column (2) along with date of payment.
(1)	(2)	(3)

Note:

(i) Furnish detailed information in case there is liability to pay interest under section 201(1A) of the Act.

(ii) Section 201(1A) provides for payment of interest at a specified rate in case the tax has not been deducted wholly or partly or after deducting has not been paid to the credit of Central Government as required by the Act.

(iii) The reporting as to whether liable to pay such interest, should be in consonance with the reporting under clause 34(a) where the details of non-deduction are required to be reported by him.

Manager/ Sr.Manager **Incumbent Incharge**

Statutory Auditor

Seal

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

Name of Branch:

Annexure-XXII

Circle:

<u>Clause 41.</u> Details of demand raised or refund issued during the previous year under any tax laws other than Income Tax Act, 1961 and Wealth tax Act, 1957 along with details of relevant proceedings.

		DEMAND		REFUND	
SN	Service Tax/GST Registration No	Amount	Details	Amount	Details

Manager/ Sr.Manager **Incumbent Incharge**

Statutory Auditor

Seal

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

Annexure-XXIII

Circle:

Clause 27(a). Amount of Central Value Added Tax credits availed of or utilised during the previous year and its treatment in the profit and loss account and treatment of outstanding Central Value Added Tax credits in the accounts.

CENVAT	AMOUNT	TREATMENT IN PROFIT & LOSS ACCOUNT
Opening Balance (if any)		
CENVAT Availed		
CENVAT Utilised		
Closing/ Outstanding Balance		

***Note: Not applicable to branches**

Manager/Sr.Manager **Incumbent Incharge**

CHAPTER-15: ROLE OF CIRCLE OFFICE

Circle official is required to play the role of the facilitator, provider and coordinator. At times circle office will also be consolidating and reconciling the data inputs of various statements, with the help of the other Sections of the Circle Office. They will be taking care of various aspects of the closing work, to ensure smooth audit.

- Time is the essence of the balance sheet exercise. Circles Offices are required to initiate all possible steps to ensure timely submission of closing returns and statements without compromising on the quality. For this, proper follow-up with the branches/offices is necessary. All efforts must be made to inform the important changes in the bank's guidelines to all the branches/offices, well in time.
- Communicate the names, addresses & telephone numbers of the branch statutory auditors (if available from the previous year's lists etc.) to the branches.
- Send letters to all the auditors, welcoming them for the audit work of our bank and inform them:
    - (i) Telephone numbers of the Executive Incharge & other dealing officials of the Circle Balance Sheet Cell. This facilitates the auditors to contact the Circle Office in case of any constraints faced during the audit of the branches.
    - (ii) Apprise the auditors, deposits & advances of the branches to be audited by them to facilitate them to organize the audit programme.
- Follow up with the branches and the auditors for an early start/finalization of audit and submission of the audit report.
- Be in touch with the branches to ensure that wherever required, necessary guidance/support is provided, to avoid unnecessary MOCs, especially in large borrowal accounts.
- In case of any difference in opinion in respect of any issue, with the Auditor, wherever required necessary guidance be sought from the concerned HO division, **through their Circle Offices**.
- **No issues/MOCs be left to be discussed at the Head Office level. This results in delay in finalization of accounts of the bank.**
- All efforts be made for maintaining the minimum possible level of Suspense, Sundries (including non-finacle) Draft Payable Imprest, Inter-bank entries etc., as these have multiple adverse impact. First being, requirement of provision for the long outstanding entries and secondly these affect the CRAR of the bank adversely. The dealing **Inspection/Audit division** at **Circle Office** must initiate necessary steps to keep the balance of Impersonal Heads at the minimum level.

COST OF DEPOSITS & YIELD ON ADVANCES

Before start of the audit, **Planning & Development Section** at the **Circle Office** must analyze the branch-wise position of the cost of deposit & yield on advances for checking by the SCAs and in case of abnormal variations, matter must be immediately taken up with the concerned branches. Further, if required they must inform the changes to the Circle Balance Sheet Cell for incorporation of the impact through MOCs.

CAPITAL ADEQUACY STATEMENT

It must be ensured that **margin money** against various categories of advances/LCS/LGs, is shown properly by the branches**.** It is imperative that discrepancies if any are taken care of, at the Circle level by making necessary amendments.

BALANCE SHEET SCHEDULE-10-SFF/MCC/PREMISES/SOFTWARE

- The **opening value** of the SFF/MCC/Premises/Software as on the balance sheet date should **always be equal** to the **previous year's closing balance.**

- The **opening value** of the **depreciation** on SFF/MCC/Premises/Software as on the balance sheet date should **always be equal** to the **previous year's closing balance of the depreciation.**

- Whenever a fixed asset item is transferred from one branch/office to another branch/office **within the circle, grand total of Transfer In Items should always be = Transfer Out items.**

- **Software over Rs. 25000/- be capitalized at Circle Offices.**

Despite the fact that branches/administrative offices are aware of the afore-said facts, differences/discrepancies are observed due to the following:

- Whenever a fixed asset item is transferred from a branch/office to the other, complete details in respect of (i) original purchase value (ii) depreciation charged upto the previous year (iii) book value as on the date of transfer, are not apprised. Generally **book value** is informed by the **transferor branch**, which is **inadvertently** taken as the **original purchase value** by the **transferee branch, taking depreciation to date as "NIL"**.
- An item is transferred and intimation is sent by the **transferor branch but the same is not/correctly/late responded by the transferee branch.**

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पंजाब नैशनल बैंक ...भरोसे का प्रतीक ! punjab national bank ...the name you can BANK upon !

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

STATEWISE LIST OF HOLIDAYS FOR THE YEAR 2018 UNDER NEGOTIABLE INSTRUMENTS ACT

पंजाब नैशनल बैंक punjab national bank 2018 छुट्टियों की समेकित सूची CONSOLIDATED LIST OF HOLIDAYS

राज्य STATES/ सं.शा.क्षे. UT	जनवरी JAN.	फरवरी FEB.	मार्च MARCH	अप्रैल APRIL	मई MAY	जून JUNE	जुलाई JULY	अगस्त AUG.	सितंबर SEP.	अक्टूबर OCT.	नवंबर NOV.	दिसंबर DEC.
अंडमान तथा निकोबार ANDAMAN & NICOBAR	26	14	2,30	30	—	16	—	15,22,25	21	2,19	7,21,23	25
आन्ध्र प्रदेश ANDHRA PRADESH	14,15,26	13	2,18,25,30	1,5,14	1	16	—	15,22	13	2,17,18	7,21	25
अरुणाचल प्रदेश ARUNACHAL PRADESH	14,26	20	2,30	1,15,30	—	16	—	15	—	2,17,19	7,23	25
असम ASSAM	14,26	—	1,30	1,14,15	1	16	—	15,22	—	2,17-19	6,23	25
बिहार BIHAR	26	—	2,3,22,25,30	1,14	1	16	—	15,22	3,21	2,18,19	7,13,14	25
चंडीगढ़ CHANDIGARH	5,26,31	14	2,29,30	1	—	—	—	15,22	3	2,19	7,23	25
छत्तीसगढ़ CHHATTISGARH	26	14	2,29,30	2,30	—	16	—	15,22	3,21	2,19	7,21,23	25
दमन एवं दीयू DAMAN & DIU	26	—	2	1	1	—	—	15	—	2	—	19
दादर एवं नगर हवेली DADRA & NAGAR HAVELI	26	14	2,24,30	1	—	16	—	2,15	3,13	2,19	7,8,21	25
दिल्ली DELHI	26	—	2,29,30	2,30	—	16	—	15,22	21	2,19	7,21,23	25
गोवा GOA	26	—	2,18,30	1,14	1	16	—	15,22	13,14	2,18	6	3,19,25
गुजरात GUJARAT	14,26	13	2,18,25	1,14	—	16	—	15,17,22,26	3,13,21	2,18	7,8,21	25
हरियाणा HARYANA	26,31	14	2,29	1,14,30	—	16	—	15	3	2,18,24	7,23	25
हिमाचल प्रदेश HIMACHAL PRADESH	26,31	14	2	2,30	—	16	—	15,22,26*	3,21	2,19,27*	7,9*,23	25
जम्मू एवं कश्मीर JAMMU & KASHMIR	26	13	1,18	1,13,14,30	—	8,11,15	5,13	15,22,23	3,21	2,18	7,21,23	5,25
झारखंड JHARKHAND	26	14	1,2,20,25,29,30	1,14,30	—	16	—	15,22	3,20,21	2,17-19	7,13,21,23	25
कर्नाटक KARNATAKA	15,26	13	18,29,30	1,14,18	1	16	—	15,22	13,21	2,8,18,19,24	1,6,8,21,26	25
केरल KERALA	26	13	30	1,2,14,15	1	15	—	15,22,24,25,27	21	2,18,19	6,20	25
लक्षद्वीप LAKSHADEEP	26	—	2,30	1,14	—	14,16	—	15,22	3,21	2,19	7,21,23	25
मध्य प्रदेश MADHYA PRADESH	26	13	2,25,29,30	2,30	—	16	—	15,22,26	3	2,19	7,21	25
महाराष्ट्र MAHARASHTRA	26	13,19	2,18,25,29,30	1,14,30	1	16	—	15,17,22	13,20	2,18	7,8,21,23	25
मणिपुर MANIPUR	1,26	15	3,18,30	2,14	1	16	—	13,15,22	—	2,17	1,7,9	25
मेघालय MEGHALAYA	1,26	—	2,30	—	—	16	3,17	15,22	3	2,19	7,9,23	12,18,24,25,26,30
मिजोरम MIZORAM	1,2,11,26	20	2,30	2,30	—	15,30	—	15	—	2,18,19	7	24-26
नागालैंड NAGALAND	1,26	—	30	1	—	16	—	15,22	—	2,18,19	7,23	1,24-27
उड़ीसा ORISSA	22,26	14	2,25,30	2	—	15,16	—	15	2,13,14,21	2,17,19	7	25
पाण्डिचेरी PUDUCHERRY	1,15,26	—	30	1	1	15	—	15,16,22	13	2,18	1,6,21	25
पंजाब PUNJAB	26	—	2,25,30	1,14	—	16	—	15	—	2,19	7,23	25
राजस्थान RAJASTHAN	26	—	2,25,29	1,14	—	16	—	15,22,26	3,21	2,19	7,8,23	25
सिक्किम SIKKIM	1,17,26	16	2,26,30	1,14	16,29	16	13	15	3	2,16,17,19,31	7,9	10,11,25
तमिलनाडु TAMILNADU	1,14-16,26	—	18,29,30	1,14	1	15	—	15,22	2,13,21	2,18,19	6,21	25
तेलंगाना TELANGANA	15,26	13	1,18,26,30	1,5,14	1	16	—	15,22	3,13,21	2,17,18	7,21,23	25
त्रिपुरा TRIPURA	22,23,26	—	31	14,15,21	1	16	20	4,15,22	21	2,8,16-19,24	7	25
उत्तर प्रदेश UTTAR PRADESH	26	14	1,2,21,26,29,30	1,14,30	—	16	—	15,22,26	3,21	2,18,19	7,8,9,21,23	25
उत्तराखंड UTTRAKHAND	26	14	2,25,30	1,14	29	15	—	15,22	3	2,19	7,21,23	25
पश्चिम बंगाल WEST BENGAL	12,22,23,26	—	2,30	1,14,15,30	1,9	16	—	15,22	21	2,8,16-19,21,24	6,23	25

नोट : 1. उपरोक्त अवकाश सूची में बैंक खातों की लेखाबन्दी के अवकाश शामिल नहीं है।
Note : 1. The above list does not include holidays on account of closing of bank accounts.

नोट : 2. मुस्लिम अवकाश चांद के दिखाई देने की दशा में हैं।
Note : 2. Muslim Holidays are subject to appearance of moon.

नोट :3. शाखाएं किसी तरह के स्पष्टीकरण के लिए संबंधित सरकार की अधिसूचना देखें।
NOTE : 3. Branches should refer to the respective Government notification for any clarification/discrepancy.

नोट 4. *अवकाश केवल महिला कर्मचारियों के लिए
Note : 4. *Holidays for woman employees only

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

CONTACT NUMBERS OF OFFICIALS AT FINANCE DIVISION				
S.NO.	**NAME (S/Sh.)**	**Phone No**	**MOBILE NO.**	**E-MAIL ADDRESS**
1.	P K Sharma, GM	011-28044155	9971117760	pk.sharma2@pnb.co.in
2.	S.K. Jain, DGM	011-28044205	8130633707	sk.jain4@pnb.co.in
MOC, DATA VALIDATION AND WINDOW DRESSING				
1.	P K Varshney CM	011-28044422	9602222660	pkv@pnb.co.in
2.	N.S. Rana Senior Manager	011-28044865	8860257980	nsrana@pnb.co.in
3.	Rajinder Puri Manager	011-28044865	9560675544	finbs@pnb.co.in
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5.	Sachin Ludhiyani Senior Manager	011-28044859	9425822044	Sachin.ludhiyani@pnb.co.in
BANKER'S A/C / WRITTEN OFF/ REIMBURSEMENT/ DICGC/TPM				
1.	R k Sharma, AGM	011-28044319	9717722716	Rksharma4@pnb.co.in
2.	H K Luthra, Senior Manager	011-28044864	9971121501	hkluthra@pnb.co.in
INSIDER TRADING & FPO UNRECONCILED				
1.	Balbir Singh, CM	011-28044866	9910088290	balbirs@pnb.co.in
2.	Raj Kumar Senior Manager	011-28044857	9871696203	rkbargujar@pnb.co.in
3.	M C Sharma, Senior Manager	011-28044857	9643340123	Mc_sharma@pnb.co.in
STATUS NOTES (CREDIT)				
1.	Pramod Kumar Bansal,CM	011-28044305	9779456707	pramod.bansal@pnb.co.in
2.	Kapil Tyagi, Senior Manager	011-28044763	9871790681	kapiltyagi@pnb.co.in
3.	Sunita Kumari, Senior Manager	011-28044769	9891688250	sunitakumari@pnb.co.in
STATUS NOTES (NPA)				
1.	J J Bhatt, Senior Chief Manager	--	9426741550	jj.bhatt@pnb.co.in
2.	Anuj Dangri , Senior Manager	--	9599685854	anuj.dangri@pnb.co.in
BRANCH AUDIT – MARCH, 2018				
1.	R k Sharma,	011-	9717722716	Rksharma4@pnb.co.in

	AGM	28044319		
2.	Praveen Gandhi, Sr. Manager	011-28044862	9873983980	finsa@pnb.co.in
CBPMS/ DIGITAL SIGNATURE				
1.	Deepak Taneja, Chief Manager	011-28044446	9717003845	deepak.taneja@pnb.co.in
2.	Abhishek Kumar Senior Manager-IT	011-28044868	8170063854	abhishekkumar@pnb.co.in
3.	Ajitabh Shankar Senior Manager-IT	011-28044868	7525001871	Ajitabh.shankar@pnb.co.in
3.	Ravi Kant Vishwakarma	011-28044868	9350650588	finit@pnb.co.in
TAXATION				
1.	Deepak Taneja, Chief Manager	011-28044446	9717003845	deepak.taneja@pnb.co.in
2.	Murlidhar, Senior Manager	011-28044710	8901390809	fintax1@pnb.co.in
3.	Ketan Batra Senior Manager	011-28044867	7060477766	Fintax3@pnb.co.in
4.	Yashpal Nanda Sr. Manager	011-28044867	9815802611	yash.nanda@pnb.co.in
5.	Mohit Goel Manager	011-28044867	9873572655	fintax@pnb.co.in
LFAR				
1.	Balbir Singh, CM	011-28044866	9910088290	balbirs@pnb.co.in
2	R N Dutt, Sr. Mgr.	011-28044865	8755310310	finlfar@pnb.co.in

CHAPTER 16: GUIDELINES FOR ADMINISTRATION OF SUBSIDIES

Many credit linked Govt Sponsored Schemes have a provision of back ended subsidy i.e. the subsidy amount received from the Govt. remains with the bank branch and is adjusted in the loan account after the lock-in-period prescribed in each scheme. The subsidy amount is to be kept in PMRY as a Fixed Deposit carrying 0% interest and in other schemes in the Subsidy Reserve Fund Account.

The detailed guidelines for administration of subsidy are given in our various schemes as under:

National Urban Livelihood Mission (NULM).– Codified Cir.No. PSFID/PRIORITY SECTOR/Codified Circular 06/2017 Dated July 06, 2017.

Reserve Bank of India, Central Office, Mumbai has issued Circular RBI / 2017-18 /5 FIDD .GSSD .CO.BCNo.03 / 09.16.03 / 2017-18 dated July 01, 2017 incorporating guidelines on **National Urban Livelihood Mission (NULM) .**

The Government of India, Ministry of Housing and Urban Poverty Alleviation (MoHUPA), has restructured the existing Swarna Jayanti Shahari Rozgar Yojana (SJSRY) and launched the National Urban Livelihood Mission (NULM). The Self Employment Programme (SEP) component of NULM will focus on providing financial assistance through a provision of interest subsidy on loans to support establishment of Individual & Group Enterprises and Self-Help Groups ((SHGs) of urban poor.

The existing provision of capital subsidy for USEP (Urban Self Employment Programme) and UWSP (Urban Women Self-Help Programme) components of SJSRY has been replaced by interest subsidy for loans to Individual enterprise (SEP- I), Group enterprise (SEP- G) and Self Help Groups (SHGs).

Pattern of Financial Assistance: The financial assistance available to urban poor in setting up individual and group enterprises will be in the form of Interest subsidy on the bank loans. Interest subsidy, over and above 7% rate of interest will be available on a bank loan for setting up of individual or group enterprises. The difference between 7% p.a. and the prevailing rate of interest will be provided to banks under NULM. Suitable certification from banks will be obtained in this regard.

Procedure for interest subsidy:

All branches would be eligible for getting interest subvention under the scheme.
After disbursement of loan to the beneficiaries, the concerned branch of the bank will send details of disbursed loan cases to ULB along with details of interest subsidy amount.

The settlement of claims made by banks would be done on quarterly basis by the ULBs, however the submission of claims should be monthly. The ULB will check the data at their end and will release the interest subsidy amount (difference between 7% p.a. and prevailing rate of interest) to the banks.

An additional 3 percent interest subvention will be provided to all **Women SHGs** (**WSHGs**), who repay their loan in time. The Interest subsidy will be subject to timely repayment of the loan (as per the loan repayment schedule) and suitable certification obtained from banks by the ULB. The additional 3% interest subvention amount will be reimbursed to the eligible WSHGs. The banks should credit the amount of 3% interest subvention to the eligible WSHGs accounts and thereafter seek the reimbursement.

PRIME MINISTER'S ROZGAR YOJANA (PMRY) – Codified Cir.No.PSLB/WS/PMRY/21/ 2007 dated August 3, 2007

(i) Subsidy disbursal – The PMRY has been discontinued w.e.f April 2008 by Ministry of Micro, Small & Medium Enterprises, Govt. of India, New Delhi. However, the guidelines on administration of subsidy contained in our Codified Circular referred to above will continue to be operative in the existing loan account which are reproduced hereunder:

The subsidy made available by Government of India and passed on to the banks through Reserve Bank of India. As per the extant guidelines under the scheme, the subsidy portion is kept as fixed deposit with the banks in the name of the borrower for the duration of the term loan component but will not earn any interest. The subsidy deposit will be available to the borrower for adjustment against the last instalment(s) due under the term loan component. **In any case, the fixed deposit should run for a minimum period of 3 years and would be available for adjustment only thereafter.**

(ii) Effective date of FDR

a) As the subsidy amount is remitted in advance to the Head Office of the bank, the date of the fixed deposit created out of subsidy amount will be the date on which the last instalment of the loan is disbursed by the branch. From that date, no interest will be charged on the subsidy portion of the loan.

b) Even if the subsidy amount is received by the Head Office after the loan is disbursed, to avoid inconvenience to the borrowers, the FD shall run from the date on which the last of instalment of the loan was disbursed and no interest on the subsidy portion of the loan shall be charged from that date.

(iii) Non-payment of interest on FDR representing subsidy

On the subsidy amount retained by the banks as fixed deposit in the name of the beneficiary, no interest will be paid by the banks and on the portion of the loan-representing subsidy, no interest would be charged by banks. The rate of interest to be charged will be decided on the basis of the loan amount net of subsidy.

OTHER SCHEMES WITH BACK-ENDED SUBSIDY – It is observed that in some other schemes also, provision of back-ended subsidy is available and therefore, it is necessary that the subsidy is kept as provided in the scheme and while charging interest in the account, the amount of subsidy is reduced from the loan amount as described in detail under other schemes. Incumbent Incharge are advised to carefully implement the guidelines.

HANDLING BACKENDED PRINCIPAL SUBSIDY IN RUNNING AND TERM LOANACCOUNTS:

Guidelines on subsidy handling in '**Running Accounts'** (CC and OD accounts) and **Term Loan accounts**, opened w.e.f. 01st April 2012 have been circulated vide ITD Circular No.ITD/CBS/03/2012 dated 13.01.2012 and ITD/CBS/21/2012 dated 29.03.2012, respectively.

Further, guidelines on subsidy handling in Term Loan accounts opened prior to 01st April 2012 have been circulated vide ITD Circular No.ITD/CBS/51/2012 dated 26.09.2012.

Subsequently, guidelines on appropriation of subsidy in Term Loan accounts have been circulated vide ITD Circular No. ITD/CBS/34/2013 dated 27.05.2013

Incumbent Incharge are advised to implement these guidelines meticulously.

पंजाब नैशनल बैंक ...भरोसे का प्रतीक ! punjab national bank ...the name you can BANK upon !

HEAD OFFICE, FINANCE DIVISION, SECTOR-10, DWARKA, NEW DELHI

Telephone list of Circle offices

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377900	Agra	AGM	P.K.Pathak	7251077747	pkpathak@pnb.co.in	0562-2850023
377900	Agra	AGM	RK Agarwal	7044069159	rkagarwal58@pnb.co.in	0562-2850288
377900	Agra	Chief Manager	P.K.Jain	7617701050	p.k.jain@pnb.co.in	0562-2851116
377900	Agra	Sr. Manager	A.K.Gupta	7042277171	anandgupta@pnb.co.in	0562-2858436
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384400	Ahmedabad	Dy. Circle Head	A K Vyas	7042622335	akvyas@pnb.co.in	079-26584702
384400	Ahmedabad	Senior Manager	Vipul Badeliya	9974100381	coahmpnd@pnb.co.in	079-26586220
384400	Ahmedabad	Sr. Manager	B S Rao	7227012323	coahmbsc@pnb.co.in	079-26577892
384400	Ahmedabad	Officer	R K Shah	9898827398	coahmbsc@pnb.co.in	079-26584375
384400	Ahmedabad	Officer	Ravi Shah	8511141676	coahmbsc@pnb.co.in	079-26577892
999200	Allahabad	Circle Head	SK Panigrahi	9955996001	sandip@pnb.co.in	0532-2560410
999200	Allahabad	Chief Manager	Y N Pandey	7752882603	ynpandey@pnb.co.in	0532-2560410
999200	Allahabad	Sr. Manager	Vivek Shrivastava	7459011425	viveks@pnb.co.in	0532-2560553
999200	Allahabad	Officer	Prateek Srivastava	8853305209	prateek.srivastava@pnb.co.in	0532-2560553
653300	Alwar	Circle Head	Sukhmal Jain	8003593501	sukhmaljain@pnb.co.in	0144-2700858
653300	Alwar	Chief Manager	V K Singhal	9910075367	vijay.singhal@pnb.co.in	0144-2700855
653300	Alwar	Sr. Manager	Valvir Singh Meena	8107733444	valvir.meena@pnb.co.in	0144-2700667
653300	Alwar	Manager	Mukesh Jain	8003095355	Mukeshjain4@pnb.co.in	0144-2700667
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381200	Amritsar	Manager	Harsimran Singh	9888228101	harsimran.singh@pnb.co.in	0183-5017117
378300	Arrah	Circle Head	Manohar Datt	07060905551	mdpandey@pnb.co.in	06182-242419
378300	Arrah	Dy. Circle Head	Anjan Chattopadhyay	9102402925	anjanchattopadhyay@pnb.co.in	06182-242423
378300	Arrah	Chief Manager	Rajiv Saxena	9473192186	rajiv.saxena@pnb.co.in	06182-221252
378300	Arrah	Sr. Manager	Shailesh	9473341606	coarasamd@pnb.co.in	-
382400	Bangalore	Circle Head	Ramdas Hegde	9967978630	ramdas.hegde@pnb.co.in	080-25325808
382400	Bangalore	AGM	A U B Reddy	7032913704	aubreddy@pnb.co.in	080-25597447
382400	Bangalore	Sr. Manager	Samikkalai M	9686681066	samikkalai@pnb.co.in	080-25599800
382400	Bangalore	Dy. Manager IT BD	Srijith	9741390050	cobngbs@pnb.co.in	-

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382900	Bareilly	Officer(IT)	Sumit Agarwal	8171710216	cobaritd@pnb.co.in	0581-2520448
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382000	Bharatpur	Manager	Praveen Sharma	9602144114	cobprbs@pnb.co.in	05644-227601
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381300	Bhatinda	Executive Incharge	MP Gupta	88007-84446	mpgupta@pnb.co.in	0164-5002502
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381300	Bhatinda	Office (IT)	Ms Mehak	70874-09007	cobtditd@pnb.co.in	0164-2236273
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377400	Bhopal	Chief Manager	P K Dhiman	9418021328	pkdjal@pnb.co.in	0755-2764320
377400	Bhopal	Manager	Bhanupriya Vishwakarma	9977500755	cobplbsc@pnb.co.in	0755-2558540
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378900	Biharsharif	Senior Manager	Uday Rajak	9135001205	cobhrbs@pnb.co.in;	06112-238578
378900	Biharsharif	Senior Manager	Anuj Agarwal	9771463090	anujagrawal@pnb.co.in	06112-238578
378900	Biharsharif	Officer	Sajjan Kumar	9031246993	sajjan.kumar2@pnb.co.in	06112-238578
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383000	Bulandshahr	Sr Manager	Yash Veer Singh	7060551014	cobsritd@pnb.co.in	05732-231885
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748800	Central Delhi	Dy Manager	Sandeep Suri	9810180108	cocdelbal@pnb.co.in	011-25860770
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653500	Ernakulam	Chief Manager	Vijayakumari C	9746222139	cvijayakumari@pnb.co.in	0484-2384617
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653500	Ernakulam	Senior Manager	Rupakala V	9446325433	coekmbsc@pnb.co.in	0484-2384623
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653400	Faizabad	Chief Manager	Mayuri Tiwari	9958428429	mayuri@pnb.co.in	05278-244373
653400	Faizabad	Sr Manager	Ravi Shanker Mishra	9650071315	cofzdpnd@pnb.co.in.	05278-244522
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378500	Gaya	Asst. Gen Manager	Tirath Ram Khurana	7257002013	trkhurana@pnb.co.in	0631-2225394
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378500	Gaya	Senior Manager	Sunil Kumar	9955994020	sunil_kr@pnb.co.in	0631-2221683
378500	Gaya	Manager	Preeti Kumari Sethi	7260892964	pk.sethi@pnb.co.in	0631-2221683
378500	Gaya	Officer IT	Vijan kumar Singh	9475614199	vijan_singh @yahoo.com	-
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383400	Gorakhpur	Chief Manager	Tilak Raj Khanduja	9119602602	cogkppnd@pnb.co.in	7234900523
383400	Gorakhpur	Senior Manager	kanhya kumar aggarwal	8953999252	cogkppnd@pnb.co.in	0551-2335598
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379600	Guwahati	Chief Manager	Sanam Palzer	8876144343	Sanam.pulzer@pnb.co.in	0361-2463564
379600	Guwahati	Manager	Keshab Dutta	9864020084	coguwbsc@pnb.co.in	0361-2529962
379600	Guwahati	Manager	Simmi Kachhap	9801737146	coguwbsc@pnb.co.in	0361-2529963
999300	Gwalior	Circle Head	P K Jain	9711731195	pk.jain4@pnb.co.in	0751-2322994

999300	Gwalior	Chief Manager	Anil Kumar Gautam	9837948880	anil.gautam2@pnb.co.in	0751-2437840
999300	Gwalior	Manager (IAD)	Devbrat Singh Sikarwar	9926773672	devbrat.sikarwar@pnb.co.in	0751-2437842
999300	Gwalior	Manager (IT)	Aprajita parihar	8989996873	aprajita.parihar@pnb.co.in	0751-2437836
380500	Hamirpur	Circle Head	Subodh Kumar Kala	9805508484	subodhkala@pnb.co.in	01972-222349
380500	Hamirpur	Chief Manager	Aditya Singh	9805006202	adityasingh@pnb.co.in	01972-225989
380500	Hamirpur	Senior Manager	Jagdish Redhu	9805006204	cohmrgad@pnb.co.in	01972-224477
383900	Haridwar	Circle Head	Kuldeep Sharma	9897028308	ksharma@pnb.co.in	01334-233933
383900	Haridwar	Chief Manager	O P Bharti	7055701110	om.bharti@pnb.co.in	01334-233932
383900	Haridwar	Sr Manager IT	Deepak Kumar	9808603138	deepak.kumar5@pnb.co.in	01334-234466
383900	Haridwar	Manager	Amit Kumar	9161974222	cohrdbsc@pnb.co.in	01334-230370
380400	Hissar	Circle Head	Neera Kataria	9053045945	neerakataria@pnb.co.in	01662-247733
380400	Hissar	Chief Manager	Surinder Chawla	8199971799	surinder.chawla@pnb.co.in	01662-246668
380400	Hissar	Senior Manager	Ashok Saluja	8295024424	cohsritd@pnb.co.in	01662-250358
380400	Hissar	Manager	Ajay kumar	9034530424	cohsrsamd@pnb.co.in	01662-250358
381600	Hoshiarpur	Circle Head	Shri A K Bhatia	8288006901	akbhatia@pnb.co.in	01882-222022
381600	Hoshiarpur	Sr. Manager	Shri Mukesh kumar Sahu	9717164441	cohspgb@pnb.co.in	01882-505274
381600	Hoshiarpur	Chief Manager	Shri D K Sharma	8288057300	dk.sharma@pnb.co.in	01882-505276
379900	Indore	Dy. Circle Head	Sh R P Tambi	9811304962	rptambi@pnb.co.in	0731-2438002
379900	Indore	Sr. Mgr	R K Ghatiya	8989993146	coindiad@pnb.co.in	0731-2438005
379900	Indore	Dy. Circle Head	Sh R P Tambi	9811304962	rptambi@pnb.co.in	0731-2438002
379900	Indore	Sr. Mgr	R K Ghatiya	8989993146	coindiad@pnb.co.in	0731-2438005
380000	Jabalpur	Circle Head	Sh Nirendra Kumar	8989996890	nirendra@pnb.co.in	0761-2403229
380000	Jabalpur	Chief Manager	Sh Birendra Chaudhary	8989996568	birendra.chaudhary@pnb.co.in	0761-2405403
380000	Jabalpur	Sr. Manager	Sh R K Jagirdar	9752592260	cojbpbsc@pnb.co.in	0761-2405548
380000	Jabalpur	Sr. Manager	Sh Raj Kumar Kori	9871649008	rkk@pnb.co.in	-
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377700	Jaipur	AGM	ramesh kumar bansal	8800719100	ramesh.bansal@pnb.co.in	0141-2747133
377700	Jaipur	Senior Manager	Dheeraj Kulhari	7790922052	dheeraj.kulhari@pnb.co.in cojprcad@pnb.co.in	0141-2747110
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381700	Jalandhar	DY Circle Head	Sh. Sushil Suri	7087882727	sushilsuri@pnb.co.in	0181-2224751
381700	Jalandhar	Manager	Sh. Gurpreet Singh	9780301060	cojalbsc@pnb.co.in	0181-2233964

381700	Jalandhar	Manager-IT	Sh. Gagandeep Singh	90418-48400	cojalitd@pnb.co.in	0181-2220518
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767900	Jammu	Chief Manager	Sanjay Dhar	9419194464	sanjaydhar@pnb.co.in	0191-2471938
767900	Jammu	Sr. Manager	Rakesh Kumar	9906060719	rakesh.kumar7@pnb.co.in	0191-2471585
767900	Jammu	Manager	Vijay Kumar	9419125542	vijay.kumar92@pnb.co.in	0191-2471585
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383100	Jhansi	Sr Manager	Devender Verma	9412000095	cojhabsc@pnb.co.in	0510-2321461
383100	Jhansi	Circle Head	Saxena ,RCP	7607001307	rcpsaxena@pnb.co.in	0510-2321460
382200	Jodhpur	Circle Head	C P Agal	9414101400	c.agal@pnb.co.in	0291-2431958
382200	Jodhpur	Dy.Circle Head	F C Singla	8295964399	fc.singla@pnb.co.in	0291-2611213
382200	Jodhpur	Chief Manager	R K Pandey	9772211425	rpandey@pnb.co.in	0291-2635745
382200	Jodhpur	Officer	Sandeep Sharma	9462830305	cojdhbsc@pnb.co.in	0291-2616822
383500	Kanpur	Circle Head	Singh,Shravan Kumar	7607001301	shravan.singh@pnb.co.in	0512-2312448
383500	Kanpur	Dy Circle Head	R K Mishra	7607001302	cokan@pnb.co.in	0512-2313734
383500	Kanpur	Chief Manager	Surendra Mohan	7607001312	cokan@pnb.co.in	0512-2331311
383500	Kanpur	Senior Manager	Binay Kumar Jha	7607001334	cokansamd@pnb.co.in	0512-2319424
383500	Kanpur	officer	avinash	7607001328	cokanpnd@pnb.co.in	0512-2330926
383500	Kanpur	Manager	Nalin Malhotra	7607001191	cokanpnd@pnb.co.in	0512-2303403
383500	Kanpur	Manager	Chetan	8173007279	cokanitd@pnb.co.in	0512-2300115
653200	Kapurthala	Chief Manager	Rakesh Jamwal	8811081846	rakesh.jamwal@pnb.co.in	01822-509629
653200	Kapurthala	Manager	Chaman lal	9876159891	cokptbsc@pnb.co.in	01822-509553
653200	Kapurthala	Circle Head	p.n.trivedi	8146024000	cokpt@pnb.co.in	01822-509540
380700	Karnal	Chief Manager	D K Gupta	99157-15991	dk_gupta@pnb.co.in	0184-2266332
380700	Karnal	Manager - IT	Harnek Singh	9896043165	harnek.singh3@pnb.co.in	0184-2265767
380700	Karnal	Manager - IT	Preetinder Singh	8699645483	coknlbsc@pnb.co.in	0184-4041788
380700	Karnal	Circle Head	KK Singla	86070-62500	kksingla@pnb.co.in	0184-2269618
380701	Karnal	Sr. Manager	Jagatjit Singh	9416065627	jagatjit.singh@pnb.co.in;	-
383200	Kashipur	Chief Manager	MC Sharma	8171527711	cokassamd@pnb.co.in	05947 274734
383200	Kashipur	Officer	Smriti Pathak	8171801616	cokasbsc@pnb.co.in	05947-275135
383200	Kashipur	Circle Head-AGM	Sachdeva,Anil Kumar	9760160000	anilsachdeva60@yahoo.com	05947-276940
383200	Kashipur	Sr. Manager	Ravi ShankarPrasad	7055015341	cokasinsp@pnb.co.in	-
379500	Kolkata	Circle Head	P J Maheshwari	9051512125	pjm@pnb.co.in	033-22649999

379500	Kolkata	Chief Manager	R N Mukherjee	9007057920	rathindra.mukherjee@pnb.co.in	033-40277205
379500	Kolkata	Dy.Manager	Sujay Shankar Das	9800223838	cokolbs@pnb.co.in	033-40277273
427700	Kozhikode	Circle Head	Sumitra Baskaran	9567052222	sumitra.baskaran@pnb.co.in	0495 2742614
427700	Kozhikode	Chief Manager	Umashankar K R	7510401989	umashankar@pnb.co.in	0495-2744360
427700	Kozhikode	Manager IT	Simi Mohan	9995552377	simimohanv@pnb.co.in	0495 2743064
427700	Kozhikode	officer	Gopal	8985374002	cokozbsc@pnb.co.in	0495-2743064
653000	Kurukshetra	Manager-IT	Vivek Dhiman	7206915488	cokkritd@pnb.co.in	01744-224648
653000	Kurukshetra	Sr Manager	Rakesh Bayana	7206573970	cokkrsamd@pnb.co.in	01744-224648
653000	Kurukshetra	Chief Manager	Suresh Kumar	8130114222	sureshkapadia@pnb.co.in	01744-224712
653000	Kurukshetra	Circle Head	Shashi Kumar Chopra	9053011700	shashi.chopra@pnb.co.in	01744-224716
653000	Kurukshetra	Manager	Kavita	9017875800	cokkrbsc@pnb.co.in	-
653000	Kurukshetra	Sr. Manager	Jagmal Singh	9813350137	cokkrloans@pnb.co.in	-
653000	Kurukshetra	Dy.Circle Head	Abhay Parmar	7023577771	abhayparmar@pnb.co.in	-
378000	Lucknow	CM(Audit,IT, SAMD)	Ashok Mishra	8173000103	ashok.km@pnb.co.in	0522-2304926
378000	Lucknow	Sr. Manager IT	Prerona Mishra	8173000117	colckitd@pnb.co.in	0522-2728050
378000	Lucknow	Circle Head	Nirmal kumar Singh	8173000300	nksingh@pnb.co.in	0522-2306818
378000	Lucknow	Sr Manager (P&D)	Prem Shankar Yadav	8173000130	prem@pnb.co.in	0522-2728046
378000	Lucknow	Chief Manager(P&D)	N.K.Singh	8173000139	colckpnd@pnb.co.in	0522-2728045
377600	Ludhiana	Dy Manager IT	Ms Rimmi Singh	9814436444	atmldh@pnb.co.in	0161 2550227
377600	Ludhiana	Senior Manager	Ajay Kumar Bansal	9897740077	coludbsc@pnb.co.in	0161 2550175
377600	Ludhiana	Chief Manager	Basant kumar Midha	9650958787	Basant.midha@pnb.co.in	0161 2550134
377600	Ludhiana	Dy Circle Head	C K Sopori	8146587165	ck.sopori@pnb.co.in	0161 2550129
377600	Ludhiana	Circle Head	P .K. Mehta	9779827500	bnmishra@pnb.co.in	0161 2550121
380800	Mandi	Chief Manager	K C Nautiyal	9454844238	kcnautiyal@pnb.co.in	01905-222860
380800	Mandi	Senior Manager	Ramesh Singh	7807838082	comanaudit@pnb.co.in	01905-223422
378100	Meerut	Circle Head	Sunil Dutt Srivastava	7042318111	sdsrivastava@pnb.co.in	0121-2671230
378100	Meerut	Manager	S k Bansal	9568005095	comrtpnd@pnb.co.in	0121-2671361
378100	Meerut	Sr. Manager IT	Alankrita	9568005099	alamkrita@pnb.co.in	0121-2671361
378100	Meerut	Dy. Circle Head	Sanjiv kumar sharma	8171759595	sksharma9@pnb.co.in	0121-2671361
378100	Meerut	Officer	Anakita Gupta	7417761798	comrtpnd@pnb.co.in	0121-2671361

379700	Midnapore	Senior Manager	Jagabandhu Dolai	9474952241	comidinsp@pnb.co.in	03222-263845
379700	Midnapore	Officer	Shweta Kumari	8170029376	comidinsp@pnb.co.in	07602-008741
379700	Midnapore	Officer	Arindam Nandi	9800914964	arindam.nandi@pnb.co.in	07602-008741
379700	Midnapore	Circle Head	C A K Mishra	9800109004	cakmishra@pnb.co.in	03222-274365
384100	Moradabad	Chief Manager	Shri Ranjit Singh	8171801195	ranjit.singh4@pnb.co.in	0591-2455149
384100	Moradabad	Senior Manager	Rajeev Kumar Agarwal	8171997934	combdcomplaint@pnb.co.in	0591-2455143
384100	Moradabad	Circle Head	P.Mahendar	8191099111	p.mahendar@pnb.co.in	0591-2455141
998900	Mumbai City	Dy. Circle Head	Sunil Lakhanpal	9815633772	0041945@pnb.co.in	022-22183287
998900	Mumbai City	Asst General Manager	Pradeep Kumar Gupta	9958644334	pradeep.gupta@pnb.co.in	022-22163458
998900	Mumbai City	Manager	Manoj Fodkar	9769504989	laddermumbai@pnb.co.in	022-22182423
998900	Mumbai City	Circle Head	GMM Babu	8826366977	gmmbabu@pnb.co.in	022-22186829
384500	Mumbai Suburb	Circle Head	M K Bose	7710001158	mkbose@pnb.co.in	022-26532678
384500	Mumbai Suburb	Asst General Manager	Vipul Kaushik	8146590715	vkaushik@pnb.co.in	022-26532693
384500	Mumbai Suburb	Manager	hrishikesh	7897420563	comumsubsamd@pnb.co.in	022-26532707
384200	Muzaffarnagar	Dy. Circle Head	V K Chadha	7055700050	vkchadha1110@gmail.com	0131-2608118
384200	Muzaffarnagar	Chief Manager	V P Singh	-	vp_singh@pnb.co.in	0131-2601138
384200	Muzaffarnagar	Senior Manager	Gyanendra Singh	8171997720	comznbs@pnb.co.in comznpnd@pnb.co.in	0131-2601126
384200	Muzaffarnagar	Circle Head	Rajendra Singh Rathore	9557199900	rajendrarathore@pnb.co.in	0131-2600643
378700	Muzaffarpur	Chief Manager	Pravin Kumar	7544008872	comzpbs@pnb.co.in;	0621-2273371
378700	Muzaffarpur	Senior Manager	Indrakant	9771413729	comzpsamd@pnb.co.in	0621-2273361
378700	Muzaffarpur	Circle Head	Sudhir Dalal	9507565555	sudhirdalal@pnb.co.in	0621-2273366
378700	Muzaffarpur	Manager	Ranjay Kumar	8092534855	82598rk@pnb.co.in	0621-2214613
384600	Nagpur	Chief Manager	K.Balaasubramanian	8800692334	kbalasubramanian@pnb.co.in	-
384600	Nagpur	Officer	Satish Chawre	7757005193	satishchawre@gmail.com	-
384600	Nagpur	MGR - BSC	Dhanashree Bhanushali	7219202738	conagpurbsc@pnb.co.in	-
384600	Nagpur	Circle Head	Mahapatra B Prasad	9003066636	mahapatra@pnb.co.ib	-
748700	Noida	Circle Head	Raajeva	-	rajeeva@pnb.co.in	1204818111
748700	Noida	DY Circle Head	E. Subramanian	9940438174	edumbansubramanian@pnb.co.in	1204818102
748700	Noida	Chief Manager	Premchand	8860600216	premchand.premi@pnb.co.in	1204818112
748700	Noida	Officer	Rakesh S. Pundir	9911185222	conoidaplanning@pnb.co.in	1204818118

379100	North Delhi	Asst General Manager	Deepak Sood	8826360503	sooddeepak@pnb.co.in	011-25744372
379100	North Delhi	Circle Head	R R Dhar	8288013902	ravidhar@pnb.co.in	011-25864287
653100	Patiala	Chief Manager	T P Advani	8769001100	coptlcredit@pnb.co.in	0175-5030242
653100	Patiala	Sr. Manager	Sanjay Arya	9888486060	dcopatiala@pnb.co.in	0175-5030210
653100	Patiala	Dy Manager	S C Nagar	9814906403	coptlbs@pnb.co.in	0175-5030230
653100	Patiala	Circle Head	D S Verma	8288050980	dsverma2@pnb.co.in	0175-5030200
653100	Patiala	Manager	A S Dhanju	9815388600	-	0175-5030230
377100	Patna	Circle Head	Anil Kumar Mishra	8173001098	anilmishra@pnb.co.in	0612-2228242
377100	Patna	Dy Cir Head	Rajiv Verma	8527655077	rverma@pnb.co.in	0612-2506743
377100	Patna	AGM (Executive Incharge)	M K Ray	9771469654	manojkumar.ray@pnb.co.in	0612-2506710
377100	Patna	Sr. Manager	Pramod Kumar	9771464802	pramod_kumar@pnb.co.in	0612-2506523
377100	Patna	Sr. Manager	Manish Priyadarshi	9771464813	coptnbs@pnb.co.in	0612-2506523
384700	Pune	Circle Head	Shri Sanjaya Kandpal	8527481144	chpune@pnb.co.in	020-26133863
384700	Pune	Asst General Manager	Shri Narinder Sharma	8130424545	narindersharma2@pnb.co.in	020-26053517
384700	Pune	Chief Manager	Shri S.K.Chauhan	8433734333	skc.0305@pnb.co.in	020-26135570
384700	Pune	Senior Manager	Shri Arun Katyal	8454041963	ladderpune@pnb.co.in	020-26140845
380100	Raipur	AGM	sushil Sharma	9425501489	sushil.sharma3@pnb.co.in	0771-2210452
380100	Raipur	Chief Manager	K K Jaayde	7767979222	kkjayde@pnb.co.in	0771-2210441
380100	Raipur	Senior Manager	Amiya Pal	9424104801	coraiaudit@pnb.co.in	771 - 2210449
380100	Raipur	Senior Manager	Ajay Singh	9425501039	ajaysingh@pnb.co.in	0771-2210451
380100	Raipur	Circle Head	Rajeev Khera	8527390030	rajeevkhera@pnb.co.in	0771-2226223
379000	Ranchi	Chief Manager	Devendra Kumar Sah	8750379199	devendra.sah@pnb.co.in	0651-6451146
379000	Ranchi	Officer	Shrikant Gupta	9934010138	coranbsc@pnb.co.in	0651-2331765
379000	Ranchi	Deputy Manager	Harendra Mohan Mishra	9771496054	ladderranchi@pnb.co.in	0651-6454855
379000	Ranchi	Circle Head	Praveen Kumar Jain	7360073611	praveenjain@pnb.co.in	0651-2331073
380900	Rohtak	Chief Manager	Manisha Mitra	9729870465	manisha_mitra@pnb.co.in	01262-228018
380900	Rohtak	Sr. Manager	P K Madaan	9729873873	cortkinsp@pnb.co.in	01262-228045
380900	Rohtak	Officer	Preeti Saini	9034114040	preeti.saini@pnb.co.in	01262-228048/22
380900	Rohtak	Circle Head	Ashwani Bansal	9053084444	akbansal@pnb.co.in	01262-228000/228299
768000	Sambalpur	Chief	Thomas Jerry Koshi	7694097005	ccosambalpur@pnb.co.in	0663-6053503

		Manager				
768000	Sambalpur	Circle Head	Sumanta Mohanty	7894898777	smohanty@pnb.co.in	0663-6053501
768000	Sambalpur	Sr. Manager Credit	Dalip das	8280344879	smohanty@pnb.co.in	0663-6053503
381000	Shimla	Chief Manager	Kashmir Singh	9816072865	cosmlbsc@pnb.co.in	0177-2806149
381000	Shimla	Sr Manager/Officer	sanjay dhaul/man mohan	9591872222/9599064564	cosmlgbd1@pnb.co.in	0177-2651255
381000	Shimla	Circle Head	Deepak Kakkar	8826360503	kakkar.deepak@pnb.co.in	0177-2651733
652900	South Delhi	Asst General Manager	Veena Kaul	9910270758	veenakaul@pnb.co.in	011-25742325
652900	South Delhi	Senior Manager	Girish Kumar	9958006622	cosdelbal@pnb.co.in	011-25860666
652900	South Delhi	Circle Head	P K Anand	8130272244	pk_anand@pnb.co.in	011-25744374
382300	Sriganganagar	Manager	Manish Bulia	9929999066	cosgnbsc@pnb.co.in	0154-2461757
382300	Sriganganagar	Manager	Hansraj Verma	9413933654	cosgnsamd@pnb.co.in	0154-2462609
382300	Sriganganagar	Sr. Manager	Bharat Lal Meena	8003897088	cosgnpnd@pnb.co.in	0154-2464508
382300	Sriganganagar	Chief Manager	Jagdish Narain	9783710009	cosgninsp@pnb.co.in	0154-2465757
382300	Sriganganagar	Dy. Circle Head	Sanjay Kumar Singh	9414089998	sksingh11@pnb.co.in	0154-2465757
382300	Sriganganagar	Circle Head	Reeta Kaul	7060088066	reeta@pnb.co.in	0154-2460707
748600	Surat	Chief Manager	Vinayak Telang	9503688555	vbtelang@pnb.co.in	0261-2701010
748600	Surat	Sr. manager	Rajeev Pankaj	9725024590	rajiv.pankaj@pnb.co.in	0261-2701014
748600	Surat	Manager	Monika Meena	7226003663	cosuratbsc@pnb.co.in	0261-2701015
748600	Surat	Circle Head	Dinesh Mittal	8511024231	Dinesh.Mittal@pnb.o.in	0261-2701001
382500	Telangana	Circle Head	Rajeev Puri	7032968110	rajeevpuri@pnb.co.in	040-23235646
382500	Telangana	AGM	DN Ambedkar	9900011610	dnambedkar@pnb.co.in	023243080-040
382500	Telangana	Senior Manager	Srirama Murthy	7093500416	cohydbsc@pnb.co.in	023230174-040
999100	Udaipur	Asst General Manager	Avanish Kumar Vyas	7042622335	akvyas@pnb.co.in	02946611102
999100	Udaipur	Chief Manager	Neeraj Mehta	9414124590	neerajmehta@pnb.co.in	02946611104
999100	Udaipur	Sr. Manager	Kritika Mathur	9950721963	kritikamathur@pnb.co.in	02946611124
999100	Udaipur	Officer	Shipra Mittal	7568123076	shipra.mittal@pnb.co.in	02946611137
999100	Udaipur	Circle Head	A K Thamman	8604300099	athamman@pnb.co.in	02946611100
999100	Udaipur	Sr. manager	Praveen Kumar Jain	9929094060	praveen.jain@pnb.co.in	2946611124
383700	Varanasi	Circle Head	Smt. Sucharita Dwivedi	9839976340	covns@pnb.co.in	0542-2506063

383700	Varanasi	Dy. Circle Head	Sri Salil Kumar Chandra	7234901010	salil.chandra@pnb.co.in	0542-2501631
383700	Varanasi	Chief Manager	Sri K K Srivastav	7897993997	kk.srivastava@pnb.co.in	0542-2502926
383700	Varanasi	Sr. Manager	Sri Puneet Kumar Srivastav	7897601854	covnspnd@pnb.co.in	0542-2501632
383700	Varanasi	Sr.Manager	Sri Nikhil Kumar	8853701010	covnsitd@pnb.co.in	0542-2504427
999000	Vijayawada	Senior Manager	S.Krishna Rao	9987917988	skrishna.rao@pnb.co.in	0866-2428183
999000	Vijayawada	D.Circle Head	D.Lingaiah	7899170143	dlingaiah@pnb.co.in	0866-2428162
999000	Vijayawada	Circle head	Sunil Sethi	7715986000	sunildethi@pnb.co.in	0866-2428161

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