

Disclosure in Financial Statements – ‘Notes to Accounts’

1. General

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

2. Presentation

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

3. Disclosure Requirements

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

3.1 Capital adequacy³

(Amount in crores of INR)

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

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

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

3.2 Free Reserves and Provisions

3.2.1 Provisions on Standard Assets

<i>Particulars</i>	<i>Current year</i>	<i>Previous Year</i>
Provisions towards Standard Assets		

3.2.2 Floating Provisions

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

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

3.3 Asset Quality and specific provisions

3.3.1 Non-Performing Advances

<i>Particulars</i>	<i>Current Year</i>	<i>Previous Year</i>
(i) Net NPAs to Net Advances (%)		
(ii) Movement of NPAs (Gross)		
(a) Opening balance		
(b) Additions during the year		
(c) Reductions during the year		
(d) Closing balance		
(iii) Movement of Net NPAs		
(a) Opening balance		
(b) Additions during the year		
(c) Reductions during the year		
(d) Closing balance		
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance		
(b) Provisions made during the year		
(c) Write of / write back of excess provisions		
(d) Closing balance		

3.3.2 Non-Performing Investments⁴

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

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

SI No.	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total						
	Asset Classification →		Standard	SubStandard	Doubtful	Loss	Total	Standard	SubStandard	Doubtful	Loss	Total	Standard	SubStandard	Doubtful	Loss	Total	Standard	SubStandard	Doubtful	Loss	Total		
	Details ↓																							
2	Fresh restructuring during the year	No. of borrowers																						
		Amount outstanding																						
		Provision thereon																						
3	Upgradations to restructured standard category during the FY	No. of borrowers																						
		Amount outstanding																						
		Provision thereon																						
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers																						
		Amount outstanding																						
		Provision thereon																						

SI No.	Type of Restructuring →		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total						
	Asset	Classification	St- an- da- rd	Su- bSt- and- ard	Do- ubt- ful	Lo- ss	To- tal	St- an- da- rd	Su- bSt- and- ard	Do- ubt- ful	Lo- ss	To- tal	St- an- da- rd	Su- bSt- and- ard	Do- ubt- ful	Lo- ss	To- tal	St- an- da- rd	Su- bSt- and- ard	Do- ubt- ful	Lo- ss	To- tal		
	Details ↓																							
5	Downgr- adations of restru- ctured accounts during the FY	No. of borro- wers																						
		Amount outst- anding																						
		Prov- ision there- on																						
6	Write-offs of restru- ctured accounts during the FY	No. of borro- wers																						
		Amount outst- anding																						
7	Restru- ctured Accounts as on date of closing of the FY (closing figures*)	No. of borro- wers																						
		Amount outst- anding																						
		Prov- ision there- on																						

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

3.3.5 Movement of Non-performing assets

<i>Particulars</i>	<i>Current year</i>	<i>Previous year</i>
Gross NPAs ⁶ as on opening date of accounting period (Opening Balance)		
Additions (Fresh NPAs) during the year		
Sub total (A)		
Less :-		
(i) Upgradations		
(ii) Recoveries (excluding recoveries made from upgraded accounts)		
(iii) Technical / Prudential ⁷ Write offs		
(iv) Write offs other than those under (iii) above		
Sub-total (B)		
Gross NPAs as on 31 st March of following year (closing balance) (A-B)		

3.3.6 Write-offs and recoveries

<i>Particulars</i>	<i>Current year</i>	<i>Previous year</i>
Opening balance of Technical / Prudential written off accounts as at April 1		
Add : Technical / Prudential write offs during the year		
Sub total (A)		
Less : Recoveries made from previously technical / prudential written off accounts during the year (B)		
Closing balance as at March 31 (A-B)		

3.3.7 Overseas Assets, NPAs and Revenue

<i>Particulars</i>	<i>Current year</i>	<i>Previous year</i>
Total Assets		
Total NPAs		
Total Revenue		

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

⁷ Technical or prudential write-off is the amount of non-performing loans which are outstanding in the books of the branches, but have been written-off (fully or partially) at Head Office level. Amount of Technical write-off shall be certified by statutory auditors.

3.3.8 Depreciation and provisions on investments

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

3.3.9 Provisions and Contingencies

<i>Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account</i>	<i>Current Year</i>	<i>Previous Year</i>
Provisions for depreciation on Investment		
Provision towards NPA		
Provision made towards Income tax		
Other Provision and Contingencies (with details)		

3.3.10 Provisioning Coverage Ratio (PCR)

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

3.4 Investment portfolio: constitution and operations

3.4.1 Repo Transactions

	<i>Minimum outstanding during the year</i>	<i>Maximum outstanding during the year</i>	<i>Daily Average outstanding during the year</i>	<i>Outstanding as on March 31</i>
Securities sold under repo i. Government securities ii. Corporate debt securities				
Securities purchased under reverse repo i. Government securities ii. Corporate debt securities				

3.4.2 Disclosure of Issuer Composition for Investment in Debt Securities

<i>Sr. No.</i>	<i>Issuer</i>	<i>Amount</i>	<i>Extent of Private Placement</i>	<i>Extent of 'Below Investment Grade' Securities</i>	<i>Extent of 'Unrated' Securities</i>	<i>Extent of 'Unlisted' Securities</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs					
(ii)	FIs					
(iii)	Banks					
(iv)	Private Corporates					
(v)	Subsidiaries / Joint Ventures					
(vi)	Others					
(vii)	Provision held towards depreciation		X X X	X X X	X X X	X X X
	Total *					

Note: (1) *Total under column 3 shall tally with the total of Investments included under the following categories in the balance sheet:

- a) Shares
- b) Debentures & Bonds
- c) Subsidiaries / Joint Ventures
- d) Others

(2) Amounts reported under columns 4, 5, 6 and 7 above may not be mutually exclusive.

3.4.3 Sale and Transfers to / from HTM Category

If the value of sales and transfers of securities to / from HTM category exceeds 5 per cent of the book value of investments held in HTM category at the beginning of the year, FI should disclose the market value of the investments held in the HTM category and indicate the excess of book value over market value for which provision is not made. This disclosure is required to be made in 'Notes to Accounts' in FI's audited Annual Financial Statements.

3.5 Details of Financial Assets purchased/ sold

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

A. Details of Sales

(Amount in ₹ crore)

<i>Particulars</i>	<i>Current year</i>	<i>Previous Year</i>
(i) No. of accounts		
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC		
(iii) Aggregate consideration		
(iv) Additional consideration realized in respect of accounts transferred in earlier years		
(v) Aggregate gain / loss over net book value		

The quantum of excess provisions reversed to the profit and loss account on account of sale of NPAs, where the sale is for a value higher than the net book value (NBV) shall be disclosed. AIFIs are permitted to spread over any shortfall, if the sale value is lower than the NBV, over a period of two years. This facility of spreading over the shortfall shall be available for NPAs sold up to March 31, 2016 and shall be subject to necessary disclosures.

B. Details of Book Value of Investments in Security Receipts

(Amount in ₹ crore)

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

3.5.2 Details of Non Performing Financial Assets Purchased / Sold

A. Details of non performing financial assets purchased:

(Amount in ₹ crore)

<i>Particulars</i>	<i>Current year</i>	<i>Previous Year</i>
1. (a) No. of accounts purchased during the year		
(b) Aggregate outstanding		
2. (a) Of these, number of accounts restructured during the year		
(b) Aggregate outstanding		

B. Details of non performing financial assets sold:

(Amount in ₹ crore)

<i>Particulars</i>	<i>Current year</i>	<i>Previous Year</i>
1. No. of accounts sold		
2. Aggregate outstanding		
3. Aggregate consideration received		

3.6 Operating Results

<i>Particulars</i>	<i>Current year</i>	<i>Previous Year</i>
(i) Interest Income as a percentage to Working Funds		
(ii) Non interest income as a percentage to Working Funds [§]		
(iii) Operating Profit as a percentage to Working Funds [§]		
(iv) Return on Assets [@]		
(v) Net Profit per employee (₹ in crore)		

[§]Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India

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

3.7 Credit Concentration risk

3.7.1 Capital market exposure⁸

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

⁸ For restructuring of dues in respect of listed companies, lenders may be *ab initio* compensated for their loss / sacrifice (diminution in fair value of account in net present value terms) by way of issuance of equities of the company upfront, subject to the extant regulations and statutory requirements. If such acquisition of equity shares results in exceeding the extant regulatory Capital Market Exposure (CME) limit, the same shall be disclosed in the 'Notes to Accounts' in the Annual Financial Statements. AIFIs shall separately disclose details of conversion of debt into equity as part of a strategic debt restructuring which are exempt from CME limits

funds ` does not fully cover the advances; (v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; (vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources; (vii) bridge loans to companies against expected equity flows / issues; (viii) underwriting commitments taken up by the AIFI in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds; (ix) financing to stockbrokers for margin trading; (x) all exposures to Venture Capital Funds (both registered and unregistered)		
Total Exposure to Capital Market		

3.7.2 Exposure to Country risk

<i>Risk Category*</i>	<i>Exposure (net) as at March... (Current Year)</i>	<i>Provision held as at March... (Current Year)</i>	<i>Exposure (net) as at March... (Previous Year)</i>	<i>Provision held as at March... (Previous Year)</i>
Insignificant				
Low				
Moderate				
High				
Very High				
Restricted				
Off-credit				
Total				

* The AIFIs may use the seven category classification followed by Export Credit Guarantee Corporation of India Ltd. (ECGC) for the purpose of classification and making provisions for country risk exposures. ECGC shall provide to the AIFIs, on request, quarterly updates of their country classifications and shall also inform all banks in case of any sudden major changes in country classification in the interim period.

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

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

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

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

- * The largest single borrower;
- * The largest borrower group;
- * The 20 largest single borrowers;
- * The 20 largest borrower groups;

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

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

(v) Factoring exposures

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

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

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

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

(a) Concentration of borrowings and lines of credit

(Amount in ₹ crore)

<i>Particulars</i>	<i>Current year</i>	<i>Previous year</i>
Total borrowings from twenty largest lenders		
Percentage of borrowings from twenty largest lenders to total borrowings of the AIFI		

(b) Concentration of credit exposures*

(Amount in ₹ crore)

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

* Credit Exposure include derivatives as per RBI Directions.

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

(c) Sector-wise concentration of exposures and NPAs

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

EXIM Bank

Sr. No.	Sector	Current year			Previous year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Domestic Sector						
1	Total Export finance						
	Agricultural sector						
	Industrial sector						
	Services sector						
2	Total Import finance						
	Agricultural sector						
	Industrial sector						
	Services sector						
3.	Of (A), exposures guaranteed by the Government of India						
B	External Sector						
1	Total Export finance						
	Agricultural sector						
	Industrial sector						
	Services sector						
2	Total Import finance						
	Agricultural sector						
	Industrial sector						
	Services sector						

Sr. No.	Sector	Current year			Previous year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
3.	Of (B), exposures guaranteed by the Government of India						
C	Other exposures						
D	Total exposures (A+B+C)						

NABARD

(Rupees in crore)

Sr. No.	Sector	Current year			Previous year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I.	Agricultural sector including allied agricultural activities						
1.	Central Government						
2.	Central PSUs						
3.	State Governments						
4.	State PSUs						
5.	Scheduled Commercial Banks						
6.	Regional Rural Banks						
7.	Co-operative banks						
8.	Private sector (excluding banks)						
II.	Others (Please specify)						
	Total (I+II)						

NHB

Sr. No.	Sector	Current year			Previous year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I.	Housing Sector						
1.	Central Government						
2.	Central PSUs						
3.	State Governments						
4.	State PSUs						
5.	Scheduled Commercial Banks						
6.	Regional Rural Banks						
7.	Co-operative banks						
8.	HFCs						
8.	Private sector (excluding banks and HFCs)						
II.	Commercial Real Estate, if any ¹¹						
III.	Others (Please specify)						
III	Total (I+II+III)						

SIDBI

Sr. No.	Sector	Current year			Previous year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
I.	Industrial sector						
1.	Central Government						

¹¹ Exposure to Commercial Real Estate includes direct including securitised exposures secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include no- fund based (NFB) limits.

Sr. No.	Sector	Current year			Previous year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
2.	Central PSUs						
3.	State Governments						
4.	State PSUs						
5.	Scheduled Commercial Banks						
6.	Regional Rural Banks						
7.	Co-operative banks						
8.	Private sector (excluding banks)						
II.	Micro-finance sector						
III.	Others						
	Total (I+II+III)						

3.7.4 Unhedged Foreign Currency Exposure

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

3.8 Derivatives

3.8.1 Forward Rate Agreement / Interest Rate Swap

(Amount in ₹ crore)

Particulars	Current year	Previous year
i) The notional principal of swap agreements		
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
iii) Collateral required by the AIFI upon entering into swaps		
iv) Concentration of credit risk arising from the swaps [§]		
v) The fair value of the swap book [@]		

Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps shall also be disclosed.

\$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.

@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value shall be the estimated amount that the AIFI would receive or pay to terminate the swap agreements as on the balance sheet date. For a trading swap the fair value shall be its mark to market value.

3.8.2 Exchange Traded Interest Rate Derivatives

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

3.8.3 Disclosures on risk exposure in derivatives

(i) Qualitative disclosures

AIFIs shall discuss their risk management policies pertaining to derivatives with particular reference to the extent to which derivatives are used, the associated risks and business purposes served. The discussion shall also include:

- (a) the structure and organization for management of risk in derivatives trading,
- (b) the scope and nature of risk measurement, risk reporting and risk monitoring systems,

- (c) policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants, and
- (d) accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation.

(ii) Quantitative disclosures

(Amount in ₹ crore)

Sr. No	Particular	Current Year		Previous Year	
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
(i)	Derivatives (Notional Principal Amount)				
	a) For hedging				
	b) For trading				
(ii)	Marked to Market Positions ^[1]				
	a) Asset (+)				
	b) Liability (-)				
(iii)	Credit Exposure ^[2]				
(iv)	Likely impact of one percentage change in interest rate (100*PV01)				
	a) on hedging derivatives				
	b) on trading derivatives				
(v)	Maximum and Minimum of 100*PV01 observed during the year				
	a) on hedging				
	b) on trading				

Notes:

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

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

AIFIs shall disclose the full particulars of all the Letters of Comfort (LoCs) issued by them during the year, including their assessed financial impact, as also their assessed cumulative financial obligations under the LoCs issued by them in the past and outstanding.

3.10. Asset Liability Management

	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 month & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits									
Advances									
Investments									
Borrowings									
Foreign Currency assets									
Foreign Currency liabilities									

4. Draw Down from Reserves

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

5. Business Ratios¹²

	Current Year	Previous year
Return on Equity		
Return on Assets		
Net Profit Per Employee ¹³		

6. Operating Results

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

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

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

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

7. Disclosure of Penalties imposed by RBI

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

- (a) A Press Release will be issued by the Reserve Bank of India giving details of the circumstances under which the penalty is imposed on the AIFI along with the communication on the imposition of penalty in public domain.
- (b) The penalty shall be disclosed in the "Notes on Accounts" to the balance sheet in the concerned AIFI's next Annual Report.
- (c) In the case of foreign branch, the penalty shall be disclosed in the "Notes on Accounts" to the next balance sheet for its Indian operations.

8. Disclosure of Complaints

(a) Customer Complaints

		<i>Current year</i>	<i>Previous year</i>
(a)	No. of complaints pending at the beginning of the year		
(b)	No. of complaints received during the year		
(c)	No. of complaints redressed during the year		
(d)	No. of complaints pending at the end of the year		

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

Name of the SPV sponsored	
Domestic	Overseas

10. Disclosure as per specific accounting standards

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

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

10.2 Accounting Standard 17 – Segment Reporting

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

Format

Part A: Business segments

(Amounts in ₹ crore)

<i>Business Segments</i> →	<i>Treasury</i>		<i>Wholesale Operations (Refinance)</i>		<i>Wholesale Operations (Direct Lending)</i>		<i>Other Business</i>		<i>Total</i>	
	<i>Current Year</i>	<i>Previous Year</i>	<i>Current Year</i>	<i>Previous Year</i>	<i>Current Year</i>	<i>Previous Year</i>	<i>Current Year</i>	<i>Previous Year</i>	<i>Current Year</i>	<i>Previous Year</i>
Revenue										
Result										
Unallocated expenses										
Operating profit										
Income taxes										
Extraordinary profit / loss										
Net profit										
Other information:										
Segment assets										
Unallocated										

Business Segments →	Treasury		Wholesale Operations (Refinance)		Wholesale Operations (Direct Lending)		Other Business		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Net assets										
Total assets										
Segment liabilities										
Unallocated liabilities										
Total liabilities										

Note: No disclosure need be made in the shaded portion

Part B: Geographic segments

(Amount in ₹ crore)

	Domestic		International		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue						
Assets						

Note:

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

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

c) 'Domestic' and 'International' segments will be the geographic segments for disclosure.

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

e.) 'Treasury' shall include the entire investment portfolio.

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

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

10.3 Accounting Standard 18 – Related Party Disclosures

Format

(Amount in ₹ crore)

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

@ Whole time directors of the Board

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

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

Note:

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

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

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

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

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

11. Unamortised Pension and Gratuity Liabilities

Appropriate disclosures of the accounting policy followed in regard to amortization of pension and gratuity expenditure may be made in the Notes to Accounts to the financial statements