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| **Concurrent AUDIT REPORT**  **FOR the month OF JUly 2015**  **Corporation Bank**  **TREASURY MUMBAI**  **Domestic Treasury Operations** |

**Private and confidential**

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# 

**CORPORATION BANK**

**TREASURY BRANCH MUMBAI**

**DOMESTIC TREASURY OPERATIONS**

**CONCURRENT AUDIT REPORT**

**FOR THE MONTH OF JULY 2015**

# INTRODUCTION:

We have completed the Concurrent Audit of **Treasury Branch** of **Corporation Bank** for the month of **JULY 2015** in terms of IAD, HO e-mail Ref No. IAD/HO/CA/58/2013-14 dated 27/06/2014.

We have conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements/ records maintained by **Treasury Branch** are free from material misstatements. An Audit includes examining on test basis evidence supporting the amounts and disclosures made in the various records.

However, having regard to the test nature of an audit, persuasive rather than conclusive nature of audit, evidence together with the inherent limitations of any accounting and internal control systems, there is an unavoidable risk that evens some material misstatements of reports resulting from fraud and to a lesser extent error, if either existing, may remain undetected.

We have relied on the documents records submitted to us and explanations provided to us while conducting the audit. The audit was confined to the transactions processed at the above branch.

The report is based on the information available on the computerized information system of the Bank.

**SCOPE OF AUDIT:**

* Transaction audit covering inter-alia securities and money market transactions.
* Examination of back office records and Financial Books of Accounts.
* Review and suggest improvements in systems and procedures consistent with accepted accounting standards.
* Reconciliation of SGL Accounts I & II (Constituent Account)
* **Verification of following**
* Compliance with RBI directives/Master Circulars and other regulatory guidelines internal policies systems and procedures including those relating to data security.
* Quarterly verification of Securities held by Treasury Branch.
* SGL account.
* Interest and Overdue Interest.
* Subscription and redemption of securities.
* Pending TDS certificates collection and sending the same to Head office
* Various Regulatory Returns that are being submitted on periodical basis to Reserve Bank of India.
* Deals under Primary Dealer (PD) activity as per Investment policy/RBI guidelines.
* Sundry Assets/Sundry Debtors/Suspense Account
* Dividend in equity portfolio.
* Valuation on monthly / quarterly basis.

**OBJECTIVES OF AUDIT:**

1. Transaction verification as per the scope of the work given above
2. Compliance with the Regulations and internal policies as appended below :
3. Compliance with the RBI Guidelines
   * 1. Valuation of Securities
     2. Rating of non-SLR securities
     3. Broker exposure limit
     4. Value at Risk
     5. Maintenance of SLR and CRR
4. Compliance with Investment Policy
   * 1. Stop loss limit
     2. Resource Allocation
     3. Maturity Mix
     4. Shifting of Portfolio from one category to another category
     5. Daily report
     6. MIS report
5. Compliance with Risk Management Policy
   * 1. Disaster Recovery Plan Back up

**PERIOD OF COVERAGE:**

The Audit was conducted for the month ended 31st July 2015.

# AUDIT PROCEDURE EMPLOYED:

We carried out the audit on following basis based on which the observations are made.

* Transaction audit covering inter-alia securities and money market transactions.
* Ratification for exceptional transactions.
* Accounting entries in the system.
* Compliance with RBI Master Circular’s internal policies systems and procedures including those relating to data security.
* Review and suggest improvements in systems and procedures consistent with accepted accounting standards.
* Reporting of various Returns that are being submitted on periodical basis to Reserve Bank of India and Head Office.

# 2. AUDIT REVIEW AND REPORTING12

|  |  |  |
| --- | --- | --- |
| a) | Whether Deal Ticket is available for all the transactions done | Yes |
| b) | Whether it is ensured that details in NDS deal slip match with the details in deal ticket generated by the system | Yes |
| c) | Whether counter party –confirmations are available for deals other than on NDS – Order Matching System. | Yes |
| d) | Did the dealer report the deal on NDS system at the earliest after the conclusion of deal? | Yes |
| e) | In case of deals done through brokers   * Whether contract note is available. * Whether the contract note clearly mentions the name of the counter party. * Whether brokerage paid is added to the acquisition cost in case of purchase of securities. * Whether it is ensured that the broker is not involved in the settlement. * Whether it is ensured that transactions are routed through empanelled brokers | Yes  Yes  No  Yes  Yes |
| f) | Whether the rates at which funds were lent and borrowed in the call money market had a bearing on prevailing market rates. | Yes |
| g) | Whether balances as per books (securities) have been reconciled with the balances in the books of PDO of RBI and CCIL. | Yes |
| h) | Whether transaction is reflected in the books of accounts on the same day. | Yes |
| i) | Whether the deal tickets follow the serial order. | Yes through ITMS System |
| j) | Whether the settlement of deals is traced in the CCIL reports. | Yes |
| k) | Whether appropriate audit trails are available in the existing system of software and other records. | Yes |
| l) | Whether a daily statement of transactions concluded is presented to the top management. | Yes by means of MIS |
| m) | Whether transactions were entered on the basis of availability of security in the SGL account | Yes |
| n) | Whether availability of funds is monitored after conclusion of each deal. | Yes |
| o) | Whether all deals closed through NDS OM have been promptly captured in the internal system. | Yes |

**CORPORATION BANK**

**TREASURY BRANCH MUMBAI**

**DOMESTIC TREASURY OPERATIONS**

**CONCURRENT AUDIT REPORT**

**FOR THE MONTH OF JULY 2015**

## 3. Collateralised Borrowing and Lending Obligation (CBLO)

Collateralized Borrowing and Lending Obligation (CBLO) as the name implies is a fully collateralized and secured instrument for borrowing / lending money. The balances are maintained in electronic book entry. The access to CBLO Dealing system for NDS Members is made available through INFINET and for non NDS Members through Internet. The Funds settlement of members in CBLO segment is achieved in the books of RBI for members who maintain an RBI Current Account and are allowed to operate that current account for settlement of their secondary market transactions. In respect of other members CBLO Funds settlement is achieved in the books of Settlement Bank.

Eligible securities are Central Government securities including Treasury Bills as specified by CCIL from time to time.

**Borrowing Limits:**

Borrowing limits for member will be fixed by CCIL at the beginning of the day, taking into account the securities deposited by borrower in their SGL account with CCIL. The securities will be subject to necessary hair-cut after marking them to market. The limits so derived in effect will denote the drawing power up to which the members can borrow funds. Lenders will deposit cash to meet initial margin requirements that are designed to take care of the settlement risk.

**Following Limits are fixed for CBLO as per investment policy.**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Limits** | **Remarks** |
| Lending | Up to the extent of surplus funds | Limit not exceeded |
| Borrowing | Up to the extent of surplus SLR Securities | Limit not exceeded |

During the month of July 2015, total business done in respect of CBLO transactions is as under:

**(Rs In Cr)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **No. Of Transactions** | **Total Amount** | **Face Value** | **Discounted Interest Amount** | **Weighted Average Interest Rate (%)** |
| Lending / Buying | 52 | 5169.65 | 5171.10 | 1.45 | 7.16 |
| Borrowing / Selling | 120 | 10111.27 | 10114.30 | 3.03 | 7.12 |

## 4. Liquidity Adjustment Facility (LAF)

The broad objective of LAF is as follows:

* Bank may avail liquidity facility of RBI. The surplus funds undeployed may be kept with RBI (Reverse Repo) and requirement of the funds may be met by borrowing (Repo) to the extent of surplus of SLR securities held by the bank or to the extent specified by RBI from time to time

During the month of July 2015, total business done in respect of LAF is as under:

**(Rs. in Cr)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **No. of Transactions** | **Total Amount** | **Face Value** | **Discounted Interest Amount** | **Interest rate (%)** |
| LAF Repo | 2 | 960.19 | 960.00 | 0.19 | 7.25 |
| TERM Repo | 2 | 501.39 | 500.00 | 1.39 | 7.26 |
| Reverse Repo | 42 | 8617.83 | 8615.00 | 2.83 | 6.97 |

**Marginal Standing Facility (MSF)**

A Marginal Standing Facility has been instituted by RBI under which scheduled commercial banks can borrow overnight against their excess SLR holdings. Additionally Banks can also avail funds upto 2% of their NDTL below the stipulated SLR without obligation to seek a specific waiver for default in SLR compliance arising out of use of this facility at the rate as specified by RBI from time to time.

The Marginal Standing Facility (MSF) rate is recalibrated with 100 basis points above the policy repo rate under LAF prevailing on the date of transaction.

During the month of July 2015, there were no MSF transactions undertaken by the branch.

**(Rs. in Cr.)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **No. of Transactions** | **Total Amount** | **Face Value** | **Discounted Interest Amount** | **Interest rate (%)** |
| NIL | | | | | |

**5. Call Money/Notice Money**

Call/Notice money is the money borrowed or lent on demand for a short period varying from over night to fourteen working days. In the call money market, the day-to-day imbalances in the funds position of scheduled commercial banks are eased out. The call/notice money market has graduated into a broad and vibrant platform.

As per extant RBI guidelines, the following are the call/notice money lending/borrowing limits framed in the Investment Policy of the Bank:

Following are per day limit for Call Money

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Limits** | **Remarks** |
| Lending | Rs. 5000.00 Cr per day (maximum 50% of capital funds on any day as per RBI guidelines) | Within Limit  during the month |
| Borrowing | 50% of the regulatory limit {([125% of capital funds as on any day] (Capital funds as on 31.03.2015 is Rs. 15,475.72 cr.)} RS. 19344.65 cr. | Within Limit  during the month |

|  |  |  |
| --- | --- | --- |
| Following are Fortnightly Average limit for Call Money | |  |
|  |  | **(Rs in Cr)** |
| **Particulars** | **Limits** | **Remarks** |
| Lending | Fortnightly average limits Rs. 2500 Cr (Max.25% of Capital Funds as per RBI guidelines (Rs. 3868.93 Cr.)) | Within Limit  during the month |
| Borrowing | Fortnightly average 40% of the regulatory limit (Rs. 6190.29 Cr.) (Max.100% of Capital Funds\* as per RBI) | Within Limit  during the month |
| \* Capital Funds as on 31.03.2015 is z.Rs.15475.72 Cr. |

During the month of July 2015, the volume of business under call money lending & borrowing is as under.

**(Rs. in Cr.)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **No. Of Transactions** | **Total Amount** | **Product Amount** | **Interest Amount** | **Weighted Average Interest Rate (%)** |
| Call Money Lending | 19 | 2265.00 | 4505.00 | 0.89 | 7.18 |
| Call Money Borrowing | 10 | 650.00 | 1050.00 | 0.20 | 7.09 |

|  |  |
| --- | --- |
| **Fortnightly Volume of Transactions :** |  |
|  | **(Rs. in Cr.)** |
| **Fortnight** | **Turnover** |
| Call Money Lending – I | 700.00 |
| Call Money Lending – II | 3605.00 |
| **Total Lending** | **4305.00** |

|  |  |
| --- | --- |
|  | **(Rs. in Cr.)** |
| Call Money Borrowing - I | 500.00 |
| Call Money Borrowing – II | 600.00 |
| **Total Borrowing** | **1100.00** |

**Note – Data for first fortnight is taken from 27.06.2015 to 10.07.2015 & for second fortnight from 11.07.2015 to 24.07.2015.**

## 6. Term Money-

During the month of July 2015, the volume of business under term money lending & borrowing is as under.

**(Rs. in Cr.)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **No. Of Transactions** | **Total Amount** | **Product Amount** | **Interest Amount** | **Weighted Average Interest Rate (%)** |
| Term Money Lending | 1 | 100.00 | 170.00 | 0.35 | 7.50 |
| Term Money Borrowing | -- | --- | --- | --- | --- |

**CROMS (Clearcorp Repo Order Matching System)**

During the month of July 2015, the branch has done following transactions

**(Rs in Cr)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date of Deal** | **Deal No.** | **Description of Security** | **Face Value (Rs.)** | **Net Amount** |
| NIL | | | | |

**Capital Market Exposure:**

## 7. Investment in Shares

As per RBI Circular DBR.No.FID.FIC.3/01.02.00/2015-16 dated 01.07.2015, the aggregate exposure of a bank on solo and consolidated basis to the capital markets in all forms should not exceed 40% of its net worth as on March 31 of the previous year that is 4193.60 Cr. Within this overall ceiling, limit for aggregate direct exposure to capital market by way of investment in shares convertible bonds/ debentures units of equity oriented mutual funds and all exposure to Venture Capital funds is 20% of the Bank’s net worth i.e 2096.80 Cr.

Following are Minimum Compliance Norms as per Investment Policy pertaining to investment in equity shares: -

* Bank may invest in shares offered in Public issue, Private placement, Offer of sale, Book building or any other process as approved by SEBI from time to time.
* Tangible net worth of the company should be at least Rs. 10 Cr.
* Shares issued below its par value should not be subscribed.
* In case of Initial Public Offer the company should have obtained in principle approval for listing its shares from a recognized stock exchange. In case of rights issue or subsequent issue of equity the shares should have been listed in NSE or NSE and BSE (under A or B1 category) and the shares should have been frequently traded.

For investing in the primary market the investment targeted (not proposed/ applied) should not exceed 1/4th of the issue size. Further, the application size should be restricted to one time of the QIB portion reserved in an IPO. The actual application size should be decided upon based on the latest available data on the subscription status of the QIB portion as received from the exchange or the issue arrangers. Investments in convertible debentures & preference shares not to exceed 10% of company’s net worth subject to the provisions enunciated under Section 19 (1) of the Banking Regulation Act 1949.

**During the month of July 2015, the volume of business under shares purchased and sold is as under:**

**(Rs in Lakhs)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **No. Of Transaction** | **Particulars** | **Category of Shares** | **Portfolio Category** | **Face value** | **Book value-**  **Purchase** | **Sales Value** | **Net Profit /(Loss)** |
|
| 5 | Purchase | PSU | Held for Trading | 0.075 | 3.78875 | -- | -- |
| 23 | Purchase | Corporate | Held for Trading | 0.42 | 152.82 | -- | -- |
| 6 | Sale | PSU | Held for Trading | 0.09 | 4.57 | 4.50 | -0.07 |
| 28 | Sale | Corporate | Held for Trading | 0.36 | 148.88 | 146.68 | (2.19) |
| 37 | Sale | Corporate | Available for Sale | 8.50 | 78.67 | 96.32 | 17.65 |
| 1 | Subscription | Corporate | Available for Sale | 125.00 | 125.00 | -- | -- |

**Dividend Received on Equity Portfolio**

During the month of July 2015, Treasury Branch has received dividend of Rs 3,050.00 /- on corporate shares and Rs. 0.00/- on venture capital funds.

**Loss on sale of Shares:**

We have verified the deals during the month of July 2015. The gross loss on sale of equity shares during the month is Rs 266,816.26/- **(excluding profit amount)** and is within the Board approved policy and delegated power. The details of shares traded with profit or loss is informed to GM (Head - Treasury) by means of Daily Flash reports for scrip-wise details please refer **Annexure – 1.**

Deterioration in Market Value of equity shares (non CDR) as on 31st July 2015 held under **Available for Sale (AFS)** Category is tabulated below and scrip-wise details are provided in **Annexure – 2.**

**(Rs. in Cr.)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Book Value** | **Market Value** | **Deterioration in Market Value** |
| PSU Shares | 72.71 | 39.11 | (33.60) |
| Corporate Shares | 339.90 | 158.07 | (181.83) |
| Mutual Fund – Equity | -- | -- | -- |
| **Total** | **412.61** | **197.18** | **(215.43)** |

**Reconciliation of Equity and Preference Holdings/Physical holdings**:

Reconciliation of Equity and Preference Share Holdings is verified by us on Monthly basis.

No mismatch was found in the securities.

**Reconciliation of Bonds and Debenture Holdings:**

Reconciliation of Bonds and debentures Holdings is verified by us on Monthly basis. There appears to be a mismatch in certain securities (all of them being Micro finance companies). As per information provided to us, this mismatch appears because of redemption done by the bank and as such they are not removed by the company from the demat account

Followings bonds have been redeemed partially hence a mismatch is been shown in the reconciliation of Bonds and Debentures:-

|  |  |
| --- | --- |
| **Sr No.** | **Name of Security** |
| 1 | 5.95% Karnataka Water & Sanitation FT 01.07 |
| 2 | 11.50% Future Value Retail Ltd 21.06.16 |
| 3 | 12.10% Pantaloon Retail India Ltd 30.08 |
| 4 | 12.50%(s.a) NCD of Gujarat NRE Coke 30 |
| 5 | 7.60 India MBS(PTC) 20.02.17 20/02/2017 |

## 8. Central Government Securities

We have verified the Government Security deals for the month of July 2015.

During the month of July 2015, the aggregate volume of business under Central Government Securities purchased and sold is as under:

**(Rs. in Cr.)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No .of transactions** | **Portfolio Category** | **Particulars** | **Face value** | **Book value-** | **Sales Value** | **Net Profit /(Loss)** |
| **Purchase** |
| 694 | Primary Dealing | Purchase | 4905.00 | 4883.76 | -- | -- |
| 201 | Available For Sale | Purchase | 1995.94 | 1982.78 | -- | -- |
| 1 | Short Sale | Purchase | 5.00 | 5.13 | -- | -- |
| 176 | Available For Sale | Sale | 1395.00 | 1373.07 | 1374.45 | 1.38 |
| 753 | Primary Dealing | Sale | 4930.00 | 4909.22 | 4910.20 | 0.98 |
| 1 | Short Sale | Sale | 5.000 | 5.133 | 5.129 | -0.004 |

**Following are the details of loss on sale of Central Government Securities:**

During the month of July 2015, the Treasury Branch has booked below mentioned loss on sale of Central Government securities and is within Board approved policy and delegated power:

**(Rs in Cr)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No .of transaction** | **Portfolio Category** | **Face value** | **Book value-**  **Purchase** | **Sales Value** | **Gross Loss** |
| 1 | Short Sale | 5.000 | 5.133 | 5.129 | -0.004 |

The profit and loss on sale of Government securities is reported to DGM (Head - Treasury) on daily basis by means of daily MIS apart from Flash reports to Top management.

**9. State Government Bonds**

During the month of July 2015, the aggregate volume of business under State Government Securities purchased and sold is as under:

**(Rs in Cr.)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No .of Transaction** | **Particulars** | **Portfolio Category** | **Face value** | **Book value-**  **Purchase** | **Sales Value** | **Net Profit /(Loss)** |
| 7 | Sale | Available For Sale | 97.54 | 97.75 | 98.85 | 1.11 |
| 2 | Sale | Primary Dealing | 30.16 | 30.18 | 30.25 | 0.07 |
| 11 | Subscription | Available For Sale | 100.46 | 100.55 | -- | -- |
| 4 | Subscription | Primary Dealing | 30.16 | 30.18 | -- | -- |

## 10. Other Bonds

During the month of July 2015, total volume of transactions of other bonds purchased and sold is as under.

**(Rs. in Cr.)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **No .of transactions** | **Particulars** | **Portfolio Category** | **Category of Bond** | **Face value** | **Book value-**  **Purchase** | **Sales Value** | **Profit /(Loss)** |
| 1 | Redemption | Available for Sale | PSU Taxable Bonds | 20.00 | 20.19 | 20.00 | (0.19) |
| 6 | Purchase | Held To Maturity | Rural Infrastructure Development Fund | 395.70 | 395.70 | -- | -- |
| 10 | Redemption | Held To Maturity | 76.27 | 76.27 | 76.27 | 0.00 |
| 2 | Sale | Available for Sale | State Govt Special Securities | 10.00 | 10.00 | 10.70 | 0.70 |

**Following are Minimum Compliance Norms as per investment policy pertaining to investment in PSU**

**Taxable Bonds: -**

* Debt equity ratio shall not exceed 4:1. For PSUs/AIFIs/SLFIs engaged in financing activities the debt equity ratio shall not exceed 10:1. However this condition is not applicable in the case of PSU Banks.
* Net worth of PSU should be positive.
* The PSU must have paid dividend for a minimum of 2 preceding years if it is an existing company.
* The bank may subscribe with a maximum tenor of 15 years for PSUs (other than banks) and 15 years for banks.
* The bank shall not invest in bonds of original maturity of less than one year. However bank may invest in such Bonds subject to the approval of the respective statutes governing them, approval of their respective regulators and approval from the Board
* Minimum rating should be A/A (So) rating by CRISIL or equivalent rating by CARE/ICRA/FITCH or any other credit rating agency registered with SEBI.

## 11. Put/Call Option on Bonds and Debentures

The Treasury Branch is submitting the fortnightly reports to Asset Liability Management Committee (ALCO) giving the details of put/call option. During the month of July 2015,

Treasury Branch has submitted following fortnightly reports as under:

|  |  |  |
| --- | --- | --- |
| **Sr. No.** | **Report dated** | **Date of Submission** |
| 1 | 10th July 2015 | 20th July 2015 |
| 2 | 24th July 2015 | 29th July 2015 |

## 

## 12. Corporate Debentures

Following are Minimum Compliance Norms as per investment policy pertaining to investment in Non Convertible Debentures (NCD): -

|  |  |  |
| --- | --- | --- |
| **Particulars** | **NCD of Corporate** | **NCD of NBFC** |
| Tenor | Minimum 1 year | Minimum 1 year |
| Maximum 7 years | Maximum 5 years |
| Debt-Equity Ratio | Maximum 2:1 | Maximum 10:1 |
| Asset Cover | Minimum 1 time | Minimum 1 time |
| Interest Cover | Minimum 2 times | Minimum 1 times |
| Dividend | Issuer must have paid the dividend for at least 3 preceding years. | Issuer must have paid the dividend for at least 3 preceding years. |
| Current Ratio | 1.25:1 | N/A |
| Minimum Rating | A by CRISIL or equivalent rating by CARE/ICRA/FITCH or any other credit rating agency registered with SEBI | A by CRISIL or equivalent rating by CARE/ICRA/FITCH or any other credit rating agency registered with SEBI |

During the month of July 2015, the volume of business pertaining to Corporate Debenture is as under.

**(Rs. in Cr.)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No .of transaction** | **Particulars** | **Portfolio Category** | **Face value** | **Book value-**  **Purchase** | **Sale /Red. Value** | **Profit /(Loss)** |
| -- | Purchase | Available for Sale | -- | -- | -- | -- |
| 3 | Sales | Available for Sale | 50.00 | 49.89 | 51.01 | 1.12 |
| -- | Subscription | Available for Sale | -- | -- | -- | -- |
| 2 | Redemption | Available for Sale | 15.01 | 14.73 | 15.01 | 0.27 |

## 13. Treasury Bills

During the month of July 2015, the volume of business pertaining to Treasury Bills is as under.

**(Rs. in Cr.)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No .of transaction** | **Portfolio Category** | **Particulars** | **Face value** | **Book value-**  **Purchase** | **Sales/Red. Value** | **Profit /(Loss)** |
| 8 | Available for Sale | Purchase | 496.00 | 487.14 | -- | -- |
| 1 | Primary Dealing | Purchase | 110.00 | 108.07 | -- | -- |
| 20 | Available for Sale | Sales | 1464.55 | 1437.32 | 1442.20 | 4.89 |
| 3 | Primary Dealing | Sales | 310.00 | 300.63 | 301.90 | 1.27 |
| 2 | Primary Dealing | Subscription | 200.00 | 192.73 | -- | -- |
| 6 | Available for Sale | Subscription | 1159.64 | 1134.88 | -- | -- |
| 3 | Available for Sale | Redemption | 376.95 | 368.72 | 376.95 | 8.23 |

## 14. Certificate of Deposits

During the month of July 2015, the volume of business pertaining to Certificate of Deposits is as under: -

**(Rs. in Cr.)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No. Of Transaction** | **Particulars** | **Portfolio Category** | **Face value** | **Book value-**  **Purchase** | **Sale /Red. Value** |
| 5 | Purchase | Available for Sale | 750.00 | 744.04 | -- |
| 4 | Purchase | Held For Trading | 375.00 | 374.77 | -- |
| 3 | Sales | Available for Sale | 400.00 | 394.44 | 394.79 |
| 2 | Redemption | Held For Trading | 360.00 | 358.01 | 360.00 |
| 2 | Redemption | Available for Sale | 25.00 | 24.96 | 25.00 |
| 1 | Subscription | Available for Sale | 100.00 | 98.40 | -- |

Interest earned on sale transactions executed amounted to Rs 34 62,000/- for July 2015.

**15. Issuance of Certificate of Deposits**

The issuance of CD is done at Treasury Branch and accounting is done at CBB Mumbai. Reconciliation is carried out for the month of July 2015. Fortnightly certificate of issuance of CD submitted to RBI as under:

Certificate of Issuance - fortnightly reporting to RBI

**(Rs. In Cr.)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **Report Date** | **Date of Submission** | **Threshold limit(FV)** | **Discounted Value** | **Outstanding Face value** |
| 1st Fortnightly report | 10th July 2015 | 11TH July 2015 | 25000.00 | 19078.57 | 20022.00 |
| 2nd Fortnightly report | 24th July 2015 | 28th July 2015 | 25000.00 | 19078.57 | 20022.00 |

There is no fresh issue or redemption during the month.

For details please refer: - **Annexure - 3**

## 16. Commercial Papers

During the month of July 2015, the Treasury Branch has not undertaken any business relating to Commercial papers: -

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No. Of Transaction** | **Particulars** | **Portfolio Category** | **Face value** | **Book value-**  **Purchase** | **Sale /Red. Value** | **Interest Amt** |
| --- | --- | --- | --- | --- | --- | --- |

**17. Mutual Funds**

During the month of July 2015, the Treasury Branch has undertaken below mentioned mutual fund business transactions.

**Volume of business transactions pertaining to Liquid Mutual Funds:-**

**(Rs. In Cr.)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No. Of Transaction** | **Particulars** | **Portfolio Category** | **Face value** | **Book value-**  **Purchase** | **Sales Value** | **Profit /(Loss)** |
| 32 | Purchase | Available for Sale | 1939.40 | 3725.00 | -- | -- |
| 20 | Sales | Available for Sale | 1421.83 | 2725.00 | 2730.61 | 5.61 |

**Following are the revised limits for bulk investment in Liquid/Short Term Debt Schemes of mutual funds as per investment policy:-**

|  |  |
| --- | --- |
| **Particulars** | **Investment**  **(Amount in Corers)** |
| Per Scheme | Not to exceed 10% of AUM of the scheme |
| Per Fund House | 700.00 Cr. |
| Overall Exposure | 10% of the Net worth of the Bank |

As per the prudential exposure limit fixed by RBI, Bank’s investment in Liquid Mutual fund should not exceed 10% of its Net worth of the previous year (as on 31st March 2015) and this has been complied with.

## 18. Venture Capital Funds

During the month of July 2015, the volume of business pertaining to Venture capital funds is as under.

**(Rs. In Lakhs)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No. Of Transaction** | **Particulars** | **Portfolio Category** | **Face value** | **Book value-**  **Purchase** | **Sales Value** | **Profit /(Loss)** |
| 20 | Sales | Available for Sale | 8.50 | 78.67 | 96.32 | 17.65 |
| 34 | Sales | Held to Maturity | 0.45 | 153.45 | 151.18 | -2.25 |
| 4 | Subscription | Held to maturity | 130.18 | 130.18 | -- | -- |

## 19. Settlement of Deals

**SLR Securities and Non- SLR Securities:** The settlement of SLR securities is done through CCIL platform linked to RBI System.

Treasury Branch is passing the settlement entry on the basis of receiving the RTGS branch advice from RTGS branch in ITMS and it gets automatically updated in Core System for NON-SLR Securities.

## 

## 20. Cancelled deals: -

## Deals cancelled /reversed during the month of July 2015 are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sr. No** | **Deal date** | **Deal Number** | **Deal Type** | **Reasons for cancellation** | **Approved By** |
| NIL | | | | | |

## 21. Non-Performing Investment

Following Investments are classified as non-performing investments as on 31st July 2015.

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of Security** | **Security Face Value**  **(Rs.)** | **Actual Security Book Value**  **(Rs)** | **Interest/Dividend Amount Due** |
| **(Rs)** |
| **Corporate Shares** |  |  |  |
| CO013001 9.8% GANGAVATI SUGAR PRF SH / / | 1,497,000.00 | 1 | - |
| CO014001 CHEMECH LAB SHARES Sh / / | 700 | 1 | - |
| CO040001 ELCOT POWER CONTROL SHARES / / | 39,000.00 | 1 | - |
| CO0AG001 Rs. 10.00 LML LTD Shs / / | 1,686,440.00 | 8,314,149.20 | - |
| CO0AG002 0.001% LML LTD-PREF SHARES | 99,858,600.00 | 99,858,600.00 | - |
| COK01002 8.00% Kingfisher Airlines Ltd Rs.10/- CRPS | 75,000,000.00 | 75,000,000.00 | - |
| COK01003 Rs.10/- Kingfisher Airlines Ltd Shares | 11,631,510.00 | 75,000,000.00 | - |
| COPI1001 9% Pioneer Embroideries Ltd.Con Cum Red Pf Shs STG | 618,227,700.00 | 18,227,700.00 | - |
| 6.50% Gangotri Textile Ltd-Pref Shs | 89,900,000.00 | 89,900,000.00 | - |
| 1% Bharatiya Samruddhi Finance | 594,393,980.00 | 594,393,980.00 | - |
| Rs 10/Asmitha Microfin Ltd OCCRPS March 18 | 75,425,000.00 | 75,425,000.00 | 2,12,57,027.75 |
| **PSU Shares** |  |  |  |
| SF012007 Rs.1000/- TIIC Shares (New) | 25,000.00 | 1 | - |
| **Corporate Debentures** |  |  |  |
| CO051001 100.00 RAJINDER STEEL 2001 14/12/2001 | 40,548,461.00 | 1 | 48,531,506.80 |
| CO071001 Rs. 100.00 PUNJAB WIRE2000 30/08/2000 | 20,000,000.00 | 1 | 5,913,424.65 |
| D001001 0.00% DSL ENT PVT. LTD. 29.09.2013 (L SERIES) | 64,300,000.00 | 1 | - |
| D001002 0.00% DSL ENT PVT. LTD. (SERIES T) | 50,000.00 | 1 | - |
| 11.75%REI AGRO LTD 20.06.2014 | 75,000,000.00 | 75,000,000.00 | 6,325,684.93 |
| 11.75%REI AGRO LTD 20.12.2014 | 75,000,000.00 | 75,000,000.00 | 10,744,006.85 |
| M1 13.00% GEMINI INDUSTRIES 02.05.2016 | 50,000,000.00 | 50,000,000.00 | 13,000,000.00 |
| **PSU Taxable Bonds** |  |  |  |
| SD007001 16% GSIC 1999(CALL20.11.98) 29/06/1999 | 100,000,000.00 | 1 | 11,923,287.67 |
| **Total:** | **1,992,583,391.00** | **1,236,119,438.20** | **117,694,938.65** |

**22. SGL & CSGL Balancing**

Balancing Of SGL on Own Account & CSGL Constituent Accounts.

Reconciliation of balances of securities as per books with the balances in the books of PDO of RBI is done on monthly basis & balances are in agreement with the books of accounts.

The balance confirmations for the constituents under CSGL Constituents Account are obtained on quarterly basis.

During the month under audit no SGL bouncing was observed.

## 23. Suspense Account

**(Amt in Rupees)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sr. No** | **Account Head** | **Account Head No.** | **Debit Balance outstanding as on 31.07.2015** | **Date of Adjustment** |
| 1 | Sundry Debtors Application Money | 803002/453 | 0.00 | N/A |
| 2 | Sundry Debtors CCIL Settlement | 803002/455 | 0.00 | N/A |
| 3 | Sundry Debtors RTGS | 803002/464 | 0.00 | N/A |

## 

## 24. Arrears of Interest & Dividend on Securities

**a) Arrears of Interest on SLR Securities**

As on 31st July 2015, there was no pending case of arrears of interest receivable on SLR securities.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Security** | **Due date** | **Face Value**  **(In lakhs)** | **Dividend/**  **Interest Amt** | **Eliminated on** |
| NIL | | | | |

**b) Arrears of Principal/Interest/Dividend on Non-SLR Securities**

Arrears of principal / interest / Dividend receivable on Non - SLR securities as on 31st July 2015

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Security** | **Due date** | **Face Value**  **(In lakhs)** | **Dividend/**  **Interest Amt** | **Eliminated on** |
| M1 11.15% ERA INFRA ENGG. 27.11.2014 | 28.05.2015 | 2000.00 | 1,750000.00 |  |
| M1 11.15% ERA INFRA ENGG. LTD (STRPP) 01.05.2014 | 28.05.2015 | 225.00 | 196,875.00 |  |
| M1 11.15% ERA INFRA ENGG. LTD (STRPP) 31.10.2013 | 28.05.2015 | 150.00 | 131,250.00 |  |
| M1 11.15% ERA INFRA ENGG. LTD (STRPP) 31.10.2014 | 28.05.2015 | 225.00 | 196,875.00 |  |
| M1 11.25% ERA INFRA ENIGEERING LIMITED 31.07.14 | 28.05.2015 | 1333.33 | 1,166,666.66 |  |
| M1 11.15% ERA INFRA ENGG. 27.11.2014 | 28.06.2015 | 2000.00 | 1,750,000.00 |  |
| M1 11.15% ERA INFRA ENGG. LTD (STRPP) 01.05.2014 | 28.06.2015 | 225.00 | 196,875.00 |  |
| M1 11.15% ERA INFRA ENGG. LTD (STRPP) 31.10.2013 | 28.06.2015 | 150.00 | 131,250.00 |  |
| M1 11.15% ERA INFRA ENGG. LTD (STRPP) 31.10.2014 | 28.06.2015 | 225.00 | 196,875.00 |  |
| M1 11.25% ERA INFRA ENIGEERING LIMITED 31.07.14 | 28.06.2015 | 1333.33 | 1,166,666.66 |  |
|  |  | **7,866.66** | **6,883,333.32** |  |
| **ARREARS FOR LESS THAN 1 MONTH** | | | | |
| M1 12% S.A BHUSHAN STEEL LTD (STGRD) (P/C 28/03/2016) | 01.07.2015 | 1500.00 | 8,926,027.40 |  |
| M1 11.15% ERA INFRA ENGG. 27.11.2014 | 28.07.2015 | 2000.00 | 1,750,000.00 |  |
| M1 11.15% ERA INFRA ENGG. LTD (STRPP) 01.05.2014 | 28.07.2015 | 225.00 | 196,875.00 |  |
| M1 11.15% ERA INFRA ENGG. LTD (STRPP) 31.10.2013 | 28.07.2015 | 150.00 | 131,250.00 |  |
| M1 11.15% ERA INFRA ENGG. LTD (STRPP) 31.10.2014 | 28.07.2015 | 225.00 | 196,875.00 |  |
| M1 11.25% ERA INFRA ENIGEERING LIMITED 31.07.14 | 28.07.2015 | 1333.33 | 1,166,666.66 |  |
| M1 12.25% DIAMOND POWER INFRA LT 300315 CDR MD 311220 | 31.07.2015 | 300.00 | 13,995,616.44 |  |
| M1 12.25% DIAMOND POWER INFRA LTD 30.03.2016 | 31.07.2015 | 300.00 | 13,995,616.44 |  |
| M1 12.25% DIAMOND POWER INFRA LTD 30.09.2015 | 31.07.2015 | 200.00 | 9,330,410.96 |  |
| **Total** | | **6,233.33** | **49,689,337.90** |  |

(Position as on 5th August 2015)

## 25. Securities held under Letter of Allotment (LOA)

As on 31st July 2015, 8.66% S.A TANGEDCO is held in form of Letter of Allotments.

## 26. Brokerage Payment

During the month of July 2015, the total brokerage payable on total turnover of Rs.4.27 Cr through brokers amounts to Rs. 34,100.68

## 27. Pending TDS Certificate

As at the end of July 2015**,** there are four pending TDS certificates pending up to the month of July 2015

|  |  |  |
| --- | --- | --- |
| **Security** | **TDS Deducted** | **Date of receipt of Interest** |
| 9.95% S.A AJMER VIDYUT V.N.L 18.10.2028 | 94,13,839.00 | 18.04.2015 |
| 9.95% S.A JAIPUR VIDYUT V.N.L 18.10.2028 | 1,17,86,020.00 | 18.04.2015 |
| 9.95% S.A JODHPUR VIDYUT V.N.L 18.10.2028 | 66,77,249.00 | 18.04.2015 |
| 8.66% S.A TANGEDCO 07.05.2018 | 1,27,08,983.00 | 07.05.2015 |
| **Total** | **4,05,86,091.00** |  |

|  |  |
| --- | --- |
| **Particulars** | **Amount** |
| TDS Certificate Receivable | 6,06,19,554.00 |
| Less: Certificate Received | 2,00,33,463.00 |
| **Balance Receivable** | **4,05,86,091.00** |

## 28. Overnight Index Swaps (OIS)

Treasury Branch has been authorized by the Board vide minutes No.10 dated 21st March 2011 to deal in interest rate derivative instruments.

We have verified the following details with regards to the OIS:

* OIS deals entered during the month – During the month of July 2015, the Treasury Branch has not entered into any OIS deals.
* OIS deals closed during the month – During the month of July 2015, no deals were closed.
* For details of OIS deals outstanding as on 31st July 2015, please refer “Annexure – 4”
* No hedging contracts were outstanding as on 31st July 2015.
* Calculation of interest amount at floating rate using NSE MIBOR Rates
* Net accrual amount Payable / Receivable

## MTM

MTM as on 31st July 2015 on trading deals is Rs. (-)86.30 Lakhs as per the details available in system.

**OIS deals (Hedging)**

As per RBI Circular No.MPD.BC.187/07.01.279/1999-2000 issued on 7th July 1999 Gains or losses on the Termination of swaps should be recognized when the offsetting gain or loss is recognized on the designated asset or liability. This implies that any gain or loss on the terminated swap would be deferred and recognized over the shorter of the remaining contractual life of swap or the remaining life of the asset/liability.

**Returns submitted for the OIS deals:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sr.**  **No.** | **Particulars** | **Periodicity** | **Remarks** |
| **(Date of Submission)** |
| 1 | Overnight Index Swap (OIS) | Weekly | Weekly returns for the month of July were submitted on 8th, 12th, 21st, 27th July 2015 & 1st August 2015. |
|  |
| 2 | Fortnightly | 1st Reporting Friday due on – 10th July 2015  Report submitted on – 16th July 2015 |
| 2nd Reporting Friday due on – 24th July 2015  Report submitted on – 27th July 2015 |

# 

# 29. COMPLIANCE WITH RBI GUIDELINES

## Valuation of Securities

Valuation of securities is done as per RBI Circular No. DBR No. BP. BC.6 / 21 .04.141 / 2015-16 dated 01.07.2015 and FIMMDA Circular- FIMCIR/2015-16/46 dated 31st March 2015.

Quarterly valuation as of 30.06.2015 is verified on the basis of Market Value / Ratings / Repurchase value / Spread rates from the following documents and no exceptions were observed.

1. FIMMDA Rates for Central government, State government, PSU Banks, FIIS, NBFC, and Corporate Debenture.
2. BSE/NSE Prices
3. Copies of financial Statements given by the companies whose shares are not listed.
4. Repurchase Value of Mutual Funds and Venture Capital Funds.
5. Deterioration in market value of securities under shares and G-sec are given in Annexure – 2.

30. NON – SLR Securities Investment

Bank is holding the following Non-SLR securities in its portfolio as on 31st July 2015

**(Rs In Cr.)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Security** | **Book Value** | **Market Value** | **% of Total Book Value of Non SLR Securities** |
| PSU TAXABLE BONDS | 1306.2838 | 1341.0504 | 8.6253 |
| PSU TAX FREE BONDS | 35.8333 | 39.7421 | 0.2366 |
| CORPORATES DEBENTURES | 404.7700 | 386.3318 | 2.6727 |
| SIDBI MSME FUND**\*** | 610.3775 | 610.3775 | 4.0303 |
| CDs BANKS | 1120.5345 | 1120.5345 | 7.3988 |
| NATIONAL HOUSING BANK**\*** | 1396.7700 | 1396.7700 | 9.2228 |
| STATE GOVT SPECIAL SECURITIES | 139.9000 | 140.4979 | 0.9237 |
| RURAL INFRASTRUCTURE DEVELOPMENT FUND**\*** | 8314.2641 | 7918.5641 | 54.8984 |
| SHARES - PSU CATEGORY | 100.1496 | 232.4765 | 0.6613 |
| SHARES - CORPORATES | 475.9434 | 213.3234 | 3.1426 |
| SHARES - SUBSIDIARY | 75.0000 | 75.0000 | 0.4952 |
| UNITS OF MUTUAL FUND DEBT | 10.0000 | 11.3742 | 0.0660 |
| UNITS OF MUTUAL FUND LIQUID | 1000.0000 | 983.0855 | 6.6029 |
| VENTURE CAPITAL FUNDS | 154.8856 | 128.6110 | 1.0227 |
| INVESTMENTS OUTSIDE INDIA -SWIFT | 0.0955 | 0.0000 | 0.0006 |
| **Total** | **15144.8073** | **14597.7389** | **100.0000** |

**(\*These securities fall under the category of Other Investments as per the latest RBI circular)**

As per the prudential exposure limit fixed by RBI, bank’s investment in unrated and unlisted Non-SLR securities should not exceed 10% of its total investment in Non-SLR securities as of the previous year (i.e Rs 1465.75 Cr) and this has been complied with.

Compliance with rating requirement as on July 2015 which are as under:

|  |  |  |
| --- | --- | --- |
| Particulars | Minimum Rating | Remark |
| Secured Taxable/Tax free bonds | A by CRISIL or equivalent rating by other agency | During the month there were no subscription for purchase of any bonds/debentures |
| Unsecured Taxable/ Tax free bonds | A by CRISIL or equivalent rating by other agency |
| Secured NCD of Corporate | A by CRISIL or equivalent rating by other agency |
| Unsecured NCD of Corporate | A by CRISIL or equivalent rating by other agency |

Rating Migration

During the month July 2015, no rating migration was observed in security.

|  |  |  |
| --- | --- | --- |
| Security Description | Current month rating | Previous month rating |
| NIL | | |

|  |  |  |  |
| --- | --- | --- | --- |
| ***NABARD*** | ***100,000,000.00*** |  | ***AAA*** |
| ***NABARD*** | ***150,000,000.00*** |  | ***AAA*** |
| ***NABARD*** | ***100,000,000.00*** |  | ***AAA*** |
| ***NABARD*** | ***150,000,000.00*** |  | ***AAA*** |
| ***NABARD (p/c)*** | ***99,458,800.00*** |  | ***AAA*** |
| ***NHB (PTC)*** | ***0.00*** |  | ***AAA*** |
| ***NHB(Priority-TF)*** | ***500,000,000.00*** |  | ***AAA*** |
| ***NHB (Priority, Floating)*** | ***150,000,000.00*** |  | ***AAA*** |
| ***NPC*** | ***50,000,000.00*** |  | ***AAA*** |
| ***NPC*** | ***15,000,000.00*** |  | ***AAA*** |
| ***NPC*** | ***15,000,000.00*** |  | ***AAA*** |
| ***NPC*** | ***15,000,000.00*** |  | ***AAA*** |
| ***NPC*** | ***15,000,000.00*** |  | ***AAA*** |
| ***NPC – tax free (Put call)*** | ***50,000,000.00*** |  | ***AAA*** |
| ***NPC – TF*** | ***170,420,000.00*** |  | ***AAA*** |
| ***NPC –TF*** | ***150,000,000.00*** |  | ***AAA*** |
| ***NPC – Tax free (Put call)*** | ***150,000,000.00*** |  | ***AAA*** |
| ***NTPC*** | ***30,000,000.00*** |  | ***AAA*** |
| ***Orkay Silks*** | ***1.00*** |  |  |
| ***PFC – TF*** | ***146,790,000.00*** |  | ***AAA*** |
| ***PFC*** | ***50,000,000.00*** |  | ***AAA*** |
| ***PFC*** | ***100,000,000.00*** |  | ***AAA*** |
| ***PFC*** | ***0.00*** |  | ***AAA*** |
| ***PFC*** | ***0.00*** |  | ***AAA*** |
| ***PFC*** | ***0.00*** |  | ***AAA*** |
| ***PNB Bonds Series II*** | ***3,000,000.00*** |  | ***AAA*** |
| ***PNB*** | ***0.00*** |  | ***AAA*** |
| ***PNB*** | ***0.00*** |  | ***AAA*** |
|  |  |  |  |
| ***Punjab Wireless*** | ***1.00*** |  |  |
| ***Rajinder Steels*** | ***1.00*** |  |  |
| ***REC*** | ***5,000,000.00*** |  | ***AAA*** |
| ***REC STG*** | ***100,000,000.00*** |  | ***AAA*** |
| ***REC (priority sector)*** | ***499,500,000.00*** |  | ***AAA*** |
| ***REC Capital Gains Bond*** | ***5,000,000.00*** |  | ***AAA*** |
| ***S B H*** | ***80,000,000.00*** |  | ***AAA*** |
| ***State Bank of India*** | ***23,000,000.00*** |  | ***AAA*** |
| ***State Bank of Mysore*** | ***100,220,000.00*** |  | ***AAA*** |
| ***State Bank of Mysore*** | ***0.00*** |  | ***AAA*** |
| ***State Bank of Mysore*** | ***0.00*** |  | ***AAA*** |
| ***State Bank of Patiala*** | ***0.00*** |  |  |
| ***State Bank of Hyderabad*** | ***0.00*** |  | ***AAA*** |
| ***South Indian Bank*** | ***20,000,000.00*** |  | ***A+*** |
| ***Syndicate Bank*** | ***8,000,000.00*** |  | ***AA+*** |
| ***Syndicate Bank*** | ***1,000,000.00*** |  | ***AA+*** |

## 31. Broker Exposure Limit

At present the bank has empanelled 62 brokers approved by the Investment Committee meeting as under:

|  |  |  |
| --- | --- | --- |
| **Sr. No.** | **Meeting of Investment Committee** | **Nos. of Brokers Approved** |
| 1 | 1211th  Meeting held on 04.05.2015 | 62 |
|  | **Total :** | **62** |

Investment Committee 1178th meeting held on 26.02.2014 approved the estimated turnover through brokers at Rs. 5000 Cr. Therefore per broker turnover has been revised at Rs. 250 Cr. (5% of Estimated Turnover).As per RBI Master Circular, a limit of 5% of total transactions entered into by a bank during a year should be treated as the aggregate upper contract limit for each of the approved brokers. Treasury Branch has not exceeded the limit during the Period (01.07.2015 to 31.07.2015).

We have verified the broker exposure limit up to the month of July 2015. Please refer for details in **Annexure 5.**

**32. Value at Risk (VaR)**

As per investment policy, following category wise limits are fixed for VAR: -

|  |  |
| --- | --- |
| **Category** | **Approved VAR (%)** |
| HFT | 5.00% of market value |
| AFS | 4.00% of market value |
| HTM | ---- |
| Overall Investment Portfolio | ---- |

**Position of VaR as on 31st July 2015 is as follows:-**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **Book Value ( Amt in Cr)** | **Market Value ( Amt in Cr)** | **VaR (%)** | **Approved VaR (%)** | **Compliance** |
| **HFT** | 482.14 | 482.14 | 0.02 | 5.00% | Complied |
| **AFS** | 11631.48 | 11698.33 | 2.19 | 4.00% | Complied |
| **\*HTM** | 41380.05 | 40969.96 | 4.39 | ----- | Complied |
| Overall Investment Portfolio | **53494.37** | **53151.13** | **3.85** | ----- | Complied |

\***In case of HTM there is no such requirement to be complied with.**

**Product-wise VaR limit as on 31st July 2015 is as follows:-**

|  |  |  |  |
| --- | --- | --- | --- |
| **Product Description** | **Approved VaR Limits** | **VaR** | **Compliance** |
| **Forex (Including Gold)** | 20 | 0.97 | Complied |
| **Equity,VCF,Mutual Funds-AFS & HFT** | 70 | (30.77) | Complied |
| **Derivative (IRS)** | 10 | (0.03) | Complied |
| **CG+SG+Non SLR Bonds in HFT+AFS** | 535 | (270.92) | Complied |
| **T Bills+CD+CP in HFT & AFS** |

**Duration of Investment- Interest Bearing Portfolio- The position of as on 31.07.2015 is as under:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category** | **Duration approved by the board**  **(in years)** | **Duration as on 31.07.2014** | **Duration as on 31.07.2015** | **Modified Duration 31.07.2015** |
| **HFT** | 7.00 | 0.16 | 0.05 | 0.05 |
| **AFS** | 5.00 | 3.10 | 3.83 | 3.67 |
| **HTM** | 7.00 | 6.02 | 5.79 | 5.57 |
| **TOTAL** | **7.00** | **5.29** | **5.34** | **5.13** |

Duration is within approved limit

## 33. Maintenance of CRR and SLR

1. **Cash Reserve Ratio (CRR)**

Fortnightly statement in respect of CRR i.e. Form A is prepared and submitted to RBI by head office Mangalore. Treasury Branch receives the copy of the same statement.

The Bank has maintained the required CRR for the relevant fortnights during the month of July 2015.

Maintenance of minimum daily CRR balance at 95% & fortnightly average 100% is complied with.

1. **Statutory Liquidity Ratio (SLR)**

The bank has maintained the required SLR for two fortnights during the month of

July 2015.

Our verification was based on NDTL figure received from H.O.

# 34. INVESTMENT POLICY

As per RBI master circular Bank has framed Internal Investment policy guidelines with the approval of Board of Directors. The investment policy was submitted to board on 01.07.2015 and the same was approved on 06.08.2015.

## 

## 35. Stop loss limits

The limits for stop loss as per investment policy are as under:

Stop loss limits in case of holdings and sale of securities are within the limits set out in the investment policy and there are no breaches observed beyond the limits set for treasury branch Mumbai during the month under audit

**Stop Loss Limit (HFT)**

The following limits are applicable for equity shares and exchange traded equity mutual funds held in HFT Portfolio.

|  |  |
| --- | --- |
| **Sanctioning Authority** | **% Of loss of book value** |
| Dealer | Up to 10% of book value |
| CM / AGM | Up to 15% of book value |
| DGM | Up to 20% of book value |
| GM | Up to 25% of book value |
| IC | Up to 35% of Book Value |

In the event of unusual market situations when the Treasury Branch is unable to sell the shares resulting in breach of stop loss limit a report should be placed to the Investment Committee on the next working day.

The equity portfolio shall be monitored on a daily basis. A flash report-furnishing summary of transactions involving exercise of stop-loss limits and valuation is placed before Treasury Head, on the following working day.

1. **Stop Loss Limit for HFT category (HFT and PD-HFT)**

|  |  |
| --- | --- |
| **Sanctioning Authority** | **Securities other than Equity (as % of B.V)** |
| Dealer | 1.50% |
| AGM/CM | 2.00% |
| DGM | 2.50% |
| GM | 5.00% |
| IC | 25.00% |

HFT loss would be limited to Rs. 40.00 Cr. in a financial year as per the investment policy. As on 31st July 2015 total Stop loss exercised is Rs. 3.45 Cr.

**(Rs. In Cr.)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Segment** | **Resource Allocation** | **Limit Amount** | **Amount** | **Remark** |
| Investment in Government Securities and approved SLR Securities | Not less than amount stipulated by RBI | 42,660.73 | 48,903.90 | Complied |
| Investments in Non-SLR Securities | Not more than 30% of total investment portfolio as at the end of the previous reporting Friday (31/07/2015). | 19,391.06 | 2,477.96 | Complied |

Excluding RIDF/Units of Mutual Funds (liquid & short term debt), CDs of Banks, NHB, shares of subsidiary, state govt special securities and SIDBI.

## 36. Maturity Mix

The comparative position of Maturity Mix as on 30th July 2015 as compared to previous month is as under:-

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **Approved Pattern**  **(in %)** | **Position of Investments as on  30th June 2015** | | **Position of Investments as on  31st July 2015** | |
| **As %** | **in absolute terms**  **(Rs. in Cr.)** | **As %** | **in absolute terms**  **(Rs. in Cr.)** |
| Up to 12 months \* | 00 to 30 | 12.64 | 7,912.08 | 14.61 | 9,440.81 |
| Above 1 year to 3 years \*\* | 00 to 25 | 11.57 | 7,240.03 | 11.25 | 7,269.79 |
| Above 3 years to 7 years \*\*\* | 20 to 50 | 36.26 | 22,689.35 | 35.30 | 22,814.99 |
| Above 7 years to 15 years \*\*\*\* | 15 to 50 | 31.43 | 19,664.38 | 30.90 | 19,975.29 |
| Above 15 years | 00 to 25 | 8.10 | 5,065.58 | 7.95 | 5,135.97 |
| **Total** | | **100.00** | **62,571.43** | **100.00** | **64,636.85** |

\*Includes Shares & MF worth Rs 1651.09 Cr & RIDF/NHB/SIDBI deposit of Rs 3,976.16 Cr.

\*\*Includes RIDF/NHB/SIDBI deposit of Rs 1,364.81 Cr

\*\*\*Includes RIDF/NHB/SIDBI deposit of Rs 4,980.44 Cr

\*\*\*\*Includes MF of Rs 10.00 Cr

## 37. Shifting among categories of Investments during the Month

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Frequency** | ApprovingAuthority | **Shifting during the month** | **Remark** |
| Shifting from Held to Maturity (HTM) category to Available for sale (AFS) | Once a Year | Board of Directors | No | N.A |
| Shifting from Available for sale (AFS) to Held for Trading (HFT) | Anytime | Board of Directors/ ALCO / Investment Committee | No | N.A |
| Shifting from Held for Trading (HFT) to Available for Sale (AFS) | Permitted under exceptional circumstances | Board of Directors/ ALCO / Investment Committee | No | N.A |
| Shifting from Available for sale (AFS) to Held to maturity (HTM) | Permitted under exceptional circumstances | Board of Directors/ ALCO / Investment Committee | Yes | N.A |
| Shifting from Held for trading (HFT) to Held to maturity (HTM) | Permitted under exceptional circumstances | Board of Directors/ ALCO / Investment Committee | No | NA |

|  |  |
| --- | --- |
| Whether Transfer of Scrip from one category to another is done at least of Acquisition Cost/Book Value/Market Value on date of transfer? | Yes, As per policy |
| Whether depreciation (if any) on such transfer is fully provided for? | Yes  Provision done at HO - FMD level |

## 38. Daily Reports

The bank is generating following reports on daily basis.

1. Deal Maturity Report
2. End of Day Position Report
3. Portfolio Analysis Report
4. EOD security summary Report.

We have verified the reports generated by the bank during the month of July 2015 and did not observe anomalies.

## 39. MIS Reports

The Bank is generating following MIS reports for submitting to management.

1. Daily HFT Valuation Report
2. Daily Flash Report to Top Management at Head office

We have verified the MIS reports generated by the branch during the month of July 2015.

Half yearly review report on Investment is to be submitted to RBI within 45 days of the period to which it relates. The half yearly Board note for March 2015 has been submitted vide IIBD/BD/INVT/HY/MAR/2015-16 dated 24/04/2015.

## 40. Exception/Deviation approved by Investment Committee

|  |  |  |  |
| --- | --- | --- | --- |
| **Transactions (Subscription)** | **Deviation** | | **Remarks** |
| **Norm** | **Actual** |
| NIL | | | |

# 41. Compliance with Internal Limits

Monthly memorandum to the Board with regard toInvestment Operation for the month of July 2015 is under preparation.

**42. COMPLIANCE WITH RISK MANAGEMENT POLICY**

Risk management functions are handled by mid-office who monitors the various limits as set in investment policy of the bank on daily basis.

The overall limit for access to LAF by each individual bank is set at 0.25% of its own NDTL outstanding as on the last Friday of the second preceding fortnight.

## 43. Business Continuity Plan

Business continuity Planning system available at Lokhandwala branch, Andheri as per information provided to us.

Business continuity Plan is prepared to ensure continuity/resumption of critical business process at an agreed level and limit the impact of disaster on people processes and infrastructure

## 44. Disaster Recovery Plan (DRP)

DRP for ITMS is being done at Mangalore as per information furnished to us.

**45. Back up**

Back up of ITMS is taken daily on Digital Audio Tape drives (DAT) and the DAT tapes are sent to the Fort branch along with the acknowledge slip. Fort branch maintains the backup tapes for next 3 days and the tapes are sent back to the Treasury Branch which is further reused.

We have verified the acknowledgements for receipt of back up by the Fort branch for the month of July 2015. Acknowledgement slip is authorised by the concerned authority for taking the backup.

The Details pertaining to the Start time and End time of Back up process is captured in system.

# 46. PRIMARY DEALER ACTIVITIES

As per investment committee directions contained in Minute no.7 (Board Note: IIBD/SSP/2011 dated 28th February 2011 of IIBD Mumbai) with effect from April 2011 the Treasury Branch has created “HFT PD” category in the portfolio so as to comply with the RBI requirement of the bank to have separate books of accounts relating to PD Business.

As per the RBI requirement the primary dealer has to submit PDR 2 return on monthly basis to RBI. The due date for the same is 10th of the following month. PDR 2 Return for the month of July 2015 is sent on 10/08/2015 and the same has been verified by us.

Treasury branch maintains separate accounts in respect of its own position and constituents transactions.

Transactions with respect to mid and retail segment during the month were verified.

Transactions done through brokers are in compliance with RBI/Banks guidelines.

There is a functional separation of trading/settlement and control/accounting.

PD has maintained minimum daily balance of Rs. 100 Cr. during the month under audit.

## 47. Short sale in Government Securities

During the month of July 2015, there was 1 short sale of Government Securities and details are given in **Annexure-6**.

Primary Dealers shall submit a report of the daily security-wise short sale position to the Internal Debt Management Department, RBI on a monthly basis and the soft copy of the said report is sent to RBI on 01/08/2015 for the month of July 2015 followed by hard copy of the same on 04/08/2015.

## 48. When Issued Securities

During the month of July 2015, Bank has not entered into any transaction pertaining to When issued securities.

## 49. Underwriting of CG Securities

During the month of July 2015 Treasury Branch has underwritten CG auctions and IIB as a part of PD obligation and received underwriting commission as per system as under:-

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **DATE OF U/W** | **SECURITY** | **AUCTION AMOUNT** | **MUC** | **AMOUNT ACCEPTED UNDER AUC** | **Actual Underwriting Bids Tendered** | **Bids Submitted** | **Commission Received** |
| **(MUC+ AUC)** |  |
| 02/07/2015 | 7.68% GS 2023 | 3000.00 | 75.00 | 0.00 | 75.00 | 75.00 | 33000.00 |
| 7.72% GS 2025 | 6000.00 | 150.00 | 0.00 | 150.00 | 200.00 | 67500.00 |
| 8.24% GS 2033 | 3000.00 | 75.00 | 0.00 | 75.00 | 100.00 | 125250.00 |
| 8.13% GS 2045 | 3000.00 | 75.00 | 0.00 | 75.00 | 75.00 | 129000.00 |
| 09/07/2015 | 7.35% Gov Stock 2024 | 3000.00 | 75.00 | 50.00 | 125.00 | 125.00 | 193000.00 |
| 7.88% GS 2030 | 6000.00 | 150.00 | 75.00 | 225.00 | 230.00 | 340500.00 |
| 7.95% GS 2032 | 3000.00 | 75.00 | 50.00 | 125.00 | 125.00 | 414000.00 |
| 8.17% GS 2044 | 3000.00 | 75.00 | 25.00 | 100.00 | 100.00 | 268750.00 |
| 16/07/2015 | 7.68% GS 2023 | 3000.00 | 72.00 | 30.00 | 102.00 | 105.00 | 100800.00 |
| 7.72% GS 2025 | 6000.00 | 143.00 | 67.00 | 210.00 | 220.00 | 216600.00 |
| 8.24% GS 2033 | 3000.00 | 72.00 | 30.00 | 102.00 | 105.00 | 196560.00 |
| 8.13% GS 2045 | 3000.00 | 72.00 | 0.00 | 72.00 | 75.00 | 98640.00 |
| 23/07/2015 | 7.35% Gov Stock 2024 | 2000.00 | 48.00 | 0.00 | 48.00 | 60.00 | 10560.00 |
| 7.88% GS 2030 | 6000.00 | 143.00 | 0.00 | 143.00 | 150.00 | 52910.00 |
| 7.95% GS 2032 | 3000.00 | 72.00 | 20.00 | 92.00 | 100.00 | 82240.00 |
| 8.17% GS 2044 | 3000.00 | 72.00 | 0.00 | 72.00 | 75.00 | 48240.00 |
| 30/07/2015 | 7.68% GS 2023 | 2000.00 | 48.00 | 0.00 | 48.00 | 100.00 | 8160.00 |
| 7.72% GS 2025 | 6000.00 | 143.00 | 25.00 | 168.00 | 200.00 | 36310.00 |
| 8.24% GS 2033 | 3000.00 | 72.00 | 0.00 | 72.00 | 150.00 | 32400.00 |
| 8.13% GS 2045 | 3000.00 | 72.00 | 0.00 | 72.00 | 90.00 | 33120.00 |

**50. Bidding in Primary Auctions**

In terms paragraph 2.2 (i) of the Master Circular on Operational guidelines to Primary Dealers RBI/2014-15/96 IDMD.PDRD.01/03.64.00/2015-16 dated July 1,2014, each Primary Dealer is committed to submit bids for a minimum amount of not less than the amount successful in the Additional Competitive Underwriting (ACU) and Minimum Underwriting Commitment (MUC) in each auction in dated government securities auctions and for a fixed percentage of the notified amount of treasury bills in each auction. Scheme for bidding commitment is as follows;

#### Treasury bill: 5 % of notified amount of each issue

Government Securities: Amount not less than the amount successful in the ACU and MUC.

The details of Bids under treasury bills category submitted during the month of July 2015:

(Rs. In Cr.)

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Minimum Bidding Commitment (a)** | **Bids Applied (b)** | **Bids Amount Allotted (c)** |
| 91 DAY T BILL | 2000.00 | 4000.00 | 1091.77 |
| 182 DAY T BILL | 600.00 | 700.00 | 203.19 |
| 364 DAY T BILL | 900.00 | 1200.00 | 64.67 |
| **Total** | **3500.00** | **5900.00** | **1359.63** |

## 51. Achieving the Success Ratio for PDs Business

As per RBI Master circular-Operational Guidelines to Primary Dealers - IDMD.PDRD.01 /03.64.00/2015-16 dated July 1, 2014 a Primary Dealer is required to achieve a minimum success ratio of 40 % of bidding commitments for Treasury Bills on half yearly basis (April to September and October to March). However as far as Dated Government Securities are concerned there is no success ratio and Bank has executed Undertaking dated 12th June 2013 with RBI covering the MUC, ACU success ratio for T Bill Minimum turnover in secondary market etc and accordingly RBI has renewed PD authorization for 2013-16 which will remain valid up to June 30, 2016 (vide RBI letter Ref No.: IDMD. PDRD. No. 3656/ 03.64.027 / 2012-13 dated 25th June 2013).

According to which the performance as on July 2015, is as under;

|  |
| --- |
| **Treasury Bills :**    The following comparative details (cumulative) for the month of July 2015.  **(Rs. In Cr.)** |
| |  |  |  |  | | --- | --- | --- | --- | | **Particulars** | **1st HALF** | **2nd HALF** | **Upto July 2014** | | **Up to July 2015** |  | | Bidding commitment (a) | 12600.00 |  | 10640.00 | | Bids accepted (b) | 5995.08 |  | 4420.50 | | Success ratio (b)/(a) | 47.58% |  | 41.55% | |

## 52. Calculation of Turnover Ratio

As per RBI guidelines PDs should achieve minimum turnover ratio of 5 times for Dated Govt. Securities and 10 times for T-Bills/CMBs of the average month-end stocks. Further the turnover ratio in respect of outright transactions should not be less than 3 times in dated government securities and 6 times in respect of T-Bills/CMBs. Turnover ratio is computed as the ratio of total purchase and sales during the year in the secondary market to average month-end stocks.

The following details of business pertaining to the period from 1st April 2015 to 31st July 2015:-

**Treasury Bills**

\*Secondary market operations.

**(Rs. In Cr.)**

|  |  |
| --- | --- |
| **Particulars** | **Amt** |
| \* Outright Sales (Book value) (a) | 842.84 |
| \* Outright Purchases (Book value) (b) | 314.15 |
| **Total (a+b)** | 1,156.99 |
| Average month end stock (c) | 114.10 |
| Turnover Ratio ((a+b)) / c) | **10.14** |

In case of Treasury Bills minimum turnover in respect of outright transaction should be not less than 6 times and it is 10.14 as per above information.

\*\* Primary & Secondary market operations.

**(Rs. In Cr.)**

|  |  |
| --- | --- |
| **Particulars** | **Amt** |
| \*\* Total Sales (Book value) (a) | 6765.74 |
| \* \*Total Purchases (Book value) (b) | 6880.28 |
| **Total (a+b)** | 13646.02 |
| Average month end stock (c) | 1295.46 |
| Turnover Ratio ((a+b) / c)) | **10.53** |

In case of Treasury Bills minimum turnover in respect of Primary & Secondary market operations should be not less than 10 times and the same is 10.53 as per above information. (As per RBI guidelines, the ratio needs to be annually)

**Central Government Securities**

|  |
| --- |
| **(Central Govt. Loan Excluding TBILLS)**  \*Secondary market operations. |

**(Rs. In Cr.)**

|  |  |
| --- | --- |
| **Particulars** | **Amt** |
| \* Outright Sales (Book value) (a) | 16,357.11 |
| \* Outright Purchases (Book value) (b) | 15,779.51 |
| **Total (a+b)** | 32,136.62 |
| Average month end stock (c) | 121.89 |
| Turnover Ratio ((a+b) / c)) | **263.65** |

|  |
| --- |
|  |

In case of Central Government Securities minimum turnover in respect of Secondary market operations should be not less than 3 times and the same is 263.65 as per above information

\*\*Primary & Secondary market operations.

**(Rs. In Cr.)**

|  |  |
| --- | --- |
| **Particulars** | **Amt** |
| \*\* Total Sales (Book value) (a) | 16,532.00 |
| \*\* Total Purchases (Book value) (b) | 15,779.51 |
| **Total (a+b)** | 32,311.50 |
| Average month end stock (c) | 121.89 |
| Turnover Ratio ((a+b) / c)) | **265.08** |

In case of Central Government Securities, minimum turnover in respect of Primary & Secondary market operations should be not less than 5 times and the same is 265.08 as per above information

**T-Bills & Central**

**Government Securities**

\*Secondary market operations.

**(Rs. In Cr.)**

|  |  |
| --- | --- |
| **Particulars** | **Amt** |
| \* Outright Sales (Book value) (a) | 17,199.95 |
| \* Outright Purchases (Book value) (b) | 16,093.65 |
| Total (a+b) | 33,293.60 |
| Average month end stock (c) | 235.99 |
| Turnover Ratio ((a+b) / c)) | **141.08** |

\*\*Primary & Secondary market operations

|  |  |
| --- | --- |
| **(Rs. In Cr.)** | |
| **Particulars** | **Amt** |
| \*\* Total Sales (Book value) (a) | 17,374.84 |
| \*\* Total Purchases (Book value) (b) | 16,093.65 |
| Total (a+b) | 33,468.49 |
| Average month end stock (c) | 235.99 |
| Turnover Ratio ((a+b) / c)) | **141.82** |
|  |  |

**NOTE:**

\*Outright Sales = PDHFT SALE only

\*Outright Purchase = PDHFT PURCHASE ONLY (EXCEPT COUTER PARTY ‘CG001’ AND ‘CG002’)

\*\* Total Sales = PDHFT SALE + PDHFT REDEMPTION

\*\* Total Purchase = PDHFT PURCHASE + PDHFT SUBSCRIPTION

**53. Outstanding Entries**

The following entries are outstanding which needs to be adjusted.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sr No** | **GL HEAD** | **GL NAME** | **No of entries** | **Balance as on** | |
| **30.06.2015** | **31.07.2015** |
| 1 | 401001/3 | Orders Payable (Current) | 7 | 15,172.00 | 15,172.00 |
| 2 | 401001/4 | Orders Payable (Stale) | 1 | 1,51,325.00 | 1,51,325.00 |
| 3 | 402003/501 | Tax on pension load | 29 | 3,03,468.00 | 3,03,468.00 |
|  |  |  |  |  |  |

A GL head Sundry Deposits/Miscellaneous 101154/5 (Contains retention money) is having a balance of Rs 13,571/- since 19.12.2011. There has been no changes in the head ever since.

|  |
| --- |
| **Annexure 1** |
| **Loss making equity deals for the month of July 2015**    **(Amount in Rs.)**   | **Deal Detail** | **Value Dt.** | **Security Name** | **Book Value** | **Sale Value** | **Loss** | | --- | --- | --- | --- | --- | --- | | OSDOM\2015\155827 | 27-07-15 | Rs. 5/- O N G C SHARES | 72,062.50 | 70,250.00 | -1812.50 | | OSDOM\2015\156008 | 29-07-15 | Rs. 5/- O N G C SHARES | 70,406.25 | 69,000.00 | -1406.25 | | OSDOM\2015\156339 | 31-07-15 | Rs. 5/- O N G C SHARES | 70,406.25 | 67,609.25 | -2797.00 | | OSDOM\2015\155646 | 23-07-15 | Rs.10 RELIANCE INDUST Shs / / | 2,56,000.00 | 2,55,000.00 | -1000.00 | | OSDOM\2015\154962 | 09-07-15 | Rs.1.00 HINDUSTAN UNILEVER SH / / | 9,21,552.75 | 9,20,500.00 | -1052.75 | | OSDOM\2015\155133 | 14-07-15 | Rs.1.00 HINDUSTAN UNILEVER SH / / | 4,65,350.55 | 4,50,000.00 | -15350.55 | | OSDOM\2015\155308 | 16-07-15 | Rs.1.00 HINDUSTAN UNILEVER SH / / | 13,96,051.65 | 13,59,750.00 | -36301.65 | | OSDOM\2015\155728 | 24-07-15 | Rs.1.00 HINDUSTAN UNILEVER SH / / | 2,31,250.00 | 2,23,763.60 | -7486.40 | | OSDOM\2015\154405 | 02-07-15 | Rs. 2.00 WIPRO LTD Shs / / | 1,38,500.00 | 1,37,000.00 | -1500.00 | | OSDOM\2015\155092 | 13-07-15 | Rs. 5.00 INFOSYS Shs / / | 2,45,448.10 | 2,34,062.50 | -11385.60 | | OSDOM\2015\155134 | 14-07-15 | Rs. 5.00 INFOSYS Shs / / | 2,45,448.10 | 2,35,500.00 | -9948.10 | | OSDOM\2015\155267 | 15-07-15 | Rs. 5.00 INFOSYS Shs / / | 2,42,798.73 | 2,35,000.00 | -7798.73 | | OSDOM\2015\155312 | 16-07-15 | Rs. 5.00 INFOSYS Shs / / | 2,42,798.73 | 2,37,500.00 | -5298.73 | | OSDOM\2015\154657 | 07-07-15 | RS.5 MARUTI SUZUKI INDIA LTD(SHS) | 20,31,000.00 | 20,00,000.00 | -31000.00 | | OSDOM\2015\155089 | 13-07-15 | Rs. 10 Bajaj Auto Ltd. | 12,96,166.67 | 12,70,500.00 | -25666.67 | | OSDOM\2015\155135 | 14-07-15 | Rs. 10 Bajaj Auto Ltd. | 6,48,083.33 | 6,18,277.00 | -29806.33 | | OSDOM\2015\155269 | 15-07-15 | Rs. 10 Bajaj Auto Ltd. | 6,48,083.33 | 6,16,250.00 | -31833.33 | | OSDOM\2015\155310 | 16-07-15 | Rs. 10 Bajaj Auto Ltd. | 12,96,166.67 | 12,52,500.00 | -43666.67 | | OSDOM\2015\155828 | 27-07-15 | Re.1 ITC Ltd | 80,250.00 | 78,500.00 | -1750.00 | | **TOTAL** | | | **1,097,918.61** | **831,057.35** | **-266861.26** | |
|  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Annexure 2** | | | | |
| **Deterioration in market value of shares in the month of July 2015** | | | | |
| **Category I PSU Shares (Amount in Rs.)** | | | | |
| **Security Classification Code** | **Book Value** | **Market Value** | **Deterioration in market value of shares** | **% of Deterioration** |
| PS014001 -RS.10 SHIPPING CORPN OF INDIA LTD(SHS) | 12,570,320.00 | 4,493,889.40 | (8,076,430.60) | -64.25 |
| **Securities not to be sold \*** |  |  |  |  |
| PSSNM001 -Re.1/- NMDC Limited Shares | 103,541,100.00 | 40,967,761.90 | (62,573,338.10) | -60.43 |
| EQNHP001 -Rs.10/- NHPC Limited shares | 498,530,866.64 | 271,308,119.60 | (227,222,747.04) | -45.58 |
| PS048006 -RS.10.00 National Thermal Power Corpn Ltd-Shs | 112,502,779.06 | 74,337,469.55 | (38,165,309.51) | -33.92 |
| **Total** | **727,145,065.70** | **391,107,240.45** | **(336,037,825.25)** |  |

**\* Note – As per the minutes of investment committee except NHPC, NMDC & NTPC all other investment as mentioned above needs to be sold. However there is balance outstanding as on 30/06/2015 (yet to be sold).**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category II - Corporate Shares** |  |  |  |  |
| **Security Classification Code** | **Book Value** | **Market Value** | **Deterioration in market value of shares** | **% of Deterioration** |
| **Preference Shares: (All Shares are in CDR)** | | | | |
| COSSP001 -0.001% Spandana Sphoorty Fin. Ltd OCCRPS 31.3.18 | 85,000,000.00 | 62,146,050.00 | (22,853,950.00) | -26.89 |
| CSSMC001 -0.001% Share Microfin Ltd OCCRPS (Rs.10)2018 | 406,130,000.00 | 299,451,832.90 | (106,678,167.10) | -26.27 |
| CO091006 -0.01% Wockhardt OCCR Pref Sh Sr2: 31DC18 FV Rs.5/- | 109,134,640.00 | 79,288,498.65 | (29,846,141.35) | -27.35 |
| CO091005 -0.01% WOCKHARDT Ltd - NCRPS-3 /31.12.18 (Pref Sh) | 254,647,490.00 | 244,181,478.16 | (10,466,011.84) | -4.11 |
| **TOTAL** | **854,912,30.00** | **685,067,859.71** | **(169,844,270.29)** |  |
| **Preference Shares** | | | | |
| CO500001 -0.10% EDUCOMP INFRA&SCHOOL MGNT LTD CCCP FV RS.100 | 90,799,170.00 | 23,982,824.62 | (66,816,345.38) | (73.59) |
| **TOTAL** | **90,799,170.00** | **23,982,824.62** | **(66,816,345.38)** |  |
| **Equity Shares** | | | | |
| UNSXL002 -Re.1/- United Stock Exchange Of India Ltd Shares | 15,000,000.00 | 10,630,500.00 | (4,369,500.00) | -29.13 |
| COTY001 -RS.10 SAKUMA EXPORTS LTD(SHS) | 9,695,350.00 | 5,904,468.15 | (3,790,881.85) | -39.10 |
| COE2001 -RS.5/- WELSPUN CORP LTD SHARES | 65,685,982.91 | 28,341,414.00 | (37,344,568.91) | -56.85 |
| COPW001 -Rs.10 Broadcast Initiatives Limited (Shares) | 33,238,920.00 | 969,468.50 | (32,269,451.50) | -97.08 |
| MCSX001 -RS.1/- MCX STOCK EXCHANGE LTD [MCX-SX] SHARES | 250,000,000.00 | 23,460,000.00 | (226,540,000.00) | -90.62 |
| COBX001 -Rs.10/- Reliance Power Limited Shares | 4,103,440.17 | 654,361.50 | (3,449,078.67) | -84.05 |
| CSACE001 -Rs.10/- ACE Deriv & Comm Exchnage Ltd shares | 31,383,000.00 | 8,064,860.40 | (23,318,139.60) | -74.30 |
| CSREL001 -Rs.10/- Religare Health Insurance Co Ltd Shares | 187,500,000.00 | 52,226,250.00 | (135,273,750.00) | -72.15 |
| JPINF001 -Rs.10/- Jaypee Infratech Limited Sh | 137,013,948.00 | 20,216,273.70 | (116,797,674.30) | -85.25 |
| CO462002 -CHENNAI NETWORK INFRA LTD Shs Rs 10 | 899,176,500.00 | 414,560,329.90 | (484,616,170.10) | -53.90 |
| COTC002 -Raj Rayon Industries Ltd Rs.1 | 9,093,259.50 | 797,408.91 | (8,295,850.59) | -91.23 |
| **TOTAL** | **1,641,890,400.58** | **565,825,335.06** | **(1,549,386,296.86)** |  |
| **Equity Shares under CDR Package** | | | | |
| COSD002 -Rs.2.00 Suzlon Energy Ltd. Shares | 7,428,337.11 | 1,889,797.20 | (5,538,539.91) | -74.56 |
| AF004057 -Rs. 10 IFCI Ltd Shares | 87,541,836.00 | 21,108,218.40 | (66,433,617.60) | -75.89 |
| CO463001 -Rs.10/- GTL Infrastructure Ltd Shares | 256,377,300.00 | 49,287,721.59 | (207,089,578.41) | -80.78 |
| COUG002 -Re 1/- BAJAJ HINDUSTAN SUGAR LTD (CDR) | 144,780,252.96 | 89,116,003.20 | (55,664,249.76) | -38.45 |
| CORK017 -Rs. 2/- IVRCL Limited Eq Shares (CDR allotment) | 315,221,116.05 | 146,043,403.50 | (169,177,712.55) | -53.67 |
| **Total** | **496,127,726.07** | **162,006,914.09** | **(334,120,811.98)** |  |  |

**Category III – Mutual Fund**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Security Classification Code** | **Book Value** | **Market Value** | **Deterioration in market value of shares** | **% of Deterioration** |
| NIL | | | | |
|  |  |  |  |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Annexure 3** | | | | | | |
|  | **Details of CD Issuance for the month of July 2015** | | | | | | |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Issue Date** | **Value Date** | **Counter Party** | **Face Value (In Cr.)** | **Amount Payable by Investors**  **(In Cr.)** | **Tenor in days** | **Interest Rate (%)** | **Maturity Date** |
| NIL | | | | | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Counter Party** | **Trading** | **Trading Off-Set** | **Grand Total** |
| BNP PARIBAS MUMBAI | 50 | -- | 50 |
| CALYON BANK MUMBAI | -- | -- | -- |
| CITIBANK N.A. MUMBAI | 200 | -- | 200 |
| DEUTSCHE BANK | -- | -- | -- |
| DEUTSCHE BANK MUMBAI | 100 | -- | 100 |
| H.S.B.C. LTD. MUMBAI | 150 | -- | 150 |
| ICICI BANK LTD | -- | -- | -- |
| ICICI BANK LTD. MUMBAI | 25 | -- | 25 |
| JPMORGAN CHASE BANK N.A. MUMBAI | -- | -- | -- |
| STANDARD CHARTERED BANK MUMBAI | 100 | -- | 100 |
| **Grand Total** | **625** | **--** | **625** |

**Annexure 4**

**OIS Deals outstanding as on 31st July 2015**

**(Amt in Cr)**

**Annexure 5**

**Broker Exposure Limit**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | **Sr No** | **Broker Name** | **Limit Fixed on Projected Turnover**  **(Cr)** | **Turnover by individual broker**  **(Cr)** | **% to Broker Turnover** | **% of Broker Turnover to total Turnover** | | --- | --- | --- | --- | --- | --- | | 1 | A.K.STOCKMART P LTD | 250 | 0.45 | 2.25 | 0.00042 | | 2 | ADITYA BIRLA MONET LTD | 250 | 1.15 | 5.73 | 0.00108 | | 3 | AJCON GLOBAL SERVICES LTD | 250 | 0.59 | 2.94 | 0.00055 | | 4 | Amarpali Capital and Finance Services Ltd. | 250 | 0.14 | 0.70 | 0.00013 | | 5 | ARIHANT CAPITAL MARKETS LIMITED | 250 | 0.86 | 4.30 | 0.00081 | | 6 | ASHIKA STOCK BROKING LTD | 250 | 0.88 | 4.39 | 0.00082 | | 7 | ASIT C MEHTA INVST. INTERMEDIATES LTD | 250 | 0.48 | 2.41 | 0.00045 | | 8 | CANARA BANK SECURITIES LTD [FMLY GILT SEC TR CORP] | 250 | 0.29 | 1.45 | 0.00027 | | 9 | DARASHAW & COMPANY PVT LTD | 250 | 0.08 | 0.42 | 0.00008 | | 10 | DIMENSIONAL SECURITIES | 250 | 0.48 | 2.38 | 0.00045 | | 11 | EAST INDIA SECURITIES LTD. | 250 | 0.65 | 3.23 | 0.00060 | | 12 | EUREKA STOCK BROKING SERVICES LTD | 250 | 0.03 | 0.14 | 0.00002 | | 13 | GEPL CAPITAL PVT LTD [GUPTA EQUITIES PVT LTD] | 250 | 0.73 | 3.63 | 0.00068 | | 14 | GOOD FORTUNE CAPITALS P LTD | 250 | 1.44 | 7.20 | 0.00135 | | 15 | IDBI CAPITAL MARKET SERVICES LTD | 250 | 0.03 | 0.14 | 0.00002 | | 16 | INDI STOCK SECURITIES LTD | 250 | 0.02 | 0.11 | 0.00002 | | 17 | Jamnadas Virji Shares & Stock Brokers Pvt. Ltd | 250 | 0.54 | 2.68 | 0.00050 | | 18 | KARVY STOCK BROKING LIMITED | 250 | 0.34 | 1.72 | 0.00032 | | 19 | KHANDWALA SECURITIES LTD | 250 | 0.30 | 1.50 | 0.00028 | | 20 | L.K.P SECURITIES LTD | 250 | 0.17 | 0.85 | 0.00016 | | 21 | LOHIA SECURITIES LTD | 250 | 0.09 | 0.43 | 0.00008 | | 22 | MAGNUM EQUITY BROKING LTD | 250 | 0.17 | 0.84 | 0.00015 | | 23 | MATA SECURITIES INDIA PVT LTD. | 250 | 0.67 | 3.34 | 0.00063 | | 24 | MAXIMUS SECURITIES LTD [FORMERLY MAFATLAL SEC LTD] | 250 | 0.37 | 1.84 | 0.00034 | | 25 | NVS BROKERAGE PVT LTD | 250 | 0.13 | 0.67 | 0.00012 | | 26 | PEERLESS SECURITIES LTD | 250 | 0.79 | 3.94 | 0.00074 | | 27 | PRATIBHUTHI VINIYOG LTD. | 250 | 1.02 | 5.08 | 0.00095 | | 28 | QUANT BROKING PRIVATE LTD | 250 | 0.92 | 4.61 | 0.00087 | | 29 | SAL SECURITIES PVT. LTD. | 250 | 1.36 | 6.80 | 0.00128 | | 30 | SHAREKHAN LTD | 250 | 0.39 | 1.96 | 0.00036 | | 31 | SHCIL SERVICES LTD | 250 | 0.23 | 1.15 | 0.00021 | | 32 | SOMAYA JULU & CO LTD | 250 | 0.41 | 2.04 | 0.00038 | | 33 | SPA SECURITIES LIMITED | 250 | 0.48 | 2.41 | 0.00045 | | 34 | SSD SECURITIES PVT LTD | 250 | 0.58 | 2.89 | 0.00054 | | 35 | SUMEDHA FISCAL SERVICES LTD | 250 | 0.10 | 0.48 | 0.00009 | | 36 | SUNIDHI SECURITIES AND FINANCE LIMITED | 250 | 0.50 | 2.48 | 0.00046 | | 37 | TATA SECURITIES LTD | 250 | 0.02 | 0.11 | 0.00002 | | 38 | ULJK FINANCIAL SERVICES PVT LTD | 250 | 0.61 | 3.06 | 0.00057 | | 39 | V.K.PATEL SECURITIES PVT LTD | 250 | 0.42 | 2.12 | 0.00040 | | 40 | WALLFORT FINANCIAL SERVICES LIMITED | 250 | 0.03 | 0.16 | 0.00003 | | 41 | WAY TO WEALTH BROKERS PVT LTD | 250 | 0.92 | 4.59 | 0.00086 | | 42 | ZEN SECURITIES LTD | 250 | 0.16 | 0.80 | 0.00015 | |

**Annexure 6**

## Short sale in Government Securities

|  |  |  |  |
| --- | --- | --- | --- |
| **No. of Occasions** | **Security Descriptions** | **Security Code** | **Profit/(Loss)** |
| 1 | 8.40% GS 28/07/2024 | CG00172 | (35,000) |
| **TOTAL** | | | **(35,000)** |