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Siblink

Next Generation

Corporate Family Magazine Of The South Indian Bank Ltd.

Ind AS

(Indian Accounting Standard)

SOUTH INDIAN Bank

Experience Next Generation Banking

South Indian Bank bags Digital India Excellence Award 2017

Mr. Thomas Joseph K., EVP (Operations) receiving Digital India Excellence Award 2017 from Sri. K. K Sharma, Secretary (MHRD) & Justice Rajesh Tandon, Former Judge, Uttarakhand High Court in the presence of Prof. Dinesh Sharma, Hon. Deputy Chief Minister, Uttar Pradesh

Siblink

Corporate Family Magazine of

South Indian Bank

Objectives:

To instil in the bank staff a sense of belonging and involvement in the bank's affairs
To appreciate and applaud the individual achievements of our members of staff
To act as a communication medium between management and the staff
To increase the professional competence of our bank staff

Inside

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MSME Campaign Magic Smile

MD & CEO, Sri. V G Mathew addressing the achievers of MSME Campaign. The function is also attended by Sri. G. Sivakumar EVP (Credit), Sri. Benoy Varghese (Country Head - Wholesale Banking), Sri. John Thomas - SGM (BDD) and Sri. Balakrishnan K.N. JGM(MCCPC)

NRE meet at Kuwait

Seen in Photo are Mr. Prashanth George Tharakan (CRO), Mr. Shelly Joseph (JGM), Mr. Regunathan K.N. EVP (Treasury), Mr. Salah Saad Al Daas (Chief Police Officer Farwaniya), Mr. Sivakumar G. EVP(Credit), Mr. Sreejil Mukund (AGM), Mr. Sanchay Kumar Sinha (Country Head, Retail banking) and Ms. Beena Davis (CM)

ASSOCHAM Award

Mr. G Sivakumar, Executive Vice President (Credit) receiving " Social Banking Excellence Award-2017" in Priority Sector Lending instituted by ASSOCHAM, on behalf of South Indian Bank, from Mr. Shiv Pratap Shukla, Hon'ble Minister of State for Finance.

MD & CEO Speaks ....

The Indian economy has witnessed rapid change and progress since 1991 when the economy was opened up through structural reforms. Today there are many transnational corporations of Indian origin. Similarly several global companies are active in the Indian economy. Global capital supports the equity of several Indian companies. Our own case is no exception. As you are aware more than 40% of our own equity capital is held in the form of FDI.

Global capital and global operations would require that we speak the same global accounting language too. International Financial Reporting Standards (IFRS) is the global accounting standard currently being followed. India has taken measures to conform to these standards beginning 2016 in a phased manner, through the implementation of Ind-AS. The Banking sector in our country is expected to migrate to Ind-AS from 1st April 2018. Ind-AS has more rigorous accounting and reporting requirements than the current system. Apart from this, it has a very different treatment for Credit Loss which currently is taken care of by the provisioning on crystallized NPAs primarily. Under Ind-AS, provisioning needs to be made on the basis of Expected Credit Loss which would mean that we need to be in a position to predict credit loss using acceptable models and based on past trends. A certain level of maturity in system capability and data quality is therefore a prerequisite for Ind-AS migration.

A number of these aspects are covered in the current issue of SIBLINK which carries the Ind-AS as the primary theme. I hope this issue would make interesting and informative reading for all our enlightened colleagues.

Wishing you all the best

V G Mathew
Managing Director & CEO

"... Credit Loss which currently is taken care of by the provisioning on crystallized NPAs primarily. Under Ind-AS, provisioning needs to be made on the basis of Expected Credit Loss which would mean that we need to be in a position to predict credit loss using acceptable models and based on past trends. A certain level of maturity in system capability and data quality is therefore a prerequisite ..."

Indian Accounting Standard (Ind AS)

Srikumar V K
Chief Manager
Mumbai RO

INTRODUCTION

Accounting Standard is a guideline for financial accounting such as how a firm prepares and presents its business income, expenses, assets and liabilities and may be in accordance to standards set by the International Accounting Standards Board (IASB).

Accounting Standards are needed so that financial statements will fairly and consistently describe financial performance. These principles are "generally accepted" because an authoritative body has set them or the accounting profession widely accepts them as appropriate.

Indian Accounting Standard (abbreviated as Ind-AS) is the Accounting standard adopted by companies in India and issued under the supervision and control of Accounting Standards Board (ASB), which was constituted as a body in the year 1977. The applicability of Ind AS standard is based on the Listing Status and the networth of the company.

HISTORY

India was following accounting standards from Indian Generally Acceptable Accounting Principle (IGAAP) prior to adoption of the Ind-AS

The Ministry of Corporate Affairs (MCA) on 16 February 2015 notified 39 accounting standards and laid down an Indian Accounting Standards (Ind AS) transition road map for companies excluding banks, non-banking financial companies (NBFCs) and insurance companies and those listed on SME Exchanges. However the companies should have a Networth of Rs 250 crore or more.

In January 2016, the MCA announced the Ind AS roadmap for scheduled commercial banks (excluding regional rural banks [RRBs]), insurers/insurance companies and NBFCs.The MCA clarified that notwithstanding the Ind AS roadmap for companies, the holding, subsidiary, joint venture or associate companies of banks would also prepare Ind AS financial statements for accounting periods beginning 1 April 2018 The Ind AS are named and numbered in the same way as the corresponding International Financial Reporting Standards (IFRS). National Advisory Committee on Accounting Standards (NACAS) recommend these standards to the Ministry of Corporate Affairs (MCA). MCA has to spell out the accounting standards applicable for companies in India. As on date MCA has notified 41 Ind AS. This shall be applied to the companies of financial year 2015-16 voluntarily and from 2016-17 on a mandatory basis.

SALIENT FEATURES

The following are the Salient features in Implementation of Ind AS:

Voluntary Phase: Early adoption of Ind AS is permitted from financial year beginning on or after 1st April 2015

Mandatory Phase 1: Application of Ind AS is mandatory from the financial year beginning on or after 1st April 2016 for the following companies:

- Listed or non- listed companies with net worth of INR 500 crores (INR 5 billion) or more.
- Holding, subsidiaries, joint ventures or associate companies of these companies

Mandatory Phase 2: Application of Ind AS is mandatory from the financial year beginning on or after 1 April 2017, for the following companies:

- All listed companies not covered under mandatory Phase 1
- Non -Listed Companies with net worth of Rs 250 crores (INR 2.5 billion) or more and not covered in the mandatory Phase1.
- Holding, subsidiaries, joint ventures or associates of these companies

Mandatory Phase 3: Applicable from 1 April 2018 onward to:

- All commercial banks, term lending institutions, refinance institutions and insurance companies
- Listed or unlisted NBFCs whose net worth is >= INR 500 crores
- Holding, subsidiaries, joint ventures or associates of these companies

Mandatory Phase 4 applicable from 1 April 2019 onward to:

- Listed NBFCs whose net worth is < INR 500 crores
- Unlisted NBFCs whose net worth is >= INR 250 crores but < INR 500 crores
- Holding, subsidiaries, joint ventures or associates of these companies

An overseas subsidiary, associate, joint venture and other similar entity of such company may prepare its stand-alone financial statements in accordance with the requirements of the specific jurisdiction. However, for group reporting purposes, it will have to report to its Indian parent under Ind AS to enable its parent to present Consolidated Financial Statements (CFS) in accordance with Ind AS

RBI GUIDELINES ON IMPLEMENTATION OF Ind AS

The principal regulator for banks and NBFCs in India, the Reserve Bank of India (RBI), issued a circular in February 2016 reiterating the timeline for Ind AS implementation by banks issued by the MCA and providing further direction on critical issues that banks need to consider in their Ind AS implementation plan.

Key features of the RBI circular:

1. Banks shall comply with Ind AS for financial statements for accounting periods beginning 1st April 2018, with comparatives for the periods ending 31st March 2018 or thereafter. Ind AS shall be applicable to both standalone financial statements and consolidated financial statements.
2. Banks shall apply Ind AS only as per the above timelines and shall not be permitted to adopt Ind AS earlier.
3. The boards of the banks should have the ultimate responsibility in determining the Ind AS direction and strategy and in overseeing the development and execution of the Ind AS implementation plan.
4. Banks are advised to set up a Steering Committee headed by an official of the rank of an executive director (or equivalent), comprising members from cross functional areas of the bank to immediately initiate the implementation process.
5. The Audit Committee of the Board shall oversee the progress of the Ind AS implementation process and report to the

Board at quarterly intervals.

6. Banks need to submit proforma Ind AS financial statements to the RBI from the half-year ended 30 September 2016 onwards.

Key Differences between the existing Indian GAAP and Ind AS

There are several differences between the accounting treatment under Indian GAAP and Ind AS. Some of the key differences relevant to banking are highlighted in the Table 1.

However the main impact would be for the accounting of Interest Income on an Effective Interest Rate basis which would have an impact on the Net Interest Income and the corresponding Interest spreads and margins reported by banking entities.

As a result of changes in accounting for Net Interest income under Ind AS, banking entities will need a clear strategy to address the effect of these changes on IT Applications.

Considering the huge volume of data, its manual processing may be extremely difficult. Keeping this in view, it is important that the banking entities modify thier IT Systems so that the financial data produced accurately reports the revenue.

Ind AS Conversion Process

In an Ind AS conversion, an entity undertakes to change its financial reporting from its current GAAP to Ind AS. Obviously, differences between the Indian GAAP treatment and IFRS will be one of the key inputs to the conversion process in case of Indian entities. These differences may vary significantly from one entity to another depending on the industry and the current accounting policies chosen under Indian GAAP.

However, the magnitude of an Ind AS conversion project will not depend solely on the magnitude of the GAAP differences, but will be influenced by other factors such as:

- The quality and flexibility of the existing financial reporting infrastructure
- The size and complexity of the organization
- The effect of GAAP changes on the business

Ultimately, the purpose of an Ind AS conversion is to put entities in a position where they are able to report, unaided and reliably, and are able to recognize the Ind AS dimension of their actions. However, before the actual start of the

Table 1. Key differences relevant to banking accounting treatment under Indian GAAP & Ind AS

Sl No	Parameter	Indian GAAP	Ind AS
1	Effective Interest Rate	Loan Processing Fees are recognized upfront in Profit and Loss Account	Loan Processing Fees are amortized over the period of the Loan using "Effective Interest Rate". Effective Interest Rate is the rate that discounts estimated future Cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to amortized cost of a financial liability
2	Interest Income on Non-Performing Assets	Recognized on Realization Basis	Recognized on Effective Interest Rate on the Gross Carrying Amount of Financial Asset depending on the stage in which the loan is. In the case where the loan or asset is considered impaired, the Interest income will be accounted for at the Net amount i.e Gross carrying amount less provisions made
3	Relevant Date for recognition of gains/ loss on dealing with securities	Gains or Losses on Sale of Government Securities are recognized on Settlement Date. Settlement Date is a securities industry term describing the date on which a trade (bonds, equities, foreign exchange, commodities etc) settles. That is the actual day on which transfer of Cash or assets is completed and is usually a few days after the trade was done	Allows to recognize gains and losses either on Trade date or Settlement date. However this policy is to be consistently applied for each category of Financial asset
4	Accounting for Customer Loyalty Programs	Bank does not separately account for income from customer Loyalty programs. The bank provides for liability towards these reward points by estimating the probability of redemption of customer loyalty reward points using an acturial method by employing an independent actuary and based on certain assumptions	Customer Loyalty programs are accounted for as a seperately identifiable component of the transaction in which they are granted. The Fair Value of the consideration received in respect of initial sale is allocated between the award credits and the other components of sale. Income generated from customer Loyalty programs is recognised as "Other operating Income"
5	Sale of NPA	Existing guidelines provide for the deferment of recognition of gains/losses on sale to Reconstruction companies(RC) or securitization companies (SC) as well as the non recognition of gains where sales are made to non RC's/SC's	Accounting treatment for such sales would be governed by the de-recognition criteria specified under Ind AS 109. If the criteria for de-recognition is met, then the gains would be recognized upfront.

conversion project, an initial diagnostic phase should put companies in a position where they are aware of:

- The differences between Ind AS and the entity's current accounting policies
- The impact of the change to Ind AS on financial statements
- The impact of the change to Ind AS on tax, business IT and process
- The impact of Ind AS on future business decisions
- An understanding of the approach underlying the formulation of Ind AS

CONCLUSION

Ind AS conversion date for banking entities in India is 2018–19 with comparative 2017–18. Experience tells us that major European companies took about 18–24 months to convert from national GAAP to IFRS. This process cannot be delayed any further. More importantly, there are no disadvantages to getting a start on the process, but the advantages include:

- Securing the right people, whether by engaging a third party to provide assistance or by hiring them directly
- Reducing the burden on valuable accounting, financial reporting and IT resources as the conversion date approaches
- Getting more time to train employees on Ind AS and to have them become comfortable with the standards and interpretations
- Discussing financial reporting effects of conversion to Ind AS with analysts to provide them with confidence that this significant undertaking is well in hand.
- Ensuring that along with the finance function, the involvement of other functions such as treasury, internal audit, business units and human capital can be planned well in advance. This would be critical for ensuring commitment and sponsorship within each function for the success of the Ind AS conversion process, considering that it is much more than an accounting change

I have attempted only a brief overview of the significant aspects more specifically relating to Banking which is of immediate relevance . The topic of Ind AS by itself is very vast and more aspects of accounting treatments to various heads are in the evolving stages.

Table2. Present List of Ind AS

Ind AS 101	First time adoption of Ind AS	Ind AS 1	Presentation of Financial Statements
Ind AS 102	Share based Payments	Ind AS 2	Inventories
Ind AS 103	Business Combination	Ind AS 7	Statement of Cash Flows
Ind AS 104	Insurance Contracts	Ind AS 8	Accounting Policies, Changes in Accounting Estimates and Errors
Ind AS 105	Non- Current Assets Held for Sale and Discontinued Operations	Ind AS 10	Events after Reporting Period
		Ind AS 11	Construction Conttracts
		Ind AS 12	Income Taxes
Ind AS 106	Exploration for and Evaluation of Mineral Resources	Ind AS 16	Property, Plant and Equipment
		Ind AS 17	Leases
Ind AS 107	Financial Instruments : Disclosures	Ind AS 18	Revenue
		Ind AS 19	Employee benefits
Ind AS 108	Operating Segments	Ind AS 20	Accounting for Government Grants and Disclosure of Government Assistance
Ind AS 109	Financial Instruments		
Ind AS 110	Consolidated Financial Statements	Ind AS 21	The Effects of Changes in Foreign Exchange Rates
Ind AS 111	Joint Arrangements	Ind AS 23	Borrowing Costs
Ind AS 112	Disclosure of Interests in Other Entities	Ind AS 24	Related Party Disclosure
		Ind AS 27	Seperate Financial Statements
Ind AS 113	Fair Value Measurement	Ind AS 28	Investments in Associates and Joint ventures
Ind AS 114	Regulatory Deferral Accounts		
Ind AS 115	Revenue from Contracts with Customers	Ind AS 29	Financial Reporting in Hyper inflationary Economies
		Ind AS 32	Financial Instruments: Presentation
		Ind AS 33	Earnings per Share
		Ind AS 34	Interim Financial Reporting
		Ind AS 36	Impairment of Assets
		Ind AS 37	Provisions, Contingent Liabilities and Contingent Assets
		Ind AS 38	Intangible Assets
		Ind AS 40	Investment Property
		Ind AS 41	Agriculture

MSME Campaign - Magic Smile Achievers Group Photo with MD & CEO and Senior Executives

First Time Adoption of Ind AS

To facilitate the smooth transition from the existing Indian GAAP to Ind AS and to understand the impact of the said transition, Ind-AS 101 'First time adoption of Ind AS' (corresponding to IFRS 1) has been issued. The standard provides guidance on requirements on the preparation and presentation of financial statements by entities that are adopting the Ind-AS for the first time. This article aims at providing brief insight into Ind AS-101 with respect to its application, scope and exemptions.

Dheeraj K.R.
Manager (CA)
Corporate Financial
Management Dept.

Objective of Ind AS - 101

This standard provides the principles of accounting for an Indian company while adopting Ind AS for the first time. This standard ensures that a company's first Ind AS financial statements, and its interim financial reports contained within the period covered by those Financial Statements, comprises high quality information and the information so used:

- is transparent and comparable over all periods presented;
- caters as an appropriate initial point for accounting as per Ind AS and can be produced at a cost that does not exceed the paybacks.

Use of Ind AS - 101

A company is required to use Ind AS for the following:

- First Ind AS compliant Financial Statements.
- Each interim financial report for part of the period covered by its first Ind AS Financial Statements.

The standard clarifies that an entity's first financial statements are "the first annual financial statements in which the entity adopts Ind AS in accordance with Ind AS notified under the Companies Act, 2013, by an explicit and unreserved statement in those financial statements of compliance with Ind AS. Ind AS-101 is not applicable to those cases, requiring changes to the accounting policies by those companies who had already applied Ind AS in past. These changes would be dealt with as follows:

- As per Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.
- Explicit transitional provisions governed by other Ind AS.

Opening Ind AS Balance Sheet: On adoption of Ind AS, a company is required to prepare and present an opening Ind AS Balance Sheet ('BS') at the transition date. Transition date is defined as the beginning of the earliest comparative period presented on the basis of Ind AS. This is the starting point for a company's accounting in accordance with Ind AS and all adjustments arising from the transition to Ind AS are be recorded in the retained earnings as at the transition date. An entity shall also explain how the transition from previous GAAP to Ind AS affected its reported BS, financial performance and cash flows.

Opening reconciliation: Ind AS-101 also requires that a detailed quantitative reconciliation is to be included in the first Ind AS financial statements. With respect to the financial statements for the year 2018-19, the companies covered under phase-I shall explain the reason for the difference between the net equity as at 1 April 2017 and 31 March 2018, prepared under the existing Indian GAAP and under Ind AS. In addition, banking companies shall also provide reconciliation for its total comprehensive income for the FY 2017-18 to explain the impact of the transition.

Comparatives for first Ind AS Balance Sheet: A company's first Ind AS Financial Statements shall have at least 3 Balance Sheets, 2 Statements of profit and loss, 2 Statements of cash flows and 2 Statements of changes in equity and related notes, including comparative information for all statements presented. A company which wishes to additionally provide any Financial Statements containing historical summaries or comparative information in accordance with existing Indian GAAP, then it shall:

- Mark these information as not being prepared in accordance with Ind AS.
- Disclose the nature of the core adjustments that would make it comply with Ind AS. However, there is no necessity to quantify these adjustments.

Accounting Policies: A company preparing the Ind AS Financial Statements for the first time:

- Shall choose the accounting policies compliant with Ind AS, effective at its first annual Ind AS reporting date with certain exceptions.
- Shall generally apply these accounting policies retrospectively while preparing the opening BS and for all periods presented in the first Ind AS BS.
- Shall not apply different versions of Ind AS that were effective at earlier dates.
- May apply a revised Ind AS which is non-mandatory, if that Ind AS permits early adoption.

Recognition and de-recognition: With certain exceptions, a company while preparing its opening Ind AS Balance Sheet shall:

- Recognise all assets and liabilities whose recognition is required in accordance with Ind AS.
- de-recognize all assets or liabilities in case Ind AS prohibit such recognition.
- Reclassify asset, liability or component of equity in accordance with Ind AS.
- Apply Ind AS for the purpose of measuring all recognised assets and liabilities.

Exemptions provided by Ind AS-101

Ind AS 101 prescribes two types of exemptions for the first-time adopters to facilitate a smooth transition to Ind AS. These may be either mandatory or voluntary exemptions. In case a company is not eligible for these exemptions, then all applicable Ind AS are to be applied retrospectively.

Key exemptions- Mandatory

Following are the significant mandatory exemptions, which are available to the first time adopters:

Estimates: The estimates used under the existing Indian GAAP are to be consistently applied, with following exceptions:

- If there was an error, or the estimate used under existing Indian GAAP is no longer relevant since the entity chooses a different accounting policy on the adoption of Ind AS.

In case a company receives some information after the transition date with respect to the previous estimates then the company shall treat this as a non-adjusting event.

Hedge accounting: A company in its opening Ind-AS BS shall not reflect in a hedging relationship of a type that does not qualify for hedge accounting in accordance with applicable Ind-AS with certain exceptions.

- **Impairment of financial assets**

Impairment requirements as per applicable Ind AS are to be applied retrospectively, with certain exceptions.

Classification and measurement of financial assets: With respect to classification and measurement of financial assets, assessment needs to be made based on the conditions that exist at the transition date.

De-recognition of financial instruments: De-recognition requirements with respect to financial instruments are applicable from the prospective effect with certain exceptions.

Non-controlling interests: Certain requirements of Ind AS-110, Consolidated Financial Statements are applied prospectively from the date of transition to Ind AS, e.g. the requirements for accounting for changes in the parent's ownership interest in a subsidiary that do not result in a loss of control.

Embedded derivatives: The assessment needs to be done whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the condition that existed on the date it first became a party to the contract or the date a reassessment is required under Ind AS 109 which ever is later.

Government loan: The requirements in Ind AS 109, Financial Instruments, and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance are applied prospectively to government loans existing at the date of transition to Ind AS and shall not recognise the corresponding benefit of the government loan at a below-market rate of interest as a government grant.

South Indian Bank received "Banking Excellence Award 2017" Shri. Shelly Joseph, JGM, Ernakulam Region receiving '**Banking Excellence Award 2017'** for Private Sector Bank instituted by **State Forum of Bankers' Clubs (Kerala)** on behalf of South Indian Bank from Honorable Speaker of Kerala Legislative Assembly Shri. P. Sreeramakrishnan.

Key exemptions- Optional

Some of the significant optional exemptions from other Ind AS are as follows:

Business combinations: A company may choose not to apply the applicable Ind AS retrospectively to past business combinations. However, if that company restates any business combination to comply with the requirements of applicable Ind AS, then it shall restate all later business combinations.

Non-current assets held for sale and discontinued operations: A company may use the transitional date circumstances to measure such assets or operations at the lower of carrying value and fair value less cost to sell.

Long term foreign currency monetary items : A company may continue with the previous policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the previous Financial Statements as per the existing Indian GAAP.

Leases: A company may evaluate whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at transition date, except where the effect is expected to be immaterial.

Deemed cost: A company may choose to measure an item of property, plant and equipment at transition date at its deemed cost as prescribed under Ind AS 101.

Share-based payment transactions: A company is encouraged, however not mandatorily required to apply the principle of relevant Ind AS to the liabilities arising from share-based payment transactions that were settled before the transition date.

Conclusion

It is clear that accounting guidance is more comprehensive under Ind AS regime than under Indian GAAP, but at the same time it will significantly increase efforts of finance people for accounting, measurement and disclosure requirement. However the Ind AS 101 will give adequate space for the first time adopters for a hassle free adoption. Companies will need to carefully evaluate the Ind AS transition provisions and election of accounting policy, in case they wish to bring their Ind AS financial statements closer to IFRS.

Ind AS for Banks, NBFCs and Other Financial Institution

Indian Accounting Standards Rules,2015 widely known as **Ind AS** had been notified by the Ministry of Corporate Affairs,Govt of India,on February 16,2015.Initially,it was rolled out for all companies and later on,in January 2016,for all commercial banks, NBFCs, insurance companies, term lending institutions and refinance institutions.

Manisha Srivastava
Manager
RO Pune

Implementation: Ind AS has to be implemented in two phases:

1. **Phase I:** Ind AS will be applicable from 1st April 2018 for
   a. All the commercial banks, insurance companies, term lending institutions and refinance institutions
   b. All the listed and unlisted NBFCs having net worth equal to or above Rs.500 crores
   c. Holding companies, subsidiaries, joint ventures or associate of the above companies.
2. **Phase II:** Ind AS will be applicable from 1st April 2019 for
   a. Listed NBFCs having net worth less than Rs.500 crores
   b. All the unlisted NBFCs having net worth less than Rs.500 crores and equal to or above Rs.250 crores.
   c. Holding companies, subsidiaries, joint ventures or associate of the above companies.

Journey from IFRS to Ind AS: Globalisation and cross country trades have made it important to have a universally accepted language for financial statements which can be accepted worldwide. For the same purpose International Accounting Standards Board (IASB) had adopted International Financial Reporting Standard (IFRS) in 2005. Currently more than 100 countries have already accepted IFRS and companies already have converged from previous GAAP guidelines to IFRS guidelines. India also has started the convergence from old Indian accounting standards to IFRS in the form of Ind AS along with a few changes.

RBI Guidelines: RBI being the regulator for banks and all other financial institutions has given some guidelines for adopting to Ind AS which are following:

1. Ind AS should not be adopted by any of the entity prior to 1st April 2018.
2. It will be applicable for the standalone financial statement and also consolidated financial statement.
3. The Board will have the ultimate responsibility in determining Ind AS direction and strategy and in overseeing the development and execution of the Ind AS implementation plan.
4. Banks have been advised to set up a steering committee headed by an official of the rank of an executive director (or equivalent), comprising members from cross functional areas of the bank.
5. The Audit committee of the Board shall oversee progress of the Ind AS implementation process and report to the board at quarterly intervals.
6. Banks need to submit proforma Ind AS financial statements to the RBI from the half yearly ended 30th September 2016.

Salient Features: Ind AS will bring a heap of changes in the way reporting is done in financial statements. Major changes will be happening in these areas:

1. Fair Value Calculation for Financial Assets and Liabilities under Ind AS 113
2. Financial Instruments Classification and Valuation under Ind AS 109
3. Consolidated Financial Statement under Ind AS 110
4. Business Combinations under Ind AS 103
5. Comprehensive Disclosures under Ind AS 107
6. Related Party Disclosures under Ind AS 24.

Challenges Ahead: Ind AS implementation will call for a lot of hard work and many critical issues will have to be factored in before accepting it whole heartedly:

1. Ind AS technical requirements.
2. Systems and processes and impact on information systems.
3. Business Impact including profit planning and budgeting, taxation, impact on capital adequacy etc.
4. Adequate and fully dedicated internal staff
5. Project management for execution etc.

Conclusion: Industry experts are welcoming the change and are very positive about Ind AS. The new financial standards are more practical in approach but more stringent in capital requirements and adherence to BASEL III norms. Ind AS will bring more transparency and a global language for our financial statements which will draw global investor's attention to our Country and also improve investor relations across the world.

Family tour of RBCPC at Alappuzha

Ind AS - Impact on Banking Sector

Visanth P. Nair
Senior Manager (CA)
CFM Department

Overview

The stage is set for Indian banks to embrace global accounting standards. It is not verbatim adoption of International Financial Reporting Standards (IFRS) but the converged standards termed as Indian Accounting Standards (Ind AS). As regards banking sector in India, the impact of Ind AS is multifold and multi-dimensional. Banks and NBFCs in India are highly regulated. Like other entities, they are required to comply with the accounting standards, to the extent applicable. In addition, RBI has prescribed mandatory accounting principles to be followed by these entities. For example, the RBI has prescribed guidelines for accounting of investments and provisioning norms for loan assets. Typically, accounting norms prescribed by a regulator are based on prudence. In contrast, the aim of Ind AS is to present fairly the financial position, performance and cash flows of an entity. Hence, there are significant differences in accounting currently applicable (Indian Generally Accepted Accounting Principles - iGAAP) and Ind AS.

1. Presentation of Financial Statements

As per existing standard (iGAAP)	As per Ind AS
1. Balance Sheet	1. Balance Sheet
2. Profit and Loss Account	2. Statement of Changes in Equity (SOCIE)
3. Cash Flow Statement	3. Profit & Loss Account *(Including a Statement of Other Comprehensive Income (OCI))*
4. Notes on Accounts	4. Cash Flow Statement
	5. Notes on Accounts with extensive disclosures

2. Recognition, Classification and Measurement of Financial Instruments

Even though there are many Ind AS standards affecting the banking sector, Ind AS 109 'Financial Instruments' gains significant importance among them considering its impact. Major chunk of a bank's assets and liabilities will come under the purview of financial instrument as per this standard.

Initial Recognition: All financial instruments shall be initially recognised at fair value, plus or minus, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability which are not subsequently classified at Fair Value Through Profit or Loss (FVTPL), .

Subsequent Measurement: Financial assets shall be subsequently classified and measured at Amortized Cost or Fair Value Through Profit & Loss (FVTPL) or Fair Value through Other Comprehensive Income (FVOCI) depending on tests of business model and the contractual cash flow characteristics.

Business Model Test: The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

Cash Flow Test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities shall be subsequently classified and measured at Amortized Cost or FVTPL. Those held for trading and derivatives are classified under FVTPL while all other financial liabilities are measured at Amortised Cost, unless the fair value option is used. Ind AS 109 provides the option to designate a financial liability as FVTPL, if doing so removes or significantly reduces a measurement or recognition inconsistency (accounting mismatch).

Considering a bank's portfolio, the impact of the above will be as follows:

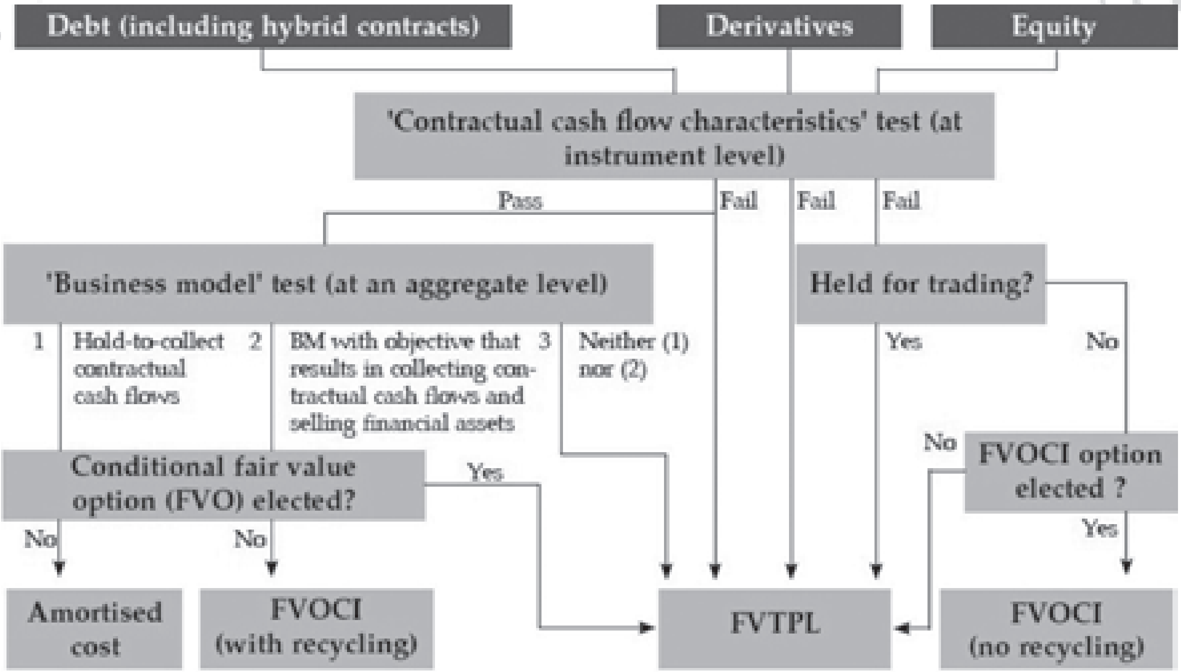
- **Loans and Advances:** Loans can be initially recognised at their transaction price being indicative of their fair value since it is based on the bank's well documented, transparent policies articulating the interest rate for various loans offered to public. Loans and advances given at concessional rates to staff are not based on market terms and therefore the transaction price cannot be indicative of the fair value, since it includes an element of employee benefits. Hence loans except those bearing concessional interest rate (staff loans) will be recognised at their transaction price. Concessional interest rate loans (staff loans) are to be fair valued for initial recognition. The difference between fair value and transaction price would be considered as an employee cost.

  Where the bank has a business model to originate and hold the loans till maturity and the contractual cash flows of the loans will be solely payment of principal and interest on the principal amount outstanding, all such loans and advances will be classified and subsequently measured at Amortized Cost. If the cash flow test is failed, it will get classified under FVTPL category and correspondingly fair valuation is done and gains/losses will be routed through P&L. Hence banks have to carefully evaluate their loans portfolio (prepayment features, presence of embedded derivatives etc) to decide classification and subsequent measurement criteria under Ind AS.

  In respect of restructured loans, assessment has to be done as to whether renegotiation/ modification of contractual cash flows lead to derecognition of loans at each stage of restructuring. When the modification results in derecognition, banks need to eliminate the carrying value of the loan from the balance sheet and recognize a new asset at fair value on the date of modification with gain/loss thereon recognised in the P&L. When the modification does not result in de-recognition, banks shall recalculate the carrying value of the loan (i.e. modified cash flows needs to be discounted at original EIR) and recognize a gain/loss on modification to P&L.

  Loans sold to Asset Reconstruction Companies (ARCs) will not meet the derecognition criteria if the bank has not transferred the substantial risk and rewards of ownership in such financial assets to the ARC. As per Ind AS 101 'First Time Adoption of Ind AS', loans which are derecognised before the transition date (1st April, 2017) shall not be re-recognised in the financial statements. Banks should analyse all the contracts for sale to ARCs to be effected after the transition date to evaluate whether derecognition criteria is met or not.

- **Investments:** Quoted securities can be initially recognised at their transaction price



being the market price at which they are traded in active market. Unquoted securities need to be fair valued using valuation techniques prescribed in Ind AS 113 'Fair Value Measurements'. Investments are subsequently classified and measured as follows:

Debt Instruments

Amortised cost: The asset's contractual cash flows represent "solely payments of principal and interest (SPPI)", and the asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows.

FVOCI: The asset's contractual cash flows represent SPPI, and the asset is held within a business model whose objective can be met either by holding the asset to collect contractual cash flows or by selling the asset.

FVTPL: Securities which do not meet criteria for amortised cost/FVTOCI measurement. In addition, an entity is permitted to measure other financial assets at FVPL if doing so would eliminate or significantly reduce a measurement or recognition inconsistency. The designation to measure financial assets at FVPL is irrevocable and only permitted at initial recognition.

Equity Instruments

Equity securities are measured at FVPL unless the entity chooses, on initial recognition, to present fair value changes in the other comprehensive income (OCI). This option is irrevocable and applies only to equity securities which are not held for trading. Gains and losses recognised in OCI are not recycled on sale and there is no impairment requirements.

- **Deposits:** Deposits will be initially recognised at their transaction price being indicative of their fair value if the deposit rates are in line with the market range of rates/ rates of peer banks. Higher interest rates for senior citizens is a general market feature of the industry and can be considered as at fair value itself for such categories. Deposits bearing preferential rate of interest offered to employees and ex-employees will not be based on market terms and hence need to be fair valued and employee costs are to be recognised. Deposits will be classified and subsequently measured at Amortised Cost if the bank do not hold any right to repay before maturity without the consent of depositor.

- **Borrowings:** Borrowings will be initially recognised at their transaction price if the interest rates are in line with the market range of rates. Borrowings held for trading purposes will get subsequently classified and measured at FVTPL and rest will be measured at Amortised Cost.

3. Impairment loss provision on financial assets

Under the existing practice, banks create impairment provision based on the provision matrix prescribed by the RBI under the income recognition, asset classification and provisioning (IRACP) norms. The provision rates prescribed by the RBI are minimum and a top-up provision is required, if additional losses are expected on the loan. Under Ind AS 109, the impairment requirements are based on a more forward-looking Expected Credit Loss (ECL) model. This framework is introduced for recognising impairment on financial assets (other than those measured at FVTPL). Banks shall measure the credit risk components such as Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) and the Expected Credit Loss being the product of these components. Under the new impairment model, the general approach is to recognise expected credit losses (ECL) in three stages.

Stage 1 - For credit exposures where there has neither been a significant increase in credit risk nor credit-impaired since initial recognition (i.e., good exposures), entities are required to provide for credit losses that result from default events 'that are possible' within the next 12 months (12-month ECL).

Stage 2 - For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default (lifetime ECL).

Stage 3 - For those credit exposures which are credit-impaired, life-time loss allowance is to be provided (lifetime ECL).

4. Effective Interest Rate (EIR) Method of Revenue Recognition

The current Indian GAAP does not contain any specific guidance on accounting for loan origination fees and costs. In the absence of specific guidance, many banks and NBFCs typically recognise these items as income/ expense upfront in their Indian GAAP financial statements. This accounting is not acceptable under Ind AS. Under Ind AS 109, loan origination fee and costs should be recognised as part of interest on an effective interest-rate basis. This spreads the interest and any associated fees, over the life of the loans.

In respect of Stage 1 and Stage 2 assets, interest would be calculated by applying effective interest rate on the gross carrying amount of the asset. If the financial assets become credit-impaired (Stage 3), interest revenue would be calculated by applying the effective interest rate to the net carrying amount (amortised cost net of loss allowance).

5. Group Consolidation

Under Indian GAAP, AS 21 'Consolidated Financial Statements' defines the term "control" based on ownership of more than one-half of the voting power, or control over composition of the board of directors. Ind AS 110 'Consolidated Financial Statements' contains substance based definition of control. It states, "An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to effect those returns through its power over the investee." Ind AS requires an investor to consider all facts and circumstances, including purpose and design of the investee, to decide who controls investee entity. Hence, it is possible that an investor, who owns less than 50% of the voting power in an investee entity, has control over the investee entity. For example, this may happen in the case of de facto control, control through agreements, structured entities and potential voting rights.

Conclusion

The impact of Ind AS is all pervasive starting from business planning to financial reporting, affecting the financial performance/position and capital requirements of the bank. The impacts explained above are based on its significance to banking sector and as per the regulatory directions as on date. Hence these shall not be construed as exhaustive and are subject to further directions by RBI in this regard.

Ind AS : Step to a New Dimension of Accounting.

Rakesh T.R.
Chief Manager
New Delhi Corporate Br.

Change in global economic scenario, has made the majority of countries in the world adoption of International Financial Reporting Standard (IFRS) / International Accounting Standards (IAS). Currently more than 150 countries including European Union has adopted IFRS or converged their accounting standards (GAAP) with IFRS. It is mandated by various stock exchanges of these countries to adopt IFRS for reporting financial statements of the entities listed with them. In G-20 commitment given by it, India has opted to converge with IFRS. Consequently, Companies (Ind AS) Rules, 2015 has came with road map for adoption of Ind AS (Indian Accounting Standards converged with IFRS).

So the companies having its "Networth" more than or equal to Rs.500 Crs both listed and non listed are required to prepare its financial statements in compliance with Ind AS from 01.04.16, it mean that its audited financial statement for the year 2016-17 should be based on Ind AS. Other listed companies who's net worth is less than Rs.500 Crs and unlisted companies who's networth > Rs. 250 Crs and < Rs. 500 Crs, its AFS 2018 should be complied with Ind AS. For NBFCs having networth more or equal to Rs. 500 Crs requires adoption of Ind AS from 01.04.18. For Banks and Insurance companies, the applicability is based on notification of RBI and IRDA respectively.

Let's see what is new in the presentation of Financial statement based on Ind AS. We bankers usually go through the P&L Account of the borrower once we receive their AFS. We can see that the Ind AS complied P&L A/c is named as "Statement of Profit and Loss" and in addition to the net profit of the company for the year it separately shows "Other Comprehensive Income" and "Total Comprehensive Profit". In addition to this there is a separate statement which shows "Change in Equity for the year". It gives item wise break up of component of equity and impact / adjustment Other Comprehensive in equity during the year.

So what does "Other Comprehensive Income" mean?

Other Comprehensive Income: It comprises the income and expenses including the effect of re-classification adjustment of (assets and liabilities based on Ind AS) that are not recognized in profit or loss as required under Ind AS. Its components include: Change in revaluation surplus / reserve, re-measurement of defined benefit plans, gains and losses on translation of Financial Statement of foreign operations, gains and losses from investment in equity instruments (designated as Fair value Through Other Comprehensive Income -FVTOC), gains or losses on financial assets measured at FVTOC, effective portion of gains and losses on hedging instruments, Change in Fair Value of Liability designated as at Fair Value Through Profit or Loss.

The profit/loss for the period is shown as addition/deduction from retained earnings and the other comprehensive income is shown as separate component of 'other equity' in the statement of Changes in Equity'. In subsequent years the amount classified under other comprehensive income may be re-classified to Profit or loss. For example, the amount of unrealized gain which is classified under other comprehensive income will be re-classified to Profit or loss on its realization.

Another relevant Ind AS is "***Fair Value Measurement (Ind AS - 113).***

The first time adopter shall recognize all its assets and liabilities at the date of transition to Ind AS (other than that are de- recognized / not qualify for recognition). Measurement of all assets and liabilities to be carried out based on Ind AS. When there is no change in its functional currency on the date of transition to Ind AS, an entity may elect to continue with the Carrying Value of all of its Property, Plant & Equipments (PPE) (Fixed Assets as per earlier accounting standard). Entity may elect to measure an item of PPE at the date of transition to Ind AS at its fair value as its deemed cost at that date. This standard addresses how the fair value to be measured but does not stipulate when it should be applied. Hence, when another Ind AS requires or permits fair value measurement and its disclosure, it applies to both initial and subsequent measurement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions. For a non financial asset fair value measurement takes into account a market participant to generate economic benefit by using the assets in its Highest Best Use or by selling it to another market participants that would use the asset in its highest and best use. Let's see some instances where fair value measurement applies:

- To ascertain the cost of PPE. Usually all costs incurred to bring the assets in to its present condition and location is considered as its value. However, when the PPE is acquired in exchange for non monetary assets or combination of monetary and non monetary assets, and the exchange transaction has commercial substance and fair value of the asset is reliably measurable, then cost of PPE is considered as: Fair Value of assets received if it is more clearly evident else fair value of assets given up. (Ind AS 16 Property, Plant & Equipment).
- Similarly, when an intangible assets are acquired in a business combination or by way of exchange of assets, cost of intangible assets are valued at its fair value. (Ind AS 38- Intangible Assets).
- Similarly, when investment properties are acquired in exchange for a non monetary assets or a combination of monetary and non monetary assets, the exchange transaction has commercial substance and fair value of the asset is reliably measurable, investment property is measured at fair value. (Ind AS 40- Investment property).
- To assess impairment losses: when the carrying value of as asset is more than its recoverable value / fair value, then the asset is considered and impaired, impairment loss is carrying amount less fair value of the asset less cost of disposal. (Ind AS 36 – Impairment of Assets).
- To value a non-current assets Held For Sale (HFS): An entity shall classify a non current asset (disposal group) as HFS, if its carrying amount will be recovered principally through sale rather than through continuing use. On classification of an asset as HFS it is measured at lower of its (a) carrying cost and (b) fair value less cost to sell. (Ind AS 105- Non-Current Assets held for sale and discontinued operation.

Another relevant standard is ***Ind AS -114: Regulatory Deferral Accounts:***
Regulatory Deferral Account Balance (RDBA) is defined as the balance of any expense or income that would not be recognized as an asset or liability in accordance with other standards, but that qualifies for deferral because it is included or is expected to be included, by the regulator in establishing the rates that can be charged to customers. Generally, in the case of electricity generating / transmission companies the tariff is fixed by Regulator (State / Central Electricity Regulatory Commission). When the power distribution company is not able to pass on the cost (aggregate Technical and Commercial Loss-AT&C) to consumers, due to low tariff fixed by the regulator, the excess amount is deferred over the period when they can recover the same from the consumers and shown as Regulatory Assets. Earlier, there was no separate accounting standard for this but ICAI has issued guidance note on it. Ind AS -114 requires limited changes to the accounting policies that were applied in accordance with previous GAAP for RDBAs, which are primarily related to the presentation of these accounts. It requires disclosures that identify and explain the amounts recognised in entity's financial statement that arise from rate regulation and helps users of the financial statements to understand the amount, timing and uncertainty of future cash flows from any RDBA that recognized.

A Regulatory Asset is an entity's right to recover fixed or determinable amount of money towards incurred costs as a result of actual or expected actions of its regulator under the applicable regulatory framework. A Regulatory Liability is an entity's obligation to refund or adjust fixed or determinable amounts of money as a result of actual or expected action of its regulator under applicable regulatory framework. When it is certain that regulator will increase the tariff in future and the entity will be able to recover its previously incurred cost, Regulatory Asset is recognized. When an entity is required as a result of actual or expected action of regulator to decrease the rate in future periods in order to reverse over recoveries of allowable costs. Regulatory Liability need to be recognized.

An entity shall present Regulatory Asset and Liability as separate line item in Balance Sheet without classifying into current or non-current. The net movement in RDBAs shall be presented in OCI section of Statement of Profit or Loss for the reporting period that relates to items recognized in Other Comprehensive Income. For the remaining net movement i.e the amount of RDBA recovered during the period is shown in P&L as separate line item.

RDBA will also disclose in notes to financial statement, to help user of financial statement to assess the nature of and the risk associated, with the entity's rate regulated activities. For each type of rate regulated activity, disclose the following:

- A brief description of the nature and extent of the rate regulated activity and the nature of the regulatory rate setting process.
- The identity of rate regulator. If the regulator is a related party the entity shall disclose that fact together with the explanation, how it is related.
- How the future recovery of each class of RDA debit balance (regulatory asset) or reversal of each class of RDA credit balance (regulatory liability) is affected by risk and uncertainty. For example
  - Demand Risk: changes in customer attitudes, the availability of alternative sources of supply or the level of competition.
  - Regulatory Risks: the submission or approval of rate setting application or the entity's assessment of the expected future regulatory action and
  - Other risks: currency or other market risks.

For each type of rate regulated activity, an entity shall disclose the following information:

a) A reconciliation of carrying amount at the beginning and at the end of the period, the amounts that have been recognized in the current period in BS, the amounts that have been recognized in Statement of profit or loss relating to the balance that have been recovered or reversed in the current period and other amounts that affects RDBAs such as impairment, items acquired or disposed in business combinations, or change in foreign exchange rate or discount rates.
b) The Rate of Return or discount rate used to reflect the time value of money that is

applicable to each class of RDBAs. And

c) The remaining period over which an entity expects to recover or reverse each class of RDBAs.

Another relevant Ind AS is relating to ***Financial Instruments – covered under Ind AS 109, Ind AS 32 (financial Instrument- presentation) and Ind AS 107 (financial Instrument- disclosure).***

Let me give an outlook on Financial Instrument: Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity. It may be of two types: (a) Primary instruments: Receivables, Payables and Equity Instruments (b) Derivative Financial Instruments: Financial Options, Futures and Forwards, Interest rate swaps and currency swaps.

Financial Assets: is any asset that is (a) Cash (b) Equity Instrument of another entity (c) a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under condition that are potentially favourable to the entity. (d) a contract that may be settled in entity's own equity instrument and is (i) a non derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments or (ii) a derivative that may be settled other than by the exchange of a fixed amount of cash or another financial asset for fixed number of entity's own equity instruments.

Financial Liability: is any liability that is (a) contractual obligation to deliver cash or another financial asset to another entity or to exchange financial asset or financial liability with another entity under conditions that are potentially unfavourable to the entity or (b) a contract will or may be settled in an entity's own equity instrument and is (i) non derivate for which entity is or may be obliged to deliver a variable number of the entity's own equity instrument or (ii) a derivative that will or may be settled other than the exchange of a fixed amount of cash or another financial asset for fixed number of entity's own equity instruments.

Identification of some assets / liabilities / equity as financial assets / liability / instruments:

Cash: is a financial asset, it represents medium of exchange.

Bank balances: is a financial asset, it represents the contractual right of the depositors to obtain cash from the institution or draw cheque or similar instrument.

Physical Assets / Intangible Assets: not a financial asset, since these are controlled assets and not contractual rights.

Instruments expressed payable in financial assets other than cash: promissory notes in govt bonds: financial assets.

Perpetual Debt instruments: Financial asset for the holder and financial liability for the issuer.

Contingent rights and obligations: it meets the definition of financial asset / financial liability however they are not always recognized in financial statements.

Finance Lease: Financial Instrument

Operating lease: not a financial instrument.

Pre paid expenses: not a financial asset.

Warranty obligation: not a financial liability.

Assets or liabilities that were not contractual are not financial assets or liabilities: eg. Income taxes.

Financial instruments are recognized and measured initially at fair value adjusted by transaction costs, except for the transactions that are classified through fair value through profit and loss(FVTPL) at inception. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade dates, ie the date that company commits to purchase or sell the assets.

Subsequent measurements: On subsequent recognition, a financial asset is classified as

- ✓ Amortised cost: debt instruments
- ✓ Fair value through Other Comprehensive Income (FVTOCI): Debt instrument
- ✓ Fair value through Other Comprehensive Income (FVTOCI): Equity instrument
- ✓ Fair value through profit or loss (FVTPL): Debt instrument.

Amortised Cost: A financial asset is measured at the amortised cost if both the following conditions are met and not designated as FVTPL:

i. The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flow and

ii. Contractual terms of the assets gives rise on specified dates to cash flow that are Solely Payments of Principal and Interest (SPPI) on the principal outstanding.

After the initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or cost that are integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The loss arising from the impairment are recognized in the profit or loss.

Debt instrument at FVTOCI: a debt instrument is measured at FVTOCI if both the following conditions are satisfied and not designated as FVTPL:

i. The asset is held within a business model whose objective is achieved both by collecting contractual cash flow and selling financial assets. and

ii. Contractual terms of the assets gives rise on specified dates to cash flow that are Solely Payments of Principal and Interest (SPPI) on the principal outstanding.

Debt instrument at FVTPL: All financial assets not classified as measured at amortised cost or FVTOCI as described is measured at FVTPL. This include all derivative financial assets.

All financial liabilities are recognized initially at fair value adjusted by transaction cost attributed to acquisition of financial liabilities. (See Table below)

Subsequent recognition:

Instrument	Subsequent Recognition	Gains / losses
Held for trading	Fair value	FVTPL
Financial Guarantee contract	Higher of loss allowance and amount recognized less cumulative amortization	Statement of Profit and loss
Loans and borrowings	Amortised cost	Statement of profit and loss

The application of the respective Ind AS is subject to the case and circumstances. Whenever, there is a conflict between Ind AS and the law, the provisions of law will prevail and financial statements are to be prepared in compliance with law.

Fair Valuation under Ind AS

Vijith S.
Dy. General Manager
(CFM & Investor Relations)

There are several fundamental changes that the new standards will bring when compared to the antiquated Indian Accounting Standards (IGAAP). One key fundamental change is the significant increase in focus on fair value accounting. Ind AS requires application of fair value principles, which would result in significant differences from financial information being presented currently. Complying with fair value principles of Ind AS will require assistance from specialist professionals with valuation skills to arrive at reliable fair value estimates.

Also, management and professionals involved in the preparation of financial statements will have to hone their valuation skills. With increased scrutiny from regulators and investors, management and auditors will have to ensure that fair valuation of assets and liabilities is not only technically correct and supportable but also complies with principles of Ind AS.

Let us understand Fair value with one small example; Mr. A takes a loan of Rs. 100 @ 7%, when market rate was 10%. He recorded it at Rs. 100, but this is not Fair value of the loan. Loan shall be adjusted to the tune of 7% to be brought down to it's fair value.

Ind AS 113 - Fair Value Measurement

This standard establishes a framework for measurement of assets and liabilities for financial reporting purposes, using fair value as their guiding principle. Ind AS 113 provides that assets and liabilities shall be recorded at Fair value at measurement date and provides means and principles of recognition, measurement and disclosures. This Ind AS would be crucial one because it provides framework for all other Ind AS which requires Fair value measurement or disclosure.

1. Definition of Fair Value

Ind AS 113 defines Fair Value as 'The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date'.

The Market (Principal or the most advantageous market):
The principal market is the market with greatest volume and level of activity for sale or transfer of Asset and Liabilities. The most advantageous market is the market where entity would fetch maximum amount for sale of asset and minimizes the amount for transfer of liability, considering transaction costs in respective market.

Market participants:
They are buyers and sellers in the principal market who are;

- Independent or not related parties
- Knowledgeable
- Able to transact
- Willing to transact

Price and Orderly transaction:
An orderly transaction is one which assumes exposure to the market for a period prior to the measurement date to allow for marketing activities that are usual and customary for sale or transfer of such Assets & Liabilities and doesn't consider a forced transaction. The price would be the amount that could be received on sale or transfer of asset but excludes transaction cost as same is not an attribute.

2. Hierarchy of Fair Value

Ind AS 113 incorporates a three level hierarchy for inputs used in valuation for measurement of Fair value. The hierarchy gives the highest priority to quoted prices and lowest to unobservable inputs.

<u>Categories of Inputs:</u>
Level 1 Inputs:

i. Quoted prices in active market for identical Assets & Liabilities.
ii. The entity can access principal market at the measurement date.
iii. The quoted price shall be used without adjustment except:
   - Alternative pricing method is used for a large number of similar Assets & Liabilities for which quoted prices are available but not readily accessible.
   - When a quoted price in active market doesn't represent fair value or requires adjustment.

Level 2 Inputs:

i. Inputs other than quoted prices included within Level 1 that are observable for the Assets & Liabilities, either directly or

'Free Medical Check -Up Camp' in the Badangpet branch for the customer and non-customers on the occassion of the Annual Day on 15.12.2017. There were 146 registrations for 4 hours camp wherein the branch has garnered 3 SB accounts , 101 Suraksha Kavach policy and a lot of publicity. The event was graced by the presence of HNI customers and Mrs Lakshmi Prabha, Deputy General Manager, RO Hyderabad.

indirectly.

ii. Level 2 inputs include;
  - Quoted price for similar Assets & Liabilities in active markets
  - Quoted prices for similar or identical Assets & Liabilities in markets that are not active markets

Inputs other than quoted market prices that are observable like;
  - Interest rates and yield curves (Bonds, debenture instruments)
  - Implied volatilities (Options)
  - Credit spreads

Level 3 Inputs:

i. Unobservable Inputs for the Assets & Liabilities

ii. Are used only when observable inputs are not available

iii. Such inputs shall be developed with best information available, includes entity level estimates, but shall be adjusted if reasonable information is made available.

3. Initial Recognition Criteria

Item	Transaction price	Fair Value
Assets	Price paid to acquire	Price that would be received to sell the asset
Liabilities	Amount received to assume the liability	Amount that would be paid to settle or transfer the liability

Where transaction price is different the entity shall recognize profit or loss unless that Ind AS specifies otherwise.

There may be situation where transaction price differs from Fair value such as;
- Where transaction is carried out;
  - With related parties
  - Under duress or forced transaction
- Unit of account represented by transaction price is different from that under fair value Eg: Transaction price includes transaction cost.
- Market in which transaction takes place is other than principal market.

4. Measurement Criteria

Item	Criteria
Non-Financial asset	1.For Usage: Highest and best use . Highest and best use considers considerations such as - Physical - Legal - Financial 2. For Selling: Price to be fetched by market participants
Liabilities and equity instruments held as assets	Fair value of identical items held as asset by market participant
Liabilities and equity instruments not held as assets	Fair value using a valuation technique from perspective of market participant that owes the liability or has issued the claim on equity.
Financial liability with a demand feature	Not less than amount repayable on demand discounted from first date that the amount could be repaid.

Valuation Technique
- Use of valuation technique which maximises use of observable inputs and minimises use of unobservable inputs.
- Multiple techniques may be required.

5. Disclosures

An entity shall disclose such information that helps the users of its financial statements assess both of the following:
- Valuation technique and inputs used to measure fair value.
- Effect of recurring fair value measurement using significant unobservable inputs (Level III) on profit or loss or other comprehensive income for the period.

ATM at Pettah Junction, Poonithura inaugurated by Smt Sowmini Jain, Mayor Kochi Corporation in the presence of Sri. A B Sabu, Councillor, JGM & Regional Head Sri N J Reddy and Sri Nandakumar A.(Branch Manager)

ATM at Pallavaram inaugurated by Dr. Ishari K Ganesh (Chancellor/ Founder, Vels Group of Institutions) in the presence of Mr. K C Mohanan (MD & CEO, We Two Engineering Pvt. Ltd.). Ms. Biji S S (DGM & Regional Head), Mr. P J George (AGM), Mr. Arun Chungath (Br. Manager)

Ind AS - Challenges for Banks

C.P. Gireesh
JGM & CFO
HO CFM

Convergence in to Ind AS standards for entities in the financial services sector is not merely an accounting exercise, but has significant regulatory, business and IT implications. Considering the impact on Financial Instruments which constitute the major chunk of assets and liabilities in the financial Statement of a Bank will have impact on Ind AS, it will be very difficult to transform manually but will have to update their IT system. The fair value accounting, ECL computation etc are likely to have significant impact on capital position and conventional performance yardsticks of entities particularly in the financial services sector. Stakeholders need to be made aware of the impacts and prepared in advance of the potential changes in each and every performance yardsticks due to convergence into Ind-AS on financial statements, not only as a matter of good corporate governance but to avoid any knee jerk reactions from them.

Classification and Measurement

The crucial aspect of any financial instrument is the classification at the beginning itself. The application of Cash flow test (Solely Payment of Principal and Interest - SPPI) and business model test is likely to require significant judgment. To decide whether SPPI criterion is met, a bank will need to consider all contractual provisions of the instrument which may impact timing/amount of contractual cash flows, e.g., embedded derivative features and prepayment options. The business model test is highly judgmental. It is likely to depend on the facts and circumstances and intentions of the bank for holding each instrument. Part of the business model assessment also depends on how a bank has achieved the business model objective in the past, e.g., whether there have been significant recurring sales. To ensure timely availability of information, banks should start tracking such information on priority. It is possible that a bank holds the same type of security (say, government bond) in all three categories of business model. This may require three different measurements for similar instrument. It is expected that the application of Ind AS will require more instruments to be measured at fair value, with corresponding gain/loss to be recognised in the Other Comprehensive Income (OCI)/profit or loss. Banks will no longer be permitted to ignore appreciation in value of these securities. This will result in significant volatility in P&L and equity position.

Impairment loss

Impairment loss represents a paradigm shift from current practice in the Indian banking industry which follows income recognition, asset classification and provisioning (IRACP) norms prescribed by the Reserve Bank. To estimate expected credit losses over the life of the asset, the management will have to create models and collect significant amount of historical loss data. The need to incorporate forward-looking information means that application will also require considerable judgment as to how changes in macroeconomic factors will affect ECL. This exercise will be very complex and involve significant judgment. The ECL provisioning requirement will start on acquisition of asset itself and significantly increases on moving to stages in credit risk levels. On initial recognition, Ind AS 109 provides certain operational simplifications and presumptions but these simplifications do not make impairment assessment a hassle free process. It is expected that the ECL model may increase the credit loss allowances for many financial institutions. However, the increase will vary between entities based on various drivers in the ECL models and their past data and recovery pattern. In addition, the focus on expected losses is likely to result in higher volatility in the amounts charged to profit or loss.

Fair Valuation

One of the key issues facing the banking industry would be the application of fair value measurement, in view of the very nature of banking business and the preponderance of financial instruments on a bank's balance sheet. Challenges in migrating to fair value measurement arise on account of the absence of active markets for corporate bonds and loans, differences with extant RBI instructions and practices on valuation, absence of an established body of accredited valuers and lack of adequate historical experience in the use of fair values by banks.

Effective Interest Rate

This may pose significant operational challenges due to lack of adequate and reliable data/MIS required to compute EIR e.g. fees/ commission charged, transaction costs incurred, expected life of the products etc. Operational complexities and challenges of retrospective application of EIR method would depend upon variety of individual bank specific factors such as nature of banks products/services, IT environment, banks pricing/waiver policies and practices, tenor and ticket size of the loans/ advances, data retention policy, mergers/ acquisitions in the past and so on.

Compliance

A number of regulatory reports/ compliances are based on Indian GAAP numbers. Moving over to Ind AS, change in measurement under Ind AS will have a direct impact on regulatory compliances. For example, application of Ind AS to banks may give significantly different numbers having consequential impacts on regulatory capital requirements. It is, therefore, important that both regulators and entities consider these aspects carefully.

Painting by Ms. Asha Alice Thomas,
Asst. Manager, Br. Thrissur Main

Assessment of Expected Credit Losses (ECL) under Ind AS 109

Introduction

If accounting is the language of business, Accounting Standards are widely held as the syntax/grammar governing the use of language. From April 2019 onwards, the reported financial results and position of banks is set to undergo drastic changes due to implementation of IndAS. IndAS refer to the accounting standards/rules, framed by Govt in consultation with ICAI, which govern the financial reporting of large enterprises. Ind AS are framed in line with International Financial Reporting Standards (IFRS) issued by IASB. IFRS are applied in financial reporting of entities in roughly 120 countries. Adoption/convergence with IFRS is expected to increase the comparability of financial statements of entities domiciled across the world.

These standards are implemented in a phased manner and the Indian banks are expected to report their Profit and Loss statement and Balance sheet prepared under IndAS from F.Y ended 2019, along with the comparative figures for the previous year (i.e F.Y 2017-18). One of the key changes is the introduction of ECL based provision, which is set to replace the provisions based on IRAC norms. The article intends to provide a bird's eye view on assessment of ECL based provision, which is reckoned in reported financial statements of commercial banks.

ECL based provision: A novel concept propagated by IFRS 9 and IndAS 109

IFRS 9 and its Indian counterpart IndAS 109 deals with the assessment of impairment losses for all loans, long term investments, non-funded limits and all other exposures which the bank intends to hold till maturity. Impairment loss (ECL) so computed should be deducted from the value of advances and is set to replace the IRAC provisions which are rule based. Credit risk assessment and quantification of each exposure assumes vital importance in computation of ECL. The IndAS 109 expects the banks to make earnest attempts in quantification of ECL, which is a function of Probability of default (PD), Loss given default (LGD) and exposure at default (EAD). The provision based on ECL is envisaged

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to be better aligned with the PD of different categories of bank's borrowers and recovery prospects associated with defaulted accounts. In short, the ECL based provisioning aims to create stronger banks, which are well positioned to absorb the expected credit losses, which would manifest in form of defaults.

Staging of exposures

As per IndAS 109, the exposures need to be grouped into 3 categories namely Stage-1, Stage-2 and Stage-3 exposures. Stage-3 exposures are instances where the counterparty/borrower has defaulted/failed to fulfill the contractual obligations. All NPAs and restructured standard advances are treated as Stage -3 exposures.Stage-2 exposures refers to exposures of those borrowers whose risk of default has increased substantially. In this regard, RBI's Internal working group has recommended that rating downgrades or tagging of accounts as Special Mention Account (SMA-2) / Days past Due (DPD)-60 may be taken as indicators to classify accounts under Stage-2 category. All other exposures are treated as Stage 1 exposures. The level of provisions under IndAS 109, for exposures grouped under different stages is given in table below.

Stage	Amount of provision to be reckoned in Balance sheet
1	12 month Expected credit loss (ECL) assessed for exposures
2	Life time ECL
3	Loss given default (i.e. the amount would lose in event of default); the probability % need not be multiplied on the loss rate, because the default has already occurred in these accounts.

The methods which are generally applied in calculation of PD, LGD and EAD are explained briefly in ensuing sections.

Probability of Default

PD refers to the chance that a borrower would default within 1 year from the reporting date. PD varies for different borrowers and grouping of exposures into Corporate and Retail is a pre-requisite in assignment of PD on different borrowers/accounts on reporting date. For corporate exposures, the borrower rating (BR) is widely regarded as independent variable, which assists the bank to model PD. The higher rating grade borrowers tend to have lower PD and vice versa. Hence PDs are calibrated for each rating grade using statistical techniques based on rating and default history of the bank. For retail exposure PD are generally assessed for each product categories such as home loans, personal loans, vehicle loans etc. This is because of following reasons.

- All loans/borrowers within the product category tend to share similar risk profile.
- Unlike corporate loans, retail loans are sanctioned with relatively lower number of deviations.
- Further, macro-economic variables tend to affect a class of retail loans in the same direction. For e.g. fall in housing prices is likely to have an adverse impact on ECL of all home loans.

The sub-segments can be created within the same product category based on other predictors of default such retail application credit score (i.e. score generated by retail scorecard), CIBIL score, LTV ratio, etc. However the ability of bank to create such sub-segment depends upon availability of quality data for relatively long time frame (say five years).

Loss Given Default

Loss given default refers to the amount of loan outstanding, which a bank is likely to lose in the event of default. This is generally expressed in %. LGD is arrived at by deducting recovery rate from 1. Recovery rate refers to the amount recovered as a % of amount outstanding at time of default. Higher the recovery rate experienced by bank, lower will be the LGD. The recovery rate/LGD applied by the bank on reporting date should be backed by history of recoveries made in defaulted accounts in past. Similar to PD, LGDs are also computed for separate segments/pools. Within the segments, say corporate, the LGDs can be further refined based on other factors which helps us to predict/model recoveries. Collateral coverage /Facility rating (FR) are risk drivers generally applied by banks to model LGD within the broad categories such as business loans, agricultural loans etc.

Exposure at default (EAD)

Exposure at default assumes different meanings for different type of exposures. The meaning of EAD for different type of exposures is given in table below.

Type of exposure	Meaning
Funded Limits (CCOL, term loan etc.)	Balance outstanding + (Undrawn portion X Credit Conversion Factor*)
Non-funded limits (BG, LC etc)	Balance Outstanding X applicable CCF*

*Credit Conversion Factors (CCF) specified in RBI guidelines on Basel-III norms is applied to compute EAD.

ECL expense and ECL provision

ECL provision is the product of PD, LGD and EAD. The sum of ECL associated with all exposures is the ECL provision on reporting date. The difference in ECL provision between two reporting dates is the ECL expense for the period. To illustrate, ECL expense for F.Y 2018-19 is arrived at by deducting the ECL provision as on 31.03.2018 from ECL provision as on 31.03.2019. The key difference in the ECL for Stage-1 accounts and Stage-2 accounts is that under Stage 2 accounts Lifetime PD replaces the 12 month PD. Life time PD will be higher than 12 month PD because it refers to the cumulative probability of default of a borrower till maturity of his loans. For Stage 3 exposures, LGD and ECL will be same, because PD is 1 for such exposures.

RBI guidance and expectations

RBI has formed a separate working group for implementation of IndAS in Indian banks. The key highlights of the RBI's guidance and expectations are given in following points.

- Circulated the working group's findings and guidance on issues related to staging and computation of ECL.
- Clarified that restructured standard advances should be treated as Stage-3
- Directed all scheduled commercial banks to submit proforma Ind AS financial statements for the quarter ended on 30.06.2017 duly approved by the Board of Directors of the bank on or before 31st October 2017

It is widely expected by bankers that the RBI would come out with a comprehensive guideline on measurement of ECL under IndAS 109. The guideline is expected to reduce variability in PD/LGDs applied by the banks in computation of ECL.

Comparison with IRAC

The ECL based provision framework is significantly different from IRAC norms. Key differences are highlighted in the table annexed.

Modelling of PD and LGD: Risk manager's dilemmas

ECL framework has created fresh challenges for risk managers, since as indicated earlier the ECL based provision is more sensitive to credit risk profile of the loan portfolio and the quantification of the credit risk has assumed greater significance which cannot be over-emphasized. Key issues are summarized below.

- **Data:** The modeling of PD and LGD is a highly data intensive exercise. The banks need updated database of ratings, defaults, scorings, recoveries, which can be retrieved without delay for modeling. Further, the banks should have robust procedure to ensure annual review of ratings, so that the correct PDs are applied. The bank's rising focus on review of rating at least once in year should be seen in this perspective.
- **Methods**: The statistical methods applied in estimation of PD and LGD are based on the RBI's/Regulator's guidelines on Internal Rating Based (IRB) approach in computation of risk weighted assets. The 'IndAS109' provides broad guidelines in assessment of ECL. Fine tuning of statistical methods to model PD and LGD after factoring the requirements laid down in IndAS 109 is complex exercise. For e.g IndAS required the banks to factor in future macro- economic scenarios in assessment of ECL. However it does not guide banks in modifying PD or LGD to consider expected macro economic variables such as GDP, interest rate etc.
- **Uncertain regulatory landscape**: Adoption of IRB in calculation of RWA entails estimation of PD and LGD. RBI has not yet permitted any bank to follow IRB approach in computation of credit risk weighted assets, despite issue of guidelines on IRB in 2011.This indicates that the regulator is also on learning curve in assessment of ECL. The RBI is ramping up its human resources through lateral entries and cross border training. At this juncture, it has become hard for risk managers to anticipate the regulator's guidance in computation of ECL. Hence adoption of proactive measures to improve bank's preparedness to compute and report ECL-based provisions has become extremely difficult.
- **Higher level of public scrutiny:** Traditionally the risk manager's services were primarily consumed by business units. The methods to identify, measure and quantify the risk were also scrutinized by RBI as part of Risk Based Supervision (RBS) or Annual Financial Inspection (AFI). Basel- III disclosures has partially exposed the risk manager's domain to investor's scrutiny through mandating the disclosure of risk management policies/ techniques. Implementation of ECL-based provisioning exposes risk manager's quantification methods to Board of directors, investors and public at large, because the methods applied now drastically influences the reported financial results and position of the banks. In this

S. No	Point	ECL	IRAC
1	Size of provisions	Based on PD and LGD	Based on classification, period of NPA, incidence of fraud, presence of security coverage etc
2	Risk sensitivity	More sensitive, Rating downgrade could increase provision requirement	Less sensitive
3	Regulatory guidance	No comprehensive guideline	Master Circular supplemented with notifications
4	Conservatism	More provision are created prior to the date of default, after factoring expected PD and LGDHence more conservative	Greater provision created subsequent to identification of borrowers as NPA
5	Timing of recognition	Provision equal to LGD should be recognized on the date of default	The amount of provision gradually increases with passage of time.

regime, risk managers should be prepared to face more questions from investors and take dynamic measures to adopt most sophisticated methods in measurement of ECL within the constraints listed above.

Supervisor's nightmare

The implementation of ECL based provision framework entail significant challenges for regulator/RBI. Two key challenges are specified below.

Divergence in provisions: The adoption of this framework could lead to different rates of provision applied to same counterparty in different banks. The example given in table below, which quantify '12 month- ECL' of ABC Limited illustrates this point.

Particulars	Bank A	Bank B
Amount of Loan	100	100
Rating of borrower	AA	A
PD linked to rating grade	2%	3%
LGD	30%	40%
ECL %	0.6	1.2

If the same supervisor is in charge of inspection of both banks, he/she must be prepared to digest this situation, which arose solely because of change in risk measurement/ quantification practices at both banks. For a RBI auditor used to identical standard provision rate of 0.4%, it takes time and efforts to absorb this concept and accept this divergence with grace.

Capacity building: The size of RBI team which is in charge of IRB approach is relatively small and very few RBI inspectors are acquainted with statistical techniques to model PD and LGD. Hence in order to ensure the timely implementation of ECL based provision framework laid down in IndAS 109, the RBI would have to either a) Increase the size of trained manpower in short timeframe or b) Increase the scope of statutory auditors to certify the accuracy of PD/LGD models adopted by banks in computation of ECL

Reporting of ECL

The banks would need to calculate and report ECL provision at least on a quarterly basis. In order to achieve the desired level of consistency and accuracy in reporting of ECL, appropriate IT systems are required.

Fun & Frolic

Irinjalakuda Regional Office staff members at Munnar

Greater interdepartmental co-ordination is required to

- Design the PD/LGD models,
- Update the estimates of PD and LGD thrown out by the model on annual basis
- Exchange of data required to compute ECL on timely intervals.

The RBI has already stipulated the format for disclosure related to ECL. The highest level corporate governance and Board oversight is anticipated by RBI to ensure accuracy of reported ECL numbers.

Conclusion

The adoption of IndAS is expected to increase provisioning and capital requirement s of Indian banking system. The higher provisions are expected to occur in standard advances with lower internal credit rating and NPAs. The higher provisions would further erode weakened capital position of public sector banks and the ability of Govt to infuse capital funds could delay the implementation schedule of IndAS or ECL related provisions of Ind AS. IRDA, the regulatory body for insurance companies has already deferred implementation of IndAS by one more year. Credit risk management framework of the banks would be greatly benefitted owing to banks' drive to achieve preparedness in roll out of ECL-based provisioning.

At this juncture one question emerges: Whether adoption of ECL based provisioning would create stronger banks owing the risk sensitive bias of the ECL framework? While theoretic answer to this question is a resounding 'Yes', the risk practitioner in my mind says; the answer is dependent upon multiple factors. The transparency /robustness of models, the quality of input data, processing and reporting systems, professionalism displayed by banks' board in oversight, timely validation and back testing of estimates of PD/LGD, support from top management and effective hand holding and proactive uniform consistent regulation from RBI features prominently in the list of factors. We, bankers do not have the benefit of hindsight, while laying down the systems and procedures to assess and report ECL. However, let us use the power of collective wisdom, effective co-ordination and result oriented approach to implement systems for assessment of ECL.

SIB Scholar- A Blinking Light House Nearby

Narayanan V.C.
Chief Manager
HO CRD (FIPCell)

"I want to join Indian Navy". When Roshan told me about his ambition, I looked at his beaming face. From the depth of his inner consciousness, bubbles of hopeful thoughts were surging up and its glow was evident in his sparkling eyes.

We were meeting for the first time on the occasion of document verification for SIB scholar aspirants at Head office early in the month of December. Today, he has come again to hand over me a certificate which he could not produce during the verification process in December.

"Sir, as you asked, I have brought the bonafide certificate from the college ". He handed over me a piece of paper in which it was written that Roshan is a student of the college pursuing his BSc Degree course in Physics.

This year also, it was my duty to do spot verification of the short listed candidates for SIB Scholar in Thrissur district. There were 10 candidates and I visited each one of them at their residence. In most of the cases students lived in abject poverty. Roshan was staying in a rented house. It was an outhouse, adjacent to the residence of the house owner. The tiled house was in ruins and it had only one room. The family of 4 members lived there. I saw books and study materials neatly kept in the verandah on the floor. There was no furniture. Roshan prepared for his examinations sitting there and scored 96% marks in the qualifying examination.

Keeping the certificate aside after verifying it, I looked at him. I wanted to speak to him more.

"Roshan, is it holiday for you today?" I asked.

"No Sir. I just took a break and have to go back to join NCC parade."

Oh ! You are in NCC too? Do you really like it? I asked.

"Yes Sir; it is my desire to join Navy and I hope NCC will help me in that." It was as simple as that. Roshan was resolute and he had already set a goal for himself.

"Well, you need to have good physique and strength to join Navy" I said this, looking at his frail structure. He was short and lean.

"I know Sir. I hope to add more weight and only then it will happen one day. He stopped for a while; then said "After the Beef festival in the college, they don't allow even chicken. We are given Vegetable Biriyani now after the parade. It is tasty indeed"

His options to add more weight is limited now .At home it may not be very different either.

"Do your parents really support you, Roshan," I asked. I wanted to know how the family is being managed.

"My mother goes to a shop for making eateries and gets Rs 180 per day. But sir, she will not get work every day.

"Your father "? I asked.

Roshan did not answer. He looked down for a while and said. "Father drives an autorikshaw and he has to pay Rs 450 every day to the owner. Father says he don't get much money now a days.

I remembered the man who accompanied Roshan on the day he came for document verification. His red hot eyes, disheveled hair and the casual attitude clearly said what he was.

"Father met with an accident yesterday. Auto is damaged and we need to spend money to repair it." "Fortunately, he is not injured seriously".

Roshan now started talking without inhibitions. He is open and relaxed. He wanted to say more and I played the role of a patient listener.

"We don't get money even to pay rent for the house. For the last four months, father did not care to pay rent. "Roshan said, but there was no remorse on his face.

"How do you manage it now"? I asked.

"I had some money in my account. The sum I earned for being topper in the school for matriculation, then cash award for getting good marks. We paid rent for two months out of my savings and nothing is left in my account now."

Roshan looked sad when he said this. I also felt heavy in my heart as I listened to him.

"We have to look for a new house, sir. Since we defaulted rent for two months, owner asked us to vacate the house immediately. But he is a good man." Roshan Said. "Knowing that father is injured, he gave us time till this weekend. "

Tears welled up in my eyes. I looked down. I did not want Roshan to see my emotions.

The aspirant to join Indian Navy has now other priorities. The sea of life is raging fiercely and he has to navigate his ship across the menacing tides.

Thank god, there is a light house blinking not far away.

SIB SCHOLAR!

When Santa Visits RBCPC

It was once again the season of hope and new beginnings at RBCPC...

All were still busy with Processing files especially considering the quarter end and few not even realized Santa has come!

Santa though, was happy to note a lot of changes since he last visited us as many new initiatives have been implemented to improve the overall performance and TAT of file processing.

A Wall of fame guards the entrance with top performers (Highest Sanctioned number) of the month.

Santa was delighted to meet still more stars! The Stars of the day for each product.

Dedicated Product Managers have been selected for Housing loan, ODAP/LAP/LCP and Vehicle loan, Education loan and Personal loan.

Campaign on PMAY going on.. and plenty of exciting campaigns planned ahead for all...

RLOS is implemented under Personal Loan and Housing loan for a few regions.

Did You Know series beingcirculated and training sessions happening for staff for better product and process understanding.

With all these changes we move ahead to welcome new year hoping to be the best in all we do.. May good things happen to all

Merry XMAS and Happy New year 2018!!

Arathi AP

AM, RBD Sales

A Sporting Initiative

Kuwait is a rich country with strong currency value in the global market. The expatriates here belong to the affluent segment and our existing handful NRI customers always used to nit-pick about the presence and visibility of our bank in this place. It is understood that there are nearly 2 lakh Indians, working in Kuwait, (majority being malayalees) and only 14380 customers maintain relationship with our bank.

To put our best foot forward, teaming up with UAE Exchange Centre Kuwait our bank had deputed a marketing officer during the month of November 2017 to Kuwait. To elate his presence and to gladden our existing NRI customers we had conducted a NRI customer meet during the month of December 2017 which was attended by more than 400 customers.

To complement these kinds of initiatives and programmes and as a differentiator, SIB decided to explore alternative marketing strategies to gain entry into the minds of the well-heeled NRI's who do not have any association with our bank.

A great opportunity to foster networking among a segment of prime HNI NRI clients knocked us. Our bank sponsored a badminton tournament "SMASH 18" in Kuwait organised by The Alumni Association of Engineering Colleges in Kerala (AAECK) on 2nd Feb 2018.

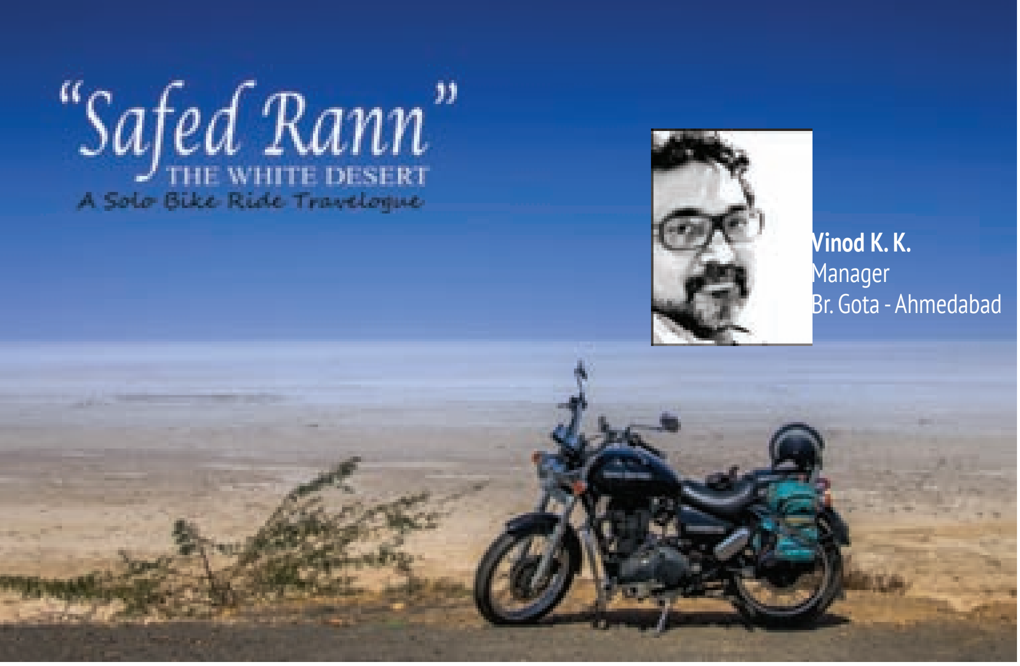
The presence of our RBD, Country Head Mr. Sanchay Sinha, for the programme, invigorated the entire AAECK community consisting of 1350 members and they promised to open accounts and establish new relationships with our bank. To start off, we were able to open 37 silver and

SIBians at Kuwait

3 NRI Diamond accounts of this group and we are sure henceforth several of them will associate with us. **Initiatives with a difference always yield better results.**

Joe Varghese
AGM, NRI Cell,
RBD, Ernakulam.

"Safed Rann"
THE WHITE DESERT
A Solo Bike Ride Traveloque



Vinod K. K.
Manager
Br. Gota - Ahmedabad

"Let your camera take you places – And not the other way around". Photography being my passion, I have started travelling a lot. Since bike riding is also my passion, I have started exploring places in my bike, with my camera.

I had a solo bike trip to the White Desert at the Rann of Kutch, Bhuj. It is approximately 425 km from Ahmedabad. I started in the morning, and reached Bhuj in the afternoon. After a night halt at Bhuj I started to the White

Kalo Dungar (Black Hills)

Desert next day morning. That drive was one of the best drives I had. It is infact that the roads in Gujarat, especially highways are one of the best in the country. The view is just amazing - straight barren land with vegetation going all sparse. As the sun went above the head I started witnessing some mirage formation on the distant roads which was indeed picturesque. The geography and culture is entirely different. You will not find anybody else on both sides of the road. It was just me and my bike.

But the passion of motorcycling and photography is really a bad combination for a rider which I had experienced. There were some landscapes with amazing beauty and by the time I frame it in my mind and decide to shoot it, the frame is already way behind me. Since I have to stick to a schedule, I kept riding on .

First I visited Kalo Dungar (Black Hills) which is the highest point in Kutch. From here, the entire horizon vanishes into the Great Rann, the desert and sky often becoming indistinguishable. It is one of the few non-coastal location where you feel you are at the edge of the earth, on the brink of vastness that fades towards infinity. The far-off views appear blurred under the blaring sun. Straight ahead, the Great Rann stretches out far to the farthest horizon. The scenic landscape spreading from left to right is so vast that it cannot be captured in a single frame, not even with a wide-angle camera. This is one of the places where a civilian can get close to the Pakistan border. A strange phenomenon is observed at Kalo Dungar, that at one location you can experience vehicles going down the hill at speeds over 80kmph even with the ignition switched off. While at another location is the magnetic field where one can stop their vehicle at a specified spot and witness the vehicle moving against the gravitational force, up the slope at a speed of 20 kmph.

White desert or Safed Rann is the main attraction of Kutch. It is a seasonal salt marsh land which looks beautiful in broad daylight, better at sun rise or sunset and the best on a Full Moon Night. But now I'm seeing a vast flat land covered with salt for miles on end, and I am thrilled. This place turns snow white in the dry season and hence the name. I would not have words to express the ravishing beauty of this crystal white piece of land which I could see in front of me. A straight line above which the colour was blue and below it was all white. The Horizon – I have seen it now.

Back in my room, the deep baritone voice reverberates in my mind, as I recollect the Gujarat Tourism's successful advertisement featuring Bollywood superstar and Gujarat's brand ambassador, Amithabh Bachan seen walking in white sands, clothes fluttering in the breeze – "*Kutch nahin dekha toh kuch nahin dekha"* (If you haven't seen Kutch then you haven't seen anything.)

Safed Rann (White Desert)

Safed Rann (White Desert)

Radhika R.B
Senior Manager
Trivandum RO

Love is blind. But can love be deaf? Especially if the persons involved are capable of listening and talking? 'No' is the answer that appears to be the logical one as far as I am concerned. Being the parents of eligible bachelor children, many of us might have gone through this dilemma once or other, especially if they happen to live in an Indian Metro where the spoken dialects differ from room to room.

It happened when my friend's son Aalok approached me for arranging some Kannada tuition for him. I was amused by the love for a South Indian language by a Hind-speaking boy. He had come to stay in the metro on securing a good job in a Multi-national firm. His mother who was my colleague in my younger days fixed me as his local guardian. Aalok, who was much home-sick, would visit us whenever he felt like. Since we also have a son of almost the same age, we could communicate with him very jovially.

I probed curiously why this sudden love for a totally new language started. Blushingly he confided that a new girl, Shobhika, had joined his office. He overheard her talking in Kannada over phone. To win her heart he assumed that he had to learn Kannada. I entrusted the ordeal to my son who is locally more well-informed than us. He returned with a bunch of books – Learn Kannada in 30 days, Learn Kannada through Hindi, Learn Kannada through English....Aalok was thrilled. Our son took up the mission of finding a tuition teacher also but couldn't find one near our locality. So both of them devised a group study plan.

Meanwhile Aalok tried other methods of winning Shobhika's heart by talking to her in English. He took her to an eatery where delicacies from Karnataka were served, gifted Mysore Silk saree, ordered Birthday cake for her in the shape of Mysore Palace.... We were amused by the innovative ways in which he tried to win her heart.

After about six months, on one of his visits to our house, we tried to test his progress in learning Kannada. Already we had engaged a tuition master for him to teach Kannada. My son started asking him:

"Nimma Hesaru Yenu?" – What is your name?
" Illi Baa" – Come Here.
"Oota aaitha?" – Had food?

To all these, Aalok answered in two words – "Kannada Gothilla" – Don't know Kannada!! He confessed that he was finding it very difficult to learn the language.

"But I will master this language in a few days' time" – he declared. We were confused whether the days could get converted into months and years...

"Aunty, let's change the teacher. He is too fast for me!"

Hearing this, my son literally jolted. It was with great difficulty that he found a tutor.

However Aalok was desperate as he could not make out the nature of Shobhika's feelings towards him.

We advised him to take leave for two days and stay with us. We also asked him to report to his office that he was having high fever and was staying with us.

The first day nothing happened.

On the second day our door bell rang. When I opened the door a smart looking young girl was asking me reluctantly-

"Is Aalok staying here?"

I could instantly make out that it was Shobhika. My son immediately rushed inside, pushed Aalok to the bed and covered him with blankets. The poor guy was sweating in the peak summer under the blankets! I led Shobhika to Aalok as if he was very seriously ill. She also believed it and we could make it out from her expressions. After spending some time with Aalok, Shobhika came outside. I decided to play the cupid between the two young hearts. I asked her-
"Shobhika, did you feel bad when you came to know that Aalok was sick?"

She blushingly nodded her head.

'Are you serious about your feelings for him?'

In a husky voice she said "Yes"...

I felt like shouting "HURRAY" for Aalok. Suddenly her mobile rang. It was her mother. She started talking to her mother in Gujarati. My jaw dropped. After her conversation got over I asked her-

"Do you speak Gujarati?"

She replied : "Yes Aunty, we speak Gujarati at home. Since my father was employed in Banglaore my studies were completed there. I talk to all my friends in Kannada!!!"

Hearing this I could see that Aalok had almost fainted... now he has to learn one more new language – Gujarati!!!

I realised that he was never aware of this fact.. Love is definitely blind and deaf.....

Achievements

Members Accomplised Continuing Professional Development (CPD) from IIBF


Peter A.D.
Deputy Gen. Manager
Staff Training College


Francy Jos E.
Asst. Gen.l Manager
Secretarial Dept


Suma V. George
Senior Manager
Chalakudy


Aijou George Mathew
Senior Manager IT
Digital Banking Dept.


Nanda Kumar C
Manager
Staff Training College


Renu Rebecca George
Manager
Thevara


Divya Mohan
Manager
Transaction Banking Dept.


Mahesh K.
Manager
Uduma


Rogin C. Kurian
Manager
Velankanni


Pramodkumar M.
Asst. Manager
Vijayawada


Aswin Sunny
Asst. Manager
Kannur RO


Arun Alappat
Asst. Manager
Aruppukottai


Sajeesh M.T.
Manager
Keekan


Kirubhakaran
Manager
Tirupur Main

Associate Member - Indian Institute of Banking & Finance


Sheela Davis
Chief Manager
Staff Training College

Elected as Secretary, Bankers Club Kochi for the year 2017-18


Nandakumar A.
Manager
Maradu Br.

Children's Accomplishment

Ms. Risha Ravi D/o. Mr. M. Revi, Senior Manager, Br. Thiruvilwamala, has secured second rank in the B.Sc. Botany examination conducted by University of Calicut in April 2016.

Best Catwalk Title Winner : Mrs. K. Aswathi, Manager, RBD

CAIIB

Aswathy Iyer S, Clerk, Cochin Mattancherry
Balachander U, Asst. Manager, Thanjavur
Sri Ranjane M, Asst. Manager, Rajapalayam
Vineeta Nair, Senior Manager, Bopal
Shijinraj P., Asst. Manager, Kudasan
Jose K.A., Chief Manager, Credit Department
Indulatha J.C., Manager, Retail Banking Dept
Somy George, Clerk, Puvathur

Anju Stephen, Asst.Manager, R T Nagar
Ms Gitanjali, Clerk, Shimla
Krishna Kavita P., Clerk, Wakad
Antony George, Asst. Manager, Br. Indira Nagar
Radhalakshmy V B, HO CFM, GST CELL
Prashant Nair, Asst Manager, Br. Pathanamthita
Sreelakshmy N, Asst Manager, B'lore Malleshwaram
Sujitha N, Asst Manager, B'lore Malleshwaram

JAIIB

Jobin P Kurien, Asst. Manager, Tuticorin
Joseph Shelly, Asst. Manager, Bangalore City
Roopa R, Clerk, Bangalore City
Renjini R, Asst. Manager, Changaramkulam
Iyer Vishakha Hariharan, Pro Legal Officer, Legal Dept
Manu Mohan, Asst. Manager, Puvathur
Thamya Jeyanthi A, Clerk, Dindigul
Shyam Sivadas, Clerk, Chennai Anna Nagar

Abin Mathew, Clerk, Elambulassery
Makesh Kumar T, Clerk, Perundurai
Geethu George, Clerk, Kattappana
Shijo Joy, Clerk, Ammadam
Alwin Augustine, Clerk, Transaction Banking Dept
Jins Joseph, Clerk, Transaction Banking Dept
Athira Arjun, Clerk, Transaction Banking Dept
Jibin Joseph, Clerk, Transaction Banking Dept

S Nageswara Rao, Asst Manager, Guntur
C. Veeraswamy, Clerk, Malkajgiri
Kiran Tata VSL, Asst. Manager, Malkajgiri
Nagaraju, Clerk, Warangal
S.U.Shivakuru, Asst. Manager, Bishop Beretta EC
Shijo Mathew, Clerk, Kodungallur
Santhosh Sebastian, Daftary, Meladur
Theresa George, Clerk, Moonnupeedika

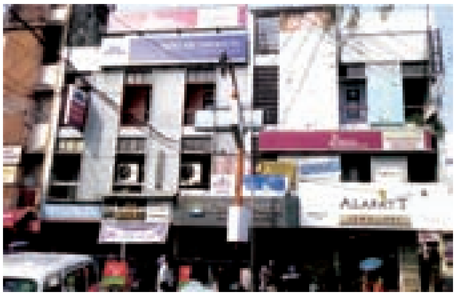
SOORAJ M G
Clerk
Balaramapuram

Akhil Pradap M K
Clerk
RO Palakkad

Congratulations!

Know your Branch & Know your BanK

Branch Name	**KOLLENGODE** Br. Code - 0036
Date of Opening	06.05.1955
No. of ATM (Onsite & Off-site)	2 nos offsite ATMs
Specialty of the Location	Kollengode is a village situated 19 kms south of Palakkad. Kollengode Palace and a shrine dedicated to Lord Vishnu are the major attractions here. The main source of income for the people is from agriculture.
Nearest Railway Station	Oottara 1 km
Nearest Airport	Cochin International Airport 104 km
Nearest Bus Station	Kollengode 700 mts
Location of ATM	Two offsite ATMs 1. At Aiswaraya Complex, Kollengode 2. At Sai Hospital, Payyalore



Branch Name	**KOTTAYAM** Br. Code - 0037
Date of Opening	29-05-1959
No. of ATM	3 Offsite
Specialty of the Location	Business Area
Nearest Railway Station	Kottayam 2 km
Nearest Airport	Cochin International Airport 87 km
Nearest Bus Station	KSRTC Bus Stand Kottayam 1.4 km
Location of ATM	1. YMCA Kottayam 2. YMCA, Kottayam 3. Kurisupally Junction

Branch Name	**KOZHIKODE MAIN** Br. Code - 0038
Date of Opening	30.03.1944
No. of ATM	2
Specialty of the Location	Kozhikode is famous for it's halwa, biriyani and many more. Major business places in the city is Valiyangadi & S M Street. Major tourist spots are Kozhikode Beach, Kappad, Thusharagiri Water falls, Kakkayam Dam.
Nearest Railway Station	Kozhikode 2.3 km
Nearest Airport	Calicut International Airport 29 km
Nearest Bus Station	Kozhikode Bus stand(Private and KSRTC) 2 km
Location of ATM	1. Ground floor, T T Complex, Jail Road, Puthiyara, 2. Manayil Arcade, Opp. Aster MIMS Hospital, Govindapuram

Branch Name	**KOZHINJAMPARA** Br. Code - 0039
Date of opening	20.12.1963
No. of ATM	1 onsite
Specialty of the location	Kozhinjampara is a village in Palakkad dist. in between Palakkad – Pollachi route. Kozhinjampara is very near to Tamil Nadu border. The near by tourist spots are Malampuzha dam, Neliampathy, Parambikulam wild life sanctuary, Aliyar dam etc.
Nearest Railway Station	Palakkad junction- 25 km
Nearest Airport	Coimbatore- 40 km
Nearest Bus Station	Palakkad- 24 km
Location of ATM	onsite

Branch Name	**KOZHUVANAL** Br. Code - 0040
Date of Opening	19-12-1964
No. of ATM	Onsite ATM- 1
Specialty of the Location	Kozhuvanal is a town in Meenachil, Kottayam Dist. The nearest town is Pala.
Nearest Railway Station	Ettumanoor Railway Station 18 km
Nearest Airport	Cochin International Airport 78 km
Nearest Bus Station	Pala 10.6 km
Location of ATM	Onsite ATM, Kozhuvanal

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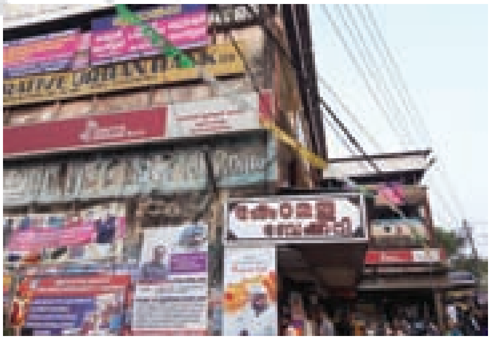
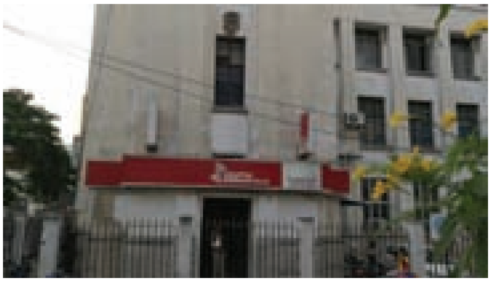


Branch Name	**KUNNAMKULAM** Br. Code 0041
Date of Opening	13.03.1946
No. of ATM	1
Specialty of the Location	It is an old commercial town, with an ancient history, famous for its printing and book binding industry. It is the important centre of the Malankara Orthodox Syrian Christians in the Kerala state
Nearest Railway Station	Guruvayur Railway Station 9 km
Nearest Airport	Cochin International Airport 75 km
Nearest Bus Station	Kunnamkulam 2 km
Location of ATM	Offsite - Wadakkancherry Road



Branch Name	**CHENNAI GT** Br. Code - 0042
Date of Opening	15.03.1946
No. of ATM	2
Specialty of the Location	Branch is located in the trade hub of Chennai beside the Armenian Church Street which is consructed in 17th century. Madras High Court, Marina Beach, St. George Fort- the first establishment of the British Empire are near by.
Nearest Railway Station	Chennai Central 2 km
Nearest Airport	Chennai Airport 23 km
Nearest Bus Station	Broadway 1.6 km
Location of ATM	Beside Branch location, Offsite : Evening Bazar, Broadway

Branch Name	**CHENNAI MOUNT ROAD** Br. Code - 0043
Date of Opening	21.01.1952
No. of ATM	1 Onsite
Specialty of the Location	The branch is at the starting point of Mount Road which spreads all the way up to St. Thomas Mount. The famous 'Ritchie Street', the market for all kinds of electronic gadgets including second hand items is nearby.
Nearest Railway Station	Chennai Central 6 km
Nearest Airport	Chennai Airport 14 km
Nearest Bus Station	Koyambedu 9 km
Location of ATM	Chennai Mount Road (Onsite)

Branch Name	**MADURAI MAIN** Br. Code - 0044
Date of Opening	15-07-1959
No. of ATM	1 onsite
Specialty of the Location	Traders of Pharmaceuticals items, Madurai Meenakshi Temple, Jighardhanda - a local street vented cooldrink made out of milk, almond & sarasapirla. Famous for Jallikattu.
Nearest Railway Station	Madurai Central Railway Station 2 km
Nearest Airport	Madurai Airport 12 km
Nearest Bus Station	Periyar bus Stand 1.3 km
Location of ATM	Onsite(No:3, LIC Building , West Marret Street

Branch Name	**MAHE** Br. Code - 0045
Date of Opening	19.11.1966
No. of ATM	1 onsite & 1 offsite
Specialty of the Location	An old French colony. Mahe is the part of the Union Territory Puducherry. Tourist spot Mayyazhi puzha a walk way, Boating-@ Manjakkal Boat house, Mahe Kalagramam, St. Theresa's Shrine, Sree Krishna Temple are adjacents.
Nearest Railway Station	Mahe 2 km
Nearest Airport	Kannur Airport-37 km /Calicut Airport-89 km
Nearest Bus Station	Thalassery 8 km
Location of ATM	Mahe (1 onsite CDM, 1 offsite ATM)

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Branch Name	**MANGALORE MAIN** Br. Code - 0046
Date of Opening	18.05.1966
No. of ATM	2
Specialty of the Location	Kadri Manjunath Temple, 9th century Mangaladevi Temple, Milagres Church dating to the 17th Century and Interior paintings in St. Aloysius Chapel are major attractions. Special Foods include Pulimunchi, Kori Roti & Uruval.
Nearest Railway Station	Mangalore Central (MAQ) – 1.5 Km
Nearest Airport	Mangalore - Bajpe International Airport (IXE) – 18 km
Nearest Bus Station	KSRTC Bejai Bus Stand – 3.5 km
Location of ATM	1.Onsite: Branch Premises 2. Offsite: Kankanady – 2.5 km

Branch Name	**MANJERI** Br. Code - 0047
Date of Opening	21-12-1955
No. of ATM	1(Onsite)
Specialty of the Location	Prominent and fast developing town in Ernad Taluk.
Nearest Railway Station	Angadipuram 22.3 km
Nearest Airport	Calicut International Air Port 22.6 km
Nearest Bus Station	Manjeri Bus Station 100 mtr
Location of ATM	Manjeri

Branch Name	**MANNARKKAD** Br. Code - 0048
Date of Opening	03-07-1956
No. of ATM	2
Specialty of the Location	The Branch is Just Opposite to Municipality Bus Stand. Agriculture is the main occupation of the people. The branch is close to Silent Valley National Park.
Nearest Railway Station	Palakkad Junction(Olavakkode) - 33 km
Nearest Airport	Calicut(Karipoor) Airport – 70 km
Nearest Bus Station	Muncipal Bus Stand, Mannarkkad. Just Opposite
Location of ATM	1. Onsite – Ground Floor, KCK Square Opp. Muncipal Bus Stand, Mannarkkad 2. Hospital Junction, Mannarkkad

Branch Name	**MATHILAKAM** Br. Code - 0049
Date of Opening	30.03.1971
No. of ATM	2
Specialty of the Location	Matilakam formerly known as Thrikkanamathilakam is a village in Thrissur Dt. In the Sangam Period Mathilakam was famous centre for Jain religion and learning.Kodungallur Bhagavathi Temple &Cheraman Mosque are the main tourist spots near by
Nearest Railway Station	Irinjalakuda 23 km
Nearest Airport	Nedumbassery 39 km
Nearest Bus Station	Mathilakam 0.5 km
Location of ATM	1. Mathilakam(Onsite) 2. Aripalam(Offsite)

Branch Name	**MULANTHURUTHY** Br. Code - 0050
Date of Opening	13.05.1964
No. of ATM	1
Specialty of the Location	Mulanthuruthy is about 19 km east of Ernakulam. Known for historic Mulanthuruhty Marthoman Cathedral built between AD 1100-1125 is a pilgrimage centre for Malankara Orthodox Syrian Church and home parish of Saint Gheevarghese Mar Gregorios of Parumala
Nearest Railway Station	Mulanthuruthy 210 mtr
Nearest Airport	Nedumbasserry 41 km
Nearest Bus Station	Mulanthuruthy 800 mtr
Location of ATM	Onsite

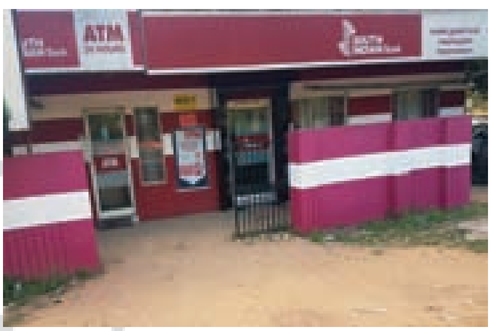
Know your Branch & Know your BanK

Branch Name	**MULLASSERY** Br. Code - 0051
Date of Opening	04-11-1964
No. of ATM	Onsite:1
Specialty of the Location	Mullassery Branch housed in own building located very near to 150 years old Good Shepherd's Church. Mullassery is also famous for Paranpanthally Maha Sivakshethram built in B.C.1000.
Nearest Railway Station	Thrissur 20 km
Nearest Airport	CIAL,Nedumbassery 70 km
Nearest Bus Station	Thrissur 20 km
Location of ATM	Onsite.

Branch Name	**NAGAPATTINAM** Br. Code - 0052
Date of Opening	26-10-1966
No. of ATM	1
Specialty of the Location	One of the oldest port and famous pilgrimage centers Velankanni church & Nagore Dargah is within 10 km radius. Majority of trading is Fish & Marine products.
Nearest Railway Station	Nagapattinam 1.5 km
Nearest Airport	Trichy 140 km
Nearest Bus Station	Nagapattinam 1 km
Location of ATM	Onsite

Branch Name	**NAGERCOIL** Branch Code - 0053
Date if Opening	02-10-1964
No of ATM	1 (Offsite)
Speciality of the location	A beautiful town close to the tip of Indian Peninsula, locked with Western Ghats on all sides known as a trade hub of Kanyakumari Dist.
Nearest Railway Station	Nagercoil 2 km
Nearest Airport	Trivandrum 75 km
Nearest Bus Station	Vadassery, Nagercoil 2 km
Location of ATM	KP Road, Nagercoil

Branch Name	**NALLEPILLY** Branch Code 0054
Date if Opening	10-03-1971
No of ATM	1 (Onsite)
Speciality of the location	A village close to Tamil Nadu. Tamil culture and tradition is influenced more here.
Nearest Railway Station	Pudunagaram 12 km , Plakkad Jn. 25 km
Nearest Airport	Coimbatore 40 km
Nearest Bus Station	Nallepilly 0.5 km
Location of ATM	Adjacent to the Branch

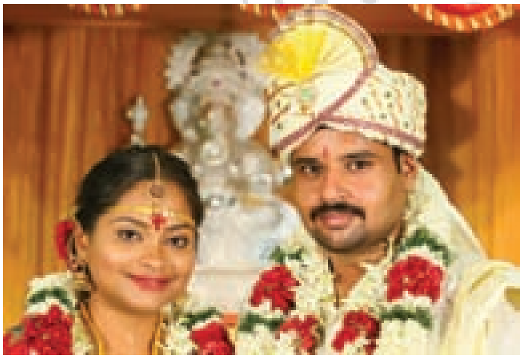


Branch Name	**NANGIARKULANGARA** Br. Code - 0055
Date of Opening	24-03-1971
No. of ATM	2
Specialty of the Location	Branch is located along NH 47 near NTPC Township. The famous Mannarassala Sree Nagaraja Temple is located 5km from our branch.
Nearest Railway Station	Haripad 2.5 km
Nearest Airport	Trivandrum 114 km, Cochin 117 km
Nearest Bus Station	Haripad 2 km
Location of ATM	Nangiarkulangara(Onsite), Muttom (Off-site)

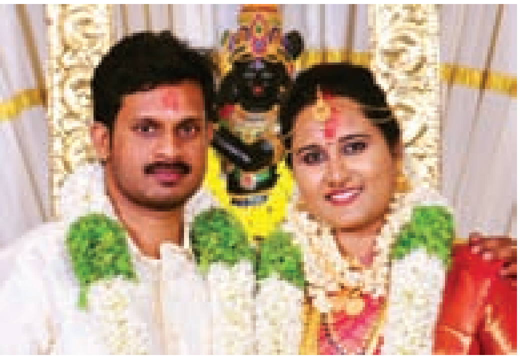
Wedding Bells

Vishnu Salimkumar, Asst Manager, Madurai RO and **Aparna S Nirmal**

Rakesh N, Assistant Manager, Sreekandapuram and **Shijina Jayaprakash**



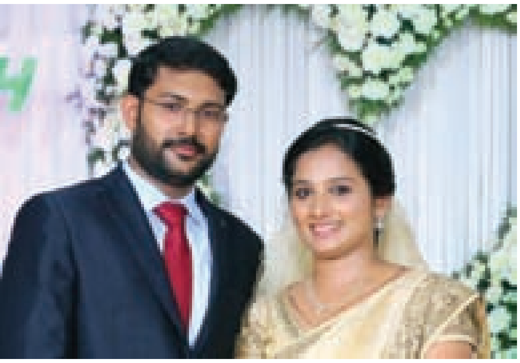
Kanakavel K., Manager, Thanjavur Branch and **Gayathiri S.**



Rajkumar, Asst. Manager, Madurai Main and **Smrithi**

Rinoy Anto, Asst Manager, Irinjalakuda RO and **Dixy Rinoy**

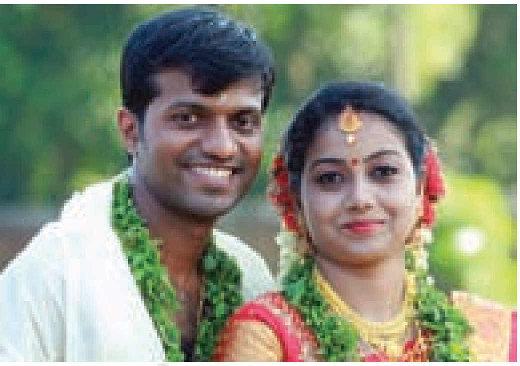
Deons Davis, Asst. Manager Pune Camp Br. and **Anjali Jos**



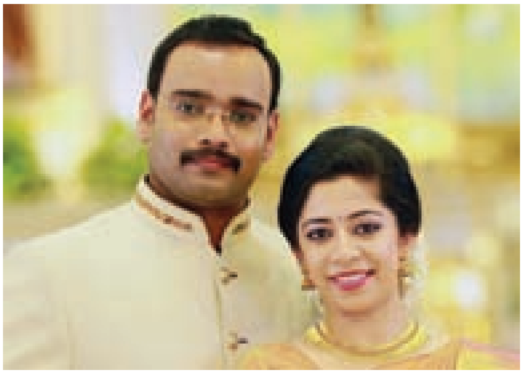
Sujith Thomas, Asst. Manager, Chennai Service Br. and **Asha Abraham,** Clerk, Pullad Br.

John Sunny, Asst, Manager, HO Legal Dept. and **Treesa Thomas**, Clerk,HO MCCPC

Theresa George, Clerk, Moonnupeedika and **Sachin George**



Rakesh R., Clerk, Br. Kodungallur and **Keerthana**



Marymol Kuttichakku, Clerk,Thrissur Mission Quarters Br. and **Vibhu I Vadakkan**

S Nageswarao Rao, Asst.Manager of Guntur Br. and **Sathyaveni**

Siblink wishes a happy and prosperous wedded life

CLICKZ !!!

Panchalimedu- Idukki

Midhun Francis
Palakkad RO

Manali-Himachal

Naveen P.
Asst. Manager
MAPUSA

Manali-Himachal

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