



INVESTMENT POLICY OF THE BIHAR STATE CO- OPERATIVE BANK LTD.

S.NO	Particulars	Remarks
A.	Introduction	<p>National Bank for Agriculture and Rural Development (NABARD) directed to the The Bihar State Cooperative Bank Limited to formulate investment policy for undertaking transactions in securities. Accordingly, an investment policy for The Bihar State Cooperative Bank Limited is being framed and placed for the approval of the Board of management. This investment policy has taken into account the instruction of the RBI from time-to time and relevant provisions of the Banking Regulation Act, 1949 and guidelines provided by NABARD from time to time. The new investment policy will take effect from the date of its approval by the Board of management. This policy shall provide adequate instructions to management, the investment committee and others involved in the management of the investment portfolio regarding its. Thus it can be pointed out that this paper provides insight regarding the investment policy of The Bihar State Cooperative Bank Limited and is helpful to the account holders, employers as well as to the employees. Institutions engaged in banking business have to ensure prudent ways and mean of funds deployment. The liquidity safety and marketability of the investments are of paramount significance to any banker. Day to day obligations are met out of cash that a banker maintains and any surplus will have to be deployed to earn maximum profits. Besides, the Banking Regulation Act/Reserve Bank of India determines from time to time, the ratio of Statutory Liquidity Ratio and Cash reserve requirement. Which in turn stipulates banker to look for appropriate Government and other approved securities etc. Further, there are Non-SLR securities in the form of various public sector bonds central and state government guaranteed</p>

		<p>bonds. These are also profitable source of deployment. Inter Bank Deposits, apart from being a source for temporary parking of surplus funds is an effective means of second line of dealings for any banking institution.</p>
B.	<p>Why Policy</p>	<p>This policy document lays down rules and regulations for governing the function of the department, in addition to the various regulatory guidelines and prudential norms formulated on the basis of directives issued by Reserve Bank of India/NABARD from time to time. The risk and return on investment is co-related. Hence, each bank should consciously decide the level of risks acceptable. In this direction, a sound investment policy is essential. The prudence requires a banker to lay down an investment policy setting forth the authority to take decisions, extent of authority, the procedure to be followed bank's limitations etc. The management and the employees of the bank are expected to function as trustees of public deposits. The transparency, professional approach, due consultation and deliberation etc., should be the hall mark of investment decision.</p> <p>The policy guidelines enumerated herein shall be followed by the BSCB Bank for all investments, with necessary amendments as and when necessary depending on the RBI / NABARD guidelines etc.</p> <p>The policy shall be called as "Investment Policy Guidelines of Bihar State Co- operative Bank Limited"</p>

"Investment policy Guidelines of Bihar State Co-operative Bank Limited"

1.	Objectives:	<p>(i) To manage liquidity position of the bank efficiently.</p> <p>(ii) To maximise income by judicious investment of surplus funds in profitable, safe and secure avenues, while ensuring liquidity.</p> <p>(iii) To meet statutory reserve requirements like CRR and SLR.</p>
2.	CRR & SLR	<p>Bank, in addition to the cash reserve ratio of 4.00% of its DTL which it is required to maintain, shall maintain SLR in India, in cash, or in unencumbered approved securities, an amount which shall not, at the close of business on any day, be less than 19.50%. SLR and CRR are to be maintained as per the directives of RBI issued from time to time. This should be calculated on the total of net demand and time liabilities in India as on the last Friday of the second preceding fortnight.</p> <p>The Bank shall invest the surplus funds in the Non-SLR securities, after complying with SLR requirements.</p>
3.	Surplus Funds	<p>Co-operative banks are established mainly for meeting the credit requirements for agriculture and rural development. Hence surplus funds means "Long Term Surplus and Short Term Surplus Funds available after meeting the legitimate needs of all credit requirements (both Short Term and Medium Term) of DCCBS and other constituents. The surplus funds shall be assessed based on the maturity pattern of assets and liabilities on a monthly basis.</p>
3.	Liquidity	Whenever required sufficient funds can be raised either by

		<p>increasing liabilities or converting assets (investments) at a reasonable cost, the bank is said to have adequate liquidity. Therefore, it is necessary to have short term investments like Treasury Bills, Govt securities, FDs with Scheduled Banks as a percentage of total investments/assets which could be converted into cash and generate liquidity at short term notice between 3-12 months as a corollary to borrowings.</p> <p>A mechanism to monitor the liquidity needs also to be introduced which should also include:</p> <ul style="list-style-type: none"> - Monitoring maturities of investments - High value deposits - Seasonal disbursements, - Repayment to NABARD, etc
4.	Types of approved Investments	<p>a) SLR Investments: The Bank shall maintain the securities in the form of:</p> <ul style="list-style-type: none"> (i) Central Government Securities (ii) State Government Securities and Bonds (iii) Trustee Securities and other approved securities (iv) Treasury bills <p>b) Non-SLR Investments: The Bank shall invest in non SLR securities after complying with SLR requirements in the form of:</p> <ul style="list-style-type: none"> (i) Certificate of Deposits issued by scheduled commercial banks. (ii) Bonds of financial institutions. (iii) Commercial paper- "A" or equivalent and higher rated debentures and bonds. (iv) Units of Debt Mutual Funds and <u>Money Market Mutual Funds.</u>

		<p>(v) Shares of Market Infrastructure Companies (MICS), e.g. Clearing Corporation of India Ltd. (CCIL), National payments Corporation of India (NPCI),</p> <p>C) Other Investments</p> <p>(i) Deposits with Scheduled Commercial banks approved by Bank Board</p> <p>(ii) Call/notice money market</p>
5.	RISK MANAGEMENT SYSTEM	<p>The bank shall make its own risk analysis of the investment portfolio, in addition to relying on the ratings of external agencies, as under:</p> <p>(i) Entry Level Minimum ratings : A+/Equivalent rating</p> <p>(ii) Maturity pattern : Max 10 years</p> <p>(iii) Sector-wise exposure : Within the guidelines. It is better to spread in more sectors instead of concentration in one Sector.</p>
6.	Procedure for SLR Investments:	<p>a) The Bank shall maintain all its investments in Govt Securities only in SGL with RBI or CSGL account with other banks. All transactions of purchase or sale in Govt Securities shall be put through SGL/CSGL account and reflected in its investment account on the same day.</p> <p>b) The Bank shall ensure that under no circumstances a SGL/CSGL transfer from issued by the Bank in favor of another bank would bounce for want of</p>

		<p>sufficient balance in the SGL/CSGL account. If the SGL/CSGL transfer from bounces for certain penal actions.</p> <p>c) At the time of purchase of securities, the bank shall transfer the funds through RTGS only after the receipt of the SGL/CSGL transfer forms from the selling banks/authorized dealers. For all transactions delivery versus payment shall be insisted upon. The SGL transfer from received by Bank shall be deposited in their SGL/CSGL account immediately. No sale shall be affected by way of return of SGL/CSGL form held by it.</p> <p>d) The SGL/CSGL transfer from issued by the Bank shall be signed by two authorized officials of the bank whose signatures are recorded.</p> <p>The SGL/CSGL transfer form issued by the Bank shall be in the standard format prescribed by RBI and printed on Letter head of uniform size.</p>
7	<p><u>Non-SLR Investments:</u> <u>Prudential Limits:</u></p>	<p>7.1 Bank should comply with following limits:</p> <ol style="list-style-type: none"> i. Bonds of public sector undertakings, ii. bonds/equity of All India Financial institution, iii. Infrastructure bonds floated by All India Financial institutions, iv. Unsecured redeemable bonds floated by nationalized banks. v. Units of UTI and

		<p>7.2 The total investments in (i) to (v) above should not exceed 10 percent of the banks' total deposits as on 31 March of the previous year, with a sub-ceiling of 5 percent of incremental deposits of the previous year for investment covered under (V).</p> <p>7.3 Bank should ensure that exposure, to a single issuer of debt securities is within the individual exposure ceiling prescribed by RBI for grant of advances, based on the capital funds of the bank.</p> <p>7.4 Bank which has exposure to investments in non-SLR securities in excess of the prudential limit prescribed above as on 31 March should not made any fresh investment in such securities till they ensure compliance with the above prudential limit.</p> <ul style="list-style-type: none"> ❖ The bank should have complied requirements of NODC discipline stipulated by NABARD. ❖ All legitimate credit (ST and MT) needs of the cooperatives in the State should be fully met. ❖ There should be no default in repayment of dues to NABARD/any other financing institutions from which it has borrowed and in the maintenance of the stipulated CRR and SLR. <p>All investments wherever Demat facility is available to be made in Demat form only and the existing investments such as PSU Bonds, share etc., which have Demat facilities to be transferred to Demat form. The bank shall have a Demat account with the eligible Depository participants for this purpose.</p>
--	--	--

		<p>i. Bank Deposits: The Bank shall invest its temporary surplus of funds in Inter Bank Deposits only of scheduled commercial banks/RRBs for a period as decided by the Managing Director which have been approved by the Board. The bank has to call the quotes from the approved Banks whenever such investments are to be made. The exposure limit shall be worked out based on the banks net worth of the previous year and get the approval by the Board. The bank shall not keep any Fixed Deposits with any cooperative banks as per the instructions issued by NABARD/RBI from time to time.</p> <p>ii. Call/Notice Money Investments: The Bank, when having a very temporary surplus for two or three days, shall invest in the call money market through approved Banks or SBI Discount and Finance House of India Ltd., or with other primary dealers (as per instructions issued by NABARD/RBI from time to time) in the call money market which offers competitive rates. The bank may also invest in notice money up to 14 days.</p> <p>iii. REPOs: The Bank shall also deal in REPO transactions in treasury bills and other specific Govt. stocks through SGL account.</p>
8.	Bank Receipts (BRS):	Bank shall not issue BRS under any circumstances in respect of any transactions in Govt. Securities.
9.	Categorization of Investments:	The entire investment portfolio (including SLR and NonSLR) of The Bihar State Cooperative Bank Limited are classified into three categories viz. The decision regarding the category of investments shall be decided at the time of acquisition and the decision shall be recorded on the investment committee minutes of the Bank. Further the Bank is required to classify

their entire investment portfolio (including SLR and non-SLR securities) under three categories viz:-

- i. **Held to Maturity (HTM)**
- ii. **Held for Trading (HFT)**
- iii. **Available for Sale (AFS)**

Bank should decide the category of the investment at the time of acquisition and the decision should be recorded on the investment proposals.

9.1 Held to Maturity : Securities acquired by **The Bihar State Cooperative Bank Limited** with the intention to hold them up to maturity will be classified under "Held to Maturity" category.

9.1.1 Securities acquired by the bank with the intention to hold them up to maturity will be classified under 'Held to Maturity category.

9.1.2 The investments included under Held to Maturity category should not exceed 25 percent of the bank's total investments

9.1.3 Bank is not permitted to invest in bonds and debentures of private sector companies. Their investments in bonds of PSUs and shares (as permitted by RBI) should be classified under 'Held to Maturity category but these will not be counted for the purpose of ceiling of 25% specified for this category.

9.1.4 Profit on sale of investments in this category should be first taken to the P & L Account and thereafter be appropriated to the Investment Fluctuation Reserve/Investment Depreciation Reserve Account Loss on sale will be recognized in the P & L A/C.

9.2 Held for Trading: Securities acquired by **The Bihar State Cooperative Bank Limited** with the intention to trade by taking advantage of the short-term price/interest rate movements will be classified under "Held for Trading" category

9.2.1 Securities acquired by the bank with the intention to trade by taking advantage of the short-term price/interest rate movements will be classified under the above mentioned category.

9.2.2 If bank is not able to sell the security within 90 days due to exceptional circumstances such as tight liquidity conditions, or extreme volatility, or market becoming unidirectional, the security should be shifted to the 'Available for Sale' category, subject to conditions stipulated in paragraphs 9.5.3 and 9.5.4 below.

9.3 Available for Sale:

9.3.1 Securities which do not fall within the above two categories will be classified under "Available for Sale" category by **The Bihar State Cooperative Bank Limited**.

9.3.2 Bank has the freedom to decide on the extent of holdings under 'Available for sale' category. This may be decided by them considering various aspects such as basis of intent, trading, strategies, risk management capabilities, tax planning, manpower skills, capital position etc.

(Profit or loss on sale of investments in HFT and AFS categories should be taken to P&L A/C)

9.5 Shifting of investments

9.5.1 Bank may shift investments to/from Held to Maturity

category with the approval of the Board of Directors once in a year. Such shifting will normally be allowed at the beginning of the accounting year. No further shifting to/ from this category will be allowed during the remaining part of the accounting year.

9.5.2 Bank may shift investments from 'Available for Sale' category to 'Held for Trading' category with the approval of their Board of Directors. In case of exigencies, such shifting may be done with the approval of the CEO of the Bank, but should be ratified by the Board of Directors

9.5.3 Shifting of investments from 'Held of Trading' category to "Available for Sale' category is generally not allowed. However, it will be permitted only under exceptional circumstances as mentioned in paragraph 9.3.2 above, subject to depreciation, if any, applicable on the date of transfer, with the approval of the Board of Directors/Investment Committee.

9.5.4 Transfer of scrip from one category to another, under all circumstances should be done at the acquisition cost/book value/market value on the date of transfer, whichever is the least, and the depreciation, if any, on such transfer should be fully provided for.

9.6 Classification of investments in the Balance Sheet:

For the purpose of Balance Sheet, the investments should continue to be classified in the following categories:

- i. Government securities
- ii. Other approved securities
- iii. Shares
- iv. Bonds of PSUs
- v. Others

10.	Valuation of Investments:	<p>10.1 Valuation Standards:</p> <p>10.1.1 Investments classified under 'Held to Maturity' category need not be marked to market and will be carried at acquisition cost unless it is more than the face value, in which case the premium should be amortized over the period remaining to maturity.</p> <p>10.1.2 The individual scrip in the 'Available for Sale' category will be marked to market at the year-end or at more frequent intervals. The book value of the individual securities would not undergo any change after the revaluation.</p> <p>10.1.3 The Individual scrip in the 'Held for Trading' category will be marked to market at monthly or at more frequent intervals, the book value of individual securities in this category would not undergo any change after marking to market.</p> <p>Note: Securities under AFS and HFT categories shall be valued scrip-wise and depreciation/appreciation shall be aggregated for each classification as indicated at Para 9.6 above separately for AFS and HFT. Net depreciation, if any, shall be provided for. Net appreciation, if any, should be ignored. Net depreciation required to be provided for in any one classification should not be reduced on account of net appreciation in any other classification. Similarly net depreciation for any classification in one category should not be reduced from appreciation in similar classification in another category.</p>
-----	---------------------------	--

10.1.4 The provisions required to be created on account of depreciation in the "Available for Sale" and "Held for Trading" category in any year should be debited to the Profit and Loss Account and an equivalent amount (net of tax benefit, if any, and net of consequent reduction in the transfer to Statutory Reserve) or the balance available in the Investment Fluctuation Recovery/Investment Depreciation Reserve Account, whichever is less, shall be transferred from the Investment Fluctuation Reserve/Investment

Depreciation Reserve Account to the Profit and Loss account. In event provisions created on account of depreciation in the "Available for Sale" and "Held for Trading" category are found to be in excess of the required amount in any year, the excess should be credited to the Profit and Loss Account and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such excess provision), should be appropriated to the Investment Fluctuation Reserve/Investment Depreciation Reserve Account to be utilized to meet future depreciation requirement for investments in this category. The amounts debited to the Profit and Loss Account for provision and the amount credited to the Profit and Loss Account for reversal of excess provision should be debited and credited respectively under the head "Expenditure - Provisions and Contingencies". The bank should segregate quantum of provisions required for diminution/depreciation in investments and park under "Contingent Provisions against depreciation in investment to clearly define provisions and reserves and facilitate transfer of funds

		<p>from/to Investment Fluctuation Reserve/Investment Depreciation Reserve. The amounts appropriated from the Profit and Loss Account and the amount transferred from the Investment Fluctuation Reserve/Investment Depreciation Reserve to the Profit and Loss Account should be shown as 'explanatory note' after determining the profit for the year.</p> <p>10.1.5 It is clarified that while the individual scrips in the Held for trading category will continue to be marked at monthly or at more frequent intervals, the book value of the individual securities in this category would not undergo any change after marking to market. While the net depreciation in the value of investments, if any, shall be provided for, the net appreciation, if any, should be ignored. Net depreciation required to be provided for in any one category should not be netted with net appreciation in any other category.</p> <p>10.1.6 In respect of securities included in any of the three categories where interest/principal is in arrears, the bank should not reckon income on the securities and should also make appropriate provisions for the depreciation in the value of the investment. The bank should not set-off the depreciation requirement in respect of these non-performing securities against the appreciation in respect of other performing securities.</p>
11.	Trading Policy:	Bank can invest surplus funds in call money, term deposit with banks, certificate of deposit, commercial paper, SLR securities and Non-SLR securities. These investments are maintained in two ways i.e. passive way or active way. In passive way, the

securities are purchased and held till maturity earning interest only. In active of the investment is churned many times which leads to trading, thus the earnings will be trading income + interest on investments. This is normally done to earn better returns. Trading in investment is similar to trading in other financial products and commodities. This activity involves buying and selling of securities frequently. If the security is bought and sold on the same day, it is called intra-day trading. If the security holds for more than a day, it is called overnight trading. This is determined by market conditions. Generally government securities are easily traded in the market and thus highly liquid in nature.

Trading is undertaken with an intention of making profit. In this activity, profit is generated if the price of security moves as per expectation. However, the expected movement of price does not happen all the times and loss has to be booked. Sometimes, we will not be able to sell the securities even at a loss when the market unidirectional.

The price movement of security depends on various factors like happenings viz., financial conditions, Political situation, Natural calamities, Trade related activities, Fiscal deficit, Balance of Payment position, demand and supply, global factors important announcements by financial regulators etc. The price is also influenced by things happened, current events and expectations. The trading in securities can be undertaken out of surplus securities only i.e. in excess of regulatory requirement. We may start this activity with surplus securities not exceeding the amount approved by Board from time to time.

The Bank shall buy and sell on market movement: The decision to buy/sell shall be taken based on yield movement in the market. The bank shall not resort to booking long term profit for short term gains (selling family silver).

		<p>Cut loss policy : When certain security prices more adversely after the purchase, the security should be sold immediately to avoid further loss. The cut loss shall be enhanced to Rs.1.00 (maximum) from the present Re.0.50 per unit from the sale/purchase price. If for any reason, the security cannot be bought/sold at cut loss limit a note should be put up to Managing Director explaining the situation</p> <ul style="list-style-type: none"> - Book profit to be applied at Rs.2 (Maximum) from purchase price per bond. - Daily valuation of this trading book should be done at the end of day and submitted to Managing Director - Monthly performance of this trading book should be submitted to Board. <p>Portfolio return to be seen: The bank shall distinguish between investment and trading. Investment is for long term where income is interest and capital appreciation whereas trading in investment is done to take advantage of market movement.</p>
12.	Internal Control System	<ul style="list-style-type: none"> ❖ Bank not to trade in Non-SLR bond, Zero coupon bond, and Deep discount bond. ❖ Bank not to purchase/sell unlisted securities. ❖ Bank not to trade in securities which have been listed, but not traded on the day of transaction/recent past. ❖ Bank not to trade in securities in respect of which price discovery is difficult/not available.
13.	Implementation of Investment Policy:	<p>The markets are matured enough and react fast to the happenings. The rates quoted for securities in the market also keep moving accordingly any delay in decision making results in missing the price quoted in the market. Therefore, the implementation of policy is very important Chief Executive Officer will implement the policy on investments. Chief Executive Officer will take required action to implement and execute the investment Policy of the Bank as per the guidelines</p>

		and decisions taken by the Investment Committee, which is headed by the Chief Executive Officer. The status of investments will be placed before the Committee/Board
14	Control System	<p>The Bank shall observe the following guidelines in respect of transactions in Govt. and other securities.</p> <p>(a) As and when the bank decides to make any investment, a detailed analysis(Note) including the risk factors and other details/factors of the institution/company/Govt, shall be put up to the sanctioning authority! Investment committee for approval. All such notes/ files prepared shall be preserved for verification of authorized officials</p> <p>(b) Bank shall not undertake any purchase/sale transactions with broking firms or other intermediaries on principal to principal basis. The bank shall not give power of attorney or any other authorization to broker's intermediaries to deal on their behalf in the money or securities market.</p> <p>(c) Brokers shall not be used in the settlement process at all.</p>
15.	Functional Separation	<p>There shall be a clear functional separation viz., Front office, Bank office and mid office-</p> <p>a) <u>Front office:</u> All sale and purchase of securities are carried out by officials from this section. From office is also called as 'Dealing Room'.</p> <p>b) <u>Back Office:</u> All work pertaining to accounting, settlement, contract confirmation, reconciliation etc., are carried out by officials from this section.</p>

- | | |
|--|---|
| | <p>c) Mid office:
All work pertaining to limit set up for dealing, counter party exposure limits fixation, management information system, risk appraisal and monitoring. Review notes etc. are carried out by officials from this section.</p> <p>d) For every transaction entered into by the dealing desk, the dealer shall prepare a 'deal slip' which shall contain details relating to the nature of deal, the name of the counter party whether it is a direct deal or through a broker. There shall be a proper note containing all details and approval of the appropriate authority for all investment transactions.</p> <p>e) The Bank shall ensure that all deal slips shall be serially numbered and controlled separately to ensure that each deal slip has been properly accounted for. Once the deal is concluded, the dealer shall immediately pass on the deal slip to the back office or recording and processing. For each deal, there shall be a system of issue of confirmation to the counter party by back office. (The counter party should be bank or a Floor a PD or CCIL (A broker cannot be counter party). The timely receipt of requisite written confirmation from the counter party must include all essential details of the contract shall be monitored by the back office.</p> <p>f) Once the deal is concluded, the Bank shall ensure that there shall not be any substitution of the counter party bank by another bank, through whom the deal has been entered into, like-wise, the security sold/purchased in the deal shall not be substituted by another security.</p> <p>g) On the basis of deal slip passed by Front office, the Back office section shall independently write the books of accounts.</p> <p>h) Bank shall not draw cheques on its account with RBI for</p> |
|--|---|

		<p>third party transaction including inter-bank transactions. For such transactions, banker's cheques /pay order shall be issued.</p> <p>i) Bank shall put in place a reporting system to report to the top management on a monthly basis, the details of transactions in securities, details of bouncing of SGL transfer forms issued by other banks and review of investment transaction undertaken during the period.</p> <p>j) The Internal Audit Dept. shall audit the transactions in securities on an on-going basis and monitor compliance with the laid down management policy and prescribed procedures and report the deficiencies, if any. Directly to the top management of the Bank.</p> <p>k) Holding of securities: The committee shall nominate officials for holding of all investment scripts/receipts/deal slips in safe custody. The committee shall also nominate officials for ensuring timely receipt of interest/maturity proceeds/dividend from the securities of the bank.</p> <p>l) Verification of such holdings shall be conducted on a quarterly basis by officials other than those who are holding the securities.</p>
16	Investment Transactions	All investment transactions shall be put up to the Board at its ensuring meeting for approval.
17	Investment Exposure Norms	The bank shall make investments subject to all exposure norms as prescribed by RBI/NABARD from time to time.
18	Accounting procedure	<p>a. All investments shall be valued at a price determined in accordance with such one or more of, or combination of the following methods of valuation, namely, valuation with reference to cost price, market price, book value or face value, as may be specified by the Reserve Bank/NABARD from time to time.</p> <p>b. The bank shall make adequate provisions for</p>

		<p>depreciation in investment portfolio as per prudential norms as prescribed by RBI.</p> <p>c. Interest on all investment shall be taken to P & L account on realised basis as indicated in Sec.22 (a) of KCS Rules 1960.</p>
19.	<p>Audit, Review and Reporting of Investment Transactions</p>	<p>a. Bank shall undertake a quarterly review of the Investment Portfolio, which apart from other operational aspects, shall clearly indicate and certify adherence to laid down internal investment policy and procedures and RBI guidelines, and put up the same before the Board. The review note shall also contain information on interest, dividend etc., received/ not received on due dates.</p> <p>b. A copy of the half yearly investment review report for the period ending 30th September and 31st March approved by the Board shall be forwarded to local RBI and RO, NABARD by 15th November and 15th May respectively.</p> <p>c. Investment portfolio shall be subjected to concurrent audit and the results of the Audit is placed before the Chief Executive Officer of the bank on a monthly basis.</p> <p>d. The concurrent auditors shall also certify the investments held by the bank as on the last reporting Friday of each quarter and as reported to the Reserve Bank of India are actually owned/held by it as evidenced by physical securities or the custodian statement.</p> <p>e. Investment transactions shall be subjected to audit by the statutory auditor and the results shall be placed before the President and Chief Executive Officer of the Bank. Such report shall be sent to NABARD, RO, Bangalore and RBI, DCBS, Bangalore.</p> <p>f. Other than the above norms, the bank shall also ensure</p>

		to comply with all the instructions/guidelines issued by RBI/ NABARD from time to time with regard to all investments of the bank.
20	Review & Approval	The investment policy shall remain in force till such time it is reviewed and approved by the Board of Directors.
21	Investment Limit	The investment limit shall be reviewed every year and any changes in the same will be applicable only after the same is reviewed and approved by the Board of Directors.