Appendix IV

Back Testing of VaR Model

For the last 250 trading days

Backtesting Report as part of PDR III for Quarter ended _____

	Actual	Hypothetical
No of observations (excluding holidays)	250	250
No of failures ie no of times VaR underpredicted the actual trading/ hypothetical MTM losse	0	0

DATE WISE BACKTESTING RESULTS   Rs Crore

Srno	Date	1 day VaR Entire Portfolio Rs. crs	Mkt Value Entire Portfolio	Mkt Value Next Day Same Portfolio	Difference Rs. crs	Failure (Y/N)	Actual P/(L) Rs. crs	Failure (Y/N)
1								
2								
3								
4								
.								
.								
.								
.								
.								
250								

The daily VaR preceding holidays should be upscaled by the square root of number of intervening holidays. For example if the Friday is followed by 2 holidays, then the one VaR figure for Friday should be multiplied by square root of 2.