Annexing of Balance Sheet, Profit & Loss Account, Auditors' Report and Directors' Report in respect of Subsidiaries to Parent Bank's Balance Sheet

DBOD No. BP.BC 96 /21.04.018/00-01

28 March 2001

All Public Sector Banks

Dear Sir,

Annexing of Balance Sheet, Profit & Loss Account, Auditors' Report and Directors' Report in respect of Subsidiaries to Parent Bank's Balance Sheet

Please refer to paragraph 3 of our circular DBOD No.BP.BC.31/21.04.048/00-01 dated October 10, 2000 wherein it was advised that beginning from the year ending March 2001, public sector banks should also annex the balance sheet, profit and loss account, report of the Board of Directors, and the report of the Auditors in respect of each of their subsidiaries, to their own balance sheets.

2. Some of the public sector banks have approached us seeking clarifications regarding the manner in which the annexing of the balance sheets etc. of the subsidiaries is to be done. We have examined the matter and it has been decided as under:

 i)   Parent bank may annex only the annual accounts and Auditors' report of the subsidiaries to its balance sheet.

 ii)   The Directors' report in respect of the subsidiaries should be made available on the web site of the parent bank and may be made available by the parent bank, on request, to those who desire to have them.

 iii)   The above procedure should be continued till such time the bank switches over to the consolidated balance sheet system.

 iv)   Accounting year of the entities which are banking subsidiaries should normally be co-terminus with that of the parent bank and hence the date of the annual accounts of such subsidiaries, annexed to the parent's balance sheet, should coincide with the date of annual accounts of the parent. In respect of subsidiaries which may have an accounting year different from that of the parent bank, the annual accounts annexed should not relate to a date earlier than six months prior to the date of the annual accounts of the parent bank.

Yours faithfully,
(B.Mahapatra)
General Manager