

**Statement of Capital Adequacy (Form PDR III)**

Quarter ended :

Name of the Primary Dealer :

Statement – 1 (Summary)

(i)	<b>Total of Risk Weighted Assets for Credit</b>	<b>Rs.</b>
	<b>Risk as per Section A</b>	
(ii)	<b>(a) Tier I Capital funds (after deductions)</b>	<b>Rs.</b>
	<b>(b) Tier II Capital funds eligible</b>	<b>Rs.</b>
	<b>(c) Total of available Tier I &amp; II capital funds</b>	<b>Rs.</b>
(iii)	<b>Minimum credit risk capital required</b>	<b>Rs.</b>
	<b>i.e. (i) x 15 per cent</b>	
(iv)	<b>Excess of Tier I &amp; II capital funds available</b>	<b>Rs.</b>
	<b>For market risk capital charge i.e. (ii) (c) – (iii)</b>	
(v)	<b>[a] The Market Risk capital charge worked out as the higher of the amounts under the Standardised method and the one as per Internal Risk Management (VaR) Model, as at Section B, Annexure-1 plus Annexure-2 plus Annexure-3 and [b] 15% of the open position in Foreign Exchange arising out of FCNR (B) loans</b>	<b>Rs.</b>
(vi)	<b>Capital funds available to meet (v) i.e: excess of Tier I and Tier II as at (iv) above, plus eligible Tier III capital funds (maximum up to 250 % of above</b>	<b>Rs.</b>

(vii) Over all Capital Adequacy

(a) Total RWA for credit risk i.e. (i)	Rs.
(b) Capital charge for market risk i.e. (v)	Rs.
(c) Numerical Link for (b) = 6.67 i.e. (reciprocal of credit risk ratio of 15%)	
(d) Risk Weighted Assets relating to Market Risk i.e. (b) x (c)	Rs.
(e) Total Risk Weighted Assets i.e. (a) + (d)	Rs.
(f) Minimum capital required i.e. (e) x 15%	Rs.
(g) Total Capital funds available i.e. (ii) + (vi)	Rs.
(h) <u>less</u> : Capital funds prescribed by other regulators/ licensors e.g. SEBI/ NSE/ BSE/OTCEI	Rs.
(i) Net capital funds available (g – h) for PD business	Rs.
(viii) Percentage of capital funds to RWA :	
(ix) Surplus Tier III Capital funds, if any	Rs.

**CREDIT RISK**

**Statement 2**

**A. BALANCE SHEET  
ITEMS**

	FUNDED RISK ASSET	BOOK VALUE Rupees	RISK WEIGHT %	RISK ADJ VALUE
A010	I. <u>Cash balances and balances in current account with RBI</u>		0%	
A020	II. <u>Amounts lent in call/ notice money market and balances in current account with Banks</u>		20%	
	III. <u>Investments</u>			
	(a) Approved securities (other than at (e) below)		2.5%	
SEC	(b) Fixed deposits, Bonds and Certificates of Deposit of Banks and Financial Institutions (as specified by DBOD)		20%	
SEC	(c) Bonds issued by Banks/ Financial Institutions as Tier II capital (as specified by DBOD)		100%	
SEC	(d) Shares of all companies and debentures/ bonds/ commercial papers of companies other than in (b) above/ Units of mutual funds		100%	
SEC	(e) Securities of Public sector Undertakings guaranteed by Government but issued outside the market borrowing programme		20%	
SEC	(f) Securities of and other exposures on Primary Dealers in the Government Securities market including bills rediscounted		100%	
	(g) Bills discounted by Banks/FIs		20%	
	IV. <u>Current Assets</u>			

A041	(a) Inter-corporate deposits	100%
A042	(b) Loans to staff	100%
A043	(c) Other secured loans and advances considered good	100%
A044	(d) Bills purchased/discounted	100%
A045	(e) Others (to be specified)	100%

V. Fixed Assets (net of depreciation)

A051	(a) Assets leased out	100%
A052	(b) Fixed Assets	100%
A053		
A054		

VI. Other assets

A061	(a) Income-tax deducted at source (net of provision)	0%
A062	(b) Advance tax paid (net of provision)	0%
A063	(c) Interest due on Government securities	0%
A064	(d) Others (to be specified and risk weight indicated)	X%
A065	as per the counter party)	
A067	Interest due on Bonds issued by FIS/FD with banks/sundry debtors	

**AA. TOTAL RISK-WEIGHTED BALANCE SHEET ASSETS**

**B. OFF-BALANCE SHEET ITEMS**

FUNDED RISK ASSET	BOOK VALUE Rupees	CREDIT CONV FACTOR	RISK % WEIGHT	RISK ADJ % VALUE
I. <u>Financial guarantees considered as credit substitutes</u>				
- Government/ any exposure guaranteed by Government		100%		0%
- Banks/ Financial Institutions (as specified by DBOD)		100%		20%
- Primary Dealers in the Government securities market		100%		100%
- All others		100%		100%
II. <u>Other guarantees</u>				
- Government/ any exposure guaranteed by Government		50%		0%
- Banks/ Financial Institutions (as specified by DBOD)		50%		20%
- Primary Dealers in the Government securities market		50%		100%
- All others		50%		100%
III. <u>Share/ debenture/ auction stock underwriting obligations</u>				
- Government/ any exposure guaranteed by Government		100%		0%
- Banks/ Financial Institutions (as specified by DBOD)		100%		20%

- Primary Dealers in the Government securities market	100%	100%
- All others	100%	100%
<b>IV. <u>Partly-paid shares/ debentures and other securities</u></b>		
- Government/ any exposure guaranteed by Government	100%	0%
- Banks/ Financial Institutions (as specified by DBOD)	100%	20%
- Primary Dealers in the Government securities market	100%	100%
- All others	100%	100%
<b>V. <u>Bills discounted/ rediscounted</u></b>		
- Government/ any exposure guaranteed by Government	100%	0%
- Banks/ Financial Institutions (as specified by DBOD)	100%	20%
- Primary Dealers in the Government securities market	100%	100%
- All others	100%	100%
<b>VI. <u>Repurchase agreements where the credit risk remains with the PD</u></b>		
- Government/ any exposure guaranteed by Government	100%	0%
- Banks/ Financial Institutions (as specified by DBOD)	100%	20%
- Primary Dealers in the Government securities market	100%	100%
- All others	100%	100%
<b>VII. <u>Other contingent liabilities/ commitments like standby</u></b>		
- Government/ any exposure guaranteed by Government	50%	0%
- Banks/ Financial Institutions (as specified by DBOD)	50%	20%
- Primary Dealers in the Government securities market	50%	100%
- All others	50%	100%
<b>VIII <u>Interest Rate swaps</u></b>		
Original maturity of less than 1 year	0.5%	100%
Original maturity of greater than 1 year and less than 2 years	1%	100%
*Original maturity of greater than 2 years and less than 3 years	2%	100%
*Original maturity of greater than 3 years and less than 4 years	3%	100%
*Original maturity of greater than 4 years and less than 5 years	4%	100%
*Original maturity of greater than 5 years and less than 6 years	5%	100%
*Original maturity of greater than 6 years and less than 7 years	6%	100%

*Note: Cash margins/ deposits should be deducted before applying the credit conversion factor*

*\* Every additional year - CCF increases by 1%*

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<b><u>Forward Foreign Exchange Contracts</u></b>		
IX Original Maturity of the Contract upto one year	2%	100%
For each additional year or apart thereof	3%	100%

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**BB. TOTAL RISK-WEIGHTED OFF-BALANCE SHEET ASSETS**

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**CC. TOTAL RISK-WEIGHTED BALANCE SHEET &  
OFF-BALANCE SHEET ASSETS**

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State  
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PDR-III  
Quarterly  
Return

**MARKET RISK CAPITAL STATEMENT (Correlations i.e. appreciation not recognised)**

(i) Standardised  
Method

INSTRUMENT	Maturity Date	POSITION (FV)	BOOK PRICE	BOOK VALUE	MODIFIED DURATION	DURATION	ZONE	YIELD	ASSUMED CHANGE IN YIELD (bps)	CHANGED YIELD	CHANGED PRICE	CHANGE IN PRICE	MARKET RISK CHARGE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

(ii) Internal Risk Model (VaR)  
Method

INSTRUMENT	Maturity Date	Modified Duration	Last Market Value	Yield Volatility	Convexity	Price as per 99 C.L.	1day H.P. VaR	30day H.P. VaR					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)					

(a) VaR Average of previous 60 Days of Col.No.9=Rs.

(b) Previous days VaR at

Col.No.9=Rs.

Capital Charge i.e.: Higher of (a) and (b)  
multiplied by 3.3=Rs.

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