

12

LIC of India Staff Co-operative Urban Bank Ltd.

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EXPENDITURE POLICY

Expenditure Policy

1.Introduction

An expenditure policy is indispensable for the development of any business concern especially a Banking institution. An expenditure policy should have two aspects viz.

1. Capital expenditure
2. Revenue expenditure

Being a Banking institution The LIC of India Staff Co-operative Urban Bank also must have expenditure policy duly approved by the Board every Year.

At this juncture we should bear in mind that this policy is to have a direct bearing on the profitability of the Bank. And as such the primary concern for the Bank's expenditure policy should be to preserve and augment the predictability aimed at the future progress of the Bank.

Based on data for the previous year and that for the current year the total expenditure incurred, an expenditure policy for the current year is framed as follows.

1. Interest on Deposits and Borrowings shall not exceed 75% of the total Revenue Income.
2. Similarly, the Establishment Expenditure shall be limited to 13.00% of the Revenue Income
3. The contingent expenditure shall not exceed 8.00% of the total Revenue Income.

If deadline is followed, a minimum profit of 4.00% of the total Revenue Income is expected.

2. REVIEW OF EXPENDITURE POLICY

This policy was placed before the Meeting of Board of Directors held on 19.11.2022 as was approved wide Resolution Number XV. This shall be valid till 31.03.2025 and shall be extended for a further period after thorough review.