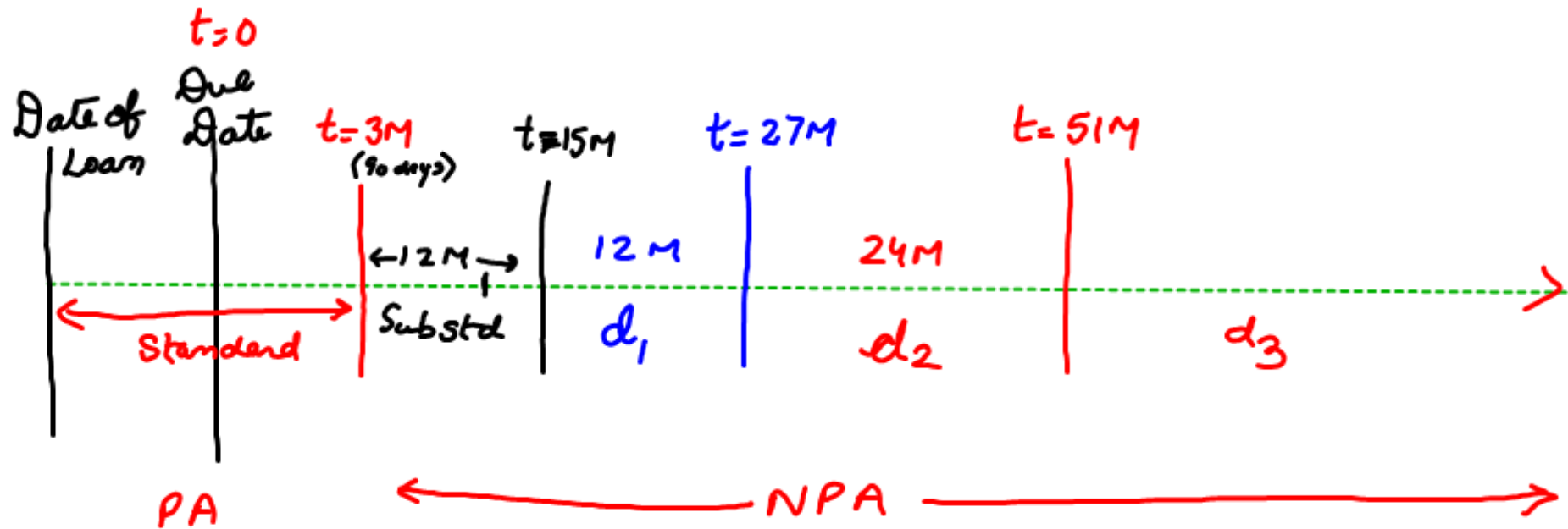


Ageing Analysis of Advances



Category	Subcategory	Time period	Provision for DD	
PA	Standard	upto 90 days from due date	0.4% of loan.	
NPA	Substd	12 months being NPA	25% Unsecured + 15% Secured.	
	DOUBTFUL:	d ₁	1 st year being doubtful	100% Unrec + 25% Sec
		d ₂	2 nd & 3 rd year being doubtful	100% Unrec + 40% Sec
		d ₃	above 3 year	100% Unrec + 100% Sec
	Loss Asset	If debt becomes irrecoverable or Sec < 10% loan	100% loan	
X	Small Advances upto Rs 25000	—	10% loan.	

Ques 7
Category

Category	Subcategory	Time period	Provision for DD	(in lakhs) Amount of Provision.
PA	Standard	upto 90 days from due date	0.4% loan	$0.4\% \cdot 30 = 0.12$
NPA	Substandard	12 months being NPA	25% Unsec + 15% Secured	$15\% \cdot 10 = 1.50$
	d ₂	2 nd & 3 rd year being doubtful	100% Unsec + 40% Sec.	$100\% \cdot 2 + 40\% \cdot 3 = 3.20$
Less Asset		Nonrecoverable	100% loan	$100\% \cdot 3 = 3.00$
Advance upto 25000			10% loan	$10\% \cdot 2 = 0.20$
				<u>8.02</u>

P&L Dr 8.02
to prov for DD (sch 5) 802

Ques 8.

Category	Subcatg	Time Period	Prov for DD	Amt of Prov.
PA	Standard	upto 90 days	0.4% Loan	0.4% 3000
NPA	Substandard	12 M being NPA	25% Unsec + 15% Sec	15% 2200
	d ₁	1st yr being doubtful	100% Unsec + 25% Sec	25% 900
	d ₂	2 nd & 3 rd yr being doubtful	100% Unsec + 40% Sec	40% 1000
	d ₃	more than 3 years	100% Unsec + 100% Sec	100% 300
	Loss assets			100% 600
				<u>1867</u>

P&L Dr 1867
 to prov for DD 1867

PTR

- 1) If Security is in form of KVP, IVP, NSC, PO deposit, LIC Policy, then provision is NOT made against the secured portion.
- 2) If BV & MV (Realisable Value) of Security is given then we consider the MV (Realisable Value)
- 3) If nothing is specified about Security then we assume that the loan is fully secured.
- 4) ECGC / DICGC cover.

ECGC | DICGC Cover
 Export Credit Gtee Comm / Deposit Insurance Credit
 Gtee Comm

~~Language~~ RBI guidelines

Loans
 - Security
 balance
 → ECGC cover
Unsecured

Prior for DD = 100% Unsecured
 + 25% Secured

Q8(i)

Loan	60
- Security	15
<hr/>	
bal	45
- ECGC (40% 45)	18
<hr/>	
Unsecured	27

$$\begin{aligned}
 \text{Prov for DD} &= 100\% \text{ Unsec} + 40\% \text{ Sec} \\
 &= 100\% \cdot 27 + 40\% \cdot 15 \\
 &= 27 + 6 = 33
 \end{aligned}$$

(8ii)

Loan	60
- Sec	15
<hr/>	
bal	45
- ECGC	
40% 45 = 18	
or 15	15
<hr/>	
Unsec	= 30

$$\begin{aligned}
 \text{Prov} &= 100\% \text{ Unsec} + 40\% \text{ Sec} \\
 &= 30 + 40\% \cdot 15 \\
 &= 36
 \end{aligned}$$

Schedule 10

Fixed Assets

Premises

L&B

Computer

Furniture

Locker

ATM machine

Equipment

Power backup.

at cost

- acc depr

WDV

✓

Schedule 11

Other Assets

Prepaid Expense

Adv tax

Intt accrued.

Interoffice adj

NBA (Non Banking assets)

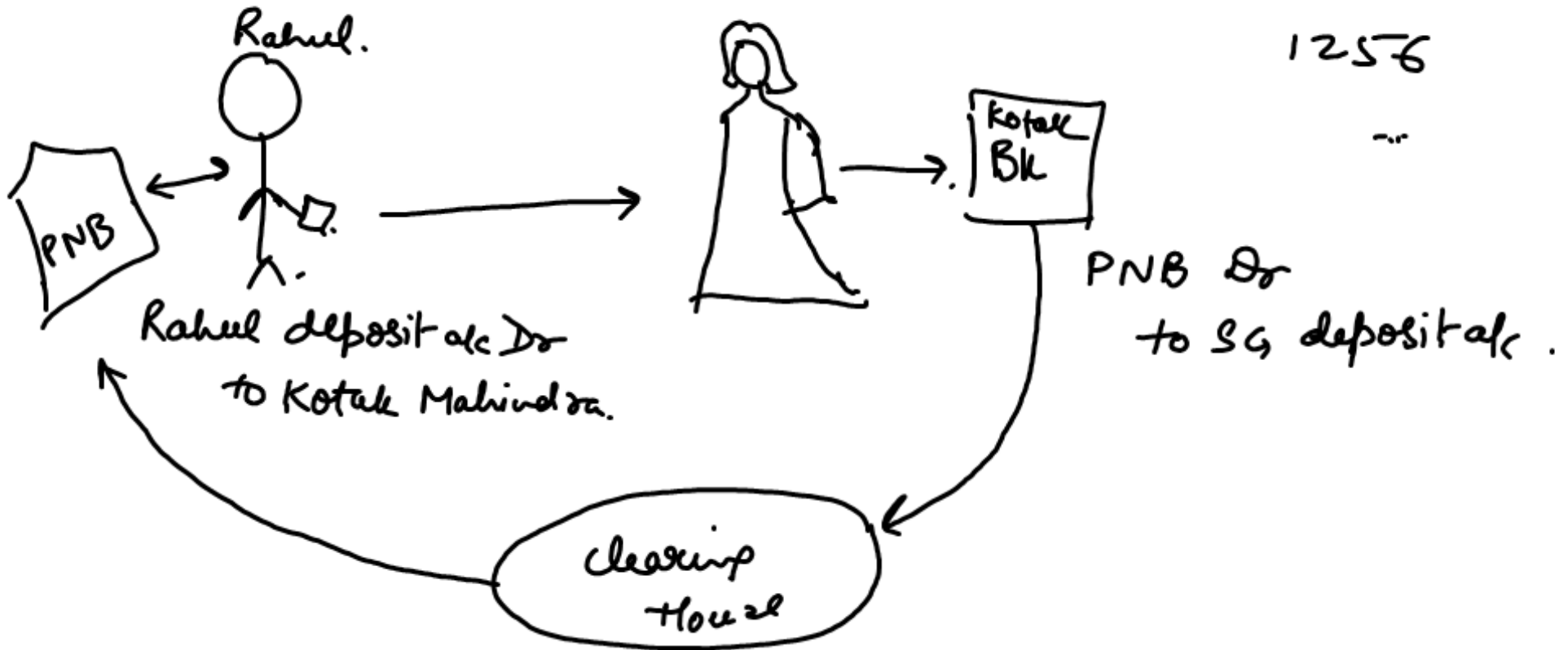
Stationery Stock

Interoffice Adjustments

3781000/12375.8

1256

...

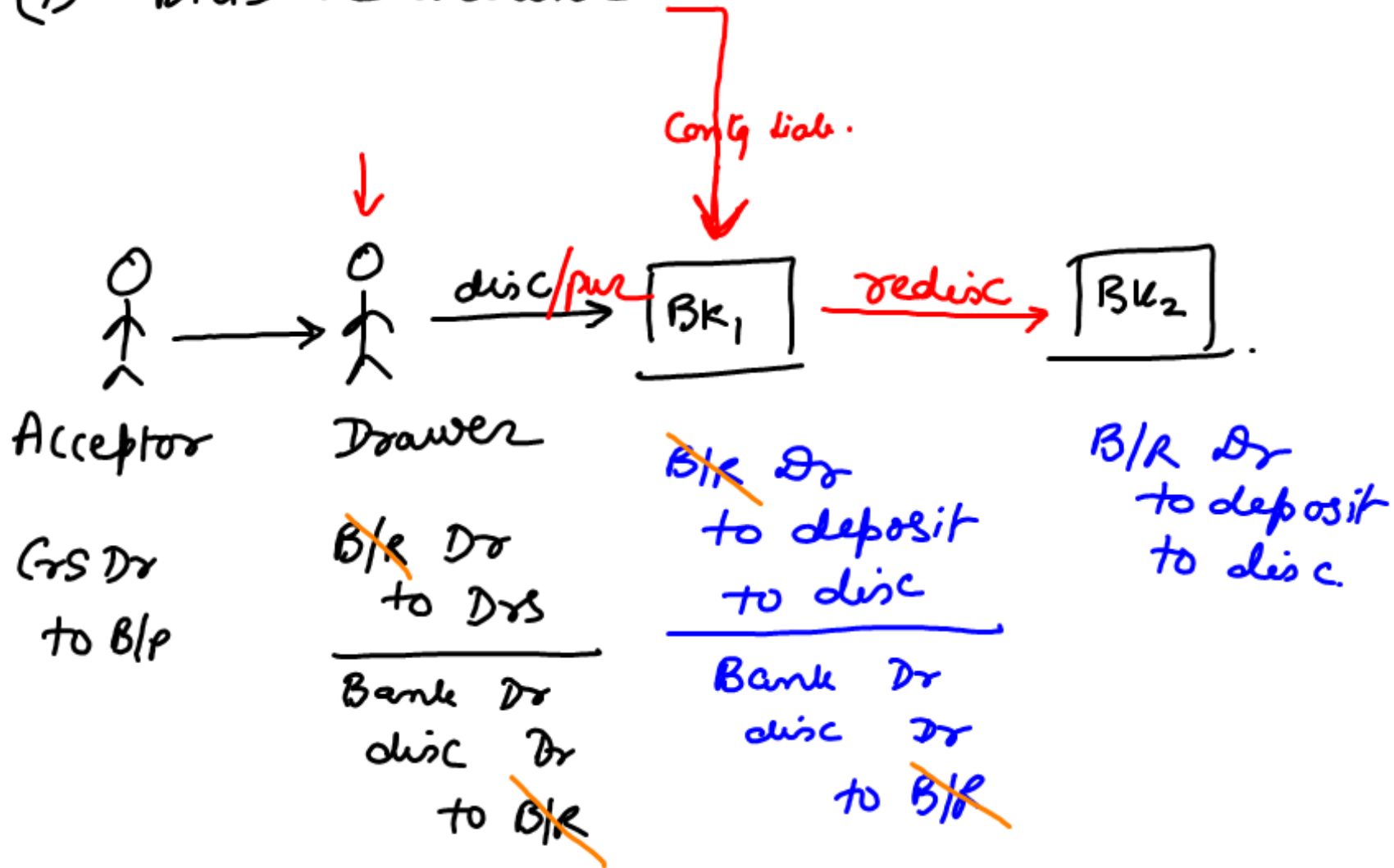


Non Banking Asset (NBA)

They are assets acquired from the defaulters of loan. Such assets should be disposed off within 7 years of acquisition. They are shown at value after depreciation.

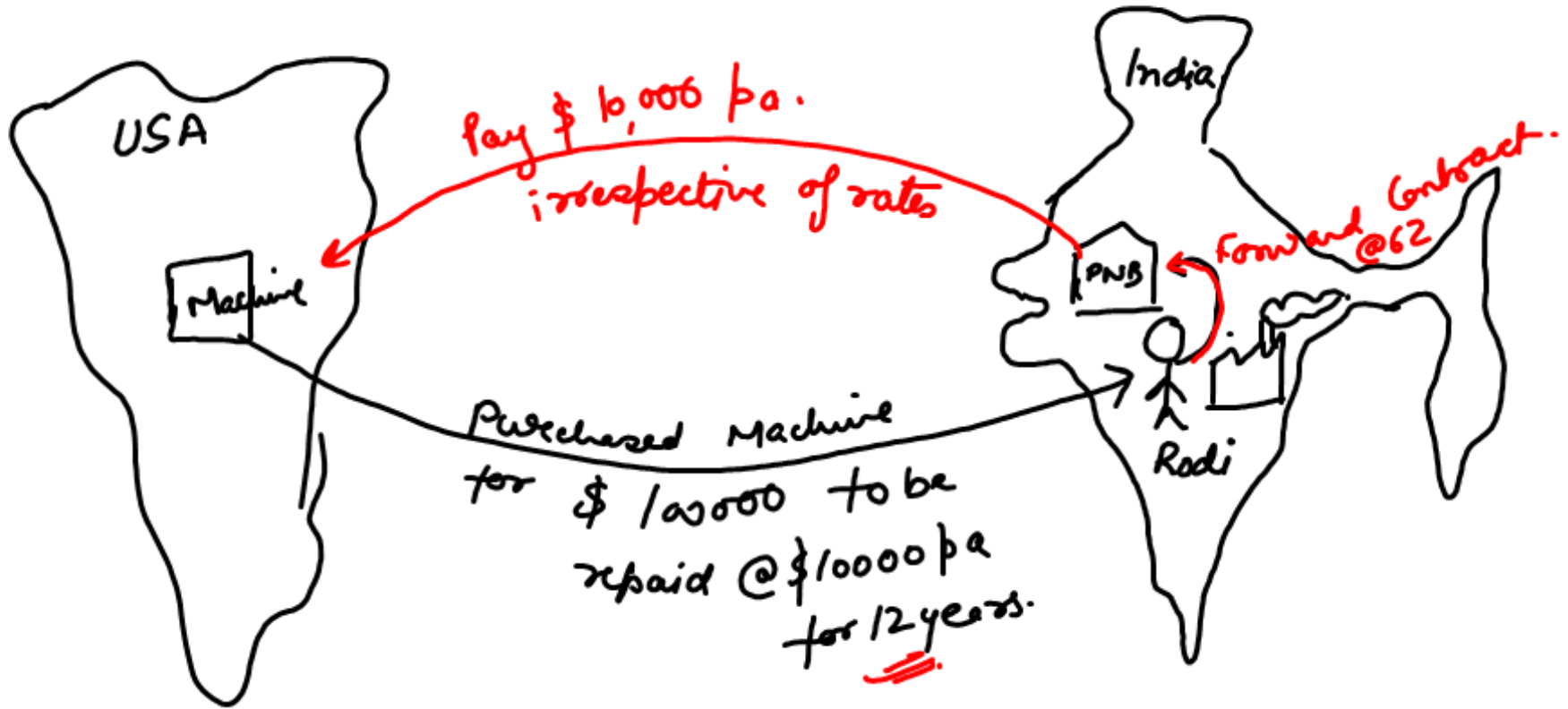
Schedule 12 Contingent Liability

(1) Bills rediscounted.



c ii) Forward Contract. (for PNB)

Hedging



iii) Guarantees, → Bank give guarantees to their client on certain bills, loan taken from outside. They have a secondary liability to pay.

iv) Acceptance & Endorsement:

v) Claims against the Bank. not acknowledged
as debt

loan	5 L
- Security	3 L
<hr/>	
Unsec	2 L