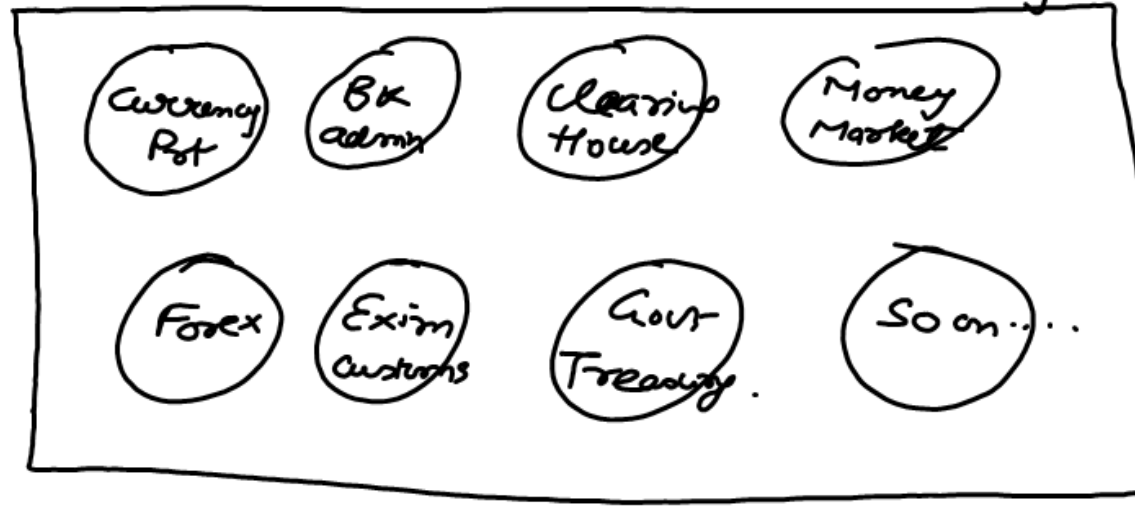
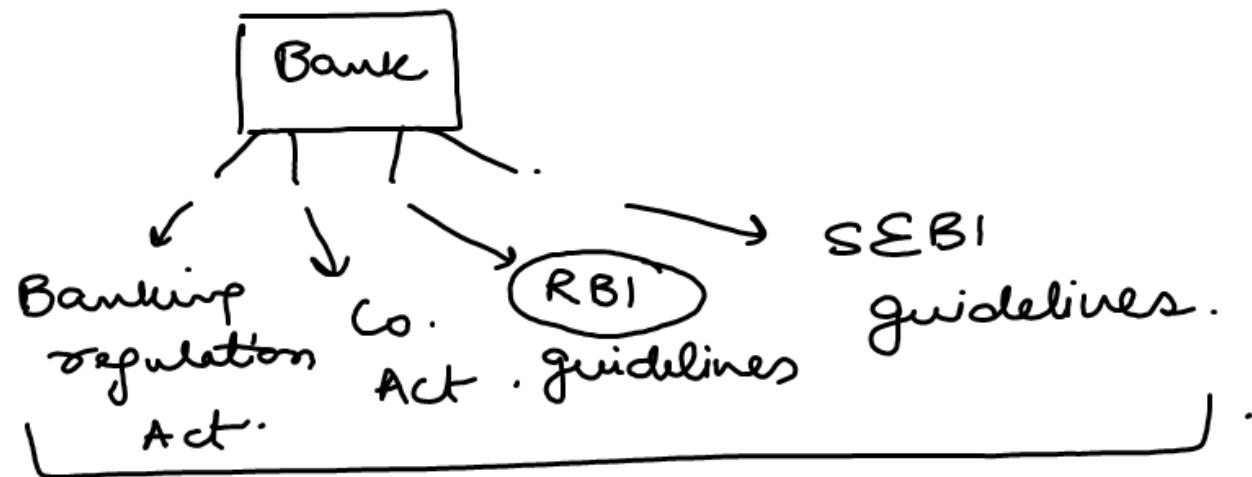


# Banking Companies

RBI = Authority to handle



money &  
Market.  
Banks  
of India.



## Final Accounts of Banks

- 1) Balance Sheet
- 2) Profit & loss statement.
- 3) Cash flow "
- 4) [ Notes to financial statements  
Significant A/c policies

## Balance Sheet.

Particulars	Sch.	Curr Yr. Amount	last year
<u>Capital</u>	1		
<u>Reserves &amp; surplus</u>	2		
<u>Deposit</u>	3		
<u>Borrowings</u>	4		
Other liabilities	5		
Cash in hand & cash with RBI	6		
Bank bal & Short call money	7		
Investment	8		
Advances	9		
Fixed Assets	10		
Other Assets	11.		
Contingent liab	12		
Bills for collection	-		

← Can Ramu dthobi Buy oranges

← CBI A Fraud Organisation

←

# Profit & loss statement

## Incomes:

<u>Interest</u> Income	13
<u>Other</u> Income	14

## Expenses:

<u>Interest</u> Expense	15
<u>Operating</u> Exp	16
<u>Provisions</u>	—

Net Profit.  
+ Bal b/d

Total Profit  
(→) appropriation

Bal cd

Schedule 1  
Capital

Authorized sh cap = .  
Issued sh  
Subscribed  
Called up  
Paid up  
- calls in arrears  
+ sh. forfeiture

---

APP

## Schedule 2. Reserve & Surplus

Capital Reserve

CRR

Sec prem

GR

P&L

↳ Statutory Reserve / Reserve fund (Sec 17)  
All Banks must be at least ~~20%~~ 25% of net profit to Statutory Reserve.

## Schedule 3 : Deposit

- ① Demand deposit → current A/c
- ② Saving deposit → Saving A/c
- ③ Term deposit → Fixed deposit (FD/FDR)
- ④ Recurring deposit (RD)

\* Only demand deposit do not fetch interest.

\* Overdraft i.e. -ve bal of demand deposit is to be shown in Sch 9 & NOT in Sch 3

\* The sum of Sch 3 is called as Demand & Time Liability.



E.g. → T/B. Dr Cr:  
 Current a/c 70000  
 There was an overdraft of Rs 10000 which  
 was adjusted in current a/c.

Ans

(Sch 3)
<u>current a/c</u>
70000
+ 10000
<hr/>
80000 ✓

overdraft (Sch 9)  
 10000.

# Schedule 4

## Borrowing

- ₹ Borrowing from Money MKT.
- " " from other BK
- " " from Ins Co / NBFC / other financial instrument  
↓  
GE Money.

## Schedule 5

Rebate on Bills discounted. (→ Sch 13)

Proof for DD (→ Sch 9)

Proof for tax

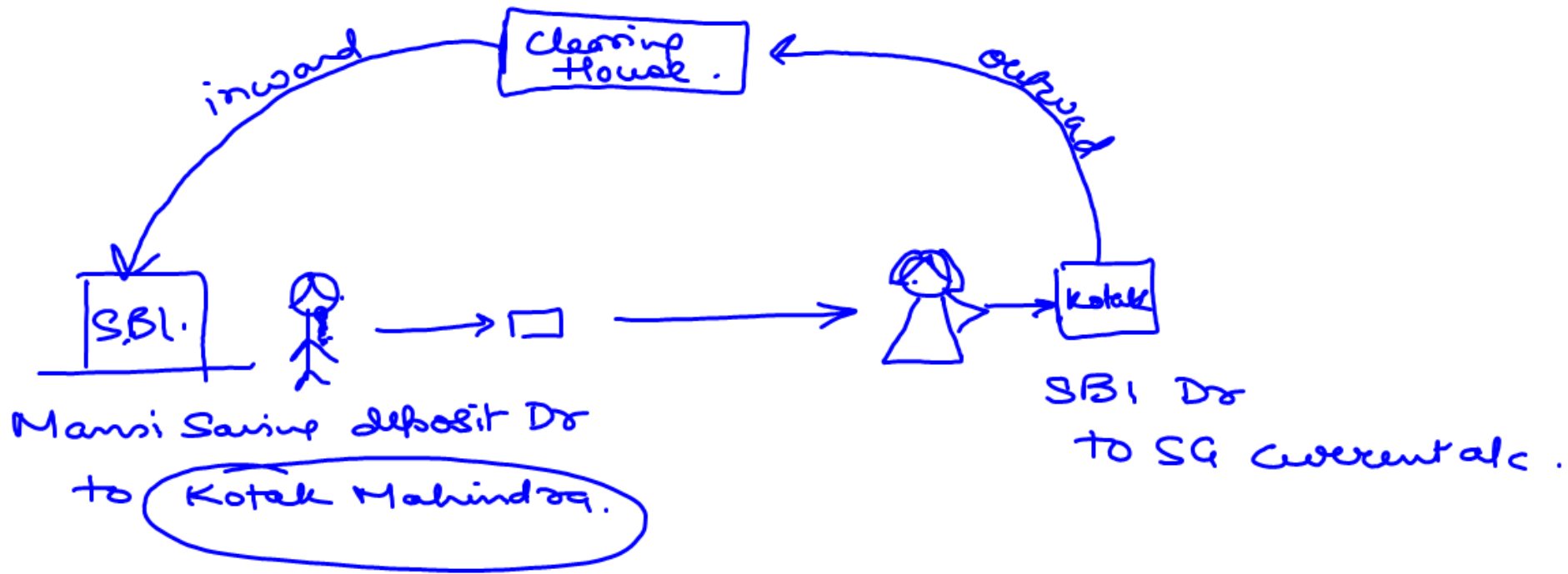
O/S Expense.

Proposed dividend

Unclaimed dividend

Interest accrued

Inter office adjustment



Sch 6,

Cash in hand

&

Cash with RBI



CRR



Every bank must maintain at least 3% of demand & time liability as cash given to RBI.



e.g. → Sch 3 Total = 100000  
Cash with RBI = 70000.

CRR must be at least  $4\% \times 100000 = 40000$

CRR present is more so No problems.

e.g. → Sch 3 Total = 100000  
 Cash with RBI = 25000

CRR must be at least  $4\% \times 100000 = 40000$

C	CRR present	25000
	<hr/>	
	Shortage ∴	15000
	<hr/>	

Top Cash in hand or Cash from Bank  
 to RBI -