

## ANNEXURE - III

Annexure III-1

**OBSERVATIONS/STATUS REVIEW ON MAJOR ADVANCES ACCOUNTS FOR THE YEAR ENDED 31.3.2008**  
**(Each column needs to be filled in completely and adequately; and in case space is inadequate use inverse side)**

1. **BORROWER:**

a) Name of the Borrower	:	:Group								
b) Address	:									
c) Constitution	:	Company <input type="checkbox"/>	:Partnership <input type="checkbox"/>	:Sole Prop <input type="checkbox"/>	:Other(specify)					
d) Nature of Business	:									
e) Other Units in the same group	:									
f) - Name(s) of proprietor/partners/Directors	:									
- Name of Chief Executive, if any	:									
g) Whether Borrower or constituents thereof are on the list of willful defaulters of RBI	:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	: If Yes, give details:						
h) <b>Credit Facilities:</b>	:	Fund Based(Rs.)				Non Fund Based (Rs.)				
Nature of facilities and limits (Rs.in lakhs)		Term Loans	CC/OD	Bills	Others	Total	LCs	Guarantees	Total	
· Date of Sanction and authority	:									
· Due date of renewal, and authority	:	: Actual date of renewal								
· Particulars of latest balance confirmation (LAD)	:									
Total exposure of the Branch (Rs.in Lakhs)		Borrower (Rs.)			Groups (Rs.)					
i) <b>Whether project under Implementation</b>	:	<input type="checkbox"/> No	<input type="checkbox"/> Yes	: Since	Category as per RBI master circular			I	II	III
j) <b>Give details, if the account has been subject to:</b>	:									
-Rehabilitation /Restructuring including as per BIFR	:									
-Rephasing of terms	:									
					Sacrifice:* Amount : Rs.		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
					Right of recompense:* Amount : Rs.		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
		*Basis to be included								



3. **SANCTION (Terms and Conditions)****Annexure III-3**a) **Security****(Rs.in lakhs)**

Primary	*Value (Rs.)	Margin (Rs.)	Net Value(Rs.)	Collateral	Valuation date	Value (Rs.)
a) Stocks/Inventories (*net of unpaid for stocks)						
b) Book Debts (*current debts chargeable)						
c) Others (Specify)						
Total				Total		

**(Value and Margins as per working on the inverse side)**b) **Other major Terms and conditions:**

i)

ii)

iii)

iv)

v)

vi)

vii)

c) **Guarantor(s)**Central Govt.  : State Govt.  : Banks  :Financial Institutions  :Others

**Annexure III-4**

**4. a) Documents Obtained:** (Tick as appropriate)

DPN

Yes

No

Letter of Hypothecation

Mortgage Deed [Equitable/Registered]

Agreement for loan

Letter of Guarantee

Legal Opinion

Non Encumbrance Certificate

Registration of Charge (in case of Company) or evidence there of

**Others (Specify)**

**b) Documents required and pending completion (Specify with reasons):**

5. **ADVANCE PORTFOLIO STATUS:**

(Figures – Rs. in lakhs for all columns)

Facility	Limit (Rs.)	Outstanding as on 31.3.2008 (Rs.)	*Margin on primary security		Drawing Power (Rs.)	Outstanding on 31.3.2007 (Rs.)	Overdrawn Amount @ (Rs.)	Overdues ** (Rs.)
			%	Amount (Rs.)				
a) <b>Fund based</b>								
- CASH CREDIT								
- TERM LOANS								
• WCTL								
• FITL								
• Others								
- BILLS								
- OTHERS								
<b>Total</b>			xx					
b) <b>Non Fund Based</b>								<b>Invoked/ Devolved</b>
- Letters of Credit								
• Inland								
• Foreign								
- Letters of Guarantee								
<b>Total</b>			xx					
c) <b>Amount at credit unappropriated</b>								
d) <b>Interest, if any, held in "Suspense Account"</b>								
e) <b>Unapplied Interest</b>								
f) <b>Bank's right of recompense</b>								

[\* after deducting unpaid stocks and debts older than stipulated period]

@ Overdrawn amount must be with reference to lower of the limit or drawing power

\*\* Segregate principal and interest amounts in default, indicating separately, if any amount is over 90 days overdue.

6.A CLASSIFICATION: (as per RBI norms) (Tick as appropriate) @ State also whether D1,D2,D3 # based on unsecured/secured exposures (state on inverse)		*STANDARD		SUBSTANDARD		DOUBTFUL@		LOSS			
		Bank	Auditor	Bank	Auditor	Bank	Auditor	Bank	Auditor		
a) as at the year-end (31.3.2008)											
b) as at the previous year-end (31.3.2007)											
c) as at half year-end (30.12.2007)											
d) Date of Identification as NPA by Bank		(Date)		(iv) Other Reasons for Identification as NPA							
e) Reasons for identification as NPA (per RBI norms):											
i) Default in servicing of 90 days or more										Yes	No
ii) Accounts not reviewed/limits not renewed for 180 days or more										Yes	No
iii) Funded Interest (FITL)-projects under implementation										Yes	No
f) Whether classification is as per guidelines of the Controlling Authority										Yes	No
6. B ADVERSE OBSERVATIONS IN LATEST REPORTS											
Concurrent Auditor											
Internal Inspection											
RBI Inspection Reports											
Other Reports(including Special Audit)											
*State reasons for upgradation of Account if NPA earlier.											
-Whether upgradation is in respect of project under implementation:											
If so, pre-upgradation classification		Substandard		Doubtful :		D1		D2		D3	

7. **OPERATIONS:**

(Rs. – Actual amounts rounded off without Paise)

**Annexure III-7**

a) <b>*Term loans:</b>	<b>Instalments(Rs.)</b>				<b>Interest(Rs.)</b>			
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
<b>Due</b>								
<b>Realisation</b>								
Interest in arrears: Rs. _____ (Period of arrears _____): Installments in arrears: (No. _____) Rs. _____ (Period of arrears _____) [* If more than one Term Loan, please give information for each on the inverse side in the same format]								
<b>Bills purchased/discounted:(Total outstanding as at year end – Rs. _____)</b>							Bills overdue during the year in excess of 90 days	
<b>Bills overdue*</b> Over 90 days -Details overleaf Rs. _____ Interest accrued and accounted on overdue Bills							<input type="checkbox"/> Yes <input type="checkbox"/> No	
- Other Current Bills Rs. _____ Rs. _____							If yes, particulars on inverse	
c) <b>Cash Credit/Other facilities:</b>								
Account No.	Facility	Limit (Rs.)	Drawing Power (Rs.) @	Outstanding (Rs.)	Outstanding more than D P (Rs.)	Interest (Rs.)		
						Due	Realised	Unrealised for more than 90 days
	- Cash Credit							
	- Devolved L/Cs							
	<b>Total</b>							
	Other facilities							
(@ to be worked out <i>net</i> of trade creditors in relation to stocks and margins as stipulated)								
d) <b>Unrealised interest accrued upto 31.3.2008, if NPA according to Bank/Auditor:</b> Current year Rs. _____ : Previous year Rs. _____								
e) <b>Right of Recompense, if any, in case of restructuring and sacrifice in the past:</b> Current year Rs. _____ : Previous year Rs. _____								

**Annexure III-8**

**e) Particulars/Dates of Irregular Drawings\***

**(Rs.in Lakhs)**

Date	Limit (Rs.)	Drawing Power (Rs.)	Outstanding (Rs.)	Excess over		Reasons for Excess	Whether excess drawing reported to the controlling Authority	Date of approval by controlling Authority
				Drawing Power (Rs.)	Limit (Rs.)			

\* In case of computerized branches information could also be available/corroborated from **exceptional daily reports** generated through the system

**f) Summary of Account/Summations: (Rs.in Lakhs)**

	Cash Credit(Rs.)	Overdraft (Rs.)	Others(Rs.)	Remarks
<b>Opening Balance –Debit(1.4.2007)</b>				
<b>Add: Debit Summations</b>				
i) Interest				
ii) Others				
Total				
<b>Less: Credit Summations</b>				
<b>Balance outstanding debit as at 31.3.2008</b>				

8. **SECURITY/GUARANTEE:**

(Rs.in Lakhs)

Nature of Evidencea) **Evidence on record for existence and Market value of Security:**i) **Primary:****Date****Particulars***(indicating date of the latest stock statements/book debts etc.)*

a) Stocks (net of unpaid stocks)

b) Book Debts (current debts)

c) Others (specify)

ii) **Collateral**

(Date of last valuation, Nature of encumbrances, if any )

iii) **Insurance coverage.**

Whether policies in force

Whether all assets covered

Whether adequate

Any other Adverse features

Yes

No

Yes

No

Yes

No

Yes

No

- **Comment on inadequacy in Insurance coverage and other adverse features.**

iv) **Physical Inspection of securities charged as security:**

Date of latest inspection

Date of last Stock Audit Report

- **Reasons for non-inspection(if more than 6 months)**- **Major uncomplid adverse observations in Inspection / Concurrent Audit Reports on securities:**

**Annexure III-10**

v) <u>Guarantees</u>	<u>Date of Guarantee</u>	<u>Amount</u>	<u>Guarantees (Rs.in Lakhs)</u>		<u>Remarks</u>
			<u>*Invoked (Rs.)</u>	<u>Repudiated (Rs.)</u>	
<u>Particulars</u>		<u>(Rs)</u>			
Central Govt.					
State Govt.					
Banks					
Financial Institutions					
Others(Specify)					
Total					

**\* Reasons for non invoking of guarantees to be given in the remarks column**

b) <b>Exceptional reports, if any</b> on documentation, operations, security/guarantee aspects (whether and when reported to the supervisory / monitoring authority), or where the same is pending, or where the same is pending approval/authorization)	
c) <b>Latest audited statements</b> (including audit report, accounting policies and notes), whether on record -Whether there are any qualifications in the Notes/Audit Report having impact on the financial statements ( <b>State effect thereof</b> ) - Whether Cost Audit report(if applicable) received	
d) <b>Critical Information</b> Whether any critical information sought from the borrower remains uncomplied.	

9. **OBSERVATIONS OF BRANCH MANAGEMENT** (including responses to adverse observations in Reports stated at **Item 6 B** above)
- a) Documentation
  - b) Operations
  - c) Security/ Guarantee
  - d) Any other matter
  - e) Overview of the borrowal account and its operation

10. COMPLIANCE OF TERMS AND CONDITIONS OF SANCTION (Annexure III.1)

11. KEY FINANCIAL INDICATORS FOR THE LAST 3 YEARS AND PROJECTIONS FOR THE YEAR (Annexure III.2)

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Signature of Branch Incharge :

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**ANNEXURE -III.12: OBSERVATIONS/STATUS REVIEW ON MAJOR ADVANCES ACCOUNTS FOR THE YEAR ENDED 31.3.2008  
COMPLIANCE OF TERMS AND CONDITIONS OF SANCTION**

Terms and Conditions		Compliance
i)	<b>Primary Security</b>	
a)	Charge on primary security	
b)	Mortgage of fixed assets	
c)	Registration of charges with Registrar of Companies	
d)	Insurance with date of validity of Policy	
e)	Stock Audit whether conducted-if so when	
ii)	<b>Collateral Security</b>	
a)	Charge on collateral security	
b)	Mortgage of fixed assets	
c)	Registration of charges with Registrar of Companies	
d)	Insurance with date of validity of Policy	
e)	Basis and date of last valuation	
iii)	<b>Guarantees - Existence and execution of valid guarantees</b>	
iv)	<b>Asset coverage to the branch based upon the arrangement (i.e , consortium or multiple-bank basis)</b>	
v)	<b>Others:</b>	
a)	Submission of Stock Statements/ Quarterly Information Statements and other Information Statements.	
b)	Whether latest audited accounts obtained and analysed including considering effect of qualifications therein.	
c)	Last inspection of the unit by the Branch officials: Give the date and details of errors/omissions noticed	
d)	In case of consortium advances, whether copies of documents executed by the company favouring the consortium are available	
e)	Any other area of non-compliance with the terms and conditions of sanction.	

**Note:** In case of non/unsatisfactory compliance, action taken by the Bank may be indicated on the inverse side for each item.

**(Branch Incharge)**

## ANNEXURE III.13 KEY FINANCIAL INDICATORS FOR THE LAST TWO COMPLETED YEARS AND PROJECTIONS

(Rs. in Lakhs)

Indicators	Audited Accounts (year ended)		Projected for year ended 31.3.2008
	31.3.2006	31.3.2007	
Turnover			
Increase in turnover % over previous year			
Profit before depreciation, interest and tax			
Less: Interest			
Net Cash Profit before tax			
Less: Depreciation [*straight line <input type="checkbox"/> W.D.V <input type="checkbox"/> ] (*tick as applicable)			
Less: Tax			
Net Profit after Depreciation and Tax			
Net Profit to Turnover Ratio			
Capital (Paid-up)			
Reserves			
Net Worth			
Turnover to Capital Employed Ratio (The term capital employed means the sum of Net Worth and Long Term Liabilities)			
Current Ratio			
Stock Turnover Ratio			
Total Outstanding Liabilities/ total Net Worth Ratio			
In case of listed companies, Market value of shares during the year:			
a) High			
b) Low			
c) Closing			
** Earning Per Share (Face Value Rs. _____)			
Whether the accounts were audited? No Yes,upto			
If yes, are there any audit qualifications@			

\* To be based on common denominator of face value of shares : State whether basic:  :Diluted

@ Audit qualifications may also be stated against item 8 (c) of the form

Branch Incharge

## ANNEXURE - IV

### Restructuring in Borrowal Accounts (\*Projects under Implementation/ Other Projects) –2007-08

Name of Borrower	1.		2.	
Category of Project (I,II,III)				
Date of Restructuring				
<b>Classification (Std/ Sub std)</b>				
- Prior to restructuring				
- Post restructuring				
<b>Outstanding balances</b>	<b>Principal (Rs.)</b>	<b>Interest(Rs.)</b>	<b>Principal (Rs.)</b>	<b>Interest(Rs.)</b>
Prior to restructuring				
Post restructuring				
Balance as at 31.3.2008				
<b>Sacrifice requiring Provision/write off</b>	<b>Provision(Rs.)</b>	<b>Write off (Rs.)</b>	<b>Provision (Rs.)</b>	<b>Write off(Rs.)</b>
a) <u>Principal</u>				
b) <u>Interest:</u>				
- conversion to FITL				
- conversion to Investments				
c) Reversal of provision upon upgradation to “Standard”				
d) Shortfall in security prior to restructuring				
e) Other Sacrifice				
<b>Total</b>				

\* Delete what is not applicable.

\* Use additional sheets for more similar borrowers

## ANNEXURE - V

## Restructuring in Borrowal Accounts (\*Projects under Implementation/ Other Projects) –2007-08

Name of Borrower	1.		2.	
Category of Project (I,II,III)				
Date of Restructuring				
<u>Classification (Std/ Sub std)</u>				
- Prior to restructuring				
- Post restructuring				
<b><u>Outstanding balances</u></b>	<b><u>Principal (Rs.)</u></b>	<b><u>Interest(Rs.)</u></b>	<b><u>Principal (Rs.)</u></b>	<b><u>Interest(Rs.)</u></b>
Prior to restructuring				
Post restructuring				
Balance as at 31.3.2008				
<b><u>Sacrifice requiring Provision/write off</u></b>	<b><u>Provision(Rs.)</u></b>	<b><u>Write off (Rs.)</u></b>	<b><u>Provision (Rs.)</u></b>	<b><u>Write off(Rs.)</u></b>
a) <u>Principal</u>				
b) <u>Interest:</u>				
- conversion to FITL				
- conversion to Investments				
c) Reversal of provision upon upgradation to "Standard"				
d) Shortfall in security prior to restructuring				
e) Other Sacrifice				
<b>Total</b>				

\* Delete what is not applicable.

\* Use additional sheets for more similar borrowers

**ANNEXURE - V**

**STATEMENT OF OVERDUE DEPOSITS (2007-08)**

**Amount(Rs.)**

Particulars	Rupee Deposits				@Foreign Currency Deposits			
	No.	Principal	Interest	Total	No.	Principal	Interest	Total
<b>Opening Balance(A)</b>								
<b>Additions during the year (B)</b>								
<b>Total (A+B)</b>								
<b>Less: Deposits renewed/repaid( C)</b>								
<b>Overdue deposits as at year-end(A+B-C)</b>								
<b>No. and Amount of NRNR Deposits, if any</b>								
<b><u>Break-up of overdue deposits(period-wise)</u></b>								
Less than 1 year								
1-3 years								
3-5 years								
5-10 years								
Over 10 years								
<b>Receipts held in physical custody by Bank</b>								

@Converted( ) Not Converted ( ), based on the rates of exchange at the year-end.

**BRANCH MANAGEMENT**

NIRC OF THE ICAI

BANK BRANCH AUDIT (2007-2008)

