
REPORT OF
THE WORKING GROUP
ON ACCOUNTING PROCEDURE
AND MAINTENANCE OF
RECORDS AT BANK BRANCHES



RESERVE BANK OF INDIA

CHAPTER I

INTRODUCTORY

1.1 The Working Group set up by the Reserve Bank of India to look into the modalities of implementation of the priority Background sector lending and 20-Point Economic Programme by banks, had considered, inter alia, the question of the mechanism for monitoring progress made by banks in lending to priority sectors etc. The Group had suggested that it would be necessary for banks to introduce changes in their accounting systems and procedures for maintenance of records at field and other levels for priority sector advances which would facilitate compilation of data for the purpose of submission of returns, studies, etc. The Working Group on monitoring system for evaluating the performance of banks in implementation of the 20-Point Programme appointed by the RBI, also considered the issue in detail. The Group observed that the workload on branch level functionaries in preparing various statistical returns had tremendously increased over the years and that the branch managers were hardly in a position to exercise effective supervision over the preparation of returns keeping in view their multifarious responsibilities. Emphasising the need for rationalising the reporting system as also review of the accounting system at branch level, the Group, in the concluding paragraph

of the report recommended as under:

"There is scope to rationalise the statistical reporting system so as to eliminate returns which are duplicative in nature and standardise concepts and definitions. There is also an urgent need to look at the accounting system at the branch level which ideally should be such as to generate the data required without much additional effort on the part of the branch level staff and at short notice. In view of the limited terms of reference and time available, the Working Group could not go into these aspects. However, the Group recommended that the Reserve Bank might consider the possibility of having these issues studied in depth with a view to developing a sound data base for banking statistics in the long run, keeping in view the need for precise and detailed data on the one hand and the burden that it cast on the branches on the other."

The bank officials at the field level are also reported to feel that the present system of accounting and record keeping at branch level needs to be changed to generate data required for various purposes.

1.2 It is in the above background, that the Reserve Bank of India set up in July 1981, a Working Group to Constitution of the Group review the accounting system at bank branches. The composition of the Working Group

was as follows:

1. Shri M.N. Golporia, : Chairman
Chairman & Managing
Director,
Dena Bank,
Bombay.
2. Shri I.D. Vig, : Member
Deputy General Manager,
Punjab National Bank,
Zonal Office,
Meerut.
3. Shri R.L. Wadhwa, : -do-
General Manager,
Union Bank of India,
Head Office,
Bombay.
4. Shri P.K. Kondejkar, : -do-
Chief Officer,
Organisation and Methods
Department,
State Bank of India,
Central Office,
Bombay.
5. Shri S.S. Hasurkar, : -do-
Deputy Secretary,
Ministry of Finance,
Department of Economic
Affairs,
(Banking Division),
Government of India,
New Delhi.
6. Shri B. Satyamurthy, : -do-
Management Analyst,
National Institute of
Bank Management,
Bombay.
7. Shri M.L. Inasu, : -do-
Joint Chief Officer,
Department of Banking
Operations and Development,
Reserve Bank of India,
Central Office,
Bombay.

8. Shri R. Nagaraja Rao, : Member
Director,
Department of Statistics,
Reserve Bank of India,
Central Office,
Bombay.
9. Shri N.D. Parameswaran, : Member-Secretary
Deputy Chief Officer,
Department of Banking
Operations and Development,
Reserve Bank of India,
Central Office,
Bombay.

The Secretariat for the Working Group was provided by the Department of Banking Operations and Development, Reserve Bank of India, Central Office, Bombay.

1.3 The terms of reference of the Working Group were -

Terms of reference (a) To look into the existing systems of maintenance of accounts at branch level including maintenance of the main books of accounts like General Ledgers, Loan Ledgers, etc., as also the various systems of maintenance of sub-day/supplementary books, loan balancing and other records, more particularly at the rural and semi-urban branches and suggest changes which would facilitate the following :

- (i) generation of summary data regarding deployment of funds and lendings to various categories of priority sectors,
- (ii) generation of data for compilation of the returns and schedules prescribed by the Reserve Bank and for furnishing information

required by the Reserve Bank, Central and State Governments, returns required by the Head Office/Controlling Offices of banks for control and supervision as well as for statistical purposes;

- (b) to review the Information System introduced by the Reserve Bank of India and examine the feasibility of the integration of the system with the Control/Statistical returns required by banks,
- (c) to suggest any other measures necessary to ensure availability of data on a regular basis and without delay and
- (d) any other matters which are incidental or related to the above terms of reference.

A copy of the memorandum setting up the Working Group is given in Annexure I.

1.4 The first meeting of the Working Group was held on Procedure adopted the 20th August 1981 wherein it was proposed to elicit through a questionnaire certain basic information from the banks regarding the book keeping

system in force and the modifications effected by them in order to generate the data for the various returns. Two sets of questionnaire were issued - one to be completed by the Head Offices of the banks and the other to be completed by selected branch offices. The questionnaire was issued to all public sector banks and also seven larger private sector banks. These banks were also requested to issue the questionnaire to be completed by the branches (1% of the total number of their branches subject to a minimum of 10 and maximum of 50). A copy each of the questionnaire to be completed by the banks and their branches is given in Annexure II & III respectively. The members of the Working Group also visited a few branches/ Regional Offices of banks with a view to understanding the systems and procedures in operation for recording and maintaining the basic data required for the preparation and/or submission of various statistical returns in general and different schedules under the new information system for monitoring the implementation of district credit plan and lending to priority sectors, etc., by personal visits and discussions with the concerned officials. After the Group had formulated its views, the broad conclusions of the Group were discussed with the Chairmen of two banks.

1.5 Arising from the background in which the Working Group was set-up and having regard to the terms of reference, the Group has mainly focussed its attention on the book keeping

procedures, etc., and information system relating to priority sector advances. The suggestions of the Group relating to book-keeping and maintenance of supplementary sources of information are primarily intended for rural and semi-urban branches. These, in the Group's view, are capable of being implemented without disturbing the existing basic book keeping system.

1.6 The report is divided into 6 chapters. Besides the introductory Chapter, Chapters II to V deal with the

following:

Scheme of the Report

- (a) The present information system
- (b) Book-keeping procedures and supplementary sources of information
- (c) Data processing and consolidation
- (d) Integration of information system.

In the last chapter, the Group has summarised its main recommendations.

1.7 The Group is grateful to the Chairmen of banks and other officials from whose comments on the terms of reference it has benefited. The Group is also grateful to the officials and staff of the Regional Offices and branches, which some of the members of the Group visited. Finally, the Group is grateful to BHI for the secretarial services provided to the Group, particularly to Shri H.D. Parameswaran, Member-Secretary and Shri M.Y. Bhandary, Staff Officer of DEOD, RBI.

CHAPTER II

THE PRESENT INFORMATION SYSTEM

2.1 The Group has, as stated in Chapter I, mainly confined itself to the information system prescribed for reporting the progress in implementation of District Credit Plan (DCP) and Annual Action Plan (AAP) as also the monitoring system for bank advances to the priority sectors and beneficiaries of the 20-Point Programme. In this context, the Group considered the reporting system primarily introduced by the RBI and the banks themselves. Apart from this, the Group also had a look into the reporting system devised by ARDC. The Group notes that the Government of India has also called for certain types of returns from banks for specific purposes while several State Governments also call for ad hoc returns.

2.2 The primary users of the data are -

- (i) The Head Offices/Controlling Offices .
of banks

The users of data

- (ii) The Reserve Bank of India
- (iii) Central and State Governments.

While banks require data for monitoring as well as evaluation/control purposes and for corporate planning, the RBI requires data for monitoring/evaluating the performance of the banks in achieving the social objectives as also for policy formulation. The Central Government also requires the data for similar purposes; the State Governments are mainly interested in assessing the performance of the banks in lending

to specified sector/beneficiaries of specific schemes in the respective States. Elaborate data are also often necessary for answering the questions raised in Parliament.

2.3 The Group examined the existing sources of data on the financing of priority sectors, prescribed by Reserve Bank.

Sources of data They are:

- (i) Periodical returns on priority sector advances (Quarterly/half-yearly/yearly return).
- (ii) New Information System under Lead Bank Scheme (Schedules 1, 2, 3 & 4 and TPP 1, 2, 3 & 4).

(1) Priority Sector Returns

The RBI had prescribed in 1972 three sets of returns on priority sector advances to be submitted by the Head Offices of banks. They are:

	<u>Name of Return</u>	<u>Periodicity</u>
(a)	Priority Sector advances	Quarterly
(b)	Special Return I - Agricultural advances	Half-yearly
(c)	Special Return II - Agricultural advances - Recovery	Yearly

The quarterly return on priority sector advances gives data relating to advances to the broad segments of priority sector i.e., (i) agriculture, (ii) small scale industries, (iii) road and water transport operators, (iv) small business, (v) retail trade, (vi) professionals and self-employed persons and (vii) education, along with data on advances to

weaker sections in certain segments like Agriculture and Small Scale Industries. This summary data is also classified on the basis of population-group-wise spread of branches. There are supporting statements to indicate data of advances to various sub-segments of the main categories of priority sector and State-wise distribution of priority sector credit. The return is divided into seven parts. Taking the number of columns under different sections in each part, the total number of figures to be reported in a full set of quarterly returns comes to about 5000.

The return at item (b) gives the break-up of direct advances for agricultural operations and allied activities, purpose-wise and holding-wise, State-wise, etc. The return is divided into two parts. The number of figures to be reported in various columns in one set of returns works out to about 3500. The yearly return furnishes information about the recovery position of direct agricultural advances, State-wise.

The other returns prescribed by RBI are:

<u>The Name of Return</u>	<u>Periodicity</u>
(a) Consumption loans	Quarterly
(b) Advances to beneficiaries of 20-Point Programme(Point-wise)	"
(c) Village Adoption Scheme	Half-yearly
(d) Advances to Scheduled Caste/ Scheduled Tribes	"

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- (e) Assistance to Farmers Service Societies Quarterly

These are in the nature of supplementary returns.

(ii) New Information System

The New Information System (NIS) basically provides for furnishing of data relating to progress in implementation of District Credit Plans/Annual Action Plans. The monitoring system for bank advances for priority sectors and 20-Point Programme was since integrated into NIS. Thus, the schedules prescribed under the NIS not only provide data for assessing the progress in implementation of DCPs/AAPs but also provide data relating to bank assistance to priority sectors.

Schedules 1(A) and 1(B) are to be filled in by the individual branches while Schedules 2A and 2B^{are} intended to present the consolidated position of all the branches of a bank in a district. Both Schedules 1A and 1B report data relating to aggregate deposits, advances and priority sector credit, besides particulars of applications received, sanctioned, rejected etc. Schedule 1A reports the position as on the last Friday of March and September while Schedule 1B relates to the position as on the last Friday of June and December. The data on priority sector credit is given under broad heads more or less similar to the priority sector returns (item (i) above).

Schedules 1A and 1B are similar except in the following important aspects -

- (i) Schedule 1A calls for data under broad sectoral heads under priority sector while Schedule 1B calls for data under sub-sectors/ sub-items.
- (ii) Schedule 1A calls for only data of outstandings whereas Schedule 1B requires, in addition, half-yearly and cumulative disbursements to be reported.

Schedule 1A requires the figures to be reported in over fifty columns; Schedule 1B has over hundred columns. The total items to be reported work out to about 250 and 500 respectively.

Schedules 2A and 2B representing the consolidated position of branches of a bank in a district has to give the summary position, on the basis of population-group-wise of branches.

Schedule 3 reports the position of recovery of advances (i.e., demand, collection and overdues classified age-wise) during the year of each branch while Schedule 4 shows the consolidated position of recovery of advances during the year for all branches of a bank in a district. The number of figures to be reported in the Schedule is about 365.

Besides the above Schedules, two Schedules, viz., Schedule TPP-1 and Schedule TPP3 have been prescribed to be filled in by the branches while Schedule TPP-2 and Schedule TPP-4 are intended to represent the consolidated position of all the branches of a bank in a district by aggregating Schedules TPP-1 and TPP-3, respectively. These Schedules report credit assistance to beneficiaries of 20-Point Programme (Point-wise) and the relative recovery position.

(iii) Other Returns

Banks have also to submit the Basic Statistical Returns (BSR I & II). The BSR covers a wide range of data including break-up of credit data according to different categories such as occupations, organisation, etc. The present classification in BSR does not generate data on bank finance to various segments of priority sector or to 'weaker sections' in certain categories, although summary data in respect of advances to Agriculture, SSI units, etc., are available. The branch offices of commercial banks submit these returns directly to Reserve Bank.

As regards Central Government, banks submit to them a quarterly return on DRI advances. The Central and State Government also call for ad hoc returns from time to time.

Returns prescribed
by Head Offices

The Group made an attempt to assess the type of .

returns prescribed by the Head Offices of the banks. As far as can be ascertained by the Group, the banks have prescribed a variety of returns relating to the advances to the priority sectors. In the case of several banks, such returns are quite many in number. While the Group did not go in detail into the question of the utility of the returns, it did get a distinct impression that quite a few of them have been introduced from time to time on an ad-hoc basis, possibly taking into account the need to assess the performance in lending to certain specific sub-sectors. Some of them seem to have been prescribed without considering whether the existing returns could be modified to generate the necessary information. Possibly, since several departments in the Head Office deal with the various segments of the priority sector, prescription of an integrated set of returns relating to priority sector advances has not been attempted. It also appears that there has been no systematic attempt to make a review of the prescribed returns periodically, with a view to rationalising the returns and/or dispensing with some of them.

The list of returns prescribed by banks reveal that there are in many cases over hundred returns of different periodicity to be submitted by the branches (including returns to be submitted by branches for Reserve Bank of

India purposes, Head Office purposes and other purposes covering various aspects of working including priority sector lendings). Taking into account the periodicity, a branch has to compile, on an average one thousand three hundred returns in a year. In some cases, this is as high as two thousand six hundred.

2.4 At present, the branches have to compile the following types of returns relating to priority sectors:

- Work Load at branches
- (1) Returns to enable the Head Offices to prepare the various periodical statements relating to priority sectors prescribed by RBI.
 - (2) Schedules under the New Information System.
 - (3) The returns under BSR.
 - (4) Returns prescribed by the Head Office/Controlling Offices for monitoring and control purposes.
 - (5) Ad hoc returns (called by Head Offices for their own purposes or at the instance of other authorities including RBI, Central and State Governments)

The present information system prescribed both by the RBI and Head Offices requires branches to collect data on outstandings, disbursal, demand, recovery, etc., besides classifying advances holding-wise, duration-wise, i.e., short-term and long-term, purpose-wise, status-wise of the borrowers like Scheduled Castes/Scheduled Tribes, credit limit-wise, apart from scheme-wise (i.e. DRI, TPP, IRDP, etc.) classification. The Head Offices have to consolidate the data on population-group-wise of branches and also district-wise, State-wise.

Considering that the branches have to prepare various other returns as well for enabling the Head Offices to submit the statutory returns to RBI and also compile data/statements prescribed by the Head Offices relating to other aspects of the working of the branches, it needs hardly to be emphasised that the work load at the branch level has become quite heavy and even unmanageable at branches which do not have adequate staff. This problem is further compounded by the fact that all the items of data required to be furnished are not readily available and have to be compiled from different sources.

The book keeping procedures of banks at branch level do contribute to a large extent to the difficulties and delays in generation of the data required for compilation of the various returns mentioned above. The present system of accounting

advances is based on the type of advances, i.e., cash credit, overdrafts, loans, bills purchased/discouted, etc., and not on the activity of the borrower or purpose of the advance.

Data relating to advances to any particular sector or activity or purpose is thus not readily available from the existing classification of advances but will have to be worked out by disaggregating the different categories of advances like cash credits, overdrafts, etc., under each head of activity or purpose. While the individual loan ledgers give the outstandings, data on disbursements/recovery which is required for various returns have to be worked out from each of the individual loan accounts. The returns/schedules also require break-up of the advances to various sectors based on land holdings or quantum of credit limit, status of borrower, etc. Further, various items called for in the returns are not mutually exclusive and hence the same advance may have to be classified under different heads. For example, an advance to an agriculturist may have to be classified under agriculture (holding-wise and purpose-wise), SC or ST and scheme-wise, i.e., DRI, TPP, IRDP. An advance may come under more than one Scheme.

The work-load involved in collecting data from the widely-spread branch net-work and processing the same is also quite stupendous. As at the end of September 1981, there were over 36000 bank offices,

~~amount~~ of which, 18200 offices were in rural areas and 8500 were in semi-urban areas. The bulk of the offices to be opened hereafter will be also in rural and semi-urban areas. The number of borrowal accounts under priority sector for scheduled commercial banks was 1.35 crores, of which, agriculture accounted for 96 lakhs as at the end of December 1980. SSI Sector accounted for 8 lakh accounts, retail trade 11 lakh accounts, small business 8 lakh accounts and professional and self-employed 9 lakh accounts. It is in agriculture and to some extent in SSI which have maximum number of accounts that the banks have to classify the relative advances under a large number of sub-heads. This would indicate the magnitude of the work involved not only in preparation of the schedules/returns at the branch level but also in consolidation of the data by each bank and the consolidation by RBI for the banking system.

CHAPTER III

BOOK-KEEPING PROCEDURES AND
SUPPLEMENTARY SOURCES OF
INFORMATION

3.1 In Chapter II, the Group has dealt with the various returns on priority sector which bank branches have to prepare for submission to the controlling/Head Offices, the constraints faced by the branches in compiling data and the heavy burden this imposes on them. The basic terms of reference of the Group is "to look into the system of maintenance of accounts at branch level including maintenance of main books of account, sub-day books/supplementary books, loan balancing and other records, more particularly at the rural and semi-urban branches and suggest changes which would facilitate generation of data for compiling the various returns". As stated in Chapter II, the Group has mainly addressed itself to the question of compilation of data relating to priority sector advances.

3.2 While looking into the system of book-keeping and record maintenance at the branch level, the Group had kept in mind two broad aspects: (a) the easy generation of data for the purpose of compiling the various schedules and returns, and (b) the need to ensure that the advances falling under

various categories/sectors/sub-sectors are correctly classified. During the visit of the members of the Group to the bank branches and a few Regional Offices of banks, it gained the impression that while arithmetical accuracy of the aggregate figures of advance and deposits is ensured by comparison with the figures reported in statutory returns, there was no specific attempt to verify the correctness of the classification under various segments/sub-segments of priority sectors. The main difficulty in such verification is the fact that there is no readily available control data to check the aggregates of various sub-classifications. In the Group's view, the correctness of the classification is vital, as to a large extent policy formulations are based on the figures reported by banks under different categories and as such accounting system and record maintenance should subserve this purpose.

The various aspects covered by the Group during its study of the system are (i) maintenance of certain basic records (ii) maintenance of loan ledgers (iii) account numbering system (iv) book-keeping procedures (v) maintenance of supplementary sources of information. These have been dealt with in the following paragraphs :

3.3 The branches have to furnish certain basic information in the schedules under the New Information System. These relate to Basic records

(i) No. of villages covered by the branch. (ii) No. of PACs/FSS/LAMPS financed. (iii) No. of deposit accounts. (iv) No. of borrowal accounts. (v) Data relating to receipt, rejection and disposal of loan applications. During the visit to the branches of banks by the members of the Group, it was observed that some of them were not maintaining any regular register for the purpose and the necessary data were being culled out, as and when necessary from different sources. It would ^{be} desirable to have regular registers for the purpose. These will help not only compilation of the schedules expeditiously but will also serve as a ready record, to assess the work load on branches, etc. The banks, have by and large, prescribed suitable registers for recording information in respect of items (i) to (iv) above. The Group suggests that banks may look into the existing registers and examine whether any modification is necessary. In this connection, the Group has suggested a format for the register of loan applications (Vide Annexure 'IV').

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In Schedule 1A, the branches have to furnish the following particulars relating to loan applications as to the end of each quarter.

- (i) No. of applications received.
- (ii) No. of applications sanctioned.
- (iii) No. of applications rejected.
- (iv) No. of applications pending.

The particulars are required to be classified under (i) Agriculture (ii) SSI, (iii) Other priority sectors, (iv) 20-Point Programme. In addition, with the present emphasis on IRDP, the particulars of applications received under this programme will also be required. Separate folios may be allotted for (i) Agricultural advances, (ii) SSI and (iii) other advances. Since banks have to maintain a register of applications rejected, this register has been so devised as to serve this purpose as well. It is not considered necessary to maintain a separate register for applications rejected.

3.4 The Group had considerable discussion as to
Whether it is desirable to
Loan ledgers have loose leaf system or
bound registers for the maintenance of loan ledgers.
Most of the banks have the system of bound registers
for the purpose, while some banks have made a

beginning with loan ledgers in loose leaf form. The banks appear to have widely divergent views on having loose leaf system or bound registers for loan ledgers. While some banks have welcomed the idea of having loan ledgers in loose leaf form, others feel that bound registers are more suitable as they offer easier maintenance and greater security. The basic objection to the loose leaf system from a number of banks appeared to be due to the poor quality of the binders and the ledger sheets endangering the durability of the records. This is a matter which could be taken up by the IBA with the manufacturers so that good quality binders/and sheets are readily available. The Group is of the view that the loose leaf system has certain obvious advantages. This would help keeping accounts according to varying classifications, balancing outstandings therein periodically and facilitating collection/extraction of data for various purposes with minimum effort. Given proper attention to handling of the ledgers, the loose leaf system would in the long run, seem to be preferable.

The Group has devised a format of a master sheet to be maintained for each borrowal account (vide Annexure V). This is intended to give complete particulars about the borrower, nature of credit facility, type of advance, status of the borrower, etc. In case the ledgers are maintained in loose leaf form, the master sheet may be maintained separately. In bound registers, the ledger headings may contain all the particulars included in the format of the master sheet.

Having regard to the number of advances in agriculture and SSI, the Group would suggest maintenance of separate ledgers on the following basis:

(1) Agriculture

<u>Crop Loans</u>	<u>Term Loans</u>	<u>Allied Activities</u>
a) Farmers with holdings up to 2.5 acres		a) With limits up to Rs.10000/-
b) Farmers with holdings above 2.5 acres and up to 5 acres		b) Others
c) Tenant farmers, landless labourers and share-croppers		
d) Others.		

(2) Small Scale Industries

<u>Cash Credit</u>	<u>Loans</u>
(A) Credit limits up to Rs.25,000/-	
(B) Others	
	(3) <u>Other priority Sectors</u>
	(A) Transport Operators
	(B) Retail trade
	(C) Small business etc.

In many branches the number of accounts in each category may not be such as to justify maintenance of separate ledgers. In such cases, separate sections of the ledgers with sufficient number of folios (say, 1-50, 51-100, etc.) can be allotted to different categories of advances. The number of classifications required for the purpose of filling in the various schedules is quite large. Thus, the branches have to classify the advances under DRI/Non-DRI, SC, ST and others. Further the term-loans in agriculture have to be classified under (i) irrigation, (ii) equipment loans, (iii) plough animals, (iv) land development loans, (v) others. Similarly, allied activities have to be sub-classified under (i) dairy, (ii) poultry, (iii) fishery, (iv) sericulture and (v) others. The advances to small scale industries have to be classified under artisans, tiny sector etc. and also purpose-wise like handlooms, powerlooms etc. The Group is of the view that with proper sectional arrangement of the ledgers within the above broad categories and balancing of books on a sectional basis, the required data for completing schedules 1 & 2 will become readily available.

As regards the format of the loan ledgers, the Group would suggest addition of a column to record overdues.

3.5 The Group has later in the report dealt with the need for mechanisation of data collection.

Account numbering system An account numbering system for borrowal accounts which would uniquely identify the accounts is a basic requirement for any integrated reporting system covering the information requirements of different users. The system helps in storing all the required 'fixed' information pertaining to individual accounts on computer files and supplement it with 'variable' information at periodic intervals and processing the data according to different classificatory items depending on the requirements of the users. To the extent that only 'variable' information need be reported by the branches at periodic intervals, the workload at the branch level will be reduced considerably. Such a system would also

be useful in monitoring the operations of individual accounts, particularly the large accounts which are to be monitored in terms of RBI circulars and internal circulars issued by the banks themselves. Some of the control returns could then be pruned or even dispensed with. Commercial banks are at present following the general procedure of allotting serial numbers for each type of account (CC, TL, OD, etc.) with minor modifications. During the discussions with many banks, it was noticed that most of the banks were following the procedure illustrated in the Hand-book of instructions for BSR returns except adding the village number or adding the years in which the loans were granted. Some banks were reported to be working in the direction of evolving a suitable account numbering system in their banks.

The structure of the account numbering system requires consideration from the point of view of the requirements of several users of the system. It has to be a structured system with definite identificatory parameters along with the serial numbers of the accounts. Several characters like the sector to which the account belongs, the sub-sector, the scheme corresponding to the loans, the type of account, the status of borrower, categorisation regarding the weaker section, etc., could be considered in constructing a suitable account numbering system.

The Group did not attempt to devise any account numbering system as this will have to be evolved in the light of the system for mechanisation as and when introduced. The Group, however suggests that it would be preferable at this stage, when banks are only exploring the possibility of the numbering system, for the Reserve Bank to suggest a suitable common numbering system for all banks. This would ~~facilitate~~ facilitate mechanisation at a later stage.

3.6 The Group considered the question whether it should suggest any change in the basic book keeping procedures

Book-
Keeping
procedures

(i.e., the system of maintenance of general ledger, day/sub-day books

and supplementaries) the system of balancing etc., followed by banks which essentially was same for all banks. By and large, banks have a uniform system of book-keeping at all the branches. The daily transactions - cash, clearing and transfer - are recorded in vouchers. These vouchers are the basic source for recording the transactions in various supplementary books. The supplementary books give the aggregates of the debit and credit transactions-cash as well as transfer-under most of the account heads maintained in the ledger, for example, savings accounts, current accounts, cash credit accounts, loans, drafts payable etc. In cases where the transactions are small in number, separate supplementaries are not maintained.

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The supplementary book aggregates are then used for writing the day book and the debit and credit summations are balanced. Thereafter, the debits and credits under each head of account are posted in the general ledger under the respective account heads. The balances in the account heads are tallied weekly and the weekly statement of position is prepared. Depending upon the volume of business at the branch, banks have introduced some marginal modifications in the system outlined above. Thus, in very large branches, sectional or departmental day books are prepared. Similarly in large departments, for example, savings accounts, cash credits etc. separate supplementaries are maintained for each ledger to facilitate sectional balancing, expeditious writing of supplementary books etc. While, thus innovations are made in the basic system in the larger branches, no attempt has been made generally by banks- there are exceptions- to simplify the accounting procedure at the smaller/ rural branches. Thus, in rural branches, where the transactions are few and almost all the transactions are in cash, there is no need for a multiplicity of supplementary books. The cash book itself can be made to serve the purposes of almost all the supplementaries by providing suitable columns for the account heads, where there are consistently large transactions, for

example, savings accounts, current accounts, fixed deposits, loans, etc. As in most of the branches the cashier is the only assistant available, he has to in any case write the supplementaries. If the role of the supplementaries can be performed by the tabular cash books, the cashier can write the day book straight from the cash scroll and vouchers after the close of business transactions. In a few branches where the system has been introduced, the closing of the books and the posting of the general ledger is completed very quickly after the close of transactions leaving enough time for the staff to attend to other matters like preparation of statements, canvassing business, follow up of advances, etc. The Group, therefore, recommends that banks should review and simplify the system of accounting in the rural/smaller branches by eliminating the maintenance of unnecessary intermediary records. A specimen of the register in use in one of the banks is given in Annexure VI.

One of the questions on which the views of the banks were sought was whether it was considered desirable to have a system of having separate general ledger heads for loans/advances to certain broad categories of priority sector, like (i) agriculture and allied activities, (ii) small scale industries and (iii) other priority sectors. This question was raised as basically the present system of book-keeping does not lend

itself for information relating to sector-wise/
purpose-wise distribution of credit to be readily
available. The Group notes that some of the banks
have separate general ledger headings for agricultural
advances. The banks generally welcomed the proposal,
particularly as summary data of priority sector advances
would be readily available. At present, general ledger
heads on advances are based on type of accounts i.e.,
(i) term loans, (ii) cash credits, (iii) overdrafts
and (iv) bills purchased/discounted etc. The advances
to various segments of the priority sector may fall
in one or more of the above types of accounts. Unless
therefore, each head of account like loans, overdrafts,
cash credits, BP/BD is sub-divided into (i) agriculture,
(ii) small scale industries, (iii) other priority
sectors and (iv) others, the system will not serve any
useful purpose. But, to have too many heads in the
general ledger will also be a difficult proposition.
In this context, the Group did consider the question
whether advances could be accounted under sectoral
heads, irrespective of whether they are by way of
loans, cash credits or overdrafts, bills purchased etc.
If this is done, it will help considerably collection
of data for various purposes and will have certain other

advantages; for instance, an individual borrower's aggregate liabilities will be reflected in one account which will facilitate closer monitoring. This will, of course, require changes in the formats of the statutory returns, balance sheets etc. As a Committee appointed by RBI is looking into Balance Sheet formats etc. the Group did not consider it appropriate to make any recommendations in this regard. The Group is, however, of the view that modification in the present classification of advances is worth attempting.

The Group also considered the question whether it would not be desirable if all advances to priority sector are given by way of loans rather than in the form of running accounts like cash credits and overdrafts. The Working Group under the Chairmanship of Shri K.B. Chore which reviewed the cash credit system has already made a recommendation that " the short-term loan system with facility for repayment in instalments where necessary should be increasingly used for financing small borrowers, particularly in the priority sector...". The Group is of the view that the use of the loan system for priority sector lendings will facilitate preparation of various statements. It will also help in the more effective monitoring of the advances.

Though the Group did not consider the question of modifications in the account heads in the general ledger, it has reviewed the system of subsidiary books and day books maintained by branches. While there need be only four broad general ledger heads viz., (i) loans, (ii) overdrafts, (iii) cash credits and (iv) bills purchased/discouted in the general ledger, subsidiaries can be maintained under each of the above heads for advances to (i) agriculture, (ii) small scale industries, (iii) other priority sectors and (iv) others. Thus, there will be ^amaximum of 16 subsidiaries in all advances. Correspondingly, it will be necessary to maintain sub-day books for each of these heads. The day's vouchers can be segregated and posted in the sub-day books. This system will have the following advantages:

- (i) data relating to broad categories of priority sectors will be readily available.
- (ii) accuracy of classification and arithmetical accuracy of data will be ensured.
- (iii) sectional balancing of loans, etc., and preparation of basic data for completing various schedules will be facilitated.

- (iv) it would enable banks to obtain periodical reports, say once a month, indicating the number of accounts and balance outstanding under broad segments of the priority sector.

3.6 The advances granted to various segments/sub-segments of priority sectors are required to be sub-classified under certain heads to complete the various schedules/returns like (i) status-wise classification of the borrower, i.e., SC/ST and others (ii) scheme-wise i.e., DRI, Twenty Point Programme, IRDP etc., (iii) direct/indirect, (iv) short-term/term loans, (v) disbursement, (vi) demand, (vii) collection and (viii) overdues. Similarly, purpose-wise sub-classification is required in respect of (i) agriculture-term loans (ii) agriculture-allied activities (iii) SSI and (iv) Road Transport operators. Holding-wise classification is required in respect of advances to agriculture. Advances to allied activities to agriculture and SSI have to be classified on credit limit basis, to obtain data relating to weaker sections in agriculture and SSI. Further, data relating to disbursement, demand, collection and overdues are also to be reported. Having regard to the complexity of the information required, the Group considered the following supplementary sources of information.

Presently, various techniques viz., jotting, sectional balancing and maintenance of back-up registers have been adopted by banks to generate the data required to compile the various Schedules under the New Information System. In most bank branches the jotting techniques are adopted. Depending on the type of classification/sub-classification required, data is culled out, often on an ad-hoc basis. In some bank branches, this has been formalised. In some banks, the loan ledgers etc., are balanced on a sectional basis, i.e., by jotting down the balances in individual accounts under suitable heads. Some banks, particularly, the State Bank of India and its Associates have devised elaborate back-up registers. Separate sets of registers have been prescribed for different segments of priority sectors, viz., agricultural, SSI and other priority sectors with suitable sub-divisions for short-term loans, term loans etc. These registers have 12-50 columns. The Group considered the various supplementary sources maintained by bank branches. Having regard to the complexity of the information required and the fact that several classifications/sub-classifications are not mutually exclusive, there is no escape from maintaining detailed supplementary sources of information on a regular basis. In this connection, the Group has devised a scheme of maintenance of classified balancing registers/back-up registers, the details of the

scheme are given in Annexure VII. Apart from giving the specimen formats for the classified balancing registers and back-up registers, the Annexure also indicates the sources for compiling data in respect of each of the items/sub-items in the various Schedules. The Group would suggest that the said scheme may be introduced in all banks so that the Schedules under the New Information System are compiled by the bank branches expeditiously.

3.7. The suggestion of the Group for modification in the book keeping system and for maintenance of subsidiaries for certain broad segments of the priority sector will expedite the compilation and submission of the returns under the N I S. However, there will be a normal delay in collecting the schedules from the large number of bank branches and the compilation thereof. In view of the need for quick information - both for the banks' Head Offices for monitoring purposes, and the RBI/Government of India for evaluation of performance of the banking system, data on advances to the broad segments of priority sector, on the basis of the subsidiary registers suggested earlier, may be furnished to RBI periodically, say once a quarter, in the proforma given in Annexure VIII.

CHAPTER IV

DATA PROCESSING AND CONSOLIDATION

4.1 The Group had a look into the systems of data processing and consolidation in the banks. The base source of data is necessarily the branch and in the other Chapters, the Group has dealt with the enormous work load of data compilation imposed on the branches, the difficulties in compilation etc. The problems involved in data processing and consolidation are no less. Data have to emanate from about 38,000 branches for the banking system and each bank has to consolidate the data from a substantial number of branches (The State Bank of India has 6000 branches, three banks have over 1500 branches each, six have over 1000 branches each, six others have over 750 branches each). With the multiplicity of returns, data processing and consolidation naturally put a great strain on the banking system as a whole .

The consolidation of data, District-wise and State-wise, has become inevitable. This is necessary not only for reviewing the progress made by banks in implementing DCPs but also for reviewing the performance of banks on a State-wise basis by the State Level Consultative Committees etc. The controlling offices in banks have more or less jurisdiction over a few Districts in a State or they cover the branches in the State. As such, District-wise and State-wise data are required by the banks themselves for review/control purposes. This will also help in planning and budgeting, making

.....

decisions on correcting regional/sectoral imbalances etc. The RBI and Government also require data on District-wise and State-wise basis. Thus, the consolidation of data, particularly regarding credit deployment in priority sector should have District as the base.

As indicated in Chapter II, the total number of figures to be reported in one full set of quarterly return on priority sector advances prescribed by the RBI comes to about 5000. The figures to be reported in the Schedules under the New Information System will be equally large. The base returns/schedules have to emanate from the bank branches. Considering the large number of branches the banks have, the effort required in processing and consolidation of the branch returns/schedules, District-wise, State-wise and for the bank as a whole is enormous. As far as can be ascertained by the Group, the processing and consolidation of the returns and schedules are, by and large, done manually. Consolidation is done at the Regional Office/Zonal Office level and then at the Head Office level in certain banks, while in certain others it is centralised at the Head Office level. Apart from the fact that there is often no means of verifying the correctness of the classification/computation made by the branches, there seems to have been no conscious attempt to evolve any system for such verification. Consolidation is often held up either because the returns/schedules from a

few branches are delayed or clarifications/corrections become necessary in the case of some returns.

4.2 The difficulties in generating data for compiling the Need for mechanisation varied and voluminous information prescribed by the Regional Offices, Head Offices, RBI, Central/State Governments, ARDC etc., and processing and consolidating the same on a manual basis have become insurmountable. In the Group's view a stage has come when the sheer size of the operations and the growing needs of timely and comprehensive information leave no option to the banking system but to introduce mechanisation. In fact, the Group feels that such a step is overdue. The Annual Report of the RBI for the year 1980-81 emphasises the need by stating

"While employment in banks would continue to expand, the growth of business and the needed improvement would inevitably require the introduction of mechanisation, electronic data processing and computerisation in the banks (accompanied by strengthening, where necessary, of the general public telecommunication system) as also in the Reserve Bank."

Of course, before introducing mechanisation, certain steps will have to be taken. They are: (i) rationalisation of returns so that the branches are required to submit the number of returns which are absolutely necessary for the banks, (ii) standardisation of formats for data collection to suit mechanisation, (iii) creation of data bank at each branch/

Regional/Head Office level so that any information required relating to any particular item already available in other returns is not compiled again and the compilation efforts for each return are reduced to minimum, (iv) transferring a part of the compilation work to the Regional/Head Offices who can themselves maintain and update certain information so that the required data are supplied without referring to the branches. Considering that the industry requirements of the banks as a whole are more or less uniform, there appears to be considerable scope for standardisation of formats for data collection to a substantial extent. It should be possible to devise a standardised information system for all banks which meets the requirements of data generation for filling in the returns required by RBI, Central and State Governments, ARDC and for their own monitoring and control purposes with slight modifications to suit individual requirements of banks. In this context, the Group has, vide paragraph 3.5, dealt with the need for a common account numbering system for all banks.

Having regard to the various aspects, the Group is of the view that there is an urgent need to mechanise the entire system of data processing and consolidation for the banks. Several issues like the need for mechanisation in other areas of the working of banks, the overall load, whether to have a net-work of regional data processing centres supporting central processing centres, whether such

centres can be jointly set up and managed by banks will arise. Of course, due consideration will have to be given to the cost benefit aspect. The Group notes that a study group set up by NIBM on information system and data processing in the banking industry sometime in 1972 had made certain recommendations. Since several basic issues have to be resolved and a lot of preparatory work will have to be done before a comprehensive standardised information and mechanisation system is introduced for the banking industry, it will be necessary that a separate Group including technical experts go into this question in detail. The Group would suggest that the RBI and the Government may consider taking further action on this on an urgent basis.

CHAPTER V

INTEGRATION OF THE INFORMATION SYSTEM INTRODUCED BY RBI WITH THE CONTROL/STATISTICAL RETURNS PRESCRIBED BY BANK

5.1 One of the terms of reference of the Committee is to review the information system introduced by the Reserve Bank and examine the feasibility of the integration of the system with the control/statistical returns required by banks. The main sources of data for Reserve Bank on priority sector advances, as stated in Chapter II are -

- (i) Quarterly/half-yearly/yearly returns on priority sector advances.
- (ii) New Information System under the Lead Bank Scheme (Schedules 1, 2, 3 and 4 and TPF 1, 2, 3 and 4).

Besides, the bank branches submit Basic Statistical Returns (B.S.R.).

5.2 The various returns under these have been detailed in Chapter II. Apart from the above returns, the Agricultural Refinance and Development Corporation (ARDC) has also devised a reporting system for the banks. It is understood that the ARDC has set up a sub-committee under the CALCOB, inter alia, to review the

existing reporting system prescribed by the ARDC. The ARDC, apart from requiring information relating to the progress in implementation of the schemes refinanced by them relating to financial outlays, disbursements and recoveries, would also require information relating to the physical targets under the various schemes. The returns prescribed by the RBI do not call for any data relating to the physical achievements. Bank branches also do not have any system of maintenance of regular records to make available data relating to physical achievements readily. Admittedly, information relating to physical achievements will be very much necessary in evaluating commercial bank lendings to priority sector, not only under specific schemes but also outside the schemes. Since a separate sub-committee has been appointed by ARDC the Group has not gone into the details about the reporting system devised by the ARDC and the book keeping procedure/record maintenance at the branch level to meet the information requirements of the ARDC. The Group will, however, suggest that the sub-committee appointed by the ARDC may see how far the information system prescribed by the RBI will serve the purpose of the ARDC and whether it will be possible to integrate the two systems. As regards the

book keeping procedures and record maintenance at branch level the suggestions made by the Working Group should enable branch offices to readily compile the information required by the ARDC. All that may be required is to segregate the advances under the relevant categories of priority sector under the ARDC schemes and others. This could be done by giving suitable prefixes to the account numbers and adopting suitable jotting/balancing techniques.

5.3 The Group examined in detail the various RBI returns returns/schedules prescribed by the RBI under BSR, New Information System under the Lead Bank Scheme and other periodical returns on priority sector advances. The scheme of the BSR returns is some-what different from the schedules under the New Information System and the other returns on priority sectors prescribed by the RBI. The BSR covers a wide range of data including break-up of bank credit according to different categories of occupations, organisations etc. The data is available only under broad sector/segments and disaggregated data is not available. There is a basic difference between the scheme and scope of BSR and that of priority sector returns etc., and hence integration of these two systems of returns may not be feasible.

As such, the Group does not consider it necessary to make any suggestions relating to the BSR returns. As regards the schedules under N I S and the periodical returns on priority sector advances submitted by banks, the Group noticed that the data reported in the priority sectors are available in schedules, somewhat in greater detail. In fact, the N I S has a wider and better base for the purpose of monitoring assessment, evaluation etc. The Group is, therefore, of the view that there should be only one source of data on priority sector advances and that this would be ideally the schedules prescribed under the N I S. The main reason for continuing both the sets of returns, it would appear, is that the N I S has not yet stabilised and pending receipt of regular data under the system, it has not been possible for the RBI to discontinue the returns relating to priority sectors. In para 3.7, the Group has suggested that the RBI may call for data on advances to broad segments of priority sector at periodical intervals. If banks furnish this information expeditiously, on a regular basis, the Group feels that it may be possible for RBI to dispense with submission of the existing quarterly priority sector return.

5.4. The Group is aware that the Central Government as well as the State Governments and/or their agencies, do call for certain returns relating to commercial bank lending to various segments of the priority sector.

While the returns under the N I S will enable both the Central Government and the State Governments to have

an overall idea of the performance of the banks in lending to the various segments of the priority sectors, it is quite possible that they might require information relating to the progress of commercial bank lendings under specified schemes evolved by them for the weaker sections of the community. The different Ministries at the centre charged with the responsibility of implementing specific schemes may also desire to have information on bank lendings under the schemes. The Group notes that under the N I S there is provision to report the progress of lendings under such schemes under Schedule 1A. If necessary, the banks could be suitably advised about the various schemes (like IRDP, T.P.P. etc.) under which information will be required by Central and State Governments so that the bank branches could report these under the relevant columns in Schedule 1A. If this is done, it is the considered view of the Group that it may not be necessary for them to call for separate returns on ad hoc basis. Whenever this is inescapable, in regard to ad hoc information on one time basis, it may be considered whether this can be served by restricting it to a few selected branches on sample basis, rather than involving all the bank branches. Often data are called for on an ad hoc basis, without taking into account the pressure on bank branches in compiling a variety of returns, the cost of data collection etc. In the process, compilation

of every return gets delayed, inaccuracies creep in and the banking operations and developmental work at the branches suffer. To conclude, the Group is of the view that apart from Schedules under the New Information System, the banks should not be asked to furnish any additional returns either by the RBI, the Central Government or the State Governments. It is also necessary that some sort of a suitable standing co-ordinating machinery comprising representatives of RBI, commercial banks, the Central and State Governments is constituted to review the information requirements of the different agencies and that no additional returns etc., are called for by any of them unless cleared by this co-ordinating machinery.

5.5 The other part of the relative terms of reference Bank returns is the integration of the returns called for by the banks themselves for their internal purposes with the priority sector returns called for by the RBI. The Head Office would normally require data from branch offices for the purposes of (1) monitoring/assessing the performance in lending to the various segments/sub-segments of the

priority sector, (ii) assessing the progress in implementation of the shares allotted under DCPs/AAPs, (iii) assessing the quality of advances, (iv) control and (v) assessing recovery. The banks have at present prescribed a variety of periodical returns relating to priority sectors to be submitted by the branches to the Head Offices and Regional Offices. Thus, the branches have to prepare -

- (i) Returns to enable Head Office to prepare the various periodical statements prescribed by RBI.
- (ii) Schedules under the N.I.S.
- (iii) Statements/returns prescribed by Head Office for control and other purposes.

The multiplicity of returns imposes a considerable burden on branch staff/officials. There is also considerable overlapping in the information/data in the different categories of statement/returns prescribed by individual banks. There is, therefore, scope for rationalisation of the returns. The Group ascertained the views of the banks as to whether Schedules under the N.I.S. were not sufficient for Head Office purposes or whether it was considered essential to call for additional returns.

By and large, the consensus of the banks have been that so far as priority sector advances are concerned, the Schedules under the N I S are sufficient for performance monitoring and statistical purposes. The Schedules may not, however, be sufficient for control purposes. Possibly, the Head Offices will require somewhat detailed information relating to irregular advances and also recovery position. The Group notes that the relevant Schedule prescribed under N I S gives the recovery position only as at the end of June each year. This may not be sufficient for control purposes. Similarly, there is no data relating to individual irregular advances in the Schedules prescribed under the New Information System. While the Group concedes that it is for the managements of the individual banks to decide on the type of information required by them for control purposes, in its view, for statistical and overall monitoring purposes, the Schedules under the New Information System will be sufficient for individual banks. As regards control purposes, the banks could call for position of overdues at shorter intervals, to ascertain progress in recovery. In addition, a return on individual irregular advances could be prescribed. These, in the Group's view,

should serve the control purposes.

5.6. As stated above, there appears to have been

Co-ordination
machinery

no co-ordination at the Head
Office/Controlling Office level

in prescribing additional returns from time to time.

A certain amount of ad-hocism has crept in. The primary need, therefore, appears to be to reduce the work load on branches by (i) rationalisation of returns so that branches are required to compile only the minimum number, (ii) standardisation of formats for data collection and (iii) creation of a data bank at each branch/Regional Office/Head Office level so that any information required relating to a particular item already available is not compiled again and thus reduce compilation efforts to the minimum. In this context, it is necessary to have, in each bank, a proper machinery for co-ordination, supervision and continuous review of the system of data collection and processing. The Group will, therefore, suggest that each bank may set up a suitable departmental Standing Committee at the Apex level which will advise on rationalisation of returns, revision of formats etc., and review continuously data collection and processing. This Committee should clear the proposals to introduce any new return or modify existing ones.

5.7 The Group has dwelt at length in the earlier Chapters about the massive compilation and consolidation efforts required at the branch level and Head Office/Controlling Offices. In view of the heavy workload and absence of adequate staff specifically for compilation of statistics, this task is allotted to the existing staff in addition to their operational and developmental duties. The Group feels that there is an urgent need to review the statistical set up in large branches as also Head Office/Controlling Offices of banks for posting of adequate staff who can be devoted exclusively for generation/compilation of data from time to time.

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CHAPTER VI

SUMMARY OF RECOMMENDATIONS

1. Banks may look into the existing registers maintained for recording information relating to number of deposit accounts, number of borrowal accounts, number of villages covered, data relating to receipt, rejection and disposal of loan applications and examine whether any modification is necessary in them. A format for the register to record loan applications devised by the Group is given in Annexure IV to the Report, (Para 3.3)

2. Loose leaf system of maintenance of loan ledgers has certain advantages and is, in the long run, preferable. (Para 3.4)

3. Bank branches may maintain a master sheet for each borrowal account. This will facilitate recording complete particulars of a borrowal account, such as the nature of credit facilities, type of advance, status of the borrower, purpose of advance, etc. (Para 3.4)

4. Separate loan ledgers may be maintained for advances under different segments of the priority sector. (Para 3.4)

5. Banks are exploring the possibility of evolving a suitable account numbering system. It would be preferable at this stage for the Reserve Bank of India to suggest a suitable common numbering system for all banks. This would facilitate mechanisation at later stage. (Para 3.5)

6. Banks should review and simplify the system of accounting in the rural/smaller branches by eliminating the maintenance of unnecessary intermediary records. (Para 3.6)

7. The loan system for priority sector lendings should be increasingly used for financing small borrowers. (Para 3.6)

8. Separate subsidiaries may be maintained under each of the heads like loans, overdrafts, cash credits, bills purchased/discounted, etc., for advances to (a) agriculture, (b) SSI, (c) other priority sectors and (d) others. (Para 3.6)

9. A detailed scheme of maintenance of supplementary sources of information for compiling various schedules under the New Information System has been given in Annexure VII to the Report. The said scheme may be introduced in all banks. (Para 3.6)

10. In view of the need for quick information - both for the banks' Head Offices and the RBI/Government of India,

data on advances to the broad segments of the priority sector may be furnished by the banks to RBI on a quarterly basis. (Para 3.7)

11. There is an urgent need to mechanise the entire system of data processing and consolidation in the banking system. The RBI and Government may consider taking further action on this, on an urgent basis. (Para 4.2)

12. There should be only one source of data on priority sector advances. Ideally, this would be the schedules under the NIS. (Para 5.3)

13. A suitable Standing co-ordination machinery, comprising representatives of RBI, commercial banks and the Central and State Governments, may be constituted to continuously review the information requirements of the various agencies. (Para 5.4)

14. For statistical and overall monitoring purposes of individual banks, the schedules under the New Information System should suffice and the Head Offices should not normally call for other periodical returns for the purpose. (Para 5.5)

15. Each bank may set up a suitable Standing Committee

at the apex level to advise on rationalisation of returns, revision of formats, etc., and to review continuously data collection and processing. (Para 5.6)

16. There is an urgent need to strengthen the statistical set up in the large branches as also Head Office/Controlling Offices of banks. (Para 5.7)

sd/-
M.N. Goiporia
Chairman.

sd/-

I.D. Vig
Member

sd/-

R.L. Wadhwa
Member

sd/-

P.K. Kondejkar
Member

sd/-

S.S. Hasurkar
Member

sd/-

B. Satyamurthy
Member

sd/-

M.L. Inasu
Member

sd/-

R. Nagaraja Rao
Member

sd/-

N.D. Parameswaran
Member-Secretary

Bombay.
3rd June 1982.

ANNEXURE I

RESERVE BANK OF INDIA
CENTRAL OFFICE
DEPARTMENT OF BANKING OPERATIONS AND DEVELOPMENT
"THE ARCADE", World Trade Centre, Cuffe Parade,
Colaba, Bombay 400 005.

July 11, 1981
Asadha 20, 1903(Saka)

MEMORANDUM

The Reserve Bank of India appoints the following Working Group to review the Accounting System at bank branches in the context of generation of data for various statutory returns as also other returns relating to deployment of credit, particularly data relating to priority sector lending :

1. Shri M.N. Goiporia, Chairman
Chairman & Managing Director,
Dena Bank,
Bombay.
2. Shri I.D. Vig, Member
Assistant General Manager,
PS & IB Division,
Punjab National Bank,
Head Office,
New Delhi.
3. Shri R.L. Wadhwa, - do -
Joint General Manager,
Union Bank of India,
Head Office,
Bombay.
4. Shri P.K. Kondejkar, - do -
Chief Officer,
Organisation & Methods Department,
State Bank of India,
Central Office,
Bombay.

- | | |
|---|------------------|
| 5. Shri S.S. Masurkar,
Deputy Secretary,
Ministry of Finance,
Department of Economic Affairs,
(Banking Division),
Government of India,
New Delhi. | Member |
| 6. Shri B. Satysaurthy,
Management Analyst,
National Institute of Bank
Management,
Bombay. | - do - |
| 7. Shri M.L. Inasu,
Joint Chief Officer,
Department of Banking
Operations and Development,
Reserve Bank of India,
Central Office,
Bombay. | - do - |
| 8. Shri R. Nagaraja Rao,
Director,
Department of Statistics,
Reserve Bank of India,
Central Office,
Bombay. | - do - |
| 9. Shri N.D. Parameswaran,
Deputy Chief Officer,
Department of Banking
Operations and Development,
Reserve Bank of India,
Central Office,
Bombay. | Member-Secretary |

2. The terms of reference of the Working Group are as follows :

- (a) To look into the existing systems of maintenance of accounts at branch level including maintenance of the main books of accounts like General Ledgers, Loan Ledgers, etc., as also the various systems of maintenance of sub-day/supplementary books, loan balancing and other records,

more particularly at the rural and semi-urban branches and suggest changes which would facilitate the following :

- i) generation of summary data regarding deployment of funds and lendings to various categories of priority sectors,
 - ii) generation of data for compilation of the returns and schedules prescribed by the Reserve Bank and for furnishing information required by the Reserve Bank, Central and State Governments, returns required by the Head Office/Controlling Offices of banks for control and supervision as well as for statistical purposes,
- (b) to review the Information System introduced by the Reserve Bank of India and examine the feasibility of the integration of the system with the Control/Statistical returns required by banks,
- (c) to suggest any other measures necessary to ensure availability of data on a regular basis and without delay and
- (d) any other matters which are incidental or related to the above terms of reference.

3. The Group may, if it is considered necessary and expedient, appoint Study Groups comprising bank officers having sufficient operational experience which may be assigned specific tasks. If the Group feels that it is

necessary to carry out sample studies of the existing systems of accounting etc., in a few banks, such studies may be entrusted to individual banks/NIBM.

4. The Working Group is expected to submit its report within a period of nine months.

5. The Secretariat of the Working Group will be provided by the Department of Banking Operations and Development, Reserve Bank of India, Central Office, Bombay.

sd/-

(W.S. Tambe)
Executive Directive.

-: 1 :-

ANNEXURE II

TO BE FILLED BY
HEAD OFFICE

QUESTIONNAIRE

The following questionnaire has been prepared keeping in view mainly the preparation of -

- i) various schedules under the new information system introduced under the Lead Bank Scheme
- ii) compilation of data relating to lendings to the priority sectors for submission of the following returns to Reserve Bank of India by the Head Offices of banks :
 - (a) quarterly returns on priority sector advances and to beneficiaries under the 20- Point Programme,
 - (b) half-yearly returns on holding-wise/ purpose-wise distribution of agricultural advances and advances for allied activities,
 - (c) yearly return on recovery position of agricultural advances,
- iii) Basic Statistical Returns (B.S.R.).

It may be added that once the information system under Lead Bank Scheme is stabilised, the returns mentioned at item (ii) may not be necessary. The questionnaire has also some relevance so far as compilation by the branches of data for submission for the statutory returns prescribed

by the Reserve Bank of India as also the control returns prescribed by Head Offices of the banks are concerned. The above observations may please be kept in mind while furnishing the replies to the various items in the questionnaire.

I. What is the system of book-keeping existing in the bank, with particular reference to the preparation of the various schedules under the new information system under the Lead Bank Scheme as also the periodical returns on priority sector advances etc., prescribed by the Reserve Bank of India? What is meant by "book-keeping" in this context, is the system of maintenance of general ledger, day/sub-day books and supplementaries, the system of balancing and any supporting systems/methods introduced by the bank for getting information readily. The replies to this question will, inter-alia, cover the following aspects :

- (a) Whether the bank has introduced any modified system of book-keeping separately for rural and semi-urban branches vis-a-vis urban and metropolitan branches? If so, the details thereof may please be furnished.
- (b) (1) Whether there is any system introduced by the bank to make readily available the aggregate or summary data in respect of the various segments of priority sector lending? For example, it is understood that certain banks have introduced the system of having a separate general ledger head for items like "loans to agriculturists".

(ii) Do you consider that the system of having separate general ledger heads for loans/advances to certain broad categories of priority sector advances like,

- i) agriculture and allied activities
- ii) small scale industries
- iii) other priority sector advances-would be helpful in at least getting summary data quickly?

It has also been suggested that if a break-up of loans and advances on the above basis is attached in the form of an annexure to the return under section 42 of the Reserve Bank of India Act, now being submitted by the branches to the Head Office, it will be possible to get summary data of lendings to priority sectors, even on a weekly/fortnightly basis. What is the reaction of the bank to this suggestion?

II. The existing information system requires branches to classify the advances to each category of priority sector under different heads. For example, information is required on

- (a) disbursements;
- (b) classification of agricultural advances holding-wise;
- (c) classification of advances according to maturity i.e., short-term loans and term-loans;
- (d) status-wise e.g., scheduled caste/scheduled tribes, etc..

- (e) Classification of advances, particularly the term loans, purpose-wise (like irrigation loans, equipment loans, land development loans, dairy, poultry, fishery, sericulture, etc.), small scale industrial advances for cotton ginning and pressing factories, handlooms, power-looms, khadi, etc.
- (f) recoveries in various categories of advances.
- (i) What is the book-keeping procedure presently followed at the branch level for compiling such information and is it adequate to make the data on the above basis readily available? If not, what is the system presently followed for compiling such information?
 - (ii) Some of the supplementary sources identified are
 - (a) balancing of loan ledgers-target-group-wise;
 - (b) maintenance of supplementary books;
 - (c) maintenance of back-up registers;
 - (d) cardex system etc.

Has the bank introduced any of the above systems or any other innovative systems at the branch level? If so, the details thereof may please be furnished, along with specimens of such revised/new systems of loan ledgers, registers, back-up registers, etc.

III. Which is the system of maintenance of books/ registers/ledgers followed by the branch i.e.,

- (i) loose leaf system

- (ii) bound registers
- (iii) cardex system.

Has the bank carried out any study of the comparative advantages of these systems?

If so, the bank's findings may please be furnished.

- IV. (i) What is the degree of mechanisation obtaining at the branch/controlling Office/Head Office level?
- (ii) Have any mechanical aids, like adding/listing machines, calculators, etc., been supplied to the branches? If it is considered desirable to have any mechanical aids at branches, kindly list them.
 - (iii) Has the bank introduced at the Regional/Central Office level any system of computerisation for consolidation of data received from the branches?
 - (i) What is the organisational set up of the Statistical Department in the bank?
 - (ii) Are there statistical cells at the Regional Office/Controlling Office level as well?
 - (iii) What is the system of consolidation of data received from the branches i.e., whether the data is first consolidated at a Regional/Zonal Office and then consolidated for all the Regions at the Head Office or whether the consolidation of data is centralised at the Head Office?
 - (iv) Whether the level of decentralisation is considered satisfactory?

- (v) What is the procedure followed for scrutiny/verification of the returns received from the branches?
 - (vi) Does it become necessary to refer back the returns to the branches often for inaccuracies/wrong compilation?
 - (vii) How far does the late submission of returns or submission of inaccurate/wrongly compiled returns delay the consolidation of data?
 - (viii) What steps have been taken or systems evolved by the bank for submission of timely data and for dealing with persistently defaulting branches? (In particular, whether the bank has a system of sending task forces or special officers to such branches to collect necessary data from them?)
- VI.
- (i) Has the bank prescribed any separate control returns/statistical returns relating to priority sectors for monitoring and policy formulation at the Head Office?
 - (ii) Are the schedules under the new information system/the returns prescribed by the Reserve Bank of India not considered sufficient by the Head Office for monitoring purposes?
 - (iii) If not, what precisely are the items of information which are not included in the schedule that are required by the Central Office/Regional Offices for control purposes?
 - (iv) Has the bank prescribed any additional ad-hoc returns for any such purposes?

- (v) Is it not possible to integrate such returns with the new information system?
- VII. (a) Has any review been undertaken to integrate the returns prescribed by the Reserve Bank of India and the Head Office for various purposes, including those mentioned at item VI above?
- (b) Has any review been undertaken about the utility or otherwise of the returns called for by the Head Office with a view to rationalising and eliminating individual returns?
- VIII. What, in the bank's view, are the causes for the delay in the submission of the returns by the branches and consolidation of the relevant data furnished by the branches?
- Has any study been undertaken to identify the precise bottlenecks and, if so, what specific measures have been initiated to overcome such bottlenecks? A copy of the study report, if any, may be attached.
- IX. A list of the various returns received from the branches may kindly be furnished in the format enclosed.
- X. Any additional views/suggestions the bank has with reference to the various terms of reference of the Group may also be kindly furnished.

-: 1 :-

ANNEXURE III

TO BE COMPLETED BY
SPECIFIED BRANCHES.

QUESTIONNAIRE

The Reserve Bank of India has appointed a Working Group under the Chairmanship of Shri M.N. Goiporia (Chairman, Dena Bank) to review the book-keeping system at the bank branches. The Group is to suggest changes in the book-keeping system and procedures for maintenance of records at field and other levels for priority sector advances which would facilitate compilation of data for the purpose of submission of

- (a) returns under the new information system under the Lead Bank Scheme, i.e., schedules 1A, 1B, 2A, 2B, 3 & 4.
- (b) other returns on priority sector advances submitted to Reserve Bank of India viz.
 - (i) Quarterly returns on priority sector advances.
 - (ii) Half-yearly special Return I on agricultural advances - direct finance (holding-wise, purpose-wise).
 - (iii) Yearly special Return II - Recovery position of agricultural advances and
- (c) The control returns submitted by branches to the Head Office.

This questionnaire has been prepared mainly with a view to eliciting from the branch officials concerned with the preparation of the various returns, the specific difficulties experienced by them as also the suggestions that they may have in facilitating the preparation of the various returns. This background may kindly be kept in mind while furnishing the replies to the questionnaire.

- I. (a) What precisely are the difficulties experienced at the branch level in the preparation and submission of each of the following returns to the appropriate authorities in time?
- (i) New Information System
 - (1) Schedule 1A & 1B
 - (ii) Schedule 2A & 2B
 - (iii) Schedule 3
 - (iv) Schedule 4
 - (ii) HBI returns
 - (1) Quarterly return on priority sector advances
 - (ii) Half-yearly Special Return I
 - (iii) Yearly special Return II
- (b) Are the existing systems of maintenance of general ledger, loan ledger, day/sub-day books, balancing of books and record keeping at the branch, such that the preparation of the various returns is facilitated? If not, in what ways can the systems be amended to make them more effective

for the purpose? kindly specify what changes/ amendments are considered necessary (such as re-designing/adding additional columns etc.) in

- (i) General Ledger
- (ii) Loan Ledgers
- (iii) Sub-day books
- (iv) Balancing books
- (v) Other registers, etc.

- (c) Have the branch officials any difficulty in understanding the various concepts included in the returns like disbursements, recoveries, overdues, etc.?

Will a more precise definition of such terms be useful? If so, what are the concepts which require explanation/clarification?

II. The existing information system requires branches to classify the advances to each category of priority sectors under different heads. For example, information is required on

- (i) disbursements (Schedule 1B, Schedule 2B),
- (ii) classification of agricultural advances holding-wise, (Schedule 1B),
- (iii) classification of advances according to maturity, i.e., short-term loans and term loans,
- (iv) classification status-wise, e.g., Scheduled Caste/Scheduled Tribe (Schedule 1A),

- (v) Classification of advances, particularly term loans on purpose-wise basis, like irrigation loans, equipment loans, land development loans, dairy, poultry, fishery, sericulture, etc., small scale industrial advances for various purposes, like cotton ginning and pressing factories, handlooms, powerlooms, khadi, etc., (Schedule 1B),
- (vi) recoveries and overdues in various categories of advances etc. (Schedule 3).

Note: Information furnished under item 1(b) need not be repeated while answering the following questions:

- (a) (i) What exactly is the system followed in the branch at present for recording/compiling information on the above lines?
- (ii) What are the difficulties in the existing system in culling out the various items of information?
- (iii) What are your suggestions for overcoming such difficulties and simplifying the process of such record/data collection?
- (b) (i) Are any supplementary sources of information in use at the branch for collecting the above data? Some of these sources could be
 - (i) maintenance and/or balancing of loan ledgers target-group-wise, purpose-wise, etc.
 - (ii) maintenance of supplementary books, with a view to providing certain broad aggregates in the general ledger
 - (iii) maintenance of back-up registers
 - (iv) cardex system.

- (ii) If any such source is in use, a specimen form of the relative loan ledger, balance book, back-up register etc., may please be furnished.
 - (e) (i) What is the present system of maintenance and/or balancing of loan ledgers, i.e., is there any system of maintenance and/or balancing of books target-group-wise?
 - (ii) Will the introduction of such a system of balancing of loan ledgers be feasible and helpful in facilitating the compilation of the returns?
 - (d) (i) Will the maintenance of separate general ledger heads as for example,
 - (i) loans to agriculturists
 - (ii) loans to small scale industries
 - (iii) other priority sectors-be helpful in preparation of the returns?
 - (ii) If so, what are the specific heads that should find a place in the general ledger and what types of supplementary day books should be maintained for the purpose?
 - (e) Which of the systems mentioned in (b) above, or a combination of the above systems, will, in the opinion of the branch, be useful to facilitate compilation of the necessary information?
- III.
- (a) What are the difficulties experienced in compiling Schedule 3 under the Lead Bank information system?
 - (b) Are you maintaining the DCB register for
 - (i) agricultural advances
 - (ii) other priority sectors?

If not, how is the information required for compiling Schedule 3 culled out?

- (c) Do you suggest any modifications in the existing DCB register?
- IV. (a) What is the present system of maintenance of the loan ledgers at the branch, say
- (i) the loose leaf system
 - (ii) bound registers
 - (iii) cardex systems.
- Which of these three systems will, in the opinion of the branch, be preferable?
- V. (a) (i) Is the task of the preparation of returns entrusted to any specific staff and, if so, at what level?
- (ii) Are the returns being checked before submission?
- (b) (i) Whether any mechanical aids, like calculators, adding machines, etc., have been supplied to the branches?
- (ii) Will such aids be helpful in compiling the returns quickly?
- (iii) If so, please identify the aids you like to be provided with.
- VI. The branch has to submit returns to the Head Office/ Regional Offices for
- (i) submission by the Head Office of various statutory returns and returns on priority sector advances to the Reserve Bank of India,
 - (ii) control purpose to the Head Office. Please furnish a list of the statements at present submitted by you to various controlling offices in the format given in Annexure.

ANNEXURE V

Specimen of Master Sheet

Name of bank/branch

Name of borrower	Type of loan - (indicate like Agriculture-Direct/ Crop loan/term loan etc.)			Particulars of security
Address				Description:
Status of borrower SC or SI	Purpose - like Irrigation Scheme of loan-IRDP or IEP or IRI etc.			Value:
Land holdings - Irrigated Unirrigated	Whether borrower belongs to weaker section	Yes/No.		Margin:
Nature of interest in land	Disbursement schedule	Date	Amount	Name and Address of guaranters, if any:
Limit sanctioned	Repayment schedule			Rate of Interest:
Sanctioning authority/ sanction No./Date	Modified repayment schedule, if any.			Documents obtained:
Particulars of other properties, if any	--			

Note : This format could be suitably modified for other categories of borrowers.

SPECIMEN OF TABULAR CASH REGISTER

ANNEXURE VI

RECEIPTS

BRANCH _____

Date _____ 19__

Sr. No.	Particulars with Nature and Numbers of A/c.	Cash Receipts Dr.	Saving Bank A/c.				Total of S.B.	FDR/SDR/DRC etc.	Cum. Deposits	Head Office Branches	Bank-ers A/c	Agri-cultural Loans	P.&N. sec-tors loans	Income	Total (8 to 17)	Initial		
			Ledger No.1	Ledger No.2	Ledger No.3	Ledger No.4												
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.

Total :

Fl.No. _____

- Note : 1. Cash transactions should be reflected in column 3 as well as under appropriate head from column 4 to 13
 2. The total of transfer on both the sides should tally.
 3. Heads not specified may be classified under column 16 & 17

Less Cash Received to-day (Column No.3) |
 Total (Transfer)

Add last day's Cash Balance
 (Total) (Cash)

PAYMENTS

BRANCH _____

Date _____ 19__

Sr. No.	Particulars with Nature and Numbers of A/c.	Cash Payments Cr.	Saving Bank A/c.				Total of S.B.	FDR/SDR/DRC etc.	Cum. Deposits	Head Office Branches	Bank-ers A/c	Agri-cultural Loans	P & N sec-tors loans	Expen-diture	Total (8 to 17)	Initial		
			Ledger No.1	Ledger No.2	Ledger No.3	Ledger No.4												
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.

Total :

Fl.No. _____

losing Cash Balance
 (Total)

Written by _____ Checked by _____

Less Cash paid to-day (Col.No.13) |
 Total (Transfer)

ANNEXURE VII

Supplementary sources of information

The Group suggests that the banks may maintain sectional balancing books and back-up registers to generate the data required to compile the various schedules prescribed under the New Information System, the broad details of which are indicated below:

Sectional balancing of loan accounts etc.

The Group has, vide paragraph 3.6 of the report, suggested maintenance of loan ledgers etc., on a sectional basis. This would primarily segregate the advances under broad segments of the priority sectors. The sub-sectional arrangements suggested will further dis-aggregate the advances into the required sub-segments/sub-classification. For example, the sectional arrangement suggested for agricultural loans will segregate the advances into (i) direct and indirect, (ii) agricultural operations and allied activities, (iii) short-term loans and crop loans. The sub-sectional arrangement will indicate the holding-wise distribution of such advances which will generate data of advances to weaker sections. A sectional balancing of the loan ledgers will generate data for filling up the relevant columns in Schedule IA. This will, however, not generate data on advances to SC and ST. Specimens of balancing registers for various categories of priority sectors are attached (Annexures (a) to (f) .

In addition to classifying the advances to various segments under SC and ST and IRI Scheme etc., required to complete Schedule 1A, data relating to (i) disburseals, and (ii) purpose-wise distribution of advances are required to complete Schedule 1B. For this purpose, it will be necessary to maintain separate back-up registers. It will be possible to combine the two and maintain a balance-wise-back-up register. But in view of the fact that certain classifications/sub-classifications are not mutually exclusive, it will be better to maintain the two registers separately. A specimen of the back-up registers for various categories of advances are annexed [Annexures (g) to (k)]. It will be observed that the balancing register indicate the status of the borrower (i.e., SC or ST), scheme of the loan (i.e., IRI, IRDP), purpose of loan etc. This will facilitate proper grouping and easy compilation of the back-up registers. Generally, provision has been made for recording outstanding balance in classified balancing register while provision has been made to record disbursements in back-up register. Since in agriculture crop loans and other priority sectors like retail trade etc., disbursements are not required purpose-wise, only a classified balancing register is suggested with provision to record disbursements. Back-up registers have been provided with columns to record outstandings as well where it is necessary to have the same, purpose-wise.

.....y/-

As regards Schedule 3, the branches have to maintain a DCB register, the format of which has been circulated to the banks by ARDC. Many of them have commenced maintenance of such registers. It will be necessary to maintain similar registers for other categories of advances.

As regards advances under 20-Point Programme and compilation of the relative Schedules viz., TPP 1 to 4, the Group has not suggested any supplementary source of data. This is because the Programme has since been revised and the reporting system for monitoring the relative advances is yet to be finalised (pending the report of the Working Group examining the role of the banks in the implementation of the revised 20-Point Programme).

Based on the above scheme of maintenance of supplementary sources of data, a list showing the source of compiling the various schedules and the items/sub-items therein is given in Annexure (1).

The classified balancing registers can be so devised or printed that columns 1 to 5 or 1 to 6 need not be written up every quarter and provision for recording balances/disbursements for, say, four quarters is made under the relevant columns. It will also not be necessary to separately balance the books as at the end of the four quarters.

Annexure VIII

Advances to the broad segments of priority sector
for the quarter ended

Name of the bank _____

<u>C a t e g o r y</u>	<u>No. of Accounts</u>	<u>Amount outstanding</u> (Rs.lakhs)
1. Agriculture and allied activities		
2. Small Scale Industry		
3. Other priority sectors		
T o t a l	_____	_____
	_____	_____

Annexure (a)

Agriculture-Crop Loans
Classified balancing register of loans, etc.

Loan A/c.No.	Name	Classification of loan		Limit sanctioned	Balance outstanding	Disbursements
		According to status	According to Scheme	Rs.	as at the end of the quarter	during the quarter
<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
I. <u>Up to 2.5 acres</u>	A	SC	DRI/SC	1000	700	
	B	ST	IRD P	800	600	
	C	--	DRI	500	300	
Sub Total:						
II. <u>Over 2.5 acres and upto 5 acres</u>	A	SC	DRI/SC	1500	1000	
	B	ST	IRD P	900	700	
	C	--		1000	800	
Sub Total:						
III. <u>Landless labourers, Tenant farmers & Share-croppers</u>	A	ST	DRI/ST	1000	800	
	B	ST	IRD P	500	400	
	C	--	DRI	600	500	
Sub Total:						
IV. <u>Others</u>	A	ST	DRI/ST	1800	1500	
	B	ST	IRD P	1500	1200	
	C	--		900	800	
Sub Total:						
Grand Total:						

Separate sheet will be maintained for each group.viz: I, II, III & IV; where the number of accounts is small, the same sheet may be used

Annexure (b)

Agriculture - Term Loans
Classified balancing register of loans

Loan A/c. No.	Name	Classification of loans according to			Limits sanctioned	Balance outstanding as at the end of the quarter	Disbursement during the quarter
		Status	Scheme	Purpose			
1	2	3	4	5	6	7	8
I. <u>Upto 2.5 acres</u>	A	SC	DRI/SC	Irrigation	2000	1700	
	B	ST	IRDP	Equipment	1000	800	
	C	--		Land Development	3000	2500	
				Plough animals	500	400	
Sub Total:				Others			
II. <u>Over 2.5 acres and upto 5 acres</u>	A	SC	DRI/SC	Irrigation	2000	1700	
	B	ST	IRDP	Equipment	1500	1200	
	C	--		Plough animals	800	700	
Sub Total:							
III. <u>Landless labourers, tenant farmers and share-croppers</u>	A	SC	DRI/SC	Plough animals	1500	1200	
	B	ST	IRDP	Irrigation	1000	1000	
	C	--	--	Equipment	800	700	
Sub Total:							
IV. <u>Others</u>	A	ST	DRI/ST	Irrigation	2500	2300	
	B	ST	IRDP	Land Development	1900	1800	
	C	--	--	Equipment	1200	1200	
Sub Total:							
Grand Total:							

Agriculture - Allied Activities
Classified balancing register of loans

Annexure (c)

Loan A/c.No.	Name		Classification of loan according to		Limit sanc- tioned	Balance outstanding as at the end of the quarter	Disbursement during the quarter
	Status		Scheme	Purpose			
					Rs.		
I. <u>Limits upto</u> <u>Rs.10,000</u>	A	SC	DRI/SC	Dairy	5000	4500	
	B	ST	IRDP	Poultry	6000	5000	
	C	--	--	Fishery	9000	8500	
				Sericulture	7500	6200	
Sub Total:							
II. <u>Limits above</u> <u>Rs.10,000</u>	A	SC	DRI/SC	Poultry	13000	12700	
	B	ST	IRDP	Fishery	15200	15200	
	C	--	--	Sericulture	18000	17500	
				Dairy	21200	11100	
Sub Total:							
Grand Total:							

Annexure (a)

Transport Operators -
Classified balancing register of loans

Loan A/c. No.	Name	Classification of loan according to		Limit sanctioned	Balance outstanding as at the end of the quarter	Disbursement during the quarter
		Status	Purpose			
1	2	3	4	5	6	7
I. <u>Single Vehicle operators</u>	A	Sc	Antorickshaw/Tempo	5000	4500	
	B	SI	Taxi	25000	22000	
	C	--	Bus	150000	150000	
	D	--	Truck	175000	160000	
				Others	10000	9000
Sub Total:						
II. <u>Others</u>	A	SC	Taxi	90000	80000	
	B	SI	Bus	300000	275000	
	C	--	Truck	400000	350000	
Sub Total:						
<hr/>						
Grand Total:						
:*****:						

Small Scale Sector
Classified balancing register of loans, etc.

Annexure (d)

Loan A/c. No.	Name	Classification of loan according to			Limit Sanctioned	Balance outstanding as at the end of the quarter	Disbursement during the quarter	
		Status	Scheme	Purpose				
1	2	3	4	5	Rs. 6	Rs. 7	8	
I. Rural artisans, village and cottage industries	A	SC	DRI/SC	Handloom	20000	18000		
	B	ST	IRDP	leather work	18000	15000		
	C	--	--	Metal Work	8000	7000		
	Sub Total:							
II. Tiny Sector	A. Units with limits upto Rs.25,000	A	--	Food Processing	21000	20000		
		B	--	Oil extracting	17000	16000		
		Sub Total:						
	B. Units with limits above 25,000 and up to Rs.2 lakhs	A	--	--	Cotton ginning	35000	32000	
		B	--	--	Food Processing	175000	155000	
		C	--	--		150000	140000	
		Sub Total:						
	C. Units with limits above Rs.2 lakhs	A	--	--	Food Processing	250000	225000	
		B	--	--	Cotton ginning	310000	270000	
		Sub Total:						
III. Other SSI units	A. Units with limits upto Rs.25,000	A	--	Food processing	24000	20000		
		B	--	--	15000	15000		
		Sub Total:						
	B. Units with limits above Rs.25,000 and upto Rs. 2 lakhs	A	--	--	--	30000	27000	
		B	--	--	--	110000	100000	
		C	--	--	--			
		Sub Total:						
	C. Units with limits above Rs.2 lakhs	A	--	--	Food processing	210000	200000	
		B	--	--	Power Loom	370000	320000	
		Sub Total:						
	Grand Total:							

Annexure (g)

**Back-up Register for Schemes, like DRI, IRDP, etc.
and advances to SC & ST**

Loan A/c.No.	Balance outstanding					
	DRI			IRDP	SC	ST
	SC	ST	Others			
1.	2.	3.	4.	5.	6.	7.

I. Agriculture-Crop Loans

Sub Total :

II. Agriculture-Term Loans

Sub Total :

III. Agriculture-Allied Activities

Sub Total :

IV. Small Scale Industries

Sub Total :

V. Transport Operators

Sub Total :

VI. Retail Trade

Sub Total :

RETAIL TRADE

ANNEXURE (F)

Classified balancing register of loans

Loan A/c. No.	Name	Classification of loan according to		Limit Sanctioned	Balance outstanding as at the end of the quarter	Disbursement during the quarter
		Status	Scheme			
1	2	3	4	Rs. 5	6	7
	A	SG	HRI/EC	2000	1900	
	B	ST	IEDP	3000	2900	
TOTAL:						

Note: Similar registers will also be maintained in respect of other categories viz. (i) Small Business (ii) Professional and Self-employed (iii) Education (iv) Housing Loans (v) Consumption loans.

-: 2 :-

	<u>1.</u>	<u>2.</u>	<u>3.</u>	<u>4.</u>	<u>5.</u>	<u>6.</u>	<u>7.</u>
VII. <u>Small Business</u>							
Sub Total :							
VIII. <u>Professional & Self-employed</u>							
Sub Total :							
IX. <u>Education</u>							
Sub Total :							
X. <u>Housing Loans</u>							
Sub Total :							
XI. <u>Consumption Loans</u>							
Sub Total :							
Grand Total :	<hr/>						
	=====						

- Note :
1. This register is to be posted by taking figures from the classified balancing register for various segments/sub segments.
 2. In columns 6 & 7 only those SC and ST borrowers who are not financed under DRI Scheme will be included.
 3. While the sub-totals under columns 2 & 6 will give the figure of advances to SC under each segment/sub segment, the sub-totals under column 3 & 7 will give the total advances to ST.
 4. If a borrower falls both under DRI Scheme and IRDP, the relative outstandings will have to be posted under both the columns for DRI (2 to 4) and IRDP (5).

Annexure (h)

Back-up Register - Agriculture - Term Loans

Loan A/c.No.	Dis- burse- ment	Irrigation		Equipments		Plough Animals		Land Development		Others	
		Balance Dis- out- stand- ing	Dis- burse- ments	Balance Dis- out- stand- ing	Dis- burse- ments	Balance Dis- out- stand- ing	Dis- burse- ments	Balance Dis- out- stand- ing	Dis- burse- ments	Balance Dis- out- stand- ing	Dis- burse- ments
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.

I. Upto 2.5 acres

Sub Total :

II. Over 2.5 acres
and upto 5 acres

Sub Total :

III. Landless labourers,
Tenant farmers and
Share croppers

Sub Total :

IV. Others

Sub Total :

Grand Total :

Annexure (1)

Back-up Register - SSI sector

Loan A/c.No.	Disburse- ments	Handlooms		Power looms		Khadi		Vegetable Oil Extn.	
		Balance out- standing	Disburse- ments/ increase in w.c. limits	Balance out- standing	Disburse- ments/ increase in w.c. limits	Balance out- standing	Disburse- ments/ increase in w.c. limits	Balance out- standing	Disburse- ments/ increase in w.c. limits
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
I. <u>Rural artisans, village and cottage industries</u>									
Sub Total :									
II. <u>Tiny Sector</u>									
A. <u>Units with limits upto Rs.25,000</u> Sub Total 'A'									
B. <u>Units with limits above Rs.25,000 and upto Rs.2 lakhs</u> Sub Total 'B'									
C. <u>Units with limits above Rs. 2 lakhs</u> Sub Total 'C'									
III. <u>Other SSI units</u>									
A. <u>Units with limits upto Rs.25,000</u> Sub Total 'A'									
B. <u>Units with limits above Rs.25,000 and upto Rs.2 lakhs</u> Sub Total 'B'									
C. <u>Units with limits above Rs.2 lakhs</u> Sub Total 'C'									

Grand Total :

Contd.

Annexure (i)

Back-up Register - Agriculture - Allied Activities

Loan A/C.No.	Dis- burse- ment	Dairy		Poultry		Fishery		Sericulture		Others	
		Balance out- stan- ding	Dis- burse- ments	Balance out- stan- ding	Dis- burse- ments	Balance out- stan- ding	Dis- burse- ments	Balance out- stan- ding	Dis- burse- ments	Balance out- stan- ding	Dis- burse- ments
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
I. <u>Limits upto</u> <u>Rs.10,000</u>	A										
	B										
	C										
Sub Total :											
II. <u>Limits above</u> <u>Rs.10,000</u>	A										
	B										
	C										
Sub Total :											
Grand Total :											

*

Gur Making		Khandsari Units		Food processing units		Coir Workers		Leather Workers		Wood Workers	
Balance out- stan- ding	Disburse- ments/ increase in w.c. limits	Balance out- stan- ding	Disburse- ments/ increase in w.c. limits	Balance out- stan- ding	Disburse ments/ increase in w.c. limits	Balance out- stan- ding	Disburse ments/ increase in w.c. limits	Balance out- stan- ding	Disburse ments/ increase in w.c. limits	Balance out- stan- ding	Disburse- ments/ increase in w.c. limits
11.	12.	13.	14.	15.	16.	17.	18.	19.	20.	21.	22.

Metal Workers		Other Handicrafts		Others	
Balance out-standing	Disbursements/increase in w.c. limits	Balance out-standing	Disbursements/increase in w.c. limits	Balance out-standing	Disbursements/increase in w.c. limits
23.	24.	25.	26.	27.	28.

- Note :
1. In the case loans, disbursements will be recorded in the relevant columns.
 2. In the case of cash credit, overdrafts etc., the increase in the limit, if any, will be recorded.
 3. Most branches may not have advances covering more than a few categories (purpose-wise). In such cases, it will be necessary to have only a few columns.

Back-up Register-Transport Operators

Annexure (k)

Loan A/c.No.	Dis- burse- ment	Taxi		Track		Bus		Autorickshaw / Tempo		Others	
		Balance out- stan- ding	Dis- burse- ment/ increase in w.c. limits	Balance out- stan- ding	Dis- burse- ment/ increase in w.c. limits	Balance out- stan- ding	Dis- burse- ment/ increase in w.c. limits	Balance out- stan- ding	Dis- burse- ment/ increase in w.c. limits	Balance out- stan- ding	Dis- burse- ment/ increase in w.c. limits
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.

I. Single vehicle
Operators

Sub Total :

II. Others

Sub Total :

Grand Total :

Note : In the case of loans, disbursements will be recorded in the relevant columns. In the case of cash credits, overdrafts, etc., the increase in the limit, if any, will be recorded.

ANNEXURE (1)

Sources of information to complete various items/sub-items in the Schedules under the New Information System

On the basis of the classified balancing register and the Back-up register suggested by the Group the sources of information to complete various items/sub-items in the Schedules under the New Information System will be as under:

<u>Schedule/Number of the item</u>	<u>Source</u>
<u>Schedule 1A</u>	
3.1.1	Register of Deposit Accounts
3.1.2	Weekly statement of position
3.2.1	Register of loan accounts
3.2.2	Weekly statement of position
3.5.1 and 3.5.2	Back-up register - Annx(g)
3.6.1, 3.6.2,3.6.3 and 3.6.4	-do-
3.7	Register of loan applications
4.0.1	Back-up register - Annx (g)
4.2, 4.2.1,4.2.2,4.2.3 and 4.2.4	Classified balancing register - Annx.(a)&(b)
4.3,4.3.1,4.3.2,4.3.3and 4.3.4	-do- Annx.(a)
4.4,4.4.1,4.4.2,4.4.3and 4.4.4	-do- Annx.(b)
4.6,4.6.1 and 4.6.2	Classified balancing register- Annx.(c)
5.0.1	Back-up register - Annx(g)
5.1 and 5.1.1	Classified balancing register - Annex.(d)
6.1	-do- Annex.(e)
6.1.2	Back-up register- Annx. (g)
2/-

Schedule 1A

6.2,6.3,6.4,6.5,6.6 and 6.7

Source

Classified balancing register-
Annx.(f)

6.2.1,6.3.1,6.4.1,6.5.1,6.6.1
and 6.7.1

Back-up register - Annx.(g)

Schedule 1B

3.1 to 3.7

Same source as mentioned for
Schedule 1A

4.2,4.2.1,4.2.2,4.2.3 and
4.2.4

Classified balancing register-
Annx.(a), (b) and Back-up
register - Annx.(h)

4.3,4.3.1,4.3.2,4.3.3 and
4.3.4

Classified balancing register
Annx.(a)

4.4,4.4.1,4.4.2,4.4.3 and
4.4.4

Classified balancing register-
Annx.(b)

4.4.5,4.4.6,4.4.7,4.4.8 and
4.4.9

Back-up register - Annx.(h)

4.6,4.6.1,4.6.2,4.6.3,4.6.4,
4.6.5,4.6.6,4.6.7,4.6.8 and
4.6.9

Classified balancing register-
Annx.(c)
Back-up register - Annx.(i)

5.1,5.1.1,5.1.2 and 5.1.3, 5.3,
5.4,5.5,5.6.1 to 5.6.9,
5.7.0 to 5.7.4

Classified balancing register-
Annx.(d)
Back-up register - Annx.(f)

6.1.1, 6.1.3, 6.1.4, 6.1.5,
6.1.6 and 6.1.7

Classified balancing register-
Annx.(e)
Back-up register - Annx.(k)

6.2,6.3,6.4,6.5,6.6 and 6.7

Classified balancing register-
Annx.(f)

Schedule 3

D.C.B. Register
