RBIA Audit Report

Branch-Haldwani

Period -2023-24

Submitted By

Audit Department

(Internal Audit)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **PRESENT INSPECTION** | | **PREVIOUS INSPECTION** | |
|  | Name | Grade/ Scale | Name | Grade/ Scale |
| Insp. Officer | Mr Madhur Arora | II | Ravindra Karkarey | II |
| Asstt. Insp. Officer | Mr. Vishal | |  | |
| Insp. As on | 16.04.2023 | | 20.03.2022 | |
| Commenced on | 18.04.2023 | | 22.03.2022 | |
| Completed on | 14.07.2023 | | 22.04.2022 | |
| No. of Man-days | 23 | | 16 | |

|  |  |  |  |
| --- | --- | --- | --- |
| **CATEGORY OF STAFF** | **No. of staff as**  **on date of**  **Inspection** | **Staff strength for the last**  **two years ending** | |
| **31-03-2021** | **31-03-2022** |
| **1. Officers (including Manager / Accountants)**  (a) Scale IV | 01 | 01 | 01 |
| (b) Scale III | 01 | - | 01 |
| (b) Scale II | - | 01 | - |
| (c) Scale I | 03 | 01 | 03 |
| **2. Award Staff**  (a) Special Assistants | 01 | 01 | 01 |
| (b) Clerks | 04 | 04 | 04 |
| (c) Subordinate Staff | 1+PTS | PTS | PTS |
| **TOTAL :** | **11+** PTS | **07+MT+** PTS | **10+** PTS |
| **B. RATIOS** | | | |
|  | | For the last two preceding years  As on  (Rs. In Lakh) | |
| **31-03-2022** | **31-03-2023** |
| 1. Ratio of clerks to an Officer | | 3:4 | 1:1 |
| 2. Ratio of subordinates to an Officer | | 0:5 | 0:5 |
| 3. Business (average deposits + average advances) per Officer | | 4267 | Not available\* |
| 4. Business (average deposits + average advances) per clerk | | 7111.66 | Not available |
| 5. Business (average deposits + average advances) per employee | | 25857.33 | Not available |
| 6. Average cost per employee (Salaries, allowances, P.F.  Contribution divided by total number of staff.) | | 80.57 | 8.79 |
| 7. Average number of vouchers per day | | 350 | 385 |

**Branch Risk Rating Assessment**

|  |  |  |
| --- | --- | --- |
| **ASSESSMENT AREAS** | **RISK ASSESSED** | **DIRECTION OF RISK** |
| Business Risk | High | Increasing |
| Control Risk | Medium | Increasing |
| Total Risk | High | Increasing |

**Short recovery of interest & other earnings including processing charges on Advances. Bills purchased, Advance Bills, LCs. etc.**

Revenue leakage of Rs.4418097- detected during RBIA. Details of pending charges are enclosed in separate sheet.

|  |  |
| --- | --- |
| **Particulars** | **Amount (Rs.)** |
| Processing | 1343152- |
| Documentation | 266000- |
| Inspection | 1239500- |
| CIBIL/CERSAI/LAD | 62150- |
| Penal interest | 1458795- |
| Deviation charges | 48500- |
| **Total** | **4418097** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **(Amount in thousand of Rs.)** | | | | | |
| **LIABILITIES** | At the end of last 2 years | | | | **As on the date**  **of inspection** | |
| **31–03-2022** | | **31–03-2023** | | **16.04.2023** | |
| **TOTAL DEPOSITS** | **(11549)** | **959143** |  | **932564** |  | **855826** |
| Current Deposits | (485) | 90410 |  | 85410 |  | 22619 |
| Savings Bank Deposits | (9697) | 388335 |  | 402791 |  | 404336 |
| Time Deposits | (1367) | 480398\* |  | 444363 |  | 428871 |
| Borrowing from Banks | - | | - | | - | |
| Head office A/c | 1154121 | | 1298602 | | 1635297 | |
| Profit & Loss A/c | 93468 | | 97290 | | 6113 | |
| Other Liabilities | 30234 | | 58681 | | 54979 | |
| Contra Accounts | 3277 | | - | | - | |
| **TOTAL** | **2240243** | | **2387137** | | **2252215** | |
| ASSETS |  | |  | |  | |
| Cash Balance | 3824 | | 3982 | | 2650 | |
| Balance with Banks | 18 | | 8 | | 8 | |
| Demand Loans | 46514 | | 22260 | | 16990 | |
| Term Loans | 359876 | | 375698 | | 371512 | |
| Overdrafts | 31039 | | 7978 | | 17326 | |
| Cash Credits | 1177636 | | 1455032 | | 1347585 | |
| Bills Purchased | - | |  | |  | |
| NKCC & Crop loan | 133081 | | 91169 | | 81267 | |
| Head office A/c | 482825 | | 296049 | | 276862 | |
| Profit & Loss A/c | - | |  | |  | |
| Other Assets | 2153 | | 134961 | | 138015 | |
| Contra Accounts | 3277 | | - | | - | |
| **TOTAL ASSETS** | **2240243** | | **2387137** | | **2252215** | |

### **BREAK UP OF ADVANCES AS ON THE DATE OF INSPECTION**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Name of Sector** | **PREVIOUS INSPECTION** | | | **PRESENT INSPECTION** | | |
| **No of a/c** | **Amount**  **(000)** | **%** | **No of a/c** | **Amount**  **(000)** | **%** |
| Agriculture | 475 | 1057906 | 61.92 | 588 | 1203675 | 61.38 |
| Micro Small & Medium Enterprises (MSME) | 201 | 212369 | 12.43 | 53 | 343819 | 17.53 |
| Other Priority Sector | 76 | 260708 |  | 272 | 245538 | 12.52 |
| Personal Loans & Non  Priority Sectors | 180 | 177397 | 10.38 | 90 | 168167 | 8.57 |
| **TOTAL** | **932** | **1708380** | **100.00** | **1003** | **1961199** | **100.00** |

**DEPARTMENTWISE OBSERVATION:**

**1. CASH MANAGEMENT (Whether)**

|  |  |  |
| --- | --- | --- |
|  |  | **OBSERVATIONS OF INSPECTING OFFICER WITH DETAILS OF IRREGULARITIES OBSERVED.** |
| 1.1 | Safety of Cash during business hours (safe cabins – locked/guarded movement of cash within branch) | Yes being observed |
| 1.2 | Average cash balance maintained was Rs.25.27 Lakh as against the retention limit of Rs 40.00 Lakh till 11.02.2022. Cash retention during the review period was generally on higher side. The branch exceeded CRL on 62 occasions during last 06 months. | Cash balance in general remained more than retention limit. |
| 1.3 | Security norms are followed for inward and outward cash remittance. | Yes |
| 1.4 | Cash discrepancy (excess/short) noticed during review period, date & action taken for reporting | No |
| 1.5 | % of cash held to average deposits is high at 1.21% as compared to benchmark i.e. within 0.5% of Average deposit | Yes, on higher side |
| 1.6 | The Clean Note Policy of RBI is followed:   1. Branch does not pays/holds notes in stapled condition | Yes |
| 1. Notes withdrawn from circulation are segregated as non-issuable notes | Yes |
| 1. Branch holds currency packets by paper/polymer band | Yes |
| Notice for exchange of mutilated and soiled notes is displayed | Yes |
| 1.7 | The mutilated/soiled notes are |  |
| a) Allowed to be accumulated for long period | Yes valuing Rs.43000/- |
| b) Properly arranged , piece wise counting is done periodically | Yes |
| c) Remittance to Currency Chest. (Give comments for branches associated with Currency Chest.) | Banks guidelines are being followed. |

**2.BANKERS’ ACCOUNTS (Whether)**

|  |  |  |
| --- | --- | --- |
| 2.1 | Account is being reconciled on monthly basis and proper record is maintained? | Yes |
| 2.2 | The outstanding entries are followed for reversal | Yes |
| 2.3 | Any long outstanding entries are persisting  If yes, Details | No |
| 2.4 | The balance in excess of the requirement is remitted regularly (By RTGS) | Yes |
| 2.5 | Any interest paid to clearing settlement bank. If yes, Reasons there of | No |
| 2.6 | Any other Observations of Inspecting Officer. | Nothing specific to mention |

**3. SECURITY FORMS (Whether)**

|  |  |  |
| --- | --- | --- |
| 3.1 | The security forms are kept under dual control and in fire proof cabinet. | Yes |
| 3.2 | Periodical verification of security forms is done and report submitted to controlling office as per guidelines. | Yes |
| 3.3 | Control is exercised on daily floating security forms stocks | Yes |
| 3.4 | All the security forms are physically verified at the time of receipt and recorded in a register/system under authentication of authorized signatories | Yes |
| 3.5 | The obsolete security forms are destroyed as per extant guidelines and record is kept | Yes |

**4. SECURITY (Whether)**

|  |  |  |
| --- | --- | --- |
| 4.1 | Security Officer’s visit register is maintained. | Yes |
| 4.2 | Security Officer has visited the branch during the review period and action has been taken on his report. Persistent irregularities, if any, are attended to. | Yes |
| 4.3 | The cash safe is embedded, where there is no Strong Room | NA |
| 4.4 | The electrical wiring and fittings are proper and whether they are being got checked. | Yes |
| 4.5 | Fire -fighting Equipments are installed in the premises. They are regularly serviced and refilling is done on due date. The staffs are adequately trained for use of the fire fighting equipments. | Yes |
| 4.6 | Security Alarm System is functioning properly and test checked on regular basis. | Yes |
| 4.7 | The Safe Deposit Vault is kept locked when not in use. | Yes |
| 4.8 | Armed Guard is provided to the branch. If yes the Gun License is valid and Retainer’s name is duly endorsed. | Yes, License valid up to16.05.2024. Retainer’s name Anand Singh S/o Badaur Singh |
| 4.9 | The Notice on prohibition of carrying fire arms is displayed at the entrance. | No |
| 4.10 | Only one entrance is used during the office hours. | Yes |
| 4.11 | The branch premises keys are handled as per bank’s guidelines. | Yes |
| 4.12 | Duplicate keys of the branch are lodged at nearby branch in safe custody; receipt thereof verified and keys are exchanged. | Yes with SBI -------& exchanged on 22.04.2022 during RBIA. |
| 4.13 | Keys/Code Books/Specimen signatures books are kept under dual control and remittance message is authenticated by two authorized branch officers. | Yes |
| 4.14 | Ultraviolet machine is in working order and is being used for scanning notes/instruments. | Yes |
| 4.15 | Any other Observations of Inspecting Officer | Nothing specific to mention |

**5. LOCKERS (Whether)**

|  |  |  |
| --- | --- | --- |
| 5.1 | The locker room is located at place away from surveillance area. | Yes |
| 5.2 | All the master keys of the lockers are handled by authorized officials only. | Yes |
| 5.3 | Follow up for recovery of overdue locker rent is regularly made and overdue rent position is minimised. | Yes |
| 5.4 | Proper records maintained for lockers drilled open / Any lockers are pending for drill open. | N.A |
| 5.5 | Locks of surrendered lockers are exchanged before allotment | No |
| 5.6 | Attachment notices for lockers are properly dealt with. | NA |
| 5.7 | Action in case of overdue lockers rent initiated by the branch | Yes |
| 5.8 | Articles received for safe deposit are kept in dual custody | NA |
| 5.9 | Record of Locker to Key and Key to Locker is properly maintained and updated. | Yes |
| 5.10 | The necessary books and register for safe custody and lockers are properly maintained and updated. | Yes |
| 5.11 | KYC norms are observed in case of letting out the Lockers. | Yes |
| 5.12 | Nomination in respect of lockers is properly recorded | Yes. |
| 5.13 | Additional Observations of Inspecting Officer | Locker Rent of Rs.81800/- is overdue in 16 lockers requires regular follow up as per guidelines. |

**6. FRAUD (Whether)**

|  |  |  |
| --- | --- | --- |
| 6.1 | Actual/attempted fraud if any noticed or detected at the branch since last inspection/during the review period. If yes, give brief details (Full detail may be furnished in separate sheet to be enclosed as annexure) | No |
| 6.2 | The branch has reported the details of the fraud to the Controlling Office. | Yes |
| 6.3 | Action taken in respect of fraud reported in the previous inspection report. | Yes |
| 6.4 | Any fraud/misappropriation reported above, because of not rectifying the irregularities/audit points raised in the previous inspection report. | No |
| 6.5 | Any instance of an attempted fraud avoided because of alertness shown by the staff. | No |
| 6.6 | Any other Observations of Inspecting Officer: | Nothing in particular |

**7. INWARD BILLS FOR COLLECTION (IBC) (Whether)**

|  |  |  |
| --- | --- | --- |
| 7.1 | All the inward Bills are scrutinized with the forwarding letter of the remitting bankers/senders. | Yes |
| 7.2 | All the bills are recorded with full particulars, viz. RRs/MTRs etc in IBC Register. | Yes |
| 7.3 | The documents are released to the drawees only against payment (Sight bills) or against acceptance (DA bills). | Yes |
| 7.4 | Any other Observations of Inspecting Officer | Nothing specific to mention |

**8 .OUTWARD BILLS (OBC) (Whether)**

|  |  |  |
| --- | --- | --- |
| 8.1 | All the cheques/instruments and bills received for collection are recorded with full details | Yes |
| 8.2 | Due dates of usance bills if any, are diarised for follow up. | Yes |
| 8.3 | Outstanding tallies with the physical OBCs on hand | Yes. |
| 8.4 | Immediate credit is extended to customers as per Bank’s guidelines circulated vide Cheque Collection Policy for outstation cheques. | No such instance reported during review period. |
| 8.6 | Interest is being paid to customers for delayed collection as per Bank’s guidelines. | No such instance reported during review period. |
| 8.7. | Collection charges are levied as per extant guidelines | Yes |
| 8.8 | Any other Observations of Inspecting Officer | Nothing in particular |

**9. REMITTANCE i.e. Bankers Cheques/Demand Drafts/Mail Transfers (Whether)**

|  |  |  |
| --- | --- | --- |
| 9.1 | Branch is ensuring that DDs and MTs are not issued against cash receipt for Rs. 50,000/- and above. | Yes |
| 9.2 | The DDs/MTs are secured by Cello Taping and DDs are properly punched. | Yes |
| 9.3 | The branch ensures that application form for issue of DD /MT is properly filled in with name and address of the purchaser. | Yes |
| 9.4 | SIBR entries are squared off timely and entries outstanding for more than 15 days are immediately followed up | Yes |
| 9.5 | NEFT Guidelines are strictly adhered to | Yes |
| 9.6 | RTGS Guidelines are strictly adhered to | Yes |
| 9.7 | KYC norms are observed in all kind of remittances | Yes |
| 9.8 | Any other Observations of Inspecting Officer | Nothing in particular |

**10 . CLEARING (Whether)**

|  |  |  |
| --- | --- | --- |
| 10.1 | The instruments lodged are duly crossed and are kept under lock and key. | Yes |
| 10.2 | Outstanding entries in Clearing Adjustment account are regularly followed for reversal. | Yes |
| 10.3 | Any instances have been noticed where the sensitive accounts are misused for extending credit to constituents. | No |
| 10.4 | The reconciliation of Service Branch is done on regular basis and follow up is made for unadjusted entries. | NA |
| 10.5 | Guidelines for drop box facility are observed | Yes |
| 10.6 | Dishonoured cheques are sent to customer in time | Yes |
| 10.7 | Any other Observations of Inspecting Officer | Nothing in particular |

**11. CASH BOOK/GENERAL LEDGER AND PROFIT AND LOSS (Whether)**

|  |  |  |
| --- | --- | --- |
| 11.1 | The cash book, General Ledger and profit and loss account are checked with respective supplementary regularly. | Being generated & printed |
| 11.2 | The mandatory reports viz. parameter changes, exceptional reports, supplementary, etc. are generated and verified. | Being generated & printed |
| 11.3 | The exceptional transaction reports – both financial and non-financial transactions (such as Excess/TOD/ Modification in account, Limit, DP, ROI, A/c opening, Cheque Book Issue, Stop Payment, Stop Payment release) are scrutinized and authenticated by the Branch Head/authorized officer (Random checking). | Yes |
| 11.4 | Only authorized GL/PL heads are opened in the books/system. | Yes |
| 11.5 | All the P/L expenses vouchers are signed by authorized officers of the branch. | Yes |
| 11.6 | Comments on Negative growth/Loss making branch focusing on the Profit and Profitability of the Branch. | NA |
| 11.7 | Figures of Dep./Adv in weekly tallies with Fincraft (random check) | Yes |
| 11.8 | Any other Observations of Inspecting Officer | Branch should ensure printing of mandatory reports and the exceptional transaction reports in Finacle also. |

**12. SUNDRY DEPOSIT (Whether)**

|  |  |  |
| --- | --- | --- |
| 12.1 | All the debits to Suspense accounts are authorized by the Branch Head/Second Officer | Yes |
| 12.2 | The register is maintained by the branch properly and tallied with G/L entry wise. | Yes |
| 12.3 | Entries are adjusted within the reasonable time | Yes |
| 12.4 | The advance granted to staff against TE/LFC etc., got adjusted as per guidelines | Yes |
| 12.5 | Any other Observations of Inspecting Officer | Nothing in particular |

**13. CUSTOMER SERVICE (Whether)**

|  |  |  |
| --- | --- | --- |
| 13.1 | Comprehensive list of service charges is displayed on the Notice Board. | Yes |
| 13.2 | Pass Books/Statements of accounts duly updated are delivered to the customers without delay | Yes |
| 13.3 | Issuance of Demand Drafts, POs etc is done promptly | Yes |
| 13.4 | Complaint and suggestion boxes and Complaint Book are maintained at the Branch | Yes |
| 13.5 | Complaints are reported to appropriate authorities within reasonable time and no complaint is outstanding to be resolved. | Yes |
| 13.6 | Customer Service Committee Meetings and Customer Meets are held on monthly basis as per norms and proceedings are minutised and submitted to Head Office | Yes |
| 13.7 | Addresses of Nodal Officers along with their telephone numbers are displayed on the Notice board. | Yes |
| 13.8 | Counters are kept open in time for transacting business | Yes |
| 13.9 | Behaviour of staff towards customers is courteous & positive. | Yes |
| 13.10 | The layout and maintenance of premises, furniture and fittings etc contribute to building of good image & better customer service | Yes |
| 13.11 | Branch is submitting (i) Statement of Complaints (ii) Complaints disposal statement & (iii) Complaints statistics statement on quarterly basis to Head Office | Yes |
| 13.12 | Overall perception of Inspecting Officer about Customer Service rendered at the Branch | Satisfactory |
| 13.13 | Effectiveness of Grievances Redressal Mechanism | Effective |
| 13.14 | Effectiveness of BCSBI codes are put in place. | Effective |
| 13.15 | Deficiencies observed during the visit of RBI/BCSBI Officials are fully rectified. | Yes |
| 13.16 | Any other Observations of Inspecting Officer | Nothing in particular |

**14. DEPOSITS**

|  |  |  |
| --- | --- | --- |
| **14.1** | **General Remark (Whether)** | |
| 14.1.1 | Account opening forms, obtained during the period under review in respect of all types of deposit accounts duly supported by necessary credentials have been test checked and found in order. | Yes |
| 14.1.2 | Test checking of interest is done – viz. Parameters, Maturity and TDS. | Yes |
| 14.1.3 | Accounts in the name of staff members have been verified and any unusual transaction have been observed therein. | Yes,  No unusual transaction has been observed. |
| 14.1.4 | Balancing in respect of all the Heads including interest accrued and Matured Term Deposit is checked periodically. | Yes |
| 14.1.5 | Ultra violet ray machine supplied to the Branch, is in working condition and cheques / drafts are examined through the machine as per guidelines | Yes |
| 14.1.6 | Full KYC compliance in respect of all the existing accounts have been complied | Yes |
| 14.1.7 | Any other Observations of Inspecting Officer | Nothing in particular |
| **14.2** | **CURRENT ACCOUNTS (Whether)** | |
| 14.2.1 | No of Current accounts opened during review period / since last inspection. | 27 |
| 14.2.2 | All procedural requirements including RO permission are completed and proper record is maintained in respect of current accounts opened during review period including KYC & Know your Customer’s Business (KYCB) | Yes |
| 14.2.3 | Necessary due diligence is being taken by the branch while opening current account AND declaration is obtained from the account holders, whether they are enjoying any credit facility with other Banks, at the time of opening of Current Account | Yes |
| 14.2.4 | Guidelines in respect of TODs are being strictly complied with and confirmation has been sought from competent authority in case of TOD is granted beyond DLP and/or not cleared within stipulated time | Yes |
| 14.2.5 | TODs are reported on fortnightly basis to controlling office | Yes |
| 14.2.6 | Drawing Against Un cleared Effects has been granted as per guidelines circulated by the bank from time to time | Yes |
| 14.2.7 | Various service charges are recovered as per guidelines | Yes |
| 14.2.8 | Beneficial ownership undertaking is being obtained invariably as per HO guidelines | Yes |
| 14.2.9 | Any other Observations of Inspecting Officer | Nothing in particular |
| **14 .3** | **SAVINGS BANK ACCOUNTS (Whether)** | |
| 14.3.1 | No of Accounts Opened during Review period / since last inspection. | 200 |
| 14.3.2 | All Savings Accounts are opened in conformity with prescribed guidelines duly supported by required credentials ‘ | Yes |
| 14.3.3 | Interest is being paid on quarterly basis and interest has been test checked by branch officials. | Yes |
| 14.3.4 | Various service charges. are recovered as per guidelines | Yes |
| 14.3.5 | Balancing is checked at prescribed intervals by generating jotting Report. | Yes |
| 14.3.6 | Any other Observations of IO’s, if any: | Branch should make efforts to open more accounts. |
| **14 .4** | **TERM DEPOSIT (Whether)** | |
| 14.4.1 | Guidelines are being followed by the Branch towards issuance/ renewal / pre-mature payment/ payments are strictly followed as per book of instructions and SOP | Yes |
| 14.4.2 | Interest provision on fixed/short deposit has been test checked and found correct and whether provision of interest on time deposits is balanced regularly | Yes |
| 14.4.3 | Balancing is checked at prescribed intervals by generating Jotting Report. | No |
| 14.4.4 | TDS has been deducted from payment of interest on Term Deposits as per the extant guidelines, wherever applicable. | Yes |
| 14.4.5 | Systematic record of Form No. 15G/15H has been maintained and eTDS returns filed on quarterly basis as stipulated. | Yes |
| 14.4.6 | Adoption of standard operating Procedures for allowing additional rate of interest in Deposit Accounts and Recovery of Excess Interest Paid. In case of interest allowed in excess of card rate mandate is checked as per SOP | Yes |
| 14.4.7 | Additional observations of IOs, if any | Nothing in particular |

**15. KYC AND ANTI MONEY LAUNDERING NORMS (Whether)**

|  |  |  |
| --- | --- | --- |
| 15.1 | Staff is aware of KYC/AML guidelines | Yes |
| 15.2 | Risk profiling has been done in all existing accounts | Yes |
| 15.3 | Compliance of KYC norms is being done meticulously and letter of thanks are being sent to a/c openers and introducers | Yes |
| 15.4 | Guidelines in respect of “No Frill Accounts” are being followed meticulously | Yes |
| 15.5 | CTR/STR and report on Counterfeit Currency Report (CCR) is being submitted timely | Yes |
| 15.6 | System of monitoring of newly opened accounts / large value transaction is being observed | Yes |
| 15.7 | AML Alerts are being closed and reported on daily basis through AMLOCK software | Yes |

**16. BUDGETING –PLANNING & BUSINESS STRATEGY AND ENVIRONMENT (Whether)**

|  |  |  |
| --- | --- | --- |
| 16.1 | All the staff is known of the targets and they are involved in achieving the same | Yes |
| 16.2 | The business strategies of the branch are according to the corporate objectives. | Yes |
| 16.3 | The branch is making adequate efforts to market the various products by the Bank | Yes |
| 16.4 | The branch has achieved the allocated targets allotted under Third Party Business including targets under special campaigns if any, | Yes |
| 16.5 | Additional observations of IOs, if any: | Nothing in particular |

**17.** **GENERAL ADVANCES (Whether)**

|  |  |  |
| --- | --- | --- |
| 17.1 | Loans and advances are granted as per Loan Policy Document of the bank | Yes |
| 17.2 | Single borrower/Group Borrower Exposure limit is being observed | Yes |
| 17.3 | Data on monthly basis is transferred in CRISMAC system and MIS is submitted as per extant guidelines. | Yes |
| 17.4 | Copy of proposals with covering letter in the prescribed format of all the sanctions/reviews are submitted to Controlling Office for PSS/ PSR noting as per the guidelines | Yes |
| 17.5 | MSOD / QID are submitted by the parties in case of advances accounts falling under its purview | Yes |
| 17.6 | Branch Manager monitors the accounts causing concern and sends reports thereon to Controlling Office on Monthly/ Quarterly basis as per the guidelines in vogue. | Yes |
| 17.7 | Loan applications/sanction/rejections are disposed off, as per norms stipulated by loan policy guidelines | Yes |
| 17.8 | Legal verification of documents in all the eligible a/cs is obtained and kept on record from Chief Manager (Law)/Branch Advocate | Yes |
| 17.9 | Guidelines regarding collateral free loans are followed and such advances are covered under CGFTS of SIDBI. | Yes |
| 17.10 | Fresh exposure to parties involved in compromise cases is not taken without the permission of competent authority. | Yes |
| 17.11 | Unit visits are done by Branch Manager/ Advance Officer as per prescribed periodicity. | Yes |
| 17.12 | Stock Statement /Book Debt statement duly certified by C.A (on quarterly basis) are obtained in all eligible cases and stipulated margin is adhered | Yes |
| 17.13 | Penal interest /commitment charges /Pre-payment charges are levied as per terms & conditions of the sanction and as per extant guidelines | Yes |
| 17.14 | CIBIL data is procured in respect of the fresh accounts and kept on record as per guidelines | Yes |
| 17.15 | Takeover of accounts is done **as per the provisions of LPD** i.e. after obtaining no objection letter / certificate of satisfactory conduct of account from existing banker and after independent verification of facts / conduct of account | Yes |
| 17.16 | Bank’s guidelines on Fair practice Code for Lender are being complied with | Yes |
| 17.17 | Defaulters list / caution list is kept updated and referred to from time to time. | Yes |
| 17.18 | Legal Compliance Certificate wherever applicable is being kept on record. | Yes |
| 17.19 | (i) Submission of CRISMAC account template/ data input sheet is being prepared and sent to CRISMAC DEPARMENT HO  (ii) NPA classification properly done (test check) and NPA in CRISMAC tallies with NPAs. | Yes |

**18. NON FUND BUSINESS:**

|  |  |  |
| --- | --- | --- |
| 18.1 | Type N.F Business. | As on date of Inspection  (Rs. In actual.) |
| **1**.  **Letter of credit issued:** |  |
| a. Inland | - |
| **2. Bank Guarantee Issued:** |  |
| a. Financial |  |
| b. Performance | (4) 4901001.00 |
|  | **BANK GUARANTEES : (Whether)** | |
| 18.2 | Sanction is made after credit appraisal within delegated powers, ensuring security, margin, etc. | Yes |
| 18.3 | Guarantee Bond do not contain any onerous clause and the same is approved by Legal Dept. and issued as per extant guidelines | Yes |
| 18.4 | Limitation clause as to the period and the financial liability is incorporated positively in all the Bank Guarantees. | Yes |
| 18.5 | Bank guarantee is properly classified into Financial and Performance category. | Yes |
| 18.6 | Guarantee documents are sent to beneficiary as per guidelines. | Yes |
| 18.7 | Follow up for reversal of expired guarantees is made to avoid unnecessary / requirement for capital adequacy on such guarantees. | No expired bank guarantee. |

**19. LETTER OF CREDIT (Whether)**

|  |  |  |
| --- | --- | --- |
| 19.1 | Facility is sanctioned against tangible security by way of Cash margin/Collateral, equitable mortgage etc. | Yes |
| 19.2 | High value L/cs are properly monitored & checked and any devolvement must be recorded and informed to controlling office | Yes |
| 19.3 | Amendments in L/c are backed by the request of the opener in writing | Yes |
| 19.4 | Documents are checked as per terms of L/C | Yes |
| 19.5 | Authority of opening Bank is obtained before making payment and in case of discrepancies, approval is obtained from opener of L/C | NA |

**Major irregularities observed in processing, appraisal & documentation of Advance Accounts:**

|  |  |  |
| --- | --- | --- |
| **S. No.** | **Account Id** | **Observations** |
| 1. 1 | 60040047 | Review pending since 31.08.21. Branch should charge penal interest for overdue period of review.  **PSS of Review proposal dated 31.08.21 not on records.**  Visit report of property mortgaged not on records.  Low turnover in the account.  Stock under- insured.  NEC & valuation are more than three years old. |
| 1. 2 | 60040201 | Review pending since 16.01.2021. Branch should charge penal interest for overdue period of review.  Low turnover in the account.  **ADHOC sanctioned for 90 days on 04.05.21 (account no.600-40619) closed on 30.10.21 after 179 days. Branch had not sought permission for allowing adhoc/excess beyond 120 days.** |
| 1. 3 | 60040220 | HO sanction letter for review cum enhancement kept on records is unsigned by competent authority.  CA certified networth certificate with UDIN No. of Mrs. Preeti Singhal (guarantor) not obtained as per Bank’s guidelines.  Declaration cum undertaking from tenant of properties mortgaged not kept on records.  Documentary evidence towards reserves & surplus raised by the borrower as advised in HO sanction letter not obtained.  CA certified age-wise list of debtors not on records. Branch is not obtaining CA certified list of debtors on quarterly basis.  **POA of book debts should be notarised.**  Affidavits kept on records should be notarised.  Supplemental memorandums are not proper. The flow of limit enhance is not complete. Aggregate advance sanctioned against property is also not matching.  **Title deeds kept on records are laminated. Certificate of genuineness not on records.**  **Vetting certificate of documents not on records.**  **CERSAI not on records.**  **Branch should ensure to recover Rs.90000- for processing charges, Rs.10000-for documentation charges and Rs. 1700- for CIBIL (commercial & individual) & CERSAI charges.** |

**LAD NOT in ACCOUNTS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **S. No.** | **A/C No** | **Name** | **AMOUNT** | **LAST LAD/DATE OF DOCUMENT** |
| 1 | 560989 | Vaseem | 1.65 | 17.06.2017 |
| 2 | 5601014 | Jagdish | 1.00 | 17.01.2018 |
| 3 | 560700 | Kiran | 10.00 | 14.02.2018 |
| 4 | 560841 | Tarsem | 7.00 | 03.07.2017 |
| 5 | 560864 | Harish | 5.00 | 15.11.2017 |
| 6 | 605-18 | Pyare Singh | 5.00 | 05.02.2018 |
| 7 | 605-33 | Surabhi | 7.00 | 31.03.2018 |
| 8 | 605-52 | Mandeep | 10.00 | 01.02.2018 |
|  |  | TOTAL | 391.36 |  |