

## 1 Review of Advances and Deposits portfolio

### (i) For viewing the transactions in the Ledger account - HACLINQ

<i>Executable in both Finacle Live/DC &amp; Report/DR mode</i>		
Step 1	In menu option - Type <b>HACLINQ</b>	Press Enter
Step 2	Type the account number (if known) and the start & end date.	Press <b>F4</b>
	If account number is not known then type "name" in the account No. box	Press <b>F2</b>
Step 3	Screen will appear with names of all borrowers/depositors	Click on the A/c id of the required borrower/depositors
Step 4		Press F4 to execute and review the account chosen.

### (ii) For viewing the account details - HACLINQ

*Executable in both Finacle Live/DC & Report/DR mode*

Step 1	in menu option - type HACLINQ	Press <b>Enter</b>
Step 2	Type the account number	
Step 3	In the account number column	Press " <b>control + E</b> "

### (iii) To view scheme code/details - HACLI

<i>Executable in both Finacle Live/DC &amp; Report/DR mode</i>		
Step 1	In menu option - Type HACLI	Press Enter
Step 2	In account number column	Press F2
Step 3	In scheme Code Column	Click on scheme code column

### (iv) Loans overdue position inquiry - HLAOPI (Specially for Term Loans)

<i>Executable in both Finacle Live/DC &amp; Report/DR mode</i>		
Step 1	In menu option - Type HLAOPI	
Step 2	Fill in the various fields Sol ID of the branch In Account Range From - Enter the first Account no. In account Range To - Enter the last Account no. As on date - Enter End Date	
	Details of all the overdue accounts for which the range was entered as above will be generated together with the bifurcation between principal and interest amount	

**(v) Viewing Updation of stock statement - HCLL**

<i>Executable in both Finacle Live/DC &amp; Report/DR mode</i>		
Step 1	In the menu option - Type HCLL	Press enter
Step 2	Type the account number	Press F4
Step 3	Details such as Type of collateral security, margin percent, collateral value of the security considered for the respective account will appear	

**(vi) Viewing Interest applied details - HINTTI**

<i>Executable in both Finacle Live/DC &amp; Report/DR mode</i>		
Step 1	In Menu option : Type HINTTI	Press enter
Step 2	Type the account number	Press F4
	Details of interest that is being applied to the account will appear	

**(vi) Viewing Interest Work Sheet Advances/Deposits - HAINTRPT**

<i>Executable in both Finacle Live/DC &amp; Report/DR mode</i>		
Step 1	In Menu Option: Type HAINTRPT	Press Enter
Step 2	Fill the following parameters : Enter Sol ID of Branch Report to - M Scheme type - Say "CCA" for Cash Credit CCY - INR From A/c ID - Enter A/c No. To A/c ID - Same as above for single A/c From & To date- Enter the period the report is required MRT File Name - accIntRep.mrt or Press "F2" and then select through shift "F4" Debit/Credit Interest - Select Debit, Credit or both option as required	Click on Submit
Step 3	Report will be generated. Print the report from HPR menu.	

**(viii) View turnover in Cash Credit/other loan A/c's - HATOR**

<i>Executable in both Finacle Live/DC &amp; Report/DR mode</i>		
Step 1	In Menu Option: Type HATOR	Press Enter
Step 2	Fill in the following parameters: Sol ID of the branch From date & to date - Enter Date Report to - Type "M" CCY -Type "INR" Account range - Enter account no. The report will be generated successfully. Use HPR Menu to view it.	Click on Submit

**(ix) Print and save individual Accounts/ledger - HPSP**

<i>Executable in both Finacle Live/DC &amp; Report/DR mode</i>		
Step 1	In Menu option : Type "HPSP"	Press Enter
Step 2	Select statemnt type Set ID - Sol ID CCY - INR Enter the account number and the period	Click on submit
Step 3	The report will be generated successfully. Use HPR menu to view it	

**2 Review of Non-Performing Assest (NPAs)**

**(i) To generate list of NPA Accounts (Classification Wise with NPA Date) - HASSCR**

<i>Executable in both Finacle Live/DC &amp; Report/DR mode</i>		
Step 1	In Menu option - Type HASSCR	Press Enter
Step 2	Fill in the following parameters: Report To - "M" Set ID - Sol ID of the branch Asset Type - "A" for Accounts or "L" for all assets including Inland & Foreign Bills Asset Class ( Main)-002 (For NPA) Asset class (Sub) - F2 then select using Shift F4 for Substandard, Doubtful & Loss etc.	Press F4
Step 3	The report will be generated successfully. Use HPR Menu to view it	

**(ii) Printing/viewing Report generated - HPR**

<i>Executable in both Finacle Live/DC &amp; Report/DR mode</i>		
Step 1	In menu option : Type HPR	Press Enter
Step 2	Select the required report	
Step 3	To view the report	Click on Print Screen
	To print ther report	First Click on print screen option and then click on print
	To download the report	First click on vew details option and then click on Download

**3 Review of Balance Sheet and profit & Loss****(i) Steps to individually review /scrutinize heads of account - HACLI**

<i>Executable in both Finacle Live/DC &amp; Report/DR mode</i>		
Step 1	In menu option - Type HACLI	Press Enter
Step 2	Enter the Account Number (if known) (14 digits account number. First 4 Digits indicate the branch code.) Also type the start and end date of review	Press F4
Step 3	If account no. is not known	Press F2
	Click on General Ledger subhead Code	Press F2
	Screen will appear with the appropriate codes with subhead description	Click on the required code and then click on submit
Step 4	Screen will appear containing all the existing accounts containing the name.	Click on the A/c ID of the required head
Step 5		Press F4 to execute and review the head

**(ii) Guarantees issued cum liability register- HGILR**

<i>Executable in both Finacle Live/DC &amp; Report/DR mode</i>		
Step 1	In menu option - Type HGILR	Press Enter
Step 2	Complete various fields: In report to field - Type "M" In set ID - Enter Sol ID of branch CCY - Type "INR" In issue date fro m& to - Enter the period	Click on submit
Step 3	Report will be generated. Print the report from HPR menu	

**(iii) TDS Inquiry Position - HTDSIP**

<i>Executable in both Finacle Live/DC &amp; Report/DR mode</i>		
Step 1	In the menu option - Type HTDSIP	Press Enter
Step 2	Select Inquiry	
Step 3	Fill the parameters In report to - Type "M" In CCY - Type "INR" Enter Date	Press F4
Step 4	The reprot will be generated successfully. Use HPR Menu to view it	

**(iv) Value dated transactions - HFTR**

<i>Executable in both Finacle Live/DC &amp; Report/DR mode</i>		
Step 1	In the menu option - type HFTR	Press Enter
Step 2	Fill the various fields Enter SOL ID Check mark the only value dated field Enter the period MRT File Name - FTR_01.MRT	Press F4

**(v) Inventory Status Report (Security Forms) - HISRA**

<i>Executable in both Finacle Live/DC &amp; Report/DR mode</i>		
Step 1	In the menu option - Type HISRA	Press enter
Step 2	Enter SOL ID of the branch	Press F4
Step 3	In the Foreground/Background - "F" In print required - Type "N"	Press F10
Step 4	The report will be generated successfully. Use HPR Menu to view it	

**(vi) Exceptional Transactions Report - HEXCPRPT**

<i>Executable in both Finacle Live/DC &amp; Report/DR mode</i>		
Step 1	Fill in the menu option - Type HEXCPRPT	Press Enter
Step 2	Fill in the following parameters: Report to - Type "M" Set ID - Enter SOL ID of the branch On or Off - of a SOL ID exception type - Select Financial From date & to date- Enter date	Click on Submit
	The report will be generated successfully. Use HPR menu to view it.	

## History

1. **I) Bank of India – 1786** name-General Bank of India
2. Then came Bank of Hindustan
3. In 1809 Presidency bank of Bengal established later presidency bank of Bombay and Chennai came in to exist.
4. In 1900 three classes of bank came

Presidency bank  
(3 in number)

Joint sector Bank  
(9 in number)

Foreign Bank  
(8 in numbers)

5. In 1934 Reserve Bank of India Act came
6. In 1921 all presidency bank merged to imperial bank
7. in 1955 imperial bank become SBI
8. In 1959 associated bank of SBI came (8 nos) later merged to SBI itself

## **II) Types of bank**

commercial bank

Regional rural bank

Cooperative bank

Foreign bank

payment bank – 6 nos 2014

Small bank 2014

**A) Commercial bank** – i) Public sector bank

ii) Private sector bank

**B) Regional rural bank** – i) Capital 50%

ii) Share or bal 35

iii) State govt- 15

**C)**

### **Co Operative Bank**

\*State cooperative apex bank  
development

At state level

\*Co operative Bank

At town level

\* Co operative land

bank

Share capital – \* State Govt.

\*Public Govt.

#### **D) Foreign bank**

#### **E) Payment Bank** – Since 2014 (small savings) No lending

CRR & SLR to be maintained regulated by RBI

At present 6 payment banks

- Viz
- a) airtel payment bank
  - b) India post payment bank
  - c) Fino payment bank
  - d) Jio payment bank
  - e) Paytm payment bank
  - f) NDSL payment bank

#### **F) Small Finance Bank (SFB)** Nov 2014

At present 12 small financial banks

Objective – Small savings, credit to small business units

### **III) Banking Products**

- Deposit
- Advances
- Remittances
- corrections
- LC/BG
- Merchant Banking
- Credit cards
- Receipt of foreign contributes
- Technology based services(internet banking, phone banking)
- Dividend interest/refund warrants safe keeping services
- Lockers
- Handling govt. business
- DP(Depository Participant)
- ATM
- Exchange of notes
- Debit cards
- Auto sweeping
- Third party advertisement on ATM
- Derivates
- Reverse Mortgage

- Prepaid payment instrument (PPI)
- Para balancing System

### **Organizational Structure**

- 1) H.O- policies, Asset liability management, Treasury, HR
- 2) Z.O- Branch control
- 3) R.O – Branch requirement
- 4) Branches

### **Foreign office of branches**

- a) Full fledged branches – All banking business
- b) Off shore banking unit- Transact foreign exchange with normal business
- c) Subsidiaries- If law of the country does not permits to have branches then subsidiaries.
- d) Representative Office- Does not do any bank business

### **Legal Frame Work**

- Banking regulation Act 1949
- Section 22 of Act license required for a bank business
- RBI permission to start new branch /transfer of existing place of business but does not require for same city/village
- Section 9 , banks are prohibited from holding immovable property other than assets for own use
- Section 15, restricts payment of dividend by banking company unless intangible assets are written off
- Temporary place for one month exempted
- RBI inspection (Section 35 A)
- u/s 24,25,26,27 various returns to be submitted to RBI by branch

### **Returns to be submitted to RBI**

- Monthly returns of assets maintained in India
- Quarterly return of assets and liabilities at close of Friday of every quarter
- Annual returns of unclaimed accounts not been operated for 10 years
- Monthly return of assets and liabilities in India at the close of business on last Friday of every month



## **Concurrent Audit**

High Risk Branches

All specialized Branches

Treasury branches

Critical head office departments

Concurrent audit by bank own staff or external auditor

Appointment of external auditor for 1 year extended to 3 years

### ➤ **Concurrent audit:**

- 100% verification
- Spot rectification
- As and when transaction done

### **Apply:**

- CA SANSAR
- Banks call (April- Sep)
- Online portal

## **Income for CAs**

(advantages)

- Monthly Income
- Starters Goods

(Disadvantages)

- Slavery works
- No cooperation
- Less income compared to labour
- No respect
- No spot rectification done
- Meeting whatsapp messages hectic and drudgery

## **Team:**

- Good team with a retired bank official
- consistent team
- Technical knowledge
- Knowledge of banking sector

## **Timing:**

- Continuous work(SBI full day)

- Attendance biometric (UBI)
- Meetings

#### **Software:**

- DRISHYA
- DARPAN (CANARA)
- WEBCAS (SBI)
- ETHIC- UBI
- PENTANE (FEDERAL)

#### **Works:**

- Always discuss with Branch Manager
- Then report
- Spot rectify
- Spot rectified check
- DISA partner/Proprietor

#### **Scope:**

- Cash:
  - Physical verification
  - Daily verification by authorized person
  - Key register
  - scores book
  - Excess cash limit
  - Sealed/mutilated notes
  - Exchange of notes (Rs.5000 or 20 note)
  - Non writing of political slogans
  - Chest audit(SBI)
  - Insurance
  - rotation of cashier
  - After business hours no transactions
  - Key under joint custody
  - surprise verification
  - Chest transfer

#### **KYC**

1. RBI- master direction- December 2016  
No. RBI/DBR/2015-16/18

## 2. Regulated entities(RE)

- All scheduled bank
- regional rural bank
- local area bank
- All primary urban cooperative bank
- entity licensed u/s 22
- All NBFC, MNBFC, money transfer service personal

### **KYC (Customer)**

- For those account is maintained
- Beneficial owner
- Beneficiaries of transaction conducted by stock brokers, CAs, solicitors
- Any person connected with a significant/risky financial transactions

### **Elements of KYC**

- Customer acceptance policy
- Risk management
- customer identification process
- Monitoring process

### **Updation of KYC**

Risk	Once in year
High	2
Medium	8
low	10

- KYC Document attached by customer
- True copy verified by B.M and sealed signed
- Details in application
- KYC documents

### **Deposits: SB/FD/RD/CC**

- Account opening KYC

- changing of solid separate application
- approved by external person
- specimen signatures/letter of thanks
- Dormat accounts
- leased person account
- Nominee
- photo of customer office
- SB A/c- KYC, Photo, seal, Rs.50000/- above Pan card
- Excess cash deposit in new A/c
- Fraud- (Online deposits & withdrawal freezing)
- excess withdrawals
- FD- KYC
- R.D

**Advance:**

- |  |  |
|--|--|
| <p><b>1)</b></p> <p><b>Secured</b></p> <p><b>a) short term (below 3 yrs)</b></p> | <p><b>2) unsecured</b></p> <p><b>b) longterm (above 3 yrs)</b></p> |
|--|--|

**Secured loans**

- Housing loan -
- loan against deposits
- loan against financial securities
- MSME loans
- Vehicle loans
- Mortgage loan

**security**

- Land buildings
- Deposits
- NSC, LIC
- Stock, debits, plant and machineries, land and building
- Vehicle
- Land and building

**Unsecured loans**

- Sanctioned against yearly income
- No securities

**Income proof required loans**

- Housing Loan
- Vehicle Loan
- Mortgage Loan
- Personal Loan

**Cut back norms**

- Margin required 70% 30, 60% 40
- Gold loan 85% of market value

- Loans for profession are done a no of man days worked, expenses, incurred surplus
- Loan for private purpose income proof required
  - Physical verification security
  - stock report (creditors reduction)
  - DP
  - Adequate stock
  - sanction within limit legal report
  - Cheque Bouncing
  - Financial Statement
  - Stock audit- 5 crores or more
  - Insurance (address, adequate)
  - NPA (Cumulative)
  - SMA- 0,1,2 (30,60,90 days)
  - Priority sector (syndicate bank Chirakkal)
  - Fraud by manager
  - interest rate quoted in agreement & software
  - Mail letter to withdraw
  - Agri gold loan (tax receipt )
  - Vehicle loan re insurance
  - After giving loan number customer comes to bank
  - Customer identification (shouting & asking customer)
  - Thought he will not repay
  - Signature in all documents of loan & completion of documents
  - end use of loan proceeds
  - priority sector loan sanction by RBI
  - Body language of customer
  - if documents were not made proper before ,Loan sanction never it will be completed
  - Early warning signals
  - Court cases
  - Renewal
  - Previous auditors( not checked, renewal coming in software)
  - TOD- 6 months
  - FD loan
  - end user
  - personal loan unsecured/secured
  - lot of loans fresh loan number approval

### **Housing loan documents**

- Title deed
- legal vetting
- valuation certificate
- insurance 110% of security offered value

### **Mortgage loan Documents**

- Income Proof
- rest as housing loan

### **Vehicle loan documents**

Income proof (private vehicle)

### **MSME Loan**

#### **1) Primary**

- stock
- Book debts
- Machinery

#### **2) collateral**

Land and building  
Deposits etc.

- MSME loan- collateral mandatory
- MSME loan- NO personal guarantee accepted
- MSME loan – covered under CGTMS Scheme
- CIBIL SCORE mandatory (all loan)
- no overdue loan exists before sanction

### **Registration:**

CERSAI (Central Regularity of securitization Asset reconstruction and security interest of India)

SARFAESI ( Securitization reconstruction of financial asset and enforcement of security interest Act 2002  
for recovery without filing such

### **Education Loan**

- Apply through vidya laxmi portal
- Up to 7.5 lacs no security
- Above 7.5 lacs security

### **Loan against NSC/LIC GOVT guarantee**

- NO NPA

**Vouchers**

- Bundled vouchers day wise
- Records kept up to 8years
- proper bundling

**SUSPENSE A/C**

- Reconciled
- not more than 6 months

**Miscellaneous**

- Notice Board
- Fire extinguisher
- assets renewal
- water, pen
- AMC
- Arms license renewal

**Due dates- completion**

- Penalty if not completed
- Sending of reports
- UDIN

**Not to do:**

- Audit of client in the branches
- project report other cumulations for clients in branches
- LFAR/ Statutory
- other certifications

**REPORT:**

- Day end done
- exceptional report filing

**Document Required**

1. Partnership Deed
2. Registration Deed
3. GSTIN
4. PAN
5. Rent agreement,KYC, Electricity bill
6. Pre- sanction letter
7. Post sanction

8. Insurance
9. Invoice of vehicle
10. M/C Loan disbursed after receiving quotations
11. Payment to third party
12. Registration Certificate - RC
13. Parivahan Software
14. Encumbrance Certificate - EC
15. Housing loan: Completion Certificate (state-wise norms)
16. Income proof
17. Visa and passport

### **NRE Account**

1. FEMA regulation
2. No bank Closes after retiring OF NRI

### **Revenue of banks**

- Locker Rent
- Processing charges
- interest
- Folio Charges
- Inspection charges(6 months)
- Not taking CC Limits
- Penal Interest
- Cheque bouncing charges
- printing charges
- commitment charges
- cheque book charges
- ATM charges

### **Early Warning Signal**

- Statutory dues
- cash withdrawal
- cheque bouncing
- additional loans
- invocation of BGS/ development of ISS
- Non routing of sale through account
- Issues in stock audit report
- Changes in current assets
- Increases in fixed asset without increases in long term sources



- Claims not acknowledged
- Discrepancies in annual report
- registration of key personal

### **Practical**

- Mail non acceptance
- Stock verification
- Financial verification
- Fraud of managers
- All work done by one person
- pan words

### **Expense of Banks**

- Interest payment FD
- SB interest
- Salary of staffs
- stake

### **Staff**

- after transfer all fees of staff should be sent to other bank
- suspense account
- Transferred staff
- staff account
- Daily report
- Rotation of staff
- TDS

### **Treasury Functions**

HO. Level

#### **classifications of investment**

<b>HTM</b>	<b>HFT</b>	<b>AFS</b>
Held to maturity	Held for traders	Available for Sale

### **Foreign Exchange**

- NRE to be closed after return
- current a/c and capital a/c transactions

### **ATM**

- ATM complaint register
- ATM register
- ATM card issue register
- cheque register
- ATM cash loading and physical verification

### **Lockers**

- After business hours should not be done
- Locker complaint register
- Break open if locker rent not paid

### **NPA**

- SMA 0,1,2
- Temporary errors not treated as NPAA
- Restructuring of loans done if loan agreement changes
- Corporate veil lifting
- court cases

### **Conclusions**

- Good relationship & behaviour from staff and CAS
- Checking Whatsapp group