P. LATT OCTOM:

Form 'B' Third Schedule

Form of Profit and Loss Account

Profit and Loss Account for the year ended 31st March (000's omitted)

		Schedule No.	Year ended on 31.3 (current year)	Year ended on 31.3 (previous year)
I.	Income:	and a second		
	Interest earned	13	XXXX	
	Other income	14	XXXX	co wid
	Total	7	Name of the last o	
II.	Expenditure:	LOCATED ON		
	Interest expended	15	XXXX	李林峰 连州东北
	Operating expenses	16	XXXX	TO PRODUCT IV
	Provisions and contingencies	205	XXXX	ACCOMP
	Total		38.2801.7108 (233)	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
III	Profit/Loss:			
- in	Net Profit/Loss (–) for the year	(2001)	XXXX	en odi rebetti dele
	Profit/Loss (-) brought forward		XXXX	
	Total	The second secon	and the same	
IV.	Appropriations:			
	Transfer to statutory reserves		xxxx	
	Transfer to other reserves		XXXX	
	Transfer to Govt. /proposed dividen	nd	XXXX	to week of a
	Balance carried over to balance shee		XXXX	15 15 37 37 3
	Total	2		1. 1. 3. 3. 3. 10. 10. 10. 10. 10. 10. 10. 10. 10. 10

Schedules to be annexed with Profit and Loss Account Milling Schedule 13: Interest Earned Year ended Year ended on 31.3.... 31.3... (current year) (previous year) Rs. in '000 Rs. in '000 Interest/Discount on Advances/Bills XXXX I. XXXX Income on investments II. Interest on balances with RBI and other III. inter-bank funds XXXX XXXX IV. Others Total Schedule 14: Other Income Year ended Year ended on 31.3.... 31.3.... (current year) (previous year) Rs. in '000 I. Commission, Exchange and Brokerage XXXX II. Profit on sale of investments XXXX Less: Loss on sale of investments XXXX XXXX III. Profit on revaluation of investments XXXX Less: Loss on revaluation of investments XXXX XXXX Profit on sale of Land/Building and IV. other assets XXXX Less: Loss on sale of Land, Building and other assets XXXX XXXX Profit on Exchange transactions V. XXXX Less: Loss on Exchange transactions XXXX XXXX Income earned by way of dividends etc. from Subsidiaries/Companies and or Joint Venture abroad/in India VII. Miscellaneous Income XXXX XXXX Total Note: Under items II to V, loss figure may be shown in brackets

Schedule 15: Interest Expended

TOU LIA	pended	
The second secon	Year ended	Year ended
	on 31.3	31.3
	(current year)	(previous year)
I. Interest on Deposits	Rs. in '000	Rs. in '000
illerest on RBI/Inter-Root, D	XXXX	
III. Others	XXXX	tokia i Y
Total	XXXX	
	1	

Schedule 16: Operating Expenses

The state of the s	Year ended on 31.3 (current year) Rs. in '000	Year ended 31.3 (previous year) Rs. in '000
I. Payments to and provisions for employees	XXXX	XXXX
II Rent, taxes and lighting	XXXX	XXXX
III. Printing and Stationery	XXXX	XXXX
IV. Advertisement and Publicity	XXXX	XXXX
V. Depreciation on bank's property	xxxx	XXXX
VI. Directors' fees, allowances and expenses	XXXX	xxxx
VII. Auditor's fees, allowances and expenses	XXXX	XXXX
VIII. Law charges	XXXX	xxxx
IX. Postage, telegrams, telephones, etc.	XXXX	xxxx
X. Repairs & Maintenance	XXXX	XXXX
XI. Insurance	XXXX	XXXX
XII. Other expenditure	XXXX	XXXX
in telephone and the case and the transfer this	The second second	

Form A

(000%

Form at Balanc Balance Sheet of (here enter name of th	Schedule No.	(current year)	(previous vea-
the state of the s	. 400	Rs.	Rs.
Capital and Liabilities:	1		
Capital	2	Programme and the state of the	A STATE OF THE STA
Reserves and surplus	3		A Landador III Company
Deposits	4	ELLE PRESIDENT	FOREIGN LINE
Porrowings	5	the statement that	
Other liabilities and provisions Total			
Assets Cash and balance with RBI	6 6	ran barn made	
Balance with banks and money at call	62 Q (RE)	्रकी क्योंकर	from the con-
and short notice	7	es a error lands	Confidence of
The state of the s	8	and the state of the state of	ni B
Investments	9	Mary Control of the Control	
Advances	10	no strategical	and the second
Fixed assets	a alth a	half forth affilia	
Other assets Total	marca de	d and advance	
A MAIN AND THE CONTRACTOR OF T	12		F - 2 (F)
Contingent liabilities	12	Marga I stalks	
Bills for collection			
Schedule 1:			000's omitted
		As on 31.3	As on 31.3
			As on 31.3
		As on 31.3 (current year)	As on 31.3., (previous year
Schedule 1:		As on 31.3 (current year)	As on 31.3., (previous year
Schedule 1: 1. For Nationalised banks		As on 31.3 (current year)	As on 31.3., (previous year
1. For Nationalised banks Capital (fully owned by Central Govt.) Total		As on 31.3 (current year)	As on 31.3., (previous year
I. For Nationalised banks Capital (fully owned by Central Govt.) Total II. For banks incorporated outside India Capital		As on 31.3 (current year)	As on 31.3., (previous year
I. For Nationalised banks Capital (fully owned by Central Govt.) Total II. For banks incorporated outside India Capital (i) (The amount bought in by banks by		As on 31.3 (current year)	As on 31.3., (previous year
I. For Nationalised banks Capital (fully owned by Central Govt.) Total II. For banks incorporated outside India Capital (i) (The amount bought in by banks by		As on 31.3 (current year)	As on 31.3., (previous year
1. For Nationalised banks Capital (fully owned by Central Govt.) Total II. For banks incorporated outside India Capital (i) (The amount bought in by banks by way of start-up capital as prescribed		As on 31.3 (current year)	As on 31.3., (previous year
I. For Nationalised banks Capital (fully owned by Central Govt.) Total II. For banks incorporated outside India Capital (i) (The amount bought in by banks by way of start-up capital as prescribed by RBI should be shown under this her		As on 31.3 (current year)	As on 31.3., (previous year
I. For Nationalised banks Capital (fully owned by Central Govt.) Total II. For banks incorporated outside India Capital (i) (The amount bought in by banks by way of start-up capital as prescribed by RBI should be shown under this hea (ii) Amount of deposit kept with the RBI		As on 31.3 (current year)	As on 31.3., (previous year
I. For Nationalised banks Capital (fully owned by Central Govt.) Total II. For banks incorporated outside India Capital (i) (The amount bought in by banks by way of start-up capital as prescribed by RBI should be shown under this her		As on 31.3 (current year)	As on 31.3., (previous year
I. For Nationalised banks Capital (fully owned by Central Govt.) Total II. For banks incorporated outside India Capital (i) (The amount bought in by banks by way of start-up capital as prescribed by RBI should be shown under this hea (ii) Amount of deposit kept with the RBI under section 11(2) of the Banking Regulation Act. 1949		As on 31.3 (current year)	As on 31.3., (previous year
I. For Nationalised banks Capital (fully owned by Central Govt.) Total II. For banks incorporated outside India Capital (i) (The amount bought in by banks by way of start-up capital as prescribed by RBI should be shown under this hea (ii) Amount of deposit kept with the RBI under section 11(2) of the Banking Regulation Act. 1949 Total		As on 31.3 (current year)	As on 31.3., (previous year
I. For Nationalised banks Capital (fully owned by Central Govt.) Total II. For banks incorporated outside India Capital (i) (The amount bought in by banks by way of start-up capital as prescribed by RBI should be shown under this hea (ii) Amount of deposit kept with the RBI under section 11(2) of the Banking Regulation Act. 1949 Total (iii) For other banks Authorised capital (shares of Rs	ad)	As on 31.3 (current year)	As on 31.3., (previous year
I. For Nationalised banks Capital (fully owned by Central Govt.) Total II. For banks incorporated outside India Capital (i) (The amount bought in by banks by way of start-up capital as prescribed by RBI should be shown under this hea (ii) Amount of deposit kept with the RBI under section 11(2) of the Banking Regulation Act. 1949 Total (iii) For other banks Authorised capital (shares of Rs each)	ad)	As on 31.3 (current year)	As on 31.3., (previous year
I. For Nationalised banks Capital (fully owned by Central Govt.) Total II. For banks incorporated outside India Capital (i) (The amount bought in by banks by way of start-up capital as prescribed by RBI should be shown under this hea (ii) Amount of deposit kept with the RBI under section 11(2) of the Banking Regulation Act. 1949 Total (iii) For other banks Authorised capital (shares of Rs each Subscribed capital (shares of Rs each)	ad)	As on 31.3 (current year)	As on 31.3., (previous year
I. For Nationalised banks Capital (fully owned by Central Govt.) Total II. For banks incorporated outside India Capital (i) (The amount bought in by banks by way of start-up capital as prescribed by RBI should be shown under this hea (ii) Amount of deposit kept with the RBI under section 11(2) of the Banking Regulation Act. 1949 Total (iii) For other banks Authorised capital (shares of Rs each Subscribed capital (shares of Rs each) Subscribed capital (shares of Rs each Called up capital (shares of Rs each	ad)	As on 31.3 (current year)	As on 31.3., (previous year
I. For Nationalised banks Capital (fully owned by Central Govt.) Total II. For banks incorporated outside India Capital (i) (The amount bought in by banks by way of start-up capital as prescribed by RBI should be shown under this hea (ii) Amount of deposit kept with the RBI under section 11(2) of the Banking Regulation Act. 1949 Total (iii) For other banks Authorised capital (shares of Rs each)	ad)	As on 31.3 (current year)	As on 31.3., (previous year

12.12	visions	(000's omitted)
12.13 Schedule 5: Liabilities and Pro	As on 31.3 (current year Rs.	As on 31.3 (previous year) Rs.
the state of the s	Ks.	143,
Bills payable Inter-office adjustments (net)		
III. Interest accrued IV. Others (including provisions) Total	25 A.S.	
Schedule 6 : Cash and Balances with Ro	eserve Bank o	f India
Schedule 6 : Cash and Balances with A	As on 31.3	. As on 31.3
Schedure	(current yea	r) (previous year Rs.
		un 32, 18
I. Cash in hand	14 2x 1 0 1	. Street
(including foreign currency notes)	East att William	bh.A
II. Balances with Reserve Bank of Hela	the off printer	I THE THE TAXABLE TAX
(i) In Current account	2 19, 7 (2022 2076)	a constant of the same
(ii) In other accounts	-	
Total (I and II)		and the second s
Schedule 7: Balances with banks and mone	ey at call and s	short notice
Schedule 7: Balances with Danks and Mount	As on 31.3.	As on 31.3
FE. 11. HE		ar) (previous ye
the same is the same of the sa	Rs.	Rs.
I. In India	Property of a	ne (i)
(i) Balance with banks	arisog a was	il seeingt
(a) In current accounts	251.85	ild John days
(b) In other deposit accounts	Anad	mcki. At
and about notice	, with	DECEMBER OF STREET
	d in the same of	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
(a) With banks	the latest the second	
(b) With other institutions	72 TO TO THE PROPERTY.	
A30 h		in the same of the
Total (I and II)) () () () () () () () () () (the state of the s
The continue to the same of the continue to th		
Outside India		
(i) In Current accounts	described to the second of the	Control of the Contro
(ii) In other deposit accounts	经价()	
(iii) Money at call and short notice	a lent to any fl	
Total (I, II & III)	S. Array	
	s Culti-partition (1)	or iver the
Grand total	or Certification Rule	i i ja kan sa ta ja kan sa
(I and II)		7
	In the same	

-		Schedule 8 : Inv	004		12.14
		· Ally	estment	8	000's omitted)
	100 mg			(current year)	As on 31 3 (previous _ ear)
1.	Inve	stments in India in		Rs.	Rs.
	(i) (ii) (iii)	Government securities Other approved securities Shares	4 62 (ax m		e francisk V
	(iv)	Debentures and bonds			
	(v) (vi)	Subsidiaries and/or joint ventures Other investments (to be specified)		The state of the s	
II.	Inve	Total estments outside India in Government securities		50 - 84/ - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	174
		(including local authorities)			
	(ii)	Subsidiaries and/or joint venture abro	nd l		
	(iii)	Other investments (to be specified)	nu Ha	و و	
		Total	and make	**************************************	-
		Grand Total (I and I			
		Schedule 9 : Ad	vances		
			42.		As on 31.3 (previous year)
<u> </u>	(i)	Bills purchased and discounted	-	Rs.	Rs.
A.	(i) (ii)	Cash credits overdrafts and loans repayable on demand		A TOP OF THE PARTY	
	(iii)	Term loans			
	(===)		Total		
B.	(i)	Secured by tangible assets	A line of	Disar Coss - De El	And the second second
	(ii) (iii)	Covered by Bank/Government guarar Unsecured	itees	130 A Ch	
			Total		
C.	I. A	dvances in India		130-1	
	(i)	Priority sectors		- '	
	(ii)	Public sector	4	n · v	
	(iii)	Banks		(*)	
	(iv)	Others	Total		
			Total	12	34. 1
	(i)	vance outside India Due from banks	21. V	* ***	
	(ii)	Due from others (a) Bills purchased and discounted		1.48	CHAIR MAN.
		(b) Syndicated loans		and the state of t	and the second
		(c) Others			1 14 0 14 0 14 0 14 0 14 0 14 0 14 0 14
			Total		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
		Grand Total (I and II)		

10	16	Corpora	ite Accounting
12.	Schedule 10 : Fixed As	sets (000's omitted)
		l As on 31.3	As on 31.3 (previous year) Rs.
II.	At cost on 31st March of the preceding year Additions during the year Deductions during the year Depreciation to date		
I. II. III. IV. V.	Inter-office adjustments (net) Interest accrued Tax paid in advance/ tax deducted at source Stationery and stamps Non-banking assets acquired in satisfaction of claims Others	As on 31.3	As on 31.3 (previous year) Rs.
	Total		7.7

(a) In case there is any unadjusted balance of loss, the same may be shown under this item with appropriate foot note.

Schedule 12: Contingent Liabilities

		Rs	Year ending As on 31.3 (previous year) Rs.
I.	Claims against the bank not acknowledged as debts	4.0)	TOTAL STREET
II.	Liabilities for partly paid investments	800	THE PARTY
III.	Liabilities on account of outstanding forward exchange contracts	date a	
IV.	Guarantees given on behalf of constituents	All and the second	
	(a) India	transfer of	
	(b) Outside India	and the second	
V.	Acceptance endorsements and other obligations Other items for which the	r. E british him	
VI.	thems for which the bank is contingently	270103	
	liable		
	Total		3.30

ILLUSTRATIONS

Non - performing assets (N.P.A.) - Provision for doubtful debts Illustration 1

On 31st March 1998, Bharat Commercial Bank Ltd., finds its advances classified as follows:

Standard assets	And the second s	(Rs.)
Sub-standard a		14,91,300
Doubtful assets	(secured)	92,800
	: doubtful for one year	25.660
	: doubtful for one way	25,660
	: doubtful for one year to 3 years	15,640
Loss assets	: doubtful for more than 3 years	6,580
11-4-41	A A	10,350

Calculate the amount of provision to be made by the bank against the above mentioned advances.

[Madras, B.Com (ICE) (UCYD) Oct. 2008; 1st M.Com (ICE) Oct. 2008; B.Com., B.Com (CS) Nov. 2007; B.Com (ICE) Ap 2007; M.Com (ICE) Oct. 2006] [Thiruvalluvar, B.Com., Ap. 2007]

Solution:

	Amount (Rs.)	% required as provision	Provision (Rs.)
Standard assets	14,91,300	0.25	3,728
Sub-standard assets	92,800	10	9,280
Doubtful assets: upto one year	25,660	20	5,132
one year to 3 years	15,640	30	4,692
more than 3 years	6,580	50	3,290
Loss assets	10,350	100	10,350
Total provision required	7 2 107	will a maist	36,472

1. If the doubtful assets were unsecured, 100% provision has to be made. Note:

2. As per recent RBI guidelines, 0.25% Provision is to be made on standard assets also.

Interest on Doubtful Debts

Illustration 2

While closing the books of a bank on 31st Dec. 1989, you find in the loan ledger as unsecured balance of Rs. 2 lakhs in the account of a merchant whose financial condition is reported to you as bad. Interest on the same account amounted to Rs. 20,000 during the year. During the year 1990, the bank accepted 75 paise in the rupee on account of the debt upto 31st Dec. 1989. Give journal and ledger to record these transactions under alternative accounting policies.

[Madras, B. Com (CS) Ap. 2008; B. Com (PZ4A) Ap. 2007; M.Com (PCMA) Ap. 2007; I M.Com., Oct. 2002] [Periyar, M.Com (CA) Ap 2005]

Illustration 4

The Trial Balance of the Nedungadi Bank Ltd., as on 30th June 1984 shows

1 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	
the following balances.	Rs.
	45,40,600
Interest and discount	4,750
Rebate on bills discounted (1.7.83)	3,37,400
Bills discounted and purchased	ed to be Rs. 5.560 Den

The unexpired discount as on 30.6.84 is estimated to be Rs. 5,560. Draft necessary adjusting entries and calculate the amount of interest and discount to be credited to Profit and Loss Account.

[Periyar, B.Com., Ap 2006] [Madras, B.Com., B.Com (CS) Ap 2007; Nov. 2006; B.Com. (PZ4A) Nov. 2006; 1st M.Com., Ap. 2007; M.Com. (Sem - CA1A) Nov. 2005; April 2004; BCS (SY4B) Nov. 2005; B. Com (ICE) Oct. 2005; II M.Com., April 2002; B.Com., Oct. 2000]

Solution:

Books of Nedungadi Bank Ltd.

(a)	Journal (adjustment)			
Date	Particulars	L.F	Dr	Cr
	Rebate on bills discounted A/c Dr	K-calada 1	Rs. 4,750	Rs.
19.5	To Discount A/c		4,730	4,750
	[Being transfer of opening unexpired discount to discount account]	\$9 ⁽¹⁾ (3.5)	ř.	
	Discount A/c Dr To Rebate on bills discounted	A 20	5,560	
5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	[Being closing unexpired discount out of the current year's discount]	t market to the	and the second s	5,560

(b) Calculation of amount of interest and discount to be credited to Profit & Loss Account:

Add:	Interest and Discount given Opening balance of rebate on bills discounted	Rs. 45,40,600 4,750
Less:	Closing balance of rebate on bills discounted	45,45,350 5,560
Interest a	and discount to be credited to Profit and Loss A/c (schedule 13)	45,39,790

Illustration 5

As on 31st December 1985, the books of the Hercules bank, include among others, the following balances

Rehate on hills 1:	Rs.
Rebate on bills discounted (1.1.1985) Discount received	3,20,000
	46,00,000
Bills discounted and purchased	3,15,47,000

Throughout 1985, the bank's rate for discounting has been 18%.

On investigation and analysis, the average due date for the bills discounted and purchased is calculated as 14 th February, 1986.

Show the calculation of the amount to be credited to the banks Profit and Loss A/c under discount earned for the year 1985. Show also the journal entries required to adjust the above mentioned accounts.

[Madras, B.Com., (ICE) (PZG) Oct. 2008]

Solution:

	Unexpired discount or rebate on bills on 31.12.85	Rs.	Dair
	$3,15,47,000 \times \frac{18}{100} \times \frac{45}{365}$ (i.e.,) 7,00,084	n aproresade a fo	· · · · · · · · · · · · · · · · · · ·
	Amount to be credited to Profit & Loss A/c has been ascertained as follows:	To Discour	
Add:	Balance in discount received A/c Balance in rebate account as of 1.1.85 transferred	46,00,000 3,20,000	(State
Less:	Rebate on bills (31.12.85)	49,20,000 7,00,084	
	Amount to be transferred to Profit and Loss A/c	42,19,916	9100

Journal entries

Date	Particulars	(paravella (s. r.a.)	L.F	Dr	Cr
00000	(La (1940)			Rs.	Rs.
1985	Rebate on bills discounted A/c	Dr	U. 4	3,20,000	
Dec. 31	To Discount received A/c			F 185 184	3,20,000
	[Being transfer of opening balance in the reba	te A/c	18485, n. 110	Bershall was a Maragan and	- The second second
Dec. 31	Discount received A/c	Dr	A 134	7,00,084	70s J.
	To Rebate on bills discounted A/c		2 1	part of I to	7,00,084
	[Being provision for unexpired discount as				
	on 31.12.85]		- Lance	non-market at the	
Dec. 31	Discount Received A/c	Dr	*54 1526	42,19,916	
	To Profit and Loss A/c				42,19,916
	[Being transfer of discount net after adjustme	ents]		The same	+ 1

III. Profit/Loss: Net Profit for the year (I - II) Profit brought forward IV. Appropriations: Transfer to statutory reserve (25% of 268) Transfer to other reserves Transfer to Government/proposed dividend Balance carried over to balance sheet Note: Transfer to statutory reserve is now increased to 25% of 1 earlier 20%. Working notes: Schedule 13: Interest earned Interest on loans Discount on bills discounted Interest on cash credits Interest on over drafts Total ote: Rebate on bills is the closing rebate and it will be shown in schedule Schedule 14: Other income Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	Rs Rs	t from th 2. (in '000 200 225 56 741 ance She
III. Profit/Loss: Net Profit for the year (I - II) Profit brought forward IV. Appropriations: Transfer to statutory reserve (25% of 268) Transfer to other reserves Transfer to Government/proposed dividend Balance carried over to balance sheet Note: Transfer to statutory reserve is now increased to 25% of 1 earlier 20%. Working notes: Schedule 13: Interest earned Interest on loans Discount on bills discounted Interest on cash credits Interest on over drafts Total fote: Rebate on bills is the closing rebate and it will be shown in schedule Schedule 14: Other income Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	268 268 67 201 268 Rs	t from th 2. (in '000 200 225 56 741 ance She
IV. Appropriations: Transfer to statutory reserve (25% of 268) Transfer to other reserves Transfer to Government/proposed dividend Balance carried over to balance sheet Note: Transfer to statutory reserve is now increased to 25% of 1 earlier 20%. Working notes: Schedule 13: Interest earned Interest on loans Discount on bills discounted Interest on cash credits Interest on over drafts Total Ote: Rebate on bills is the closing rebate and it will be shown in schedule Schedule 14: Other income Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on savings bank accounts Interest on savings bank accounts Schedule 16: Operating expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	201 268 Vet profit	260 200 225 56 741 ance She
IV. Appropriations: Transfer to statutory reserve (25% of 268) Transfer to other reserves Transfer to Government/proposed dividend Balance carried over to balance sheet Note: Transfer to statutory reserve is now increased to 25% of 1 earlier 20%. Working notes: Schedule 13: Interest earned Interest on loans Discount on bills discounted Interest on cash credits Interest on over drafts Total ote: Rebate on bills is the closing rebate and it will be shown in schedule Schedule 14: Other income Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	201 268 Vet profit	260 200 225 56 741 ance She
Transfer to statutory reserves Transfer to Government/proposed dividend Balance carried over to balance sheet Note: Transfer to statutory reserve is now increased to 25% of 1 earlier 20%. Working notes: Schedule 13: Interest earned Interest on loans Discount on bills discounted Interest on cash credits Interest on over drafts Total ote: Rebate on bills is the closing rebate and it will be shown in schedule Schedule 14: Other income Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	201 268 Net profit	260 200 225 56 741 ance She
Transfer to other reserves Transfer to Government/proposed dividend Balance carried over to balance sheet Note: Transfer to statutory reserve is now increased to 25% of 1 earlier 20%. Working notes: Schedule 13: Interest earned Interest on loans Discount on bills discounted Interest on cash credits Interest on over drafts Total ote: Rebate on bills is the closing rebate and it will be shown in schedule Schedule 14: Other income Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	268 Net profit	260 200 225 56 741 ance She
Note: Transfer to statutory reserve is now increased to 25% of 1 earlier 20%. Working notes: Schedule 13: Interest earned Interest on loans Discount on bills discounted Interest on cash credits Interest on over drafts Total ote: Rebate on bills is the closing rebate and it will be shown in schedule Schedule 14: Other income Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	268 Net profit	260 200 225 56 741 ance She
Note: Transfer to statutory reserve is now increased to 25% of 1 earlier 20%. Working notes: Schedule 13: Interest earned Interest on loans Discount on bills discounted Interest on cash credits Interest on over drafts Total ote: Rebate on bills is the closing rebate and it will be shown in schedule Schedule 14: Other income Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	268 Net profit	260 200 225 56 741 ance She
Interest on loans Discount on bills discounted Interest on cash credits Interest on over drafts Total ote: Rebate on bills is the closing rebate and it will be shown in schedule Schedule 14: Other income Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	Rs	260 200 225 56 741 ance She
Interest on loans Discount on bills discounted Interest on cash credits Interest on over drafts Total ote: Rebate on bills is the closing rebate and it will be shown in schedule Schedule 14: Other income Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	Rs Rs	260 200 225 56 741 ance She
Interest on loans Discount on bills discounted Interest on cash credits Interest on over drafts Total ote: Rebate on bills is the closing rebate and it will be shown in schedule Schedule 14: Other income Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	i st ma	260 200 225 56 741 ance She
Discount on bills discounted Interest on cash credits Interest on over drafts Total ote: Rebate on bills is the closing rebate and it will be shown in schedule Schedule 14: Other income Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	i st ma	260 200 225 56 741 ance She
Discount on bills discounted Interest on cash credits Interest on over drafts Total ote: Rebate on bills is the closing rebate and it will be shown in schedule Schedule 14: Other income Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	i st ma	260 200 225 56 741 ance She
Interest on cash credits Interest on over drafts Total ote: Rebate on bills is the closing rebate and it will be shown in schedule Schedule 14: Other income Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	5 in Bala	200 225 56 741 ance She
Interest on over drafts Total ote: Rebate on bills is the closing rebate and it will be shown in schedule Schedule 14: Other income Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	5 in Bala	225 56 741 ance She
ote: Rebate on bills is the closing rebate and it will be shown in schedule Schedule 14: Other income Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	5 in Bala	741 ance She
Schedule 14: Other income Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	5 in Bala	741 ance She
Commission charged to customers Schedule 15: Interest expended Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	5 in Bala	ance She
Schedule 15: Interest expended Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	o in Bal	
Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams		V
Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams		9
Interest on fixed deposits Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	. Alexandre	9
Interest on current accounts Interest on savings bank accounts Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams		
Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams		290
Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	the country and get	280
Schedule 16: Operating expenses Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	7 5	45
Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	4	70
Establishment expenses Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams	- A A	395
Printing and Advertisements Rent and Rates Director's and Auditor's fees Postage & Telegrams		
Rent and Rates Director's and Auditor's fees Postage & Telegrams	4	. 56
Director's and Auditor's fees Postage & Telegrams		3
Postage & Telegrams		
Postage & Telegrams		20
	Manage (S.A. 1992)	(4) 373.57
Sundry charges	Media A	2
		2
		10 31 10 10 10 10 10 10 10 10 10 10 10 10 10
Day 11	2.0	87
Provisions and Contingencies		and the second
		esg. XIII
		Nil Nil
Provisions and Contingencies	361	8

HAV

Illustration 8

From the following information relating to Lakshmi Bank Ltd., prepare the Profit & Loss A/c for the year ended 31st December, 1987.

10. U. W. 10. 10. 10. 10. 10. 10. 10. 10. 10. 10	Rs.		Rs.
Rent received	72,000	Salaries and allowances	2,18,800
Exchange and commission	32,800	Postage	5,600
Interest on fixed deposits	11,00,000	Sundry charges	4,000
Interest on savings bank A/cs	2,72,000	Director's & Auditor's fees	16,800
Interest on overdrafts	2,16,000	Printing	8,000
Discount on bills discounted	7,80,000	Law charges	3,600
Interest on current accounts	1,68,000	Locker rent	1,400
Interest on cash credits	8,92,000	Transfer fees	2,800
Depreciation on bank property	20,000	Interest on loans	10,36,000

[Madras, B.Com., (AF) Nov. 2009; B.Com., (CS) (SY4B) Ap. 2007] [Osmania, B.Com., Nov. 1988]

Solution:

The Lakshmi Bank Ltd.
Profit and Loss Account
For the year ended 31st December 1987

	Schedule	Year ended
	No.	3st Dec. 87 Rs.
I. Income	Har pa colt	in part of the
Interest earned		29,24,000
Other income	14	1,09,000
Total	to the time of	30,33,000
II. Expenditure	Maritina Ada 2	
Interest expended	15	15,40,000
Operating expenses	16	2,76,800
Provisions and contingencies	4	
		18,16,800
III. Profit/Loss	THE PART OF SHIP	and place that
Net Profit for the year $(I - II)$		12,16,200
Profit brought forward		-
the second transfer to the second transfer to	mulabell bra	12,16,200
IV. Appropriations Transfer to statutory reserve (25% of net profit	t)	3,04,050
Transfer to other reserves	ser action to ear I	MADE VI
Transfer to Government/proposed dividend	THE STATE OF THE S	9,12,150
Balance carried over to Balance Sheet	See Today with 1 2224	North College
	manufacture of the second	12,16,200

Note: Transfer to Statutory Reserve has been increased to 25% recently.

Working notes: Schedule 13: Interest earned	
Interest on overdrafts Discount on bills discounted Interest on cash credits Interest on loans Schedule 14: Other Income	Rs. 2,16,000 7,80,000 8,92,000 10,36,000 29,24,000
Locker rent Transfer fees Exchange and commission Rent Schedule 15: Interest expended	1,400 2,800 32,800 72,000 1,09,000
Schedule 13. Interest expended	Mean
Interest on fixed deposits Interest on savings bank accounts Interest on current A/cs	Rs. 11,00,000 2,72,000 1,68,000 15,40,000
Schedule 16: Operating expenses	
Depreciation on bank property Salaries and allowances Postage Sundry charges Director's and Auditor's fees Printing Law charges	20,000 2,18,800 5,600 4,000 16,800 8,000 3,600
Stration 0	2,76,800

Illustration 9

The following figures are extracted from the books of Bheema Bank Ltd. as on 31.12.1987.

Total Transcription of the Property of the Pro	Rs
	Rs.
Commission exchange	36,95,738
Commission, exchange and brokerage Directors' fees and allowances Postage and allowances	2,00,000
suge and telegrams	55,000
Stationery	
Tieliminary expens	
Interest paid on deposits	15,000
	20,32,542

	12.72
Rent received \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	55,000
Danta les and anowances	1,75,000
Rent and taxes paid	87,973
Profit on sale of investments	2,00,000
Depreciation on building	S. Services
Audit fees	27,375
Audit lees	5,000

Additional information:

(1) A customer to whom a sum of Rs. 10,00,000 has been advanced has become insolvent. It is expected that only 50% can be recovered from his private estate.

(2) For the remaining debts, a provision of Rs. 1,50,000 was necessary.

(3) Rebate on bills discounted as on 31.12.86 Rs. 12,000 and on 31.12.1987 Rs.16,000.

(4) Provide Rs. 6,50,000 for taxation

(5) Write off all preliminary expenses.

Prepare Profit & Loss A/c in accordance with the law.

[Madras, 1st M.Com., (Sem - CAIA) Ap. 2008; April 2004; B.Com., (Old - EZK) (ICE) May 2002]

Solution:

Bheema Bank Ltd.
Profit & Loss A/c for the year ended 31.12.87

	Schedule No.	Year ended 31.12.1987 (current year) Rs.
I. Income:	Barting to say the	A Y Y A
Interest earned	13	36,91,738
Other income	14	4,55,000
Total	M wast	41,46,738
II. Expenditure: Interest expended	15	20,32,542
Operating expenses	16	4,45,286
Provisions & Contingencies	GENERAL MATERIAL	13,00,000
Total		37,77,828
III. Profit/Loss: Net profit for the year (I – II)	al was all automit	3,68,910
Profit brought forward	f hoten now od	107-11-8
Total		3,68,910
IV. Appropriations: Transfer to statutory reserves	ia meh basib na medi na	92,228
(25% of 3,68,910)		e ar i savad V
Transfer to other reserves	Asch man m	_
Transfer to Government/proposed dividend	at orange of the city	2,76,682
Balance carried over to Balance Sheet	the A common court was	3,68,910
250/	AND THE PERSON NAMED IN	

Note: Transfer to Statutory Reserve is now at 25%.

Rs.

12,000

16,000

2,00,000

4,55,000

14004341

Rs.

55,000 62,313

17,625

15,000

87,973

5,000

4,45,286

berries teens ini

smoonii rar

1,75,000

55,000 2,00,000

Provisions	and	Contingencies

	o%) babaga ra	5,00,000
Bad debts (10,00,000 × 50	athe expenses	
Provision for bad debts	isions & Continuencies	6,50,000
Provision for taxation	THE THE STATE OF THE PARTY OF T	
	178.81	March 111

Illustration 10

Audit fees

From the following information, prepare Profit and Loss Account of Swadesh Bank Ltd., for the year ended 31st December 1987.

	Rs. (2000)
Interest on fixed deposits	CEO
Interest on loans	
Discount on bills discounted	415
Interest on over drafts brobbed according to the control of	210
*Interest on cash credits	OF THE 410
Interest on savings bank deposits	125
Statutory Reserve is now at 25%.	CY TO BE THE TOTAL OF THE TOTAL

ARTHUR AND THE STREET STREET
140
40
5
2
24
25
2
12
10
10
12
5
35M
and and 241
2
10
erein 74
2

Additional information:

- laterest on overdrafts Rebate on bills discounted on 31st December, 1986 Rs. 19,000 (i)
- Rebate on bills discounted on 31st December 1987 Rs. 26,000. (ii)
- Bad debts to be written off Rs. 40,000 wounds alled an starten growing? (iii)
- [Madras, B.Com., (Old) Oct. 2002; Provide for taxation Rs. 50,000 (iv)

more than the man and the

[Madras, 1st M.Com., (ICE) Oct. 2009; B.Com., (Old) Oct. 2002; Osmania, B.Com., April 1989]

Solution:

Swadesh Bank Ltd.

d I oss A/c for the year ended 31.12.1987

2		Schedule No.	Year ended 31.12.1987 Rs. (in '000)
1:	Income: Interest earned Other income	fruste svoij30 slae adiruj40 slae	1,678 24 1,702
II.	Expenditure: Interest expended Operating expenses Provisions and contingencies	15 16	555 264 90 909

12.45	m and described	793
111. Profit/Loss: Net Profit for the year (I -	-11)	11 100
Net Profit for ward	WAST OF THE STATE OF	793
Net Profit for the y Profit brought forward	Then strum 2 To The Na	with a 1 193
	SOFTE BALL STORY	198.25
IV. Appropriations: Transfer to statutory reserved: (25% of 7,	ve	3.25
IV. Appropriations statutory reservations (25% of 7,	93,000)	
Transfer to other reserves Transfer to Government/pr	oposed dividend	594.75
Transfer to Government/pr Balance carried over to Bala	ance Sheet	
Balance carried	A Secretary Distriction	793.0
×2	sale of Gov ment voll to she	do expandida
Note: Statutory Reserve Transfer is r	low at 2570.	ito beci-p colli
Note: Statutory Reserve		einsteon, P
Working notes:	13: Interest earned	
Beneda	TAGEN	Rs. (in '000
	3110/11/11	650
Interest on loans	基度到 基	415
Discount on bills discounted	The design of the second	CARLO A COMPANY OF THE PARTY OF
Interest on overdrafts	and a supplemental balled as	210
Interest on cash credits	the state of the state of the state of	410
	C Structomme sen one w	1,685
Add: Opening rebate on bills discoun	ted on with a mark as of si	CE DOS 119
form to the fact of the fact	SUBJECT EN PROPERTY FOR	1,704
Less: Closing rebate on bills discounted	Holder 18 1 18 M Com. (11 be	26
		1,678
to I see	and Eulered	1,076
Schedule	14: Other income	
		Rs. (in '000)
Lockers rent		34 46 5
Commission, exchange and broke	erage	24
Transfer fees	and the second s	24
	the state of the s	La maria de la compania del compania del compania de la compania del la compania de la compania della compania
ess: Loss on sale of Govt. securities	5,000	31
Loss on sale of furniture	2,000	
No.	11 Company	KITS VIND
Mar of the second secon		24
Schedule 15	: Interest expended	W
Interest on fixed deposits	A CONTRACTOR OF STATE	4 4 4 6 6 6
Interest on savings bank deposits	A CONTRACT OF THE PARTY OF THE	430
outile deposits	miles and amount of the	125
to receive and	A CONTRACTOR STATE	555
Schedule 16 ·	Onomat'	333
Salaries and allowances	Operating expenses	
		140
Rent, taxes, insurance and lighting		1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1
Paris to Dally proposition		40
Director's fees and allowances		2
Troviucili fund contribut		25
Local committee fees and allowand	ree	12
	~~ <u>~</u>	10

Audit fees	the state of the same of the s	12
Printing and Stationery Postage and telegrams Depreciation	And the State of t	2 10
Advertisement Legal charges		4 3
		264
Prov	isions and contingencies	A STATE OF THE STA

Illustration 13

From the following details, prepare the Profit and Loss Account of the Bharat Bank Ltd., for the year ended December 31,1980.

department for the second	Rs.
Interest paid on deposits and borrowings	2,40,000
Interest and discount	7,48,000
Rent received	36,000
Net profit on sale of investments	2,700
Salaries, allowances, bonus and provident fund	2,10,000
Commission, exchange and brokerage	1,20,000
Legal charges	12,000
Audit fees	5,000

Corporate Account	
-Scount	15.05

12.51	:usa members fees	
Director's an	d local committee members fees	2,400
Printing and	Stationery	6,400
Miscellaneou	as expenditure amps, postage and telegrams	12,000
Telephone, st	amps, postago an	44,000
Advertising		9,000
Insurance and	llighting	7,400
Bad debts	A CONTRACT OF THE PROPERTY OF	34,500
Rent paid	discount and reserve for bac	48,000

Opening balances on unexpired discount and res Opening balances on unexpired and Rs. 24,000 respectively. Closing balances required on debts were Rs. 48,000 and Rs. 24,000 respectively. Provide 6002 debts were Rs. 48,000 and Rs. 21,000 these amounts are Rs. 54,000 and Rs. 36,000 respectively. Provide 60% taxation

on current profits.

The Chairman and managing director has been paid a salary of Rs. 2,400 p.m. and has been provided free quarters and a motor car perquisites valued at [Madurai, M.Com., April 1981] Rs. 6,000 p.a.

Solution:

[Madras, 1st M.Com. (CAIA) Ap. 2007]

Bharath Bank Ltd. Profit and Loss Account for the year ended 31.12.80

PS .		Schedule No.	Year ended
1 55,000 A 1 56,000	54,000 B ± 84,000 B; P	(d)	31.12.80 Rs.
I Income	HTL 2		
Interest earned	1,38,000	13	7,42,000
Other income	Victor for Back Cobts AV	Van 9 14	1,58,700
15	A. J.		9,00,700
II Expenditure	178 · M. (S)		excisb pfo
Interest expended	ivi ji oʻti i	15	2,40,000
Operating expenses	UB, i. v	16	3,56,200
Provisions and conti	ngencies		2,01,300
		€.	7,97,500
is all longroom each bi	prepare the Production	all gieb aniwolle	and many will
	Secondar 31,1 of	l conodial - N	As on
III Profit/Loss:		The second second	Rs.
Net profit for the year Profit brought forwar	ar (I – II) mod bas eti ed	it paid on depos a and discourt	1,03,200
V Appropriations: Transfer to statutory		ecoived sofit on sale of m	1,03,200
Transfer to other re-	e and broker (00	Aligious moissing	25,800
railsier to Govern	ives	assertate l	raithan -
Balance carried over to	ent/proposed dividend	Sagrano	Egal hules se
	o balance sheet	2301	77,400
			· 在一点。 为有。 \$10.000
e: Transfer to statutory reser			1,03,200

	lecounts		
Worki	ng notes: Schedule 13: Inter-	est earned	property or or Selfens, or Self-
Add:	Interest and Discount Opening balance of unexpired discount	e es o because of comunity of m paintenance expending	Rs. 7,48,000 48,000
Less:	Closing balance of unexpired discount	akirin.	7,96,000 54,000
	and the second s	al transce planteques et an.	7,42,000
	Schedule 14: Oth	er income	Dalling.
Mail SA	Rent received Net profit on sale of investments Commission, exchange and brokerage	of the Land depth and of the state of the st	36,000 2,700 1,20,000 1,58,700
KAL	On A)		1,38,700
MA.	Schedule 15: Intere		12 10 000
300,	Interest paid on deposits and borrowing	the sample of the same of	2,40,000
	Schedule 16: Opera	ting expenses	
Note:	Salaries, allowances, bonus and provider Legal charges Audit fees Directors and local committee member's Printing and Stationery Miscellaneous expenditure Telephones, stamps, postage and telegra Advertising Insurance and lighting Rent paid Salaries, allowances, etc. includes the remuneration also. Provisions and co	fees been bed not reason married married and to Rocale 22	9,000 7,400 48,000 3,56,200 g Director
Add:	Bad debts New reserve for bad and doubtful debts	34,500 36,000 70,500	Rs.
Less:	Old reserve for bad and doubtful debts	24,000	46,50
A.	Provision for taxation [60% of current $[9,00,700 - (5,96,200 + 46,500)] =$	profits) 2,58,0000 × 60%	1,54,80
	L.o.T		2.01.30

Preparation of Profit and Loss Account and Balance Sheet Illustration 17

The following is the Trial Balance extracted from the books of Town Bank Ltd.

Debit balances	Rs.	Credit Balances	Rs.
Balances with banks	46,350	Share capital	3,00,000
Investment in Government bonds		Security deposit of	
		employees	15,000
Other investments	1,55,630	SB Accounts	7,420
Gold Bullion		Current accounts	97,000
Interest accrued on investments	24,620	Fixed deposits	1,13,050
Silver	2,000	Reserve fund	1,40,000
Constituent's liability for		Borrowings from banks	77,230
acceptances, etc.	56,500	Profit and Loss A/c	6,500
Building	,	Bills for collection	43,500
Furniture		Acceptances and	
	i si s	endorsements	56,500
Money at call	26,000	Interest	72,000
Loans 000		Commission	25,300
Bills Discounted		Discounts	42,000
Interest		Rent	600
Bills for collection		Profit on Bullion	1,200
Audit fees		Miscellaneous income	and a second
Loss on sale of furniture		Accumulated depreciation	4.00
Directors' fees	The state of the state of the state of	on building	20,00
Salaries	21,200		
Postage	50		
Managing director's remuneration	12,000	ALCOHOL STATE OF THE STATE OF T	
Loss on sale of investments	30,000		
Cash in hand	25,000		
Cash with RBI	50,000		
	20,000	NAME OF TAXABLE STATES OF TAXABLE PARTY.	
Branch adjustment A/c			10.00.0
	10,20,000	Market Committee (1981) (1981) (1981)	10,20,00

You are required to prepare the Profit and Loss Account and Balance Sheet after taking into consideration the following

- (i) Bad debts Rs. 500
- (ii) Rebate on bills 1,000
- (iii) Current year's depreciation on building Rs. 2,000
- (iv) Some current accounts are over drawn to the extent of Rs. 25,000 and total of credit balances is Rs. 1,22,000.

[Bangalore, B.Com., Nov. 1988 adapted]

15

16

1,11,800

15,475 52,925

68,400

7,950

11.

Expenditure:

Interest expended

Operating expenses

Solution:

Solution: Profit and Loss Account for the year ended 31.	.12.1982 of Town Bank v	/
N.	Year end	ded B2
I. Income Interest earned Other income	13	
Total	14 1,13,00	00

41,450 Provisions and Contingencies: 500 49,900 III. Profit/Loss Net profit for the year (I - II) 61,900 Profit brought forward 6,500 Total 68,400 Appropriations: Transfer to statutory reserve 25% of 61,900

Note: Transfer to Statutory Reserve should be 25% of Net Profit. Working notes:

Balance carried to Balance Sheet

Schedule 13: Interest earned

Total

(R 5.1.	Schedule 13: Interest earned Interest	r. Pies
	Discount	72,000 42,000
Less:	Closing rebates on bill discounted	1,14,000 1,000
	Schedule 14: Other income	1,13,000
	Commission, etc.	die in 1
	Profit on Bullion	25,300
		600
	Miscellaneous income	1,200
ess:	Loss on sale of furniture	2,700
	Loss on sale of investments 1,000	29,800
	30,000	31,000
	total per	1 000
118	Schedule 15 · T-4	-1,200
Amerika.	Schedule 15: Interest expended	re (vi)
In	terest	Rs.
		7,950

Schedule 16: Operating expenses Salaries (including M.D's salary	33,200
Directors fees	1,200
Postage	50
Audit fees	5,000
Depreciation on buildings	2,000
	41,450
Provisions and contingencies	मध्या इवा अध्याम्
Bad debts	50
Bad debts	50

Balance sheet of Town Bank Ltd., as on 31.12.1982

e di Cosh sad beinare with Rid	Schedule No.	As on 31.12.82 Rs.
Capital & Liabilities	luku.	TI (TY TYCK /
Capital	1 18134	3,00,000
Reserves & Surplus	2	2,08,400
Deposit & Other accounts	3	2,42,470
Borrowings	4	77,230
Other liabilities & Provisions	d sud 5 day	16,000
Total	inter or a l'ap	8,44,100
Assets:		an recent of the
Cash and balance with RBI	6	75,000
Balance with banks and money at call & short notice	7	72,350
Investments	8	3,65,130
Advances	9	2,37,000
Fixed assets	10	48,000
Other assets	11	46,620
Total	1	8,44,100
Contingent liabilities	12	56,500
Bills for collection	<u>F</u> ain	43,500

Working notes:

Schedule 1 : Share capital

Share capital	ing the second control of the second	3,00,000
	Schedule 2 : Reserves & Surplus	
Reserve fund	Schödele D.: Orber assen	1,40,000 15,475
Add: Additions Profit and Lo	ss Account balance Total	52,925

12.6	Schedule 3: Depo	osits	JCCOUN.
	Ophic Gene	Corporate	TO TO
13	Langeits	The same of the party of the same	
	Savings deposits	Proceeding the service of the servic	7 R3.
	Fixed deposits Current deposits (97,000 + 25,000)		1 12,420
	Current deposits (77,000 To	tal	1,13,420
		the best of the second	1 -2.1100
, 5	Schedule 4: Borro	wings	2,42,470
7 Y .	Borrowings from bank	Provin	Re
	Schedule 5 : Other li		77,230
	Security deposits of employees	MODE	The state of the s
		Relegice sheet of T	15,000
		10 10 10 10 10 10 10 10 10 10 10 10 10 1	1,000
X.	Schedule 6: Cash and bala	nce with RBI	16,000
1	Cash in hand Cash with RBI	11.128	25,000
	Casii with RDi	lei	50,000
		West & Summits	7.5
	Schedule 7: Balances with banks and mo	ney at call and short	75,000
19	Balances with other banks	norge Fliability & Prayistor	21 111
	Money at call and short notice	A CHILLIAN S	46,350
		1	26,000
	Tot		72,350
7		ments le roomeled ban	C 35
	Government bonds	MARIE PUR SAURE LANA SOU	1,94,370
	Other investments	stments	1,55,63
	Gold Bullion	314,05	
		aluesa L	15,13
		r specie	3,65,13
	Schedule 9: Advar		
	Loans, cash credits and overdrafts (2,00,000 Bills discounted	+25,000 - 500)	2,24,50
	Dama disconniced	กระจากเลย	12,50
	Total		EN VILA
	Schedule 10 : Fixed :	al inth	2,37,00
-	Premises (buildings) (65,000	assets	
	Premises (buildings) (65,000 – 20,000 – 2,000 Furniture	00)	43,00
		Law in a	5,00
	Thighe A range of the		48,00
	Schedule 11: Other Branch adjustment A/c	assets	855
	Silver	Carlyna	20,00
	Interest accrued	Trand Loss Avenual	2,00
	Interest accrued on investments		24,62
			46,620
100	Tota		

Insurance Company Accounts (New Format)

FORMS FOR LIFE INSURANCE FINAL ACCOUNTS Funds'.

The following are the forms prescribed by IRDA for Revenue Account, Profit

and Loss Account and Balance Sheet.

FORMA-RA

Name of the insurer:

Registration no. and date of registration with the IRDA

REVENUE ACCOUNT FOR THE YEAR ENDED 31S

Policyholders' Account (Technical Account)

1 oneyholders 12000		1 14 1 1 1 1 1 1 1 1 1 1	L. CUIDING
No. Particulars de la companie syn	Schedule 1	Current Year (Rs. '000)	Previous Year (Rs. '000)
Premiums earned – net	100 6 50 51	Characted.	of the second
(a) Premium	u Intigage	shareholdes	21,2144
(b) Reinsurance ceded	स्तृत्व व वार्ताती पर	i should or ha	main mili
(c) Reinsurance accepted	. 10	strance Fu	A HILP
Income from Investments	139	141,27 (246.)	2716 1 2775
	R mon be	Pensil Mos	- M
Rent - Gross	-	onsbivita vol	, ; ; <u>; (10.4</u>
(b) Profit on sale/redemption of		relation by	
investments		11.012	

umico condond viccomis	
(c) (Loss on sale/redemption of	
investments)	Charles and the best of the
(d) Transfer/Gain on revaluation/	La se de la constante de la co
change in thir value*	of the second second second
Other Income (to be specified)	, is the continue that the
Total (A)	AL AL
Commission	and the harmonian many with
Operating Expenses related to	
Insurance Business	3 The second of the contractor
Provision for doubtful debts	1 1
Bad debts written off	N. V. FERRENCH
Provision for Tax	Tava Carriaga
Provisions (other than taxation)	charet deep account to a tele
(a) For diminution in the value of	No. 2 Particulary
investments (Net)	
(b) Others (to be specified)	
Total (B)	the state of the s
Benefits Paid (Net)	4 more a righted dot
Interim Bonuses Paid	to the one Alexandrelly error
Change in valuation of liability in	and the late that the birth to
respect of life policies.	(i) Interest, Dividende & Fain
(a) Gross**	Laboration of the Brother of the Brothericans
(b) Amount ceded in Reinsurance	the state of the s
(c) Amount accepted in Reinsurance	· (c) *Loss on sa e/ cueromier
Total (C)	A contraction of the contraction
Surplus (Deficit) (D) = $(A) - (B) - (C)$	iliangrod off mount of the
Appropriations	tetell.
Transfer to Shareholders' Account	the special manifest and the first of the fi
Transfer to Other Reserves (to be	Secure ad or basely
specified)	The state at the part
Balance being Funds for Future	
Appropriations.	
Total (D)	Augustanum (Net

The total surplus shall be disclosed separately with the following details Corporate Accounting (a) Interim Bonuses Paid;

- (b) Allocation of Bonus to policyholders;
- (c) Surplus shown in the Revenue Account;
- (d) Total Surplus; [(a) + (b) + (c)]

See Notes appended at the end of Form A-PL

FORMA-PL

Name of the Insurer:

Registration No. and Date of Registration with the IRDA PROFITAND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 20

Shareholders' account (Non-technical Account)

No. Particulars	Schedule	Current Year (Rs 1000)
Amounts transferred from/to the	1 14 11	(46). [111/1]
Policyholders Account	1.69	(R
(Technical Account).	bis.	C) Ligginian
Income From Investments	"Halla l'io n	itterla
(a) Interest, Dividends & Rent - Gross	237	idualey in sellaci
(b) Profit on sale/redemption of		log etillo to gen
investments.	b www.laile	alaman (e)
(c) (Loss on sale/redemption of	Tilde of boar	(ii)
investments)	tain!	11 - 11 - 10 (1-1)
Other Income (To be specified)	- (A)	tinits(Tantano
Total (A)	ia. Tomorrows	Largini room badd
Expense other than those directly	A ambinit	
related to the insurance business.	1 9	there is the mile
Bad debts written off.		
Provisions (Other than taxation)	70-77	TOUR DATE
(a) For diminution in the	all I rol show	n and son 2/8
(a) For diminution in the value of	- 28 ye	arrquiqqA,
investments (Net) (b) Provision for A 1 1 2	Tale II	
101 doubtful debts	31	- 127
(c) Others (to be specified)	There properties	Factor of the Parish
Total (B)	TO THE PROPERTY.	

Profit (Loss) before tax	13.12
Provision for Taxation	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Profit/Loss after tax	"ie" - 12 million to ni "abor
Appropriations	AT TO WAR THE ME APP BOURDERS AND
(a) Balance at the beginning of the year	PERSON TAR
(b) Interim dividends paid during the year.	
(c) Proposed final dividend	
(d) Dividend distribution tax	Alexand Homeson in the
(e) Transfer to reserves/other	and the second second second second
accounts (to be specified)	The State of the September 1999
Profit carried to the Balance Sheet	Control State - 11-1

Notes to Form A-RA and A-PL.

- Premium income received from business concluded in and outside India shall be separately disclosed.
- Reinsurance premiums whether on business ceded or accepted are to (b) be brought into account gross (i.e., before deducting commissions) under the head reinsurance premiums.
- Claims incurred shall comprise claims paid, specific claims settlement (c) costs wherever applicable and change in the outstanding provisions for claims at the year-end.
- Items of expenses and income in excess of one percent of the total premiums (less reinsurance) or Rs. 5,00,000 whichever is higher, shall (d) be shown as a separate line item.
- Fees and expenses connected with claims shall be included in claims. (e)
- Under the sub-head "Others" shall be included items like foreign **(f)** exchange gains or losses and other items.
- Interest, dividends and rentals receivable in connection with an investment should be stated as gross amount, the amount of income (g) tax deducted at source being included under 'advance taxes paid and taxes deducted at source".
- Income from rent shall include only the realised rent. It shall not include (h) any "notional rent".

FORMA-BS

Name of the Insurer:

Registration No. and Date of Registration with the IRDA

No.	Particulars	341	Schedule	Current Year (Rs. '000)	Previous Year
<u> </u>	Sources of Funds		xal much sign	i ib poslityk	(Rs. '000
	hareholders' Funds:	the transport with	1118 25 -163	or istam	
	hare Capital	The state of the state of	5	oi) amore	
	eserves and Surplus	A STARTER	6	u Amiraun i	1.00
	redit/[Debit] Fair Value (Change Account	getta bear		
	ub-Total			TAN AND SERVICE	Protect for
В	orrowings	trom busine	7 7 Cparately o	eddiy (s. i.i	
Pa	olicyholders' Funds :	isclosed.		LANGELLI .	
1 1 1	edit/[Debit] Fair Value C	hange Account	e muinte	d south	re i (d)
	olicy Liabilities	no la la maria	· · · · · · · · · · · · · · · · · · ·	tiought int	
Ins	surance Reserves			•	
Pro	ovision for Linked Liabi	lition	tishall cou Idaplicab	ans incurre	
Su	b-Total		syear-end		
Fu	nds for Future Appropr		7	sqxe la sin	201 1788
	1	(d) or R.s. 1,00	RILLERIST	oqao w om	
	oplication of Funds		e	B 36 MVOF	
	estments:			ag xa bnelle	aid (a)
	hareholders'		- 1. I.		1 21
	olicyholders'	alusa s bee	9	sebrithe sul	20 kg
	ets held to Cover Linked	11.1.1.	8A	nes asuma	
Loa		1 Liabilities	8B	iciest, divi	ini (3).
	ed Assets	beimioni spigu	9		
	rent Assets:	- 0	10 10		
	sh and Bank Balances	and the soulon	rilleda bran	came from	
	Ivances and Other Assets		ilent' II	4	76 A
Sub	-Total (A)		12	marcara III	
	rent Liabilities				
	isions		13		
			14	· ·	

14

Sub-Total (B)	
Net Current Assets $(C) = (A-B)$	
Miscellaneous Expenditure (to the extent	
not written off or adjusted)	15
Debit Balance in Profit & Loss Account	
(Shareholders' Account)	
Total	

CONTINGENT LIABILITIES

No.	Particulars	Current Year (Rs. '000)	Previous Year (Rs. °000)
1.	Partly paid-up investments	Land garage of a	
2.	Claims, other than against policies,	get Later 7 Zin	postore and the second
	not acknowledged as debts by the company.	ARTHOUGH	はい意思を
3.	Underwriting commitments outstanding		
	(in respect of shares and securities)	677,256	Broke State
4.	Guarantees given by or on behalf of the	nař	
	company.	والمشار والمتنوعي وا	Annah panganan dan kecamatan dan kecamatan
5.	Statutory demands/liabilities in dispute,	CONTRACTOR STATE	
	not provided for		
6.	Reinsurance obligations to the extent not	AS 37-84 THE	o waste
0.	provided for in accounts.		
7.	Others (to be specified)	E TEN	
7.	Total	MAN A III	ATEMENTS

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS SCHEDULE 1 – PREMIUM

No.	Particulars	The state of the s	Current Year (Rs. '000)	Previous Year (Rs. *000)
· 1.	First year premiums		1	8 25 4 1
2.	Renewal Premiums			
3.	Single Premiums		AL ESTABLE	M 190
	Total Premium			

SCHEDULE 2 - COMMISSION EXPENSES

Particulars		Current Year (Rs. '000)	Previous Year
Commission paid	the state of the se		(Rs. '000)
Direct - First year premiums		Also St.	Art Comment
– Renewal premium		i i wiki .	100 50 77 100
 Single premiums 	,	FAITLEMAL	The sylvania was
Add: Commission on Re-insurance	Accepted	del a fire of the man	
Less: Commission on Re-insurance	Ceded	E 414 (A)	
Net Commission			

Note: The profit/commission, if any, are to be combined with the Re-insurance accepted or Re-insurance ceded figures.

SCHEDULE 3 – OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

No.	Particulars	Year	Previous Year (s. '000)
1.	Employees' remuneration & welfare benefits.		
2.	Travel, conveyance and vehicle running expenses.		
3. 4.	Training expenses Rents, rates & taxes	hell of the	
5.	Repairs		
6. 7.	Printing & stationery Communication expenses	H	
8. 9.	Legal & professional charges Medical fees		A
	Auditors' fees, expenses etc. (a) as auditor	A STATE OF THE STA	
	(b) as adviser or in any other capacity, in respect of:	Long to the	
men was a few and	(i) Taxation matters	May 15	
((ii) Insurance matters (iii) Management services; and c) In any other capacity		

Advertisement and publicity	1991 119 9 8 4 4 118		
Interest & Bank Charges		I'm a second	
Others (to be specified)		garden Prince	
Depreciation			
Total		A Committee of the Comm	9 \$

Note: Items of expenses and income in excess of one per cent of the total premiums (less reinsurance) or Rs. 5,00,000 whichever is higher, shall be shown as a separate line item.

SCHEDULE 4- BENEFITS PAID [NET]

No.	Particulars Current Year (Rs. '000) Prev. (Rs. '000) (Rs. '	ar .
1.	Insurance Claims:	
	(a) Claims by Death,	
	(b) Claims by Maturity,	
	(c) Annuities/Pension payment,	
	(d) Other benefits, specify.	
2.	(Amount ceded in reinsurance):	
	(a) Claims by Death,	
	(b) Claims by Maturity,	
	(c) Annuities/Pension payment,	
	(d) Other benefits, specify.	
3.	Amount accepted in reinsurance:	
	(a) Claims by Death,	
	(b) Claims by Maturity,	
	(c) Annuities/Pension payment,	no of in
	Total Total	-610

Note: (a) Claims include specific claims settlement costs, wherever applicable.

(b) Legal and other fees and expenses shall also form part of the claims cost, wherever applicable.

SCHEDULE 5 - SHARE CAPITAL

No.	Particulars	Current Year (Rs. '000)	Previous Year (Rs. '000)
1.	Authorised Capital		(810)
grape 1	Equity Shares of Rseach	com bus gorns	F3 10 email
2.	Issued Capital) of 2s 5,00,00	
	Equity Shares of Rseach	- 1	1000
3.	Subscribed Capital	SCHEDUL	
	Equity Shares of Rseach	alars	lang T
1.	Called-up Capital		
	Equity Shares of Rseach		
	Less: Calls unpaid	· Caims	instruction in
	Add: Shares forfeited (Amount originally	o in Booth	- 10 (and
	paid up)	CHARLES AND E	
.	Less: Par value of equity shares bought	ries Pro un	
	back.	page at force	
1	Less: Preliminary Expenses	Mark Mi hadaan	Na.
	Expenses including commission or	distri	
	brokersae on Undanie commission or	Stimur & A	(8)
	501	the by manume	(b) Clair
т	subscription of shares.	tics/Fension.	mnA (a)
	otal	benefit, spet	ortio (E) Othe
:	A comment of the contract of t	the state of the s	A

Notes:

- Particulars of the different classes of capital should be separately stated. (a) (b)
- The amount capitalised on account of issue of bonus shares should be disclosed.
- In case any part of the capital is held by a holding company, the same should be (c) separately disclosed.

SCHEDULE 5A - PATTERN OF SHAREHOLDING

[As certified by the Management]

five columed f	y the Managem	ient]	A Property of	
Cur	Current Year		Previous Year	
Number of Shares	% of Holding	Number of Shares	% of Holding	
1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	× 1	7772 70		
'Section '				
	A state of the sta	· 13 9 4 4 7	A LET ARE L'EST	
	Cur Number of	Current Year Number of % of Holding	Number of Shares % of Holding Number of Shares	

SCHEDULE 6- RESERVES AND SURPLUS

No.	Particulars	Current Year (Rs.'000)	Previous Year (Rs. '000)
1.	Capital Reserve	7. Sec. 360	(Charles
2.	Capital Redemption Reserve		
3.	Share Premium	· 有是对对对 - 中国	Transport !
4.	Revaluation Reserve	Spring green first to the	du terreco
5.	General Reserves	The state of the state of	j (omateka)
	Less: Debit balance in Profit and	A STATE OF THE STA	A CONTRACT
	Loss Account, if any.	. Si voets	pelvid rediction
	Less: Amount utilized for		Local Short
	Buy-back.	True 3	(60)
6.	Catastrophe Reserve	्र भागीनीवर्ग	
7.	Other Reserves (to be specified)	***	(*) Musicas F
8.	Balance of profit in Profit and	inscriment s	
	Loss Account.	sign of V	nu lade I (b)
	Total	artist mend and be special to a	alored under eac

Note: Additions to and deductions from the reserves shall be disclosed under each o specified heads. 2 has not been an incremental in administration

SCHEDULE 7 - BORROWINGS

No.	Particulars	Current Year (Rs. 000)	Previous Year (MA, (MA)
1.	Debentures/Bonds		
2.	Banks		
<i>3</i> .	Financial Institutions		Amilyans with the
4.	Others (to be specified)	in the second	
	Total		

- Note: (a) The extent to which the borrowings are secured shall be separately disclosed stating the nature of the security under each sub-head.
 - (b) Amounts due within 12 months from the date of Balance Sheet be shown separately.

SCHEDULE 8 - INVESTMENTS - SHAREHOLDERS

No	Particulars	Current Year (Rs. '000)	Previous Year (Rs. '000)
-	Long-term Investments	4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	
1.	Government securities and Government	1 1 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
	guaranteed bonds including Treasury Bills.	257 x 30, 40, 40, 4	Tarana A
2.	Other Approved Securities	Months and	
3.	Other Investments	2011 / 27 -	
	(a) Shares	and making	75.24
	(aa) Equity	1000 11	
	(bb) Preference	Trans.	- sast) k
	(b) Mutual Funds		and the
	(c) Derivative Instruments	- Low by ATTA FOLLS	TANKS - A
1	(d) Debentures/Bonds	January	Amal 4 9
	(e) Other Securities (to be specified)		Let I
2 11 5	(f) Subsidiaries	The form of the	10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	Investment Properties-Real Estate	d'ac.	colorge of
	Investments in Infrastructure and Social Sector		
	Other than Approved Investments		
	Total		

1	Short to	13.20
1.	Short-term Investments	1
1.	Government securities and Government	
	guaranteed bonds including Treasure Din	100
2.	The Approved Securities	
3.	Other Investments	
	(a) Shares	
	(aa) Equity	
	(bb) Preference	The second second
	(b) Mutual Funds	
	(c) Derivative Instruments	
	(d) Debentures/Bonds	
	(e) Other Securities (to be specified)	
	(f) Subsidiaries	
	Investment Properties-Real Estate	
4.	Investments in Infrastructure and Social Sector	
5.	Other than Approved Investments	
	Total	Marie

Note: See Notes appended at the end of Schedule-8B.

SCHEDULE 8A - INVESTMENTS-POLICYHOLDERS

1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	(Rs. '000)
	1
10000000000000000000000000000000000000	m (078-11)
ive india Bount	na menu S
	1573/5 (153) (1 T.C.)
the Port	
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WE SELECTION	
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gan go i kerb	
1200 0 700 12 8	
ctor	The state of the s
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	ctor

10101		Tale Acco
1.	Short-term Investments Government securities and Government	orate Accour
1.	guaranteed bonds including Treasury Bills.	
2.	1	16 betogen
3.	(a) Shares	
	(aa) Equity	4.00
	(bb) Preference	100
	(b) Mutual Funds	The state of the s
	(c) Derivative Instruments	101
	(d) Debentures/Bonds	
	(e) Other Securities (to be specified)	
((f) Subsidiaries	
((g) Investment Properties-Real Estate	
Ir	nvestments in Infrastructure and Social Sector	A. 1
0	Other than Approved Investments	esval
To	otal	A TOTAL A

Note: See Notes appended at the end of Schedule-8B.

SCHEDULE 8B - ASSETS HELD TO COVER LINKED LIABILITIES

No.	Particulars	Current Year (Rs. '000)	Previous Year (Rs. '000)
	Long-term Investments		(==: 000)
1.	Government securities and Government		
	guaranteed bonds including Treasury Bills.	The state of the s	H-yno.I
2.	Other Approved Securities		
3.	(a) Shares	0.1	
- 1	(aa) Equity		7:40 4
	(bb) Preference	TO B	
1	(b) Mutual Funds	Apple (as)	
	(c) Derivative Instruments	अर्थ रवर्ष	
	(d) Dehentures/Ponds	toroid language	
1	(e) Other Securities (to be specified)	dard system to	9 (9 1) 19
	(f) Subsidiaries	offening estimated	
	102 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	Stinispas to the	Year I The
	Toperties-Real Estate	est non he	
	Investments in Infrastructure and Social Sector Other than Approved Investment	9 Sinkery	(9)
	Other than Approved Investments	Ani ni tarah	ovil 1
	. committeed as	Capp and the	thank of the

	Short-term Investments	The state of the s	
1.	Government securities and Government	African Section 16 a	
	guaranteed bonds including Treasury Bills.	For 1 17-1 2 1 A	
2.	Other Approved Securities		
3.	(a) Shares	10 10 10 10 10 10 10 10 10 10 10 10 10 1	
	(aa) Equity		
	(bb) Preference		
14. The state of t	(b) Mutual Funds	and the second of the second o	
	(c) Derivative Instruments	7. 180g of the second second	
	(d) Debentures/Bonds	1. vs - e	
	(e) Other Securities (to be specified)	Land Carlot	
, l	(f) Subsidiaries	control of the same	
	(g) Investment Properties-Real Estate		
4.	Investments in Infrastructure and Social Sector		
5.	Other than Approved Investments.		
	Total	A STATE OF THE STA	440

Note: (applicable to Schedules 8 and 8A & 8B):

- (a) Investments in subsidiary/holding companies, joint ventures and associates shall be separately discloseed, at cost.
 - (i) Holding company and subsidiary shall be construed as defined in the Companies Act. 1956.
 - (ii) Joint Venture is a contractual arrangement whereyby two or more parties undertake an economic activity, which is subject to joint control.
 - (iii) Joint control is the contractually agreed sharing of power to govern the financial and operating policies of an economic activity to obtain benefits from it.
 - (iv) Associate is an enterprice in which the company has significant influence and which is neither a subsidary nor a joint venture of the company.
 - (v) Significant influence (for the purpose of this schedule) means participation in the financial and operating policy decisions of a company, but not control of those policies. Significant influence may be exercised in several ways, for example, by representation on the board of directors, participation in the policy making process, material inter-company transactions, interchange of managerial personnel or dependence on technical information. Significant influence may be gained by share ownership, statute or agreement. As regards share ownership, if an investor holds, directly or indirectly through subsidiaries, 20 per cent or more of the voting power of the investee, it is presumed that the investor does have significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds, directly or indirectly through subsidiaries, less than 20 percent of the

Corporate Assounting voting power of the investee, it is presumed that the investor does not have to fluence, unless such influence is clearly demonstrate. voting power of the invesice, it is presented in clearly demonstrated as a clearly design of necessity of the contrated as a clearly demonstrated as a clear of the clear of t significant influence, umess such influence investor does not necessary, another investor does not necessary,

- Aggregate amount of company's investments other than listed equity securities and also the market value thereof shall be disclosed. (b) derivative instruments and also the market value thereof shall be disclosed.
- Investment made out of Catastrophe reserve should be shown separately, (0)
- Debt securities will be considered as "held to maturity" securities and will be (d) measured at historical costs subject to amortisation.
- Investment Property means a property [land or building or part of a building or (0) both | held to earn rental income or for capital appreciation or for both, rather than for use in services or for administrative purposes,
- Investments maturing within twelve months from balance sheet date and investments (I)made with the specific intention to dispose of within twelve months from balance sheet date shall be classified as short-term investments.

SCHEDULE 9 - LOANS

	PCHEDULE 9= LOANS			
No.	Particulars	Current Year (Rs. '000)	Previous Year (Rs. '000)	
1,	Security-wise Classification	The Topic of the Control of the Cont	The substitution of the su	
	Secured	The State of	We the state of the state of the	
oks.	(a) On mortgage of property	4. Garan		
	(aa) In India	ALC:	7	
To the second	(bb) Outside India			
	(b) On Shares, Bonds, Govt. Securities, etc.			
	(c) Loans against policies	the first of the second	raeris	
	(d) Others (to be specified)		1114 (1	
n ogs lin	Unsecured	(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)		
į.	Total	f isotitudi a		
2.	Borrower-wise Classification	enthe war	100 m	
21	(a) Central and State Governments	All Mar arts.		
	(b) Banks and Financial Institutions			
1/1/18	(c) Subsidiaries			
	(d) Companies		(46.70)	
All of the	(c) Loans against policies			
* * * *	(f) Others (to be specified)	The state of the s		
1	Total			
	J O(a)			
		with a second		

3.	Performance-wise Classification
141	(a) Loans classified as standard
	(aa) In India
	(bb) Outside India
	Total
4.	Maturity-wise Classification
*	(a) Short Term
	(b) Long Term
	Total

Notes:

- (a) Short-term loans shall include those, which are repayable within 12 months from the date of balance sheet. Long term loans shall be the loans other than short-term loans.
- (b) Provisions against non-performing loans shall be shown separately.
- (c) The nature of the security in case of all long term secured loans shall be specified in each case. Secured loans for the purposes of this schedule, means loans secured wholly or partly against an asset of the company.
- (d) Loans considered doubtful and the amount of provisions created against such loans shall be disclosed.

voting power of the investee, it is presumed that the investor does not have voting power of the invesice, it is produced is clearly demonstrated as significant influence, unless such influence is clearly demonstrated. significant influence, unless such
substantial or majority ownership by another investor does not necessarily

- Aggregate amount of company's investments other than listed equity securities and (b) derivative instruments and also the market value thereof shall be disclosed.
- Investment made out of Catastrophe reserve should be shown separately. (c)
- Debt securities will be considered as "held to maturity" securities and will be (d) measured at historical costs subject to amortisation.
- Investment Property means a property [land or building or part of a building or (e) both] held to earn rental income or for capital appreciation or for both, rather than for use in services or for administrative purposes.
- Investments maturing within twelve months from balance sheet date and investment (f) made with the specific intention to dispose of within twelve months from balance sheet date shall be classified as short-term investments.

SCHEDULE 9- LOANS

No.	Particulars	Current Year (Rs. '000)	Previous Year (Rs. '000)
1.	Security-wise Classification	The particular is	77.7.26.16 April 2015
	Secured	i je danori je	The state of the
	(a) On mortgage of property		
agent while	(aa) In India		
2104 4	(bb) Outside India	to the text	The Target
de de	(b) On Shares, Bonds, Govt. Securities, etc.		
N. Carlot	(c) Loans against policies		
	(d) Others (to be specified)	, K	Constant
	Unsecured	A Table	
	Total	E Lattery	
2.	Borrower-wise Classification	e silve beso	
	(a) Central and State Governments	1 10 10 mg	
	(b) Banks and Financial Institutions	7.5	
	(c) Subsidiaries		
	(d) Companies		
	(e) Loans against policies		A4 - 1475.
	(f) Others (to be specified)		
	Total		

2110	ing smilling recounts	- CHEST
3.	Performance-wise Classification (a) Loans classified as standard (aa) In India (bb) Outside India	
4	Total Maturity-wise Classification	
4,	(a) Short Term (b) Long Term	
	Total	224

lotes:

- Short-term loans shall include those, which are repayable within 12 months from the date of balance sheet. Long term loans shall be the loans other than short-term (2) loans.
- Provisions against non-performing loans shall be shown separately. (b)
- The nature of the security in case of all long term secured loans shall be specified in each case. Secured loans for the purposes of this schedule, means loans secured (c) wholly or partly against an asset of the company.
- Loans considered doubtful and the amount of provisions created against such (0) loans shall be disclosed.

SCHEDULE 11 - CASHAND BANK BALANCES

a.	Particulars	Current Yeur (Rs. '000)	Previous Year (Rs. 1000)
	Cash (including cheques, drafts and stamps)	According to a principal processing the second	
	Bank Balances	1 4 5 5 6 6 1	257 388
	(a) Deposit Accounts	e de la companya de l	Transfer Co.
	(aa) Short-term (due within 12 months	是 司	
	of the date of Balance Sheet)	PACONIA.	
	(bb) Others		
Name of the last	(b) Current Accounts		
	(c) Others (to be specified)	Has wit X	
3.	Money at Call and Short Notice		
-	(a) With Banks	2.55	
	(b) With other Institutions	图 2 年 年 4 44	
4.	Others (to be specified)		and the second
7.	TOTAL	-20LX 5	
	Balances with non-scheduled banks in	14 3 2 2 2 3 3 4 7	
	2 and 3 above.		
	CASH & BANK BALANCES	/ 图 2 图 2	
_	In India		
1.	Outside India		
2.	Total Total Total		

Note: Bank balance may include remittances in transit. If so, the nature and amount shall be separately stated.

The second secon

SCHEDULE 12 - ADVANCES AND OTHER ASSETS

Λ 	Particulars	Current Year (Rs. '000)	Pre
	Advances		(Rs.
1.	are with odding companies	A PARTY OF THE PAR	
2.	Application money for investments	- To the second of the second	
3.	The state of the s	HA FLAGGER	
4.	Advances to Directors/Officers		1411-21
5.	Advance tax paid and taxes deducted	and offer off a	
	at source (Net of provision for taxation)	7.6-3154	也計畫
6.	Others (to be specified)	arancor han	H
- 1	Total (A)		
	Other Assets		
1.	Income accrued on investments		To his
2.	Outstanding Premiums		
3.	Agents' Balances		
4.	Foreign Agencies Balances		
5.	Due from other entities carrying on	Policia Circle (Circle)	00.113
(P	insurance business (including reinsures).	GRONER - INC.	
	Due from subsidiaries/holding company	WE APPAULS	
	Deposit with Reserve Bank of India	2 West of S	
	[Pursuant to section 7 of Insurance	Eitni a	MESKE
- 1	Act, 1938]	***	IDEL
	Others (to be specified)	of the second	11 4/14
	Total (B)	Dutale Alithe	Big at Dal
	Total $(A + B)$		

Notes:

- (a) The items under the above heads shall not be shown net of provisions for doubtful amounts. The amount of provision against each head should be shown separately.
- (b) The term 'officer' should conform to the definition of that term as given under the Companies Act 1956.
- (c) Sundry debtors will be shown under item 8 (Others).

SCHEDULE 13 - CURRENT LIABILITIES

No.	Particulars	Current	Previous
		Year (Rs. '000)	Year (Rs. *000)
1.	Agents' Balances		
2.	Balances due to other insurance companies		
3.	Deposits held on re-insurance ceded	4-7-2	
4.	Premiums received in advance	2000年的1000年	
5.	Unallocated premium	and the second	principle or great of the
6.	Sundry creditors	- 1 m m 3 m 3 m	A 4 4 5 8 7 8 7 8 7 8 7 8 7 8 7 8 7 8 7 8 7 8
7.	Due to subsidiaries/holding company	ug: ;	
8.	Claims Outstanding		
9.	Annuities Due		44
10.	Due to Officers/Directors		
11.	Others (to be specified)	3,794	many of the same
	Total		

SCHEDULE 14 - PROVISIONS

No.	Particulars	Current Year (Rs. '000)	Previous Year (Rs. '000)
1.	For taxation (less payments and taxes		
	deducted at source)		
2.	For proposed dividends		
3.	For divided distribution tax	Jan 19902 1 2	
4.	Others (to be specified)	92	
	Total	TO EVDENDIT	TIRE

SCHEDULE 15 - MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

	(10 the case	was experience	B
Vo.	Particulars	Current Year (Rs. '000)	Previous Year (Rs. '000)
1. 2.	Discount allowed in issue of shares/debentures Others (to be specified)		
	Total	364	

Prepare from the following a Life Insurance revenue A/c and Balance Sheet as on 31.3.2006.

Claima harda at	Rs.	125	Rs.
Claims by death	16,890	Outstanding interest on	JT Chieff
Agent's salaries & Allowances	6,420	Advances (31.3.2006)	1,944
Surrender values paid	2,810	Bonus paid with claims	2,700
Actuarial expenses	1,520		Party to A
Premiums	94,836	matured	24,415
Commission to Agents	8,900	Annuities paid	1,350
Salaries	13,500	Interest revenue	19,060
Medical fees	1,200	Rent, Rates & Taxes	5,475
Travelling expenses	1,800	General charges	1,860
Director's fees	900	Fees received	172
Agents balances	750	Bonus paid in cash	2,825
Claim expenses	1,432	2 Advertisement	726
Premium outstanding (1.4.2005)	2,134	4 Consideration for	
Premium outstanding (31.3.2006)	3,14	3 annuities	12,853
Investments	1,46,70	O Printing & Stationery	650
Share capital	2,00,00	0 Claims O/S (1.4.05)	2,376
Sundry creditors	9,20	00 Claims O/S (31.3.06)	3,735
Life Assurance Fund (1.4.05)	3,53,67	72 Loans on policies	38,300

translage of the related		Corporate	Δ.
	1,46,000	Loans on mortgages	ACCOUNTIL .
		Freehold premises	2,90,56
		Furniture & fittings	12000
A 15 - 2		Cash on hand & deposit	64 10
ZAA) Ap 2008; .	lst M.Com (Sen	-CAIA) Nov. 2004: B. Com	762
		, 2. Com.,(10	E) 00
			Freehold premises

Revenue Account for the ended 31-3-2006

Particulars	Schedule No.	Current Year (Rs. '000) (Rs. '000)
Premiums earned – Net: Interest revenue Other Incomes (To be specified):	1	92,702 19,060
Consideration for annuities grante Fees received Total (A)	ed man the second	12,853 172
Commission Operating expenses related to	2	1,24,787 8,900
Insurance Business Total (B)	3	34,051 42,951
Total (C)	4 -	50,046
Surplus (D) = (A) – (B) – (C) Appropriations: Transfer to shareholders account Transfer to other reserves Salance being funds for future Appropriations Total (D)		31,790 Islamine 31,790 Islamine 31,790 Islamine 31,790

Balance Sheet as on 31-3-2006

1 31-3-200	D was	Frecher's F
Schedule No.	Current Year	Previous Year
CINE.	(Rs. '000)	(Rs. '000)
\$0005 #		A STATE OF THE PARTY OF THE PAR
5		
<u>5</u> 6	5,31,462	_
	A Party of the second	no nomi
e (20.	7,31,462	T.T.AM
	Schedule No.	Schedule No. Current Year (Rs. '000) 5 2,00,000

		13.86
R 9 10	1,46,700 3,28,869 1,86,700	100 100
	6,62,260	137
11 12	76,300 5,837	153
g stands	82,137	
13 14	12,935	ALT ALT
	12,935	ASS
the old that I	69,202	669
current asse	7,31,462 ts)	
	9 10 11 12 13	9 3,28,869 10 1,86,700 6,62,260 11 76,300 5,837 82,137 13 12,935 14 12,935 69,202

Schedules forming part of Financial statements Schedule 1 - Premiums

		Schedule 1 - Premiums		
Na	Particulars		Current Year (Rs. '000)	Previous Year (Rs. '000)
	Premiums received	premiums on 1-4-2005	94,836 2,134	navani
	Less: Outstanding	premiums on	92,702	g Plus 181
			machedule 12.8	as an asset.

Note: Premiums outstanding on 31-3-2006 will appear in schedule 12 as an asset. Schedule 2 - Commission expenses

Note	Schedule 2 - Con	amission expenses	Demious Year
Na	Particulars	Current Year (Rs. '000)	Previous Year (Rs. '000)
_	Commission to agents	8,900	and sent?
		8,900	4 8)
	Carlotte College	os related to Insurance bu	siness

Water Control	The same of the sa	ed to Insurance bu	siness
	Schedule 3 - Operating expenses relate	Current Year	Previous Year (Rs. '000)
No.	Particulars	(Rs. '000) 6,420	(16. °°)
A COLUMN	Agents' salaries and allowances	1,520	
	Actuarial expenses	13,500	-
	Salaries		

General charges

Printing & Stationery

Advertisement

1,860

726 650

Schedule 4 – Benefits paid (Ne)				
Particulars	Current Year Previous			
Claims paid:	(Rs. 000) (Rs.)			
By Death By Maturity (Endowment Assurance matured)	16,890 24,415			
Add: Claim expenses	41,305			
Claim expenses	1,432			
Less: Outstanding claims on 1-4-2005	42,737			
Net claims	2,376			
Annuities	40,361			
Surrenders	1,350			
	2,810			
Bonus paid in cash	2,825			
Bonus paid with claims	2,700			
te: Claims outstanding on 31-3-2006 will appear in School				

Note: Claims outstanding on 31-3-2006 will appear in Schedule 13 as liability:

Schedule 5 - Share Capital

Particulars	Current Year	100mm - 100m
Share Capital	(Rs. '000) 2,00,000	(Rs. '000
The second of the second second second	2,00,000	

Schedule	6	Alla	Reserves	84	Surplus
----------	---	------	----------	----	---------

Particulars		Current Year (Rs. '000)	Previous Year (Rs. '000)
Reserve fund		1,46,000	
Life Assurance Fund on 1-4-05	3,53,672	100	B. A. Star Bay
ld: Surplus transferred to			Barton Co
Funds for future appropirations	31,790	NOTE OF THE	EPEN)
		3,85,462	153.8
		5,31,462	

Schedule 7 - Borrowings

Schedule 8 - Investments

Particulars	Current Year (Rs. '000)	Previous Year (Rs. '000)
Reserve fund Investments	1,46,700	THE RESERVE OF THE PARTY OF THE
	· 第1、一世教授的第三人称	
for early decrees	1,46,700	

Schedule 9 - Loans

Particulars	Current Year (Rs. '000)	Previous Year (Rs. '000)
Loans on Mortgages Loans on Policies	2,90,560 38,300	
Loans on Tonolos	3,28,860	

Schedule 10 - Fixed Assets

Particulars	Current Year (Rs. '000)	Previous Year (Rs. '000)
Freehold premises	1,22,600	
Furniture and Fittings	64,100	The second secon
rumule and rumgs	1,86,700	

Schedule 11 - Cash and Bank Balances

Particulars	G. 45	Current Year (Rs. '000)	Previous Year (Rs. '000)
Cash on hand and deposits	1.450.57	76,300	
The distribution of the second	0.634	76,300	

Schedule 12 - Advances and Other Assets

Particulars	u, f	Current Year (Rs. '000)	Previous Year (Rs. '000)
Advances			774
Other Assets:	70 5	I no be at their	
Outstanding premiums		3,143	
Outstanding Interest and Dividend Agents' Balances	≥ 質 1.8 0	1,944 750	
		5,837	

Schedule 13 - Current Liabilities

Particulars	Phys. A read - P wiebs t	Current Year (Rs. '000)	Previous Year (Rs. '000)
Sundry Creditors		9,200	
Outstanding Claims		3,735	
		12,935	

Schedule 14 - Provisions - Nil

Schedule 15 - Miscellaneous Expenditure - Nil

The following balances are extracted from the books of United Insurance Co. Ltd. as on 31.3.2006.

	ter of the state o	(Rs. '000	1	The state of the s		
Commission o	n Reinsurance				(Rs. '	000)
ceded: Commission: Expenses of m Depreciation Loss on reval Difference in Recovery of Miscellaneou P&LA/c (Commission)	Fire Fire Marine nanagement: Fire Marine of assets nation of investment exchange (Cr) bad debts as receipts	13,000 62,000 51,000 86,000 68,000 36,000 ats 28,000 1,200 5,800 60,000 24,000	Interest, div Reserve for risks (1.4.0) Additional (1.4.05)	Fire Marine ss reinsurance ring the year Fire Marine emuneration vidends (Cr) r unexpired 5): Fire Marine	1,00 8 ee r: 3,7 2,9	0,000 7,000 7,000 13,000 13,000 63,000 63,000 10,000 40,000 10,000 10,000
			(1.4.05)	-	Marine	

Further information is also given:

(i) Premium outstanding as on 31.3.06

Fire - Rs. ('000) 33,000 Marine - Rs. ('000) 15,000

Claims outstanding as on 31.3.06

- Rs. ('000) 46,000 Fire Marine - Rs. ('000) 17,000

Out of the above, a fire claim amounting to Rs. ('000) 11,000 was covered

by reinsurance.

Interest accrued on investments Rs. ('000) 10,700

- (iv) Transfer Rs. ('000) 80,000 to general reserve
- (v) Directors recommend Rs. ('000) 1,00,000 dividend for current year
- (vi) Reserve for unexpired risks is to be maintained at 50% of premium less reinsurance for fire and 100% of premium less re insurance for marine.
- (vii) Additional reserve for fire is to be maintained at 20% of net premium.

 Prepare revenue accounts and P & LA/c, for the year ended 31st March 2006.

 [Madras, B.Com (AF) Nov. 2008]

Solution:

United Insurance Co., Ltd.

Revenue Account for the year ended 31-3-2006

No.	Particulars	CAST 174)	Schedule No.	Fire	Marine
L	.bir en		UHHH	(Rs. '000)	(Rs. '000)
1.10	Premiums earned (Net)	ON E	1	3,84,300	2,50,000
		Total (A)		3,84,300	2,50,000
1.	Claims incurred (Net)	n ari 10.12.15	2	1,11,000	93,000
2.	Commission	- Orlgan	3	49,000	51,000
3.	Operating Expenses related Insurance business.	ed to	4	86,000	68,000
THE CO.	a management to to the	Total (B)	gertes ails	2,46,000	2,12,000
OU Fr	Operating profit $(C) = (A)$	- (B)		1,38,300	38,000

Profit and Loss Account

For the year ended 31st March 2006

9 1/4 20 7 1 1 1	The state of the s	"人人" 一一一一一一一一一一一一一一一一一一一一
No.	Particulars ,	. (Rs. *000)
(7.1.3	Operating Profit / Loss:	Maims out toucin
00001	(a) Operating Profit from Fire business	1,38,300
26,000	(b) Operating Profit from Marine business	38,000
X0,51	Total operating profit	1,76,300
2.	Income from Investments:	motorhishma
	(a) Interest dividends and rents 63,0	Of the said (f)
	Interest accrued on investments 10,7	00
	Interest dividends and Rents (gross)	73,700
3.	Other Incomes:	
100	Difference in exchange	300
	Miscellaneous receipts	5,800
	Recovery of bad debts	. 1,200
	Total (A)	2,57,300
		and the said of th

4.	Provisions (other than taxation):	13.134
5.	For Diminution in the value of investments: Loss on revaluation of investments Other expenses: Expenses other than those related to Insurance business: Directors' Remuneration Audit fees Depreciation on Assets	28,000 36,000 13,000 36,000
	Total (B)	1,13,000
	Profit before tax (A – B) Provision for taxation	1,44,300
	Profit after Tax Appropriations: Proposed dividend 1,00,000 Dividend distribution tax (1,00,000 × 10%) 10,000 Transfer to General Reserve 80,000	1,90,000
	Balance of Profit carried forward to Balance sheet	-45,700 60,000 14,300

Note: Dividend distribution tax at 10% has to be provided, after 1998. Surcharge varies from year to year and may be ignored.

Schedules Forming Part of Financial Statements Schedule 1 – Premiums earned (Net)

Particulars	Fire (Rs. '000)	Marine (Rs. '000)
Premium received Add: Premiums outstanding (31-3-06)	3,74,000 33,000	2,97,000 15,000
Less: Premium outstanding (1-4-05)	4,07,000 26,000	3,12,000 17,000
Net premiums received	3,81,000	2,95,000
Adjustment for change in reserve for unexpired risk. Add: Reserve for unexpired risk on 1-4-05	2,10,000 60,000	2,40,000 10,000
Add: Additional reserve on 1-4-05	6,51,000	5,45,000

13.135	Corporate	Account
Less: Reserve for unexpired risk on 31 $(3.81,000 \times 50\%)$ $(2.95,000 \times 10^{-2})$		· Name of the second
Less: Additional Reserve on 31-3-06 (3,81,00 × 20%)	4,60,500 76,200	2,50,00
Total Premiums earned	3,84,300	2,50,000
Note: Additional reserve for Fire Busine no need to maintain any additiona Schedule 2 - Cla	aims incurred (Net)	So, there
	Fire (Rs. '000)	Marine (Rs. '000)
Claims paid Add: Claims outstanding as on 31-3-06	1,00,000	87,000 17,000
Less: Claims outstanding as on 1-4-05	1,35,000 24,000	1,04,000
Claims incurred Net	1,11,000	93,000
Schedule 3 –	Commission	in the
Particulars to de sociole de	Fire (Rs. '000)	Marine (Rs. '000)
Commission on direct business Less: Commission on reinsurance ceded	62,000	51,000
Net Commission	49,000	51,000
Schedule 4 – Operating expenses	s related to Insurance business	4 40
Particulars	Fire	Marine Rs. '000)
Expenses of Management	86,000	68,000
Total	86,000	68,000

Illustration 19

From the following particulars relating to 'Z' Insurance Co. Ltd., prepare Fire Revenue A/c for the year ending 31.3.2005:

50%	(Rs. in '0	00) (R	s. in '000)
Claim paid	4,80,000	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	12,00,000
Claims outstanding on 1.4.04	40,000	Reinsurance premium	1 00
	-1- J. 71791	paid	1,20,000
Claims intimated but not accepted & paid on 31.3.05	10,000	Commission	2,00,000
Claims intimated and accepted		Commission on	ilaj.
but not paid on 31.3.05	60,000	reinsurance ceded	10,000
Commission on reinsurance accepted	5,000	Provision for un	
Expenses of management	3,05,000	expired risk on 1.4.04	4,00,000
Bonus in reduction of premium	12,000	Additional provision	(A)PUTA
		for unexpired risk	
nan vi i i i i i i i i i i i i i i i i i i	700-1	on 1.4.04	20,000

You are required to provide for additional reserve for unexpired risk at 1% of the net premium in addition to the opening balance.

Solution :

Form B-RA (Prescribed by IRDA)

Policyholders Account (Technical Account)

Z Insurance Co., Ltd.

Revenue Account for the year ended 31st March 2005 In respect of Fire Business

No.	Particulars	Schedule No	Current Year (Rs. '000)	Previous Year (Rs. '000)
	Premiums earned (Net)		9,29,200	y and a second
1.	Profit on sale / Redemption of Investr	ients	10 1 10 10 10 10 10 10 10 10 10 10 10 10	
2.	Other Incomes:	WILL BE WELLE !	7.97 mg-	
3.	Interest, dividends and Rents (gross)	The state of the state of	- 6-	-
4.	Total (A)	ng Spirit Spirit	9,29,200	
	Claims incurred (Net)	2	5,10,000	-
		3	1,95,000	,000
	Commission Operating expenses related to Insurance	cc 4	3,17,000	-
	business: Total (B)	and a serious a later	10,22,000	
	Operating Loss from Fire Business (C) = (A) – (B)	grand on the No.	92,800	

Schedules Forming Part of Revenue Account Schedule 1 - Premiums earned (Net)

Previous Current **Particulars** Year Year (Rs. '000) (Rs. '000) 12,00,000 1,20,000 Premiums received Less: Reinsurance premiums paid 10,80,000 Net premium Adjustment for change in Reserve for unexpired risk: Reserve for unexpired risk (31-3-2005) 5,40,000 50% of 10,80,000 30,800 Additional Reserve (10,80,000 x 1%)+20,000 5,70,800

13.117

Less: Reserve for unexpired risk (1-4-2004) 4,00,000 Additional Reserve (1-4-2004) 20,000	4,20,000
Change in reserve for unexpired risk	1,50,800
Total premiums earned (Net)	9,29,200

- Note: 1. Any increase in Reserve for unexpired risk and additional reserve should be reduced from premium. Similarly decrease there in should be added to premium.
 - 2. As per IRDA format for Revenue Account (Form B-RA), adjustment for change in reserve for unexpired risk is to be done in schedule 1. So, net premium after making the adjustment are to be shown in the Revenue Account.

Schedule 2 - Claims incurred (Net)

	Particulars 000.80, Fig. 1. Description of bathler	Current Year (Rs. '000)	Previous Year (Rs. '000)
Add:	Claims paid Claims intimated and accepted but not paid on 31-3-0 Claims intimated but not accepted and paid on 31-3-0	4,80,000 60,000 05	-0
Lagg	Formula Variot Reven Account	e abod E	
LESS.	Claims outstanding on 1-4-2004 Total claims incurred (Net)	40,000 5,10,000	

Schedule 3 - Commission

	Particulars biog and	Current Year (Rs. '000)	Previous Year (Rs. '000)
Add:	nission on direct business Commission on reinsurance accepted	2,00,000	Minate C
Less:	Commission on reinsurance ceded	2,05,000 10,000	
	Net Commission	1,95,000	This of the

Insurance Company Accounts

Schedule 4 - Operating expenses related to Insurance business

Particulars	Current Year (Rs. '000)	Previous Year (Rs. '000)
Expenses of Managment	3,05,000	
Bonus in reduction of premium	12,000	1 <u>-</u>
Total	3,17,000	

Note: Since bonus in reduction of premium is a ledger balance, it should have been already credited to premiums account. So. it is shown only in sheedule 4 as an operating expense.