Biyani's Think Tank

Concept based notes

Banking

MBA

B.K. Jain
Deptt. of Management
Biyani Girls College, Jaipur

Biyani's
Group of Girls' Colleges

LETTERS OF CREDIT (LC)
OR
BANKERS COMMERCIAL CREDIT (BCC)

A letter of credit (LC) is a type of guarantee given by a bank on behalf of its customer that the bank would make payment of goods and services to the supplier on presentation of documents, as required as per terms of the contract and LC. This term LC is often used in international trade when buyer and seller are far away from each other having different legal system and each unaware of others financial position. In such case, both parties deal through their banks and the devise used by banks is called LC or BCC.

Parties to LC are :

i) Applicant/Buyer/Importer/Opener
ii) Issuing bank
iii) Beneficiary/Exporter/Seller
iv) Advising Bank/Notifying Bank – Bank in exporters country through which LC is advised to the seller.
v) Negotiating bank/nominated bank/paying bank – Bank in exporters country which makes payment on bills drawn by seller.
vi) Reimbursing bank – bank appointed by issuing bank to reimburse payment to negotiating bank.

Procedure of L.C.

Purchaser makes an application to his bank for opening a L.C in favour of seller of other country. The bank after verifying the credit worthiness of applicant opens a LC. This L.C is then forwarded to the sellers bank in other country. The sellers bank after confirming the authenticity of LC, forwards the same to seller. The seller confirms the authenticity of LC, ships the machinery to the purchaser. Seller collects the bills of lading handed over by shipping company alongwith other documents under L.C; present these documents to his bank for obtaining the payment. After verifying bills documents, bank makes payment to seller. These documents are then sent to the purchaser bank under intimation to purchaser. The purchaser accepts the bill, collects the documents and makes payment. The purchaser goes to the shipping company, produces the documents and takes delivery. The purchaser's bank then forwards the payment to sellers bank.

Documents under L.C

1. Bill of Exchange
2. Invoice
3. Transport documents e.g. bills of lading in case of a shipping company, airline bill in case of air transport, post parcel bill if sent by post
4. Insurance documents signed by insurance company or his agent.
5. Other documents as per terms of L.C e.g. certificate of weight, quality etc.

Benefits of L/C

To Purchaser :

- No advance payment is required.
- Not worried as payment only after getting documents.
- Not worried about quality as certificate to that effect is there in documents.
- He is sure of payment as banks are involved.
- There is no delay in payment.
- Not worried about import regulations of buyer's country.

To Seller :

- He is sure of payment as banks are involved.
- There is no delay in payment.
- Not worried about import regulations of buyers country.
- Not worried about fluctuations in currency rates as he gets payment in his currency.

The bankers duty is primary for making payment as has been decided in many cases by various high courts and hence risk in L.C is minimum.

Suggested Ref. Books

1. Principles of banking – Indian Institute of Banking & Finance, Mumbai.
2. Money, Banking & Finance – By N.K.Sinha

Bank assurance

Bank assurance means distribution of insurance product through the distribution channels of banks. It is also known as “All Finanz” and constitutes package of financial services that can fulfill both banking and insurance needs at the same time. It is a packaged service of banking and insurance offered to customer at one place, under one roof and at one time.

The motives behind ‘bancassurance’

For a Bank are :

- product diversification
- generating additional income

For a Insurance Company are :

- Increasing their market penetration
- Increasing premium turnover
- Reducing initial costs of selling
- Making use of wide network of banks for selling their products.

For a Customer :

- Product at a reduced price
- Product of high quality
- Product at a single point/doorstep.

Some challenges/Problems

1. The Rules of IRDA requires a mandatory4 weeks training for selling insurance products which a bank employee find it difficult to undergo.
2. Most of the bank branches particularly in rural areas are not fully computerized and there are problems when work of insurance is handled manually.
3. There is a cultural conflict between the products of banks and insurance. While the bank products are “demand” products and insurance products are “push” products. The selling of insurance products cause lot of pressure for the person selling/bank employee.
4. At times performance recognition becomes problem as to whom the commission on selling insurance product in a bank is to be given.

Inspite of these problems, insurance companies are collaborating with banks for selling their products through banks and generating additional income.

Suggested Readings :

Principles of Banking – By Indian Institute of Banking & Finance, Mumbai.

BANK GUARANTEE

A guarantee assurance by a bank on behalf of his customer to a third person/party for payment of certain sum to him (third person) in case his customer fails to pay or fail to fulfill any contractual or legal obligations towards such third person. Here, primary duty to pay is that of customer. However, bank comes in picture when customer fails to fulfill his commitments.

TYPES OF GUARANTEES

1. Financial Guarantee : A guarantee given by bank in lieu of depositing cash security or earnest money by the customer. This is generally given in the case of contractors.
2. Performance guarantee : Where a person has agreed to do certain things on or before a particular date. In case of default it carry out promise by stipulated date, bank guarantee is asked for.
3. Deferred payment guarantees : Where a person is required to make payment in installments spread over a period. For covering such default in paying installment, a bank guarantee is asked for which is known as deferred payment guarantee.
4. Statutory Guarantee : Guarantee issued by banks in favour of courts and other statutory authorities like Income Tax, Sales Tax, P.F, Customs and Central Excise Dept. etc.

For all the guarantees mentioned above, bank is charging fee for this purpose.

Two things are important i.e. Amount of guarantee and period of Guarantee.

Adequate judicial decisions are available where it has been held that bank duty to honour guarantee is primary/obligatory.

Suggested Readings : Principles of Banking by Indian Institute of Banking & Finance, Mumbai.

REGIONAL RURAL BANKS (RRB'S)

Under the 20 P0int Economic Programme during emergency, one of the point was as follows:

" Provision of cheap credit for Marginal farmers, landless laborers, artisans in rural areas & liquidation of rural indebtedness in stages "

In order to implement this programme, Govt. of India came up with an idea to set up RRB's and for which RRB Act was passed in 1974. These RRB's were started in 1975to supplement the efforts of rural credit co-operatives in the rural areas.

The broad objectives with which RRB's came into being were as follows :

- To develop rural economy by providing financial assistance to :
  - Agriculture
  - Trade, commerce, industry and other productive activities.
  - To provide credit and other facilities particular to -
    - Small &Marginal farmers
    - Agricultural laborers
    - Artisans and small entrepreneurs.

These RRB's are joint ventures of Central Government, State Govt. and sponsored bank with a share capital contribution of 50%, 15% and 35% respectively. A RRB was set up with a initial authorized capital of 1 crore to be contributed by these three agencies.

These RRB's are expected to prepare production plan in its area village-wise and block wise. They are permitted to attract deposits @1/2% more than the rates of commercial banks and their lending rates were kept at par with rates of village cooperative societies. The sponsored bank used to provide managerial and financial assistance to these banks.

The NABARD at the national level provides finance to these banks and monitors their working.

Suggested Readings :

1. Principals of Banking by National Institute of Banking & Finance, Mumbai.
2. Money, Banking & Finance by Mr. N.K.Sinha

Capital Adequacy Ratio (CAR)
OR
Capital to Risk Asset Ratio (CRAR)

This CAR/CRAR is ratio of capital fund of a bank in relation to risk weighted assets. For this purpose capital fund consists of Tier I capital and Tier II Capital. This Tier I capital consists of items of core capital such as paid up capital, statutory reserves, disclosed free reserves capital reserve representing surplus arising out of sale proceeds of assets and undistributed profit less losses and intangible assets. The Tier II consists of undisclosed reserves, cumulative perpetual preference shares, revaluation reserve etc. The risk weights to each asset have been prescribed by RBI and often such risk weights are changed by RBI. All banks are informed about this change in risk weights through its circulars by RBI.

Presently, the rate of CAR/CRAR as prescribed by RBI is 9% and hence all banks are required to maintain a CAR @ 9%. This CAR is in addition to CRR/SLR required to be maintained by banks. This CAR represents adequacy of capital fund available with banks to bear the risk which is hidden in different types of assets held by a bank.

This present rate of CAR is likely to be raised in future by RBI to further strengthen their capital base of banks and their risk bearing capacity.

Suggested Readings :

Money Banking & Finance by N.K.Sinha

CASH RESERVE RATIO (CRR)

All scheduled banks are required to maintain CRR in relation to their time and demand liabilities (TDL) with Reserve Bank of India under section 42 of RBI Act, 1934. Under this Act, RBI is empowered to impose statutory reserve on banks any where between 3% and 15% of net (TDL). Presently this CRR is 5%. This cash is partly held in the form of "cash on hand" and partly in the form of "Balance with RBI". The primary purpose of maintaining minimum CRR in the form of cash on hand &balance with RBI is to ensure liquidity and solvency of scheduled banks.

Unscheduled cooperative banks are required to maintain CRR in the form of cash in hand and cash in current accounts with notified banks.

Maintaining CRR below the rate prescribed would attract penalty for bank.

Suggested Readings :

Money Banking & Finance by Mr. N.K.Sinha

MICRO FINANCE

Micro-Finance has been defined by RBI "as provision of thrift and credit and other financial services of very small amount to the poor in rural, semi urban and urban areas to improve their income and living standard".

Micro-credit institutions are those which are engaged in providing credit and other facilities to this poor strata of the society. RBI has asked banks and financial institutions to formulate their own schemes, models, prescribe suitable criterians, choose suitable branches, credit norms and interest rates etc for this purpose. Accordingly, banks have to prepare micro-credit plans for blocks, districts and the whole state for this purpose and these plans are reviewed at State and National level.

The non-governmental organizations (NGOs), voluntary organization and self help groups are playing critical role in providing micro-finance facilities. Even NABARD is playing active role in supporting these organizations and even arranging financial assistance to them. Many states have also launched various schemes of micro-finance for increasing income of poorest of the poor in rural, semi urban and urban areas.

Suggested Readings :

Money, Banking & Finance
By N.K.Sinha

SECURITILIZATION

Securitization means acquisition of financial assets by a securitization or reconstruction company. This process of acquisition (securitization) is resorted to reduce large non performing asset (NPA) i.e. loans or portfolio of loans from a bank or financial institution by a securitization and reconstruction company (SCRC) on mutually agreed terms and conditions. This is a process where non-liquidated financial assets are converted in to Marketable securities i.e. security receipts that can be sold to investors. It is also process of converting receivables and other assets into securities i.e. security receipts that an be placed in market for trading.

On acquisition of financial assets, the SCRC becomes the owner of the financial assets and steps in the shoes o f lender bank or financial institution. The RBI is the regulatory authority for a SCRC. The SCRC is a company registered under the companies Act 1956 for the purpose of securitization and it also needs registration from RBI as per SARFAESI ACT 2002.

Suggested Readings :

Principles of Banking
By Indian Institute of Banking & Finance, Mumbai.

SECURITIZATION AND RECONSTRUCTION OF FINANCIAL ASSETS & ENFORCEMENT OF SECURITY INTERST AT 2002
(SARFAESI ACT)

This SARFAESI Act 2002 has created a new legal framework and new procedure for recovery of dues of banks and financial institutions. The rights of banks and financial institution over securities both movable and immovable for realizing the loan advanced were limited and less effective before passing of this SARFAESI Act. Now, under this Act, banks and financial institutions got ample powers to enforce such security for realization of money due particularly loans in NPA category without the intervention of courts. This Act presupposed a simple thing that there is an obligation on the part of borrower to repay loans and if they are unable to repay, then the securities for loans are liable to be sold for recovery of loans.

This Act is effective from 21.6.2002 and has retrospective application i.e. it applies to loans and securities created prior this Act coming into operation. This act is applicable on all banking companies, nationalized banks, State Bank of India and its subsidiaries and cooperative banks. However, RRBs are not covered under this Act.

This Act has permitted “Securitization” which means acquiring financial assets of a bank or financial institutions by a securitization or Reconstruction company. This company to be registered under companies Act 1956 can convert the acquired financial asset in to marketable securities and place them in market for trading. This securitization & reconstruction company also needs registration with RBI. This securitization is a process of converting loans & receivable of banks into marketable securities.

For recovering loans under this Act, a bank or financial institutions has to give a 60 days notice to the borrower indicating the details of amount to be recovered. If borrower raises some issues, the bank has to clarify these issues. If borrower is not satisfied, he can go into appeal in Debt Recovery Tribunal by depositing 50% amount. If borrower fails to repay amount within this notice period, the bank, financial institution (Secured creditor) can take the property into possession, sell the property and recover the amount. If amount recovered is less, he can move against guarantors. If amount recovered is more, the excess amount can be refunded to the borrower.

Under this act, there is a provision of appeal against the order of DRT within 45 days. The RBI has to provide a key role as regulator over securitization and Reconstruction Company.

Suggested Readings :
Principles of Banking - By Indian Institute of Banking & Finance, Mumbai.

NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT (NABARD)

NABARD was set up as a "Development Bank" on 12.7.1982 and functions of Rural Credit Debt of RBI were transferred to this bank. It came into being with a mandate to promote integrated and sustainable rural development and secure prosperity of rural areas. It is providing investment credit (long term credit) and production credit to promote and develop agriculture, small scale industries, cottage and village industries, handicraft and other rural crafts and for creating/improving rural infrastructure for overall rural development.

Important tasks entrusted to NABARD in rural areas are :

1. Providing refinance to lending institutions in rural areas like :
   - Commercial Banks
   - Regional rural banks
   - Cooperative banks (State cooperative banks for District co-op. banks & primary Agri Credit Co-opts, co-op. Agr. & Rural Dev.Bank).
   - Other financial institutions approved by RBI.

2. Promoting Institution building (e.g. Farmers' clubs, Farm Hatts, Rural Marts etc.)
3. Coordinating operations of rural credit institutions.
4. Evaluating, monitoring and inspecting rural credit institutions.
5. Acting as regulator for cooperative banks and regional rural banks.
6. Maintaining liaisiong with Central Govt, State Govt, National Level Organizations for policy formulation relating to rural development.

NABARD is also looking after HRD needs of rural financing institutions for which it runs bankers' Institute of Rural Development (BIRD) at Lucknow. It raises funds from Govt. of India, RBI, issuing development bonds/debentures and RIDF deposits.

Suggested Readings :

1. Principles of Banking by NIBF, Mumbai
2. Money Banking & Finance by Mr. N.K.Sinha

SERVICE AREA APPROACH (SAA)

This SAA is being implemented from 1989 and is applicable in rural and semi-urban areas. Under the scheme, each bank branch i.e. branch of a co-op bank, RRB or a Commercial bank is allotted a specific service area consisting of about 15-20 villages. The area allotted is known as Command area. Each bank branch is expected to conduct detailed survey of village including economic potential available in the village and based on this survey, village credit plans are prepared on annual basis. This credit plans are then compiled and converted into block credit plans and finally, block credit plans are converted into District credit plans.

In these plans, not only credit requirements of existing facilities but also requirements for starting new activities are planned. The purpose of whole exercise is to met the credit needs in full by banking institutions so that development of command area could be ensured.

For monitoring, Block Level bankers Committee (BLBC) and District Level Bankers Committee (DLBC) have been visualized under the scheme and formats as well time schedule for preparing & compiling plans have been prescribed.

District Development Manager (DDM) NABARD as well as District Administration are also involved in overall monitoring and implementation of the scheme.

Suggested Readings :
Money Banking & Finance by N.K.Sinha

CO-OPERATIVE AGRICULTURE & RURAL DEVELOPMENT BANBKS (CARDB'S)

CARDB's are part of cooperative credit structure. A Chart showing cooperative Credit Structure is enclosed. They are engaged in providing investment credit (Long term credit) for agricultural and rural development. These banks were earlier known as Land Mortgage Banks but their name was subsequently changed as Agricultural and Rural Development Banks as their main purpose of providing long term credit is agriculture and rural development.

Generally structure of such banks is federal i.e. State CARD Bank at State level with primary CARD BANK at District, block and primary level. However, in some states their structure is unitary i.e. State CARDB with its branches at primary level. However, in some small states, State Cooperative Bank is also working as CARD Bank by disbursing long term credit also.

These banks provide long term loans (5 to 20 years) on mortgage of agricultural land by the farmers e.g. loan for purchase of Tractor, installation of tube wells and various other similar purposes of agricultural and rural development. Generally loan amount is 50% of value of land owned by farmer. For purchase of farm machinery/equipment, bank is making direct payment to supplier on behalf of farmer.

NABARD is refinancing the loan amount to State CARDB BANK. These SCARD BANK are raising funds through share capital, fixed deposits (as a special case) debentures and interim finance from State Bank of India. The main source is debentures which are issued on the basis of effective mortgage deeds available. NABARD is also undertaking voluntary inspection of these banks.

FINANCIAL INTERMEDIARIES.(F.I's)

Financial intermediaries are institutions that mediate between ultimate lenders and ultimate borrowers or between those who have surplus money and those who wish to use the money to finance their deficit budgets. The best example of such financial intermediaries are :

- Banks
- Insurance Companies
- Provident Fund
- Unit Trust of India etc.

The key function of these FI's is to collect surplus/savings and lend them to deficit spenders. Banks collect savings from public at large, invest these savings in to loans and advances and investments. Their main source of earning is the difference in borrowing rate and lending rate. They also earn money on various services provided to customers. Same is the case with Insurance Companies as they also collect savings though selling insurance policies.

Advantages to Lenders :

(i) **Low risk** – Risk of capital loss or interest loss to lender is minimum.
(ii) **Greater liquidity –** The FI's offer greater liquidity an lender can convert investment in cash any time.
(iii) **Convenience**
(iv) **Other Services**

Advantages to Borrowers

(i) Demand of funds can be met as FI's have big pool of funds.
(ii) Certainty of availability of funds
(iii) Rate of interest is reasonable.
(iv) At times, small borrowers get preferential treatment.

Suggested Readings :
Money, Banking & Finance byN.K.Sinha

CUTOMER RELATIONSHIP MANAGEMENT IN BANKS

The Large scale branch expansion and competition between banks have forced banks to refine their products and services to attract more and more customers and build permanency in relationship with existing customers. Many banks have even started appointing customer Relations Executive for relationship banking and meting needs and aspirations of customers. Relationship Manager is an extended arm of bank performing the critical function of personalized service to a client for enhancing customer friendly image of the bank.

It is reasonable expectation of any customer that relationship banking should provide them preferred access to credit. It consolidates their deposit business at a particular bank
They believe that they can vastly enhance their credit prospects also. Liberalization and growth of competition have transformed banking into buyers market. In this atmosphere, relationship banking is an effective tool to provide maximum customer satisfaction through vastly augmented services.

Hence relationship banking has now become a integrated part of marketing strategy of banks. For building relationship- for longer period, many banks have stared keeping their Managers for a longer tenure where through relationship banking, banks growth in terms of deposits and credit portfolio is showing exemplary results. Through customer relationship banking, banks have the potential of raising overall profitability for the bank significantly besides establishing a good image for the bank branch in market for long.

Suggested Reading :
Money Banking & Finance
By N.K.Sinha

NON-PERFORMING ASSETS (NPA's)

A bank's balance sheet will have performing as well as non performing assets. Performing asset means an asset on which interest income is received from the borrower as and when it is due and the principal is also repaid on due date as per the repayment schedule agreed between banker and borrower. Hence an asset which is not a performing asset is treated as non performing asset. It mean that an asset on which interest or principal is not received when due. The RBI took a decision that if this amount is not recovered within 90 days from the date it becomes due, it would be treated as NPA. Before 31.3.2004 this period was 180 days. Now banks can't show the interest income on such amount as receivable income and thus cannot increase their profit by crediting the same in Profit & Loss A/c.

Hence in simple words, an asset which ceases to earn income is treated as NPA. However, there are exceptions in this regard such as :

1. Loans guaranteed by Central & State Govts
2. Loans against FD/NSC/IVP/KVP if adequate margin has been maintained.
3. Loans which have been rescheduled for the purpose of repayment.

Gross & Net NPA –

Gross - Total amount of NPA before making provision for NPA
Net - Total amount of NPA Less provision made for NPA

Hence after making provisions for NPA, many banks have 0% net NPA's in relation to total loans and advances.

Classification NPA's & Provisioning Norms

(1) **Sub-Standard assets** : An asset which remain NPA for not exceeding 12 months. General provision of 10% is required to be made
(2) **Doubtful Assts** : An asset which remained in sub standard category for 12 months. Provision is required to be made according to the period. Further 100% provision on unsecured portion of asset.
(3) **Loss Assets** : Assets which are not recoverable, provision @ 100% is to be provided will written off.

Further general provision is required @ .25% on standard asset. These are assets which carry normal risk and are not NPA. This classification as well as provisioning is required to be made as per latest guidelines issued by RBI in this regard.

Suggested Readings :
Money, Banking & Finance by N.K.Sinha

ASSET LIABILITY MANAGEMENT (ALM)

A banks assets are primarily cash loans and advances, investments etc. Similarly, liabilities are current and saving deposits, fixed deposits, call deposits, Certificate of deposits etc. This ALM is a systematic process to maintain proper match in the maturity timings so that at no time there is risk of liquidity without adversely effecting the profitability of the bank. The liabilities need to be deployed in the form of loans and investments in such a manner that adequate cash is always available to pay-off the liabilities. Three important aspects of ALM are :

1. Cash Management
2. Liquidity Management
3. Interest rate risk Management

Cash Management is to ensure that banks day to day cash position are employed to the maximum advantage and that any cash short fall position are taken care of. It means that proper balance need to be maintained between cash in flows and cash outflows.

Liquidity Management means that bank must be prudent in matching profile of its assets and liabilities. Some standby arrangement for overcoming liquidity problem should always be made.

Interest rate risk Management refers to effect of interest rate charges and their effect on the profitability of the bank.

For this ALM, maturity buckets for different time intervals are prepared and assets and liabilities are put in those buckets to ensure that there are no mismatches. Hence ALM is the function to be looked after by a top most committee known as Asset Liability Committee to be headed by Chairman-cum-Managing Director or Executive Director of a bank.

Suggested Readings :
Money Banking & Finance by N.K.Sinha

CLEARING HOUSE

It is a meeting place for the representatives of member banks at appointed hours on each working day to settle payments of cheques and other transfer orders on each other by their customers. It is an association of banks operating in a particular locality. This clearing houses are generally run by RBI where it has offices and by State Bank of India (SBI) and its subsidiaries else where.

Each member bank has to maintain minimum balance ;with the bank doing this clearing house work. This work process of clearing cheques and money transfer in two sittings. In the forenoon sitting, all banks meet and present cheques deposited by their customers which are drawn on other banks. In this sitting, each bank representative collects the cheques drawn on his bank and brought by representative of other banks. The conce3rned bank representative carries cheques drawn on his bank and check up the accounts of concerned customer and clear them. In the second/afternoon sitting, all representatives of banks again meet in clearing house and brings with them cheques cleared or cheques which cannot be cleared. Accounts of all banks maintained in the bank doing clear housing work are debited or credited and their accounts are settled. If a particular bank has some deficit in its accounts due to heavy debit, that bank is immediately asked to deposit more amount in the account maintained by bank doing clearing house work.

Hence through clearing house, accounts of all member banks are settled and the cheques of customers are cleared.

Suggested Readings :
Money, Banking & Finance by N.K.Sinha

AGENCIES FOR RURAL CREDIT

The organized institutional frame work available for disbursement of rural credit consists of the following :

1. Commercial banks
2. Regional Rural Banks
3. Cooperative Credit Structure

We have large network of nationalized commercial banks and their branches which are playing a crucial role in providing rural credit. Particularly after nationalization their role in meeting rural credit needs has become significant. They have been assigned targets for advancing agricultural and rural credit by Govt. of India.

The Regional Rural Banks CRRBD entered in the field of rural credit after passing of RRB Act in 1974. These RRB's were specifically created to supplement the efforts of cooperatives which performing this aspect of disbursing rural credit.

The cooperative credit structure is in the field of agricultural credit since last more than 100 years. In short term credit, structure consists of state cooperative banks at state level, district Central Cooperative Banks at district level and primary Agricultural credit cooperatives at primary/village level. Similarly, for long term credit which is also known as Investment credit, there are State cooperative Agricultural & Rural Development Banks at State level and Primary Cooperative Agricultural and Rural Development Banks at district, Taluka level to disburse rural credit for long term period. The primary urban cooperative banks have also been authorized to disburse rural credit by RBI.

At the national level, NABARD is looking after this work and providing money to all three above agencies by way of refinance facilities.

In the unorganized sector, there are other agencies and important amongst them is money lender who is providing rural credit at a comparatively higher rate of interest.

Suggested Readings :

1. Money Banking & Finance by N.K.Sinha
2. Report of Trends & Progress of Banking in India 2007-08 – RBI
3. Annual report of NABARD 2007-08

EASY APPROACH TO SUB: "BANKING SERVICES OPERATION ("BRIEF EXPLANATION OF KEY TERMS) OF SEM.IV OF RTU KOTA

Prepared by

B.K.Jain

MBA Faculty, BISMA

B.K.Jain
Retd.Prof.VAMNICOM, Pune.

H.No.15, Sector I
Vidhyadhar Nagar
JAIPUR 302023

Date: 21.05.2009

Dear Shri Anand Ji,

I thankfully acknowledge your Reg/Confidential letter No.242 dated 12.5.2009 forwarding 42 Answer Books of sub. Financial & Cost Accounting for valuation. The duly valuated answer book (42) of this subject alongwith mark sheet are enclosed.

The remuneration bill for paper setting and valuation of answer books amounting to Rs.1012/- with pre-receipt is also enclosed for needful at your end.

With regards,

Yours sincerely,

(B,K, JAIN)

Sh. R.K. Anand
Principal
Institute of Coop. Management
Jhalana Dungri,
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JAIPUR (RAJ.)
BISMA/2009/0047

Date: 20.05.2009

Research & Institutional Development Bureau
All India Council for Technical Education
4th floor, East Tower
Bhisma Pithama Marg
Pragati Vihar, Lodhi Road
NEW DELHI -110003

SUB: **Organization of Seminar sanctioned by AICTE – Reg.**

Dear Sir,

We are thankful to AICTE for conveying sanction and remitting 50% expenditure (Rs.75,000) for seminar as communicated vide AICTE sanction order No.1-4/FD/Sem(305)08-09 dated 16.03.2009. This seminar is proposed to be organized as per programme given below :

(1) Theme of Seminar - Accounting Standards & Corporate Accounting Practices.

(2) Duration of Seminar - 3 days in the 3rd week of July 2009.

The detailed programme of the Seminar would be sent separately.

With regards,

Rajeev Biyani
Chairperson