

Chapter / Part	Division	Clause/ Rules	<b>THE SEVENTH SCHEDULE (See section 100A)</b>
			RULES FOR THE COMPUTATION OF THE PROFITS AND GAINS OF A BANKING COMPANY AND TAX PAYABLE THEREON
		1c	<p>Provisions for advances and off balance sheet items shall be allowed upto a maximum of 1% of total advances; 2[and provisions for advances and off-balance sheet items shall be allowed at 5% of total advances for consumers and small and medium enterprises (SMEs) (as defined under the State Bank Prudential Regulations)] provided a certificate from the external auditor is furnished by the banking company to the effect that such provisions are based upon and are in line with the Prudential Regulations. Provisioning in excess of 1% <del>would be allowed to be carried over to succeeding years:</del> of total advances for a banking company and 5% of total advances for consumers and small and medium enterprises (SMEs) would be allowed to be carried over to succeeding years,</p> <p><del>Provided that if provisioning is less than 1% of the advances, then actual provisioning for the year shall be allowed.</del></p> <p>Provided that if provisioning is less than 1% of advances, for a banking company then actual provisioning for the year shall be allowed;</p> <p>Provided further that if provisioning is less than 5% of advances for consumers and small and medium enterprises (SMEs) then actual provisioning for the year shall be allowed and this provisioning shall be allowable from the first day of July, 2010.”; and</p>