



राष्ट्रीय कृषि और ग्रामीण विकास बैंक  
**NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT**  
*Department for Cooperative Revival and Reforms (DCRR)*



It is people who make cooperatives, not a piece of paper with something written on it.

Let us leave it to the people.

NB.DCRR/ 667 /D – 3 CAS/2007-08

23 August 2007

Circular No. 157 /DCRR- 15 /2007

The Registrar of Co-operative Societies  
Government of -----  
-----

Dear Sir

Implementation of Revival Package for STCCS-  
Manual on Common Accounting System (CAS) for PACS

As you are aware, guidelines on Common Accounting System(CAS) have been issued vide Circular No.71/DCRR-04/2007 dated 18.5.07 as suggested under clause 8(b)(ii) of the MoU executed by the State Government with GoI and NABARD regarding implementation of Revival Package for the Short Term Cooperative Credit Structure (STCCS). CAS provides details on maintenance of various books of accounts so as to facilitate preparation of all prescribed financial statements properly by the PACS.

2. An operational Manual has now been prepared for easy handling of CAS and a copy of the Manual is enclosed. The objective of the Manual is to guide the PACS in maintenance of books of accounts and preparation of financial statements as per CAS guidelines. The major components of the Manual are:

- (i) Accounting entries for credit and non-credit activities
- (ii) Accounting entries for common activities
- (iii) Formats/steps involved in book keeping etc.,
- (iv) Maintenance of basic records/registers/books/ledgers/control registers
- (v) Steps for preparation of financial statements

3. As decided in the second meeting of the National Implementing and Monitoring Committee (NIMC) held on 7 September 2006, the PACS are required to prepare the financial statements as indicated in the CAS guidelines to ensure consistency, transparency, data build up and comparability of the PACS while adopting basic and standard principles of accounting. It may be noted that CAS is the basis for computerization in PACS, for which, steps are being taken separately. It is suggested that the CAS must be introduced in the PACS at the earliest, manually to start with, so that the same gets stabilized within a short period of time before computerization of the society absorbs it smoothly.



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**NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT**  
*Department for Cooperative Revival and Reforms (DCRR)*

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4. We appreciate that training of PACS personnel/staff is essential to equip them for implementing CAS. With this objective, training modules designed for the Secretaries of PACS contain extensive sessions on CAS. To facilitate further, the Cooperation and Audit Departments may be required to provide guidance and handholding to the PACS staff in the beginning for which NABARD will extend support to the Department as and when necessary.

5. We therefore request you to issue suitable instructions to PACS for early introduction and adoption of CAS with the help of the Manual so that they compulsorily start generating the financial statements as indicated in the new accounting system from the current year (2007-08) itself. You may get the Manual translated into local language for use of PACS, if the same is considered necessary.

Yours faithfully,

(Prakash Bakshi)  
Chief General Manager

Encl: As above



**राष्ट्रीय कृषि और ग्रामीण विकास बैंक**  
**NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT**  
**Department for Cooperative Revival and Reforms (DCRR)**

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Endt. No. NB.DCRR/668/D 3/2007-08 of date

Copy together with enclosures forwarded for information and necessary action to:

1. The Joint Secretary (FS), GoI, Ministry of Finance, Deptt. Of Economic Affairs, Banking Division, Jeevan Deep Building, Parliament Street, New Delhi-110001
2. The Chief General Manager, Rural Planning & Credit Department, Reserve Bank of India, Central Office, Fort, Mumbai 400 001
3. The EA to Chairman, NABARD, HO, Mumbai
4. The EA to Managing Director, NABARD, HO, Mumbai
5. The EAs to all Executive Directors, NABARD, Mumbai/New Delhi
6. The Chief General Manager, NABARD, All HO Departments, Mumbai
7. The Managing Director, National Federation of State Coop.Banks Ltd. (NAFSCOB), J K Chambers, 5<sup>th</sup> floor, Plot No.76, Sector 17, Vashi, Navi Mumbai 400703.
8. The Chief General Manager/Officer-in-Charge, NABARD, All ROs/SOs. He is requested to arrange for translation of the Manual into local language, if necessary.
9. The Principal, National Bank Staff College, Lucknow.
10. The Principal, Regional Training College, NABARD, Mangalore
11. The Principal, Regional Training College, NABARD, Bolpur
12. The Joint Director, BIRD, Lucknow

(A K Sahoo)  
Deputy General Manager



**NATIONAL BANK FOR AGRICULTURE AND  
RURAL DEVELOPMENT**

*Department for Cooperative Revival and Reforms  
Head Office, Mumbai.*

**Manual on  
Common Accounting System (CAS)  
*for*  
Primary Agricultural Credit Societies  
(PACS)**

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# **1 INTRODUCTION**

## **1.1 Background:**

As envisaged under the Revival Package of GoI, NABARD in collaboration with GTZ has devised a Simplified, Standard and Common Accounting System(CAS) for PACS. While designing the Common Accounting System for PACS, the existing systems and practices of accounting of the PACS in a number of states have been studied both under manual and computerised systems having regard to the nature and scale of business, prudential norms and best practices in accounting and their relevance to computerization and discussions held with various stakeholders such as State Cooperative Banks, District Central Cooperative Banks, Dept of Cooperative Audit, Registrar of Cooperative Societies and the Training Institutes of Cooperatives. In line with the “CAS” prepared for “PACS”, this operational Accounting Manual (“AM”) is prepared to guide PACS in accounting for transactions under “Double Entry System Of Accounting” as per “Accrual basis”.

The major components of CAS are :

- i) Applicability of universally accepted basic concepts and principles in the maintenance of accounts by the PACS.
- ii) Adoption of standard financial statements, viz., Balance Sheet, P&L A/c and Trading A/c.
- iii) List of a common set of General Ledger Heads of Account compatible with financial statements; and
- iv) Maintenance of minimum essential and Standard Books of Accounts

## **1.2 Purpose:**

This manual deals with accounting entries to be passed at various stages along with the formats of necessary records. While the basic accounting system along with formats for main registers, subsidiary registers, day books, basic reports etc. have been dealt by “CAS”, this manual serves as an operational guide to PACS in Book-keeping.

This manual read with “CAS” aims at :

- i) Preparation and processing of accounting transactions, and
- ii) Providing assurance that similar transactions will be accounted for consistently.
- iii) Transactions are accounted consistently and financial statements are comparable from period to period.
- iv) Clear understanding of book-keeping under “Double Entry system of accounting” under “Accrual Basis”.

## **2. CHART OF ACCOUNTS<sup>1</sup>**

Chart of Accounts is a listing of the names of the accounts that an organization has identified and made available for recording transactions in its books. The following chart is designed by “CAS” for PACS to:

- i) Ensure uniformity and common understanding of accounts;
- ii) Guide in the installation of accounting and internal control systems;
- iii) Enhance transparency; and
- iv) Facilitate the analysis and evaluation of financial and management performance, monitoring, supervision and business linkages.

### **CAPITAL**

- 1. Paid up Capital – Individual
- 2. Paid up Capital – Government
- 3. Paid up Capital - Others

### **RESERVES, FUNDS AND GRANTS**

- 1. Reserve Fund
- 2. Capital Reserve
- 3. Agriculture Credit Stabilization Fund
- 4. Dividend Equalization Fund
- 5. Building Fund
- 6. Common Good Fund
- 7. Balance in Profit and Loss Account
- 8. Subsidy meant for Society
- 9. Subsidy meant for Members
- 10. Recapitalisation Assistance Fund – Contribution from GoI
- 11. Recapitalisation Assistance Fund – Contribution from State Govt.
- 12. Provident Fund
- 13. Other Grants

### **DEPOSITS**

- 1. Saving Deposit
- 2. Recurring Deposit
- 3. Fixed Deposits
- 4. Reinvestment Deposits
- 5. Other Deposits

### **BORROWINGS FROM DCCBs/SCB**

- 1. ST (SAO) / KCC Credit Limit
- 2. MT/LT Agri Loans
- 3. MT Conversion
- 4. MT/LT Reschedulement

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<sup>1</sup> Adopted from Common Accounting System

5. SHG Loans
6. Non Farm Sector Loans
7. Fertilizer Cash Credit Limit
8. Seeds Cash Credit Limit
9. Cash Credit Limit for Agriculture Produce
10. Cash Credit Limit for Gold Loans
11. Public Distribution Scheme CC Limit
12. Consumer Commodities CC Limit
13. Other Non Credit Activities
14. Loans against Deposits with DCCB / SCB
15. Other Borrowings from DCCB / SCB (to be specified)
16. Borrowings from State Government
17. Borrowings from Other Institutions (other than DCCB/SCB/State Govt.)

### **CONTRA ITEMS**

1. Bills for Collection (Being Bills Receivable as per Contra)

**BRANCH ADJUSTMENT ACCOUNT** (Applicable to PACS that have more than one branch)

### **OTHER LIABILITIES**

1. Interest Accrued on Deposits
2. Interest Accrued on Borrowings
3. Unclaimed Dividend
4. Sundry Creditors
5. Other Liabilities.

### **PROVISIONS**

1. Provision for PF / Gratuity / Bonus / Pension
2. Provision for Standard Assets
3. Provision for NPAs – Sub-Standard Assets
4. Provision for NPAs – Doubtful Assets
5. Provision for NPAs – Loss Assets
6. Overdue Interest Reserve
7. Provision for overdue interest on investments
8. Provision for outstanding Expenses
9. Provision for Sundry Debtors for Credit Sales
10. Provision for Sundry Debtors (Others)
11. Provision for Depreciation in the value of Investments
12. Other Provisions



## **ASSETS**

### **CASH AND BANK BALANCES**

1. Current Account with DCCB/SCB
2. Current Account with other banks
3. Saving Bank Account with DCCB/SCB
4. Saving Bank Account with Other Banks/Institutions

### **INVESTMENTS**

1. Government and Trustee Securities
2. Shares in Other Cooperative Institutions
3. Term Deposits with SCB / DCCB representing Reserve Fund
4. Term Deposits with DCCB / SCB\* (other than Reserve Fund)
5. Term Deposits with other banks
6. NSC / KVP
7. Staff PF balance with PF Trust / as deposit with Banks
8. Other Investments

### **LOANS AND ADVANCES**

1. ST (SAO) Loans / KCC Loans
2. Medium Term / Long Term Agricultural Loans
3. MT Conversion Loans
4. MT /LT Reschedulement
5. Loans against pledge of agriculture produce
6. SHG Loans
7. Non-Farm Sector Loans
8. Loans against Deposit
9. Loans for Consumer Durables
10. Gold Loans
11. Loans to Staff Members
12. Other Loans

### **CLOSING STOCKS**

1. Agricultural Inputs – Fertilisers
2. Agricultural Inputs – Seeds
3. Agricultural Inputs - Pesticides
4. Public Distribution System Commodities
5. Non-PDS Consumer Items
6. Food grains and other Commodities under Procurement Scheme
7. Materials under Mid-day Meals Scheme
8. Other stocks / goods / Work in Progress

## **FIXED ASSETS**

1. Land and Buildings including Go downs
2. Furniture and Fixtures
3. Computers and Electrical Installations
4. Vehicles
5. Other Fixed Assets

## **OTHER ASSETS**

1. Interest Accrued but not due on Standard Loans
2. Interest accrued but not due on NPA Loans
3. Overdue interest receivable
4. Interest receivable on Investments.
5. Tax Deducted at Source.
6. Sundry Debtors for credit sales.
7. Sundry Debtors for others
8. Deposits with Agencies/Parties
9. Prepaid Expenses
10. Misc. Income receivable.

## **PROFIT AND LOSS ACCOUNT**

### **A. EXPENDITURE :**

1. Interest on Deposits
2. Interest on Borrowings from DCCB / SCB<sup>2</sup>
3. Interest on Loans availed from State Government
4. Interest on Borrowings from others

## **ESTABLISHMENT AND OTHER EXPENSES**

1. Salary and Allowances (including Contribution to PF, Bonus, Gratuity and Pension Fund)
2. Management expenses (expenditure relating to board meetings etc)
3. Rent, Taxes, Electricity
4. Repair Costs of Premises
5. Insurance
6. Law charges
7. Postage and telephone charges
8. Printing and Stationery
9. Audit Fees
10. Vehicle expenses
11. Travelling & Conveyance expenses
12. Donations and Subscriptions
13. Depreciation on properties

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<sup>2</sup> Applicable to PACS under two-tier system

14. Depreciation in value of investments
15. Other expenses
16. Provisions for Standard assets
17. Provisions for Sub standard assets
18. Provisions for Doubtful Assets (loans)
19. Provisions for Loss Assets (loans)
20. Provisions for Bad and Doubtful Debts (Others)
21. Provisions for Bad and doubtful debts (credit sales)
22. Provisions for Overdue Interest on loans
23. Provisions for Overdue interest on investments
24. Provisions for depreciation in value of investments
25. Other Provisions

## **PROFIT AND LOSS ACCOUNT**

### **B. INCOME**

1. Interest on Loans and Advances
2. Dividend on Investments
3. Interest on deposits with banks/institutions.
4. Rental Income
5. Admission Fees
6. Other Miscellaneous Income (Locker Rent, Fee-based Income, Custom hiring etc.)

## **TRADING ACCOUNT**

1. Purchase of Fertilizers
2. Purchase of Seeds
3. Purchase of Pesticides
4. Sale of Fertilizers
5. Sale of Seeds
6. Sale of Pesticides
7. Purchase of PDS Commodities
8. Sale of PDS Commodities
9. Purchase of Non-PDS Commodities
10. Sale of Non-PDS Commodities
11. Purchase of Food grains and other Commodities under Government Procurement Scheme
12. Sale of Food grains and other Commodities under Government Procurement Scheme
13. Purchase of Food grains and other items under Mid-day Meal Scheme
14. Sale of Food items under Mid-day Meal Scheme
15. Transport/ other expenses on Purchase of Fertilizers
16. Transport/ other expenses on Purchase of Seeds
17. Transport/ other expenses on Purchase of Pesticides
18. Transport/ other expenses on Purchase of PDS Commodities

19. Transport/ other expenses on Purchase of Non-PDS Commodities
20. Transport/ other expenses on Purchase of Food grains and other Commodities under Government Procurement Scheme
21. Transport/ other expenses on Purchase of Material under Mid-day Meal Scheme
22. Salary of Salesman/Manufacturing Wages
23. License Fee
24. Gunny Bag Sales
25. Impairment in Stocks
26. Factory Expenses
27. Commission
28. Compensation
29. Other Trading Income
30. Purchase Returns
31. Sales Returns

Note:

- (i) Branch Adjustment A/c (Debit Balance) will appear on the asset side
- (ii) Subsidy meant for members (at Sr.No.9 under Reserves and Grants') is in the nature of Outside liability.
- (iii) P & L Account (Debit balance, i.e., loss / accumulated losses) will appear on assets side of the balance sheet
- (iv) Bills for Collection (being bills receivable as per contra) will appear on both sides of the balance sheet.
- (v) Insurance, rent and interest expenses may be segregated between Trading A/c and Profit & Loss A/c as per the nature of the transaction.
- (vi) If the society mobilises the deposits other than those indicated at Sr. No. 1 to 4 under deposits, same may be shown under 'other deposits'.

### 3. BASIC RECORDS TO BE MAINTAINED BY PACS

The following records/registers have been recommended under “CAS” for “PACS”.

| S. No. | Main P&L / BS Head         | Registers/day books/ledgers  | Other control registers not linked to financial statements  |
|--------|----------------------------|--|---|
| 1.     | Share Capital              | ▪ Share capital ledger.  | ▪ Membership registers  |
| 2.     | Deposits                   | ▪ Savings Account Ledger<br>▪ Fixed Deposit Ledger<br>▪ Recurring Deposit Ledger<br>▪ Reinvestment Deposit Ledger<br>▪ Monthly interest payment register   | ▪ Accounts Opened and Closed register<br>▪ Due Date Register<br>▪ Maturity register for term, recurring and reinvestment deposits quarterly<br>▪ Inoperative Accounts Register  |
| 3.     | Borrowings                 | ▪ Borrowings ledger  | ▪ Due date Register   |
| 4.     | Cash & Bank balances       | ▪ Cash book, Bank book   | -   |
| 5.     | Investments                | ▪ Investment Ledger  | - Maturity Register   |
| 6.     | Loans & Advances           | ▪ Loan Ledger (Short Term Crop Loans, Kisan Credit Card, Demand Loans, Loans against Deposit etc.)<br>▪ Loan Ledger (Medium Term, Long Term)<br>▪ Gold Loan Ledger<br>▪ Produce Pledge Loan Ledger<br>▪ Loan Disbursement Register | ▪ Gold Stock Register<br>▪ Pledged Stock Register<br>▪ Index of Direct and Indirect Liability<br>(Optional)<br>▪ Acknowledgement of Debt Register<br>▪ Suit Filed Register<br>▪ DCB and overdue / NPA register<br>▪ Insurance policy register |
| 7.     | Fixed Assets               | ▪ The Furniture, Fittings, Office Equipment and Other Movable Assets register.<br>▪ Land & building register<br>▪ Depreciation chart   | -   |
| 8.     | Sundry debtors & creditors | ▪ Sundry debtors & creditors ledger  | - Individual / agency wise debtor and creditor Ledger   |
| 9.     | Inventory                  | ▪ Stock Register   | -   |
| 10.    | Purchases & sales          | ▪ Purchases & sales registers  | -   |
| 11.    | Locker rent                | ▪ Safe deposit locker operation register   | -   |

Formats of control registers which are not indicated in the CAS circular No. 152 A dated 18 May 2007 are furnished below:

Inoperative Deposit Accounts Register: The Register may be maintained in the following format in respect of accounts not operated for more than three years.

| Sr.No. | Name of depositor | Account No. | Balance (Rs.) | Date of last operation | Remarks | Initials |
|--------|-------------------|-------------|---------------|------------------------|---------|----------|
| 1      | 2                 | 3           | 4             | 5                      | 6       | 7        |
|        |                   |             |               |                        |         |          |

Borrowings – Due Date Register:

| Sr.No. | Name of agency / Bank | Amount borrowed (Rs.) | Purpose | GL Folio No. | Due date for repayment | Date of repayment | Remarks | Initials |
|--------|-----------------------|-----------------------|---------|--------------|------------------------|-------------------|---------|----------|
| 1      | 2                     | 3                     | 4       | 5            | 6                      | 7                 | 8       | 9        |
|        |                       |                       |         |              |                        |                   |         |          |

Investment – Maturity Register:

| Sr.No. | Details of investment | GL Folio No. | Amount (Rs.) | Date of maturity | Date of realisation | Remarks | Initials |
|--------|-----------------------|--------------|--------------|------------------|---------------------|---------|----------|
| 1      | 2                     | 3            | 4            | 5                | 6                   | 7       | 8        |
|        |                       |              |              |                  |                     |         |          |

SUIT FILED REGISTER

| S.No. | Name of<br>borrower | Ledger<br>folio<br>No. | Purpose | Date<br>of<br>loan | Amt.<br>of<br>loan<br>(Rs.) | Overdue<br>amount<br>(Rs.) | Overdue<br>interest<br>(Rs.) | Date of<br>overdue | Particular<br>s of legal<br>action | Remarks |
|-------|---------------------|------------------------|---------|--------------------|-----------------------------|----------------------------|------------------------------|--------------------|------------------------------------|---------|
| 1     | 2                   | 3                      | 4       | 5                  | 6                           | 7                          | 8                            | 9                  | 10                                 | 11      |
|       |                     |                        |         |                    |                             |                            |                              |                    |                                    |         |
|       |                     |                        |         |                    |                             |                            |                              |                    |                                    |         |

- (i) The above register may be maintained broad purpose-wise (i.e., (a) ST (Agri), (b) ST (non-Agri) (c) TL (Agri) (d) TL (Non Agri)
- (ii) Under broad purposes, details may be given separately in respect of (i) arbitration cases (ii) decree obtained (iii) EPs filed

## DEMAND COLLECTION AND BALANCE REGISTER

For the period ending 31 March / 30 June -----

(Amt. Rs.'000)

| S. No. | Type of Loan  | Principal |                                       |                        |            |                            |                         | Percentage of Collection to Demand under Principal (col. 6 / col. 5) % | Interest |         |                          |                  |                            |                             |
|--------|---|-----------|---------------------------------------|------------------------|------------|----------------------------|-------------------------|--|----------|---------|--------------------------|------------------|----------------------------|-----------------------------|
|        |   | Demand    |                                       |                        | Collection |                            | Balance (col.5 – col.6) |  | Demand   |         |                          | Total Collection | Of which repaid in advance | Balance (Col. 12 – Col. 13) |
|        |   | Arrears   | Current (including advance repayment) | Total (col. 3 + col.4) | Total      | Of which repaid in advance |                         |  | Arrears  | Current | Total (Col. 10 + Col.11) |                  |                            |                             |
| 1      | 2   | 3         | 4                                     | 5                      | 6          | 7                          | 8                       | 9  | 10       | 11      | 12                       | 13               | 14                         | 15                          |
| I      | <b>Short – Terms</b>                                |           |                                       |                        |            |                            |                         |  |          |         |                          |                  |                            |                             |
| 1      | ST (Agrl) (including KCC)                           |           |                                       |                        |            |                            |                         |  |          |         |                          |                  |                            |                             |
| 2      | ST (Non Agrl)                                       |           |                                       |                        |            |                            |                         |  |          |         |                          |                  |                            |                             |
| 3      | <b>Total (1 + 2)</b>                                |           |                                       |                        |            |                            |                         |  |          |         |                          |                  |                            |                             |
| II     | <b>Medium Term / Long Term</b>                      |           |                                       |                        |            |                            |                         |  |          |         |                          |                  |                            |                             |
| 1      | MT / LT Agriculture                                 |           |                                       |                        |            |                            |                         |  |          |         |                          |                  |                            |                             |
| 2      | MT / LT (Conversion / Rephasement / Reschedulement) |           |                                       |                        |            |                            |                         |  |          |         |                          |                  |                            |                             |
| 3      | MT / LT (Non Agrl)                                  |           |                                       |                        |            |                            |                         |  |          |         |                          |                  |                            |                             |
| 4      | SHGs  |           |                                       |                        |            |                            |                         |  |          |         |                          |                  |                            |                             |
| 5      | Others  |           |                                       |                        |            |                            |                         |  |          |         |                          |                  |                            |                             |
| 6      | <b>Total (1 to 5)</b>                               |           |                                       |                        |            |                            |                         |  |          |         |                          |                  |                            |                             |
| III    | <b>Grand Total (3 + 6)</b>                          |           |                                       |                        |            |                            |                         |  |          |         |                          |                  |                            |                             |



**OVERDUE / NPA REGISTER**

As on 31 March -----(year)

| Sr.No. | Name of borrower and A/c No. | Ledger Folio No. | Purpose | Date of loan disbursement | Amount of loan (Rs.) | Loan outstanding (Rs.) | Date of overdue | Security available | Remarks |
|--------|------------------------------|------------------|---------|---------------------------|----------------------|------------------------|-----------------|--------------------|---------|
| 1      | 2                            | 3                | 4       | 5                         | 6                    | 7                      | 8               | 9                  | 10      |
|        |                              |                  |         |                           |                      |                        |                 |                    |         |
|        |                              |                  |         |                           |                      |                        |                 |                    |         |

- (i) The above register is required to be maintained separately for each type of loan
- (ii) Under each type of loan, register may be maintained ( period-wise viz., overdue below 1 year, 1 to 3 years, 3 to 4 yrs., 4 to 6 yrs., over 6 years and also for Loss Assets)

Individual Debtor and Creditor Ledger

Name of the Debtor / Creditor

| Date | Folio No.<br>of Day<br>Book | Particulars | Debit<br>(Rs.) | Credit<br>(Rs.) | Balance<br>(Rs.) | Initials |
|------|-----------------------------|-------------|----------------|-----------------|------------------|----------|
| 1    | 2                           | 3           | 4              | 5               | 6                | 7        |
|      |                             |             |                |                 |                  |          |

Note: Control Registers are required to be maintained as per requirement of the Society.

## 4. BASIC ACCOUNTING PRINCIPLES AND POLICIES<sup>3</sup>

**4.1** "An accounting system is a series of tasks in an entity by which transactions are processed as a means of maintaining financial records. Such a system should recognize, calculate, classify, post, analyze, summarize and report transactions." An accounting system should lead to proper recording of transactions entered into by the business during the period of the accounts and drawing up the final statements viz., the Balance Sheet and Profit Loss Account, such that these exhibit truly and fairly the profitability and the financial position of the business to which they relate.

**4.2** The preparation and presentation of financial statements under the Common Accounting System are based on certain fundamental accounting assumptions. The following are the generally accepted accounting assumptions and conventions:

- i) *Going Concern* - The society is viewed as a business concern that will continue its operations in the foreseeable future. This implies that the entity does not intend to, nor will it be necessary to, materially curtail the scale of its operations or be liquidated in the foreseeable future.
- ii) *Consistency* - It is assumed that the accounting policies adopted are consistent from one period to another.
- iii) *Accrual* - Revenues and costs are recognized as they are earned or incurred and not as money is received or paid, and are recorded in the accounting records and reported in the financial statements of the periods to which they relate.
- iv) *Timely recognition in Accounting Records* – Accounting transactions should be recorded on a timely basis so that all material information applicable to each accounting period will be shown in the records. To properly recognize in accounting records and financial reports the reasonable value of assets' liabilities, equity and revenues and expenses, each society should make provision for losses that may be sustained in the collection or conversion of loans and other assets by charges against current operations.
- v) *Transparency and disclosure* – This requires that the members of the society and other users of the financial statements should be informed of the material and relevant information about financial affairs of the society either through the financial statements or in the notes that accompany the statements or supplementary schedules.

If any of the accounting assumptions do not hold good in the preparation of the financial statements the same must be specifically disclosed.

**4.3** PACS is a business entity undertaking both credit and non-credit business. Non-credit business of the PACS are divided into five broad groups depending upon the nature of activities and materials the PACS deal in. These groups are for trading in:

- i) Agricultural inputs
- ii) PDS commodities
- iii) Non-PDS consumer items

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<sup>3</sup> Adopted from Common Accounting System

- iv) Foodgrains and other commodities under Govt. Procurement Scheme.
- v) Socially relevant schemes like Mid-day Meal Scheme.

But in reporting all business transactions of the PACS, the intention is to exhibit a true and fair picture of the profitability and financial position of the business. This calls for a sound system of keeping of accounts to record all transactions in proper manner.

**4.4 Double entry system** – Every business transaction involves the transfer of money (or money's worth) from one account to another and thus the transfer necessarily involves two accounts in 'opposite' directions. The double entry system of book keeping records both the aspects of every transaction and therefore follows the rule that every debit must have a corresponding credit and vice versa. This rule helps to check the arithmetical accuracy of records by preparing the 'trial balance' statement'. Accounts maintained under the single entry system record only one aspect of the transaction and the record is therefore incomplete. Certain rules must be observed in recording transactions under the double entry system. The two elements of every transaction must be grouped under three types of accounts and each type of account has its rules for recording the debit and the credit aspect of the transaction. The two principal types of accounts are (i) Personal Accounts and (ii) Impersonal Accounts. Impersonal Accounts are sub divided into a) Real or Asset Accounts and b) Nominal Accounts. Personal Account contains a record of transactions with a 'person' that could be an individual, group, society, bank etc. Real Accounts are accounts of properties or assets and contain a record of purchases and sales of the properties or assets, like land, building, goods, cash etc. Nominal accounts are accounts of expenditure and income and record gains and losses. The accounting rules to be followed for the three types of accounts are:

| Type of Account | Rules of entry      |                   |
|-----------------|---------------------|-------------------|
|                 | Debit               | Credit            |
| <b>Personal</b> | Receiver            | Giver             |
| <b>Real</b>     | What comes in       | What goes out     |
| <b>Nominal</b>  | Expenses and losses | Incomes and gains |

All transactions will have a debit and a credit voucher for equal amounts.

#### **4.5 Accounting Principles**

Recording of transactions in books should be done having regard to certain fundamental principles of accounting. The principles are:

- i) Double-entry book-keeping system. All transactions to have a debit and credit of equal amount.
- ii) Distinctions to be drawn between capital expenditure and revenue expenditure and capital receipts and revenue receipts.
- iii) Financial statements must be prepared on historical cost basis and should conform to statutory provisions and practices.
- iv) Investments must be valued at the lower of cost or market value.
- v) Book debts must be valued only at the realizable amounts and in accordance with regulatory norms/ guidelines.

- vi) Expenditure and income to be treated on accrual basis. Guidelines issued in this regard by RBI / NABARD may be followed.
- vii) Provisions for doubtful advances must be made to the satisfaction of the auditors and in accordance with guidelines issued by the regulatory authority.
- viii) Unsold stock at the end of the year should be brought into accounts and valued on a recognized basis that is consistently being followed in the organization.
- ix) Premises and other fixed assets must be accounted for at historical cost.
- x) Depreciation should be provided for on depreciable assets on straight line or diminishing balance method on a consistent basis.
- xi) Provisions for gratuity and provident fund benefits to staff are to be made on accrual basis. Separate funds for gratuity and provident fund are to be created and should not be mixed with the funds of the PACS.
- xii) A clear demarcation be made in regard to provisions and contingencies on the one side and reserves on the other. While provisions and contingencies are to be made from P&L Account, statutory and other reserves be made out of appropriation of profits.
- xiii) The net profit disclosed in the Profit and Loss account must be computed after provision for standard loans, bad and doubtful debts / NPAs, provision for overdue interest, depreciation/erosion in the value of securities and other assets, transfers to contingency funds and other usual or necessary provisions.

**4.6** Consistent with the concepts and principles outlined in the foregoing paragraphs all items of income and expenditure must be compiled under relevant heads so as to disclose the sources of income, nature of expenditure incurred to earn it, the composition of assets, sources from which capital has been procured and the nature of liabilities outstanding for payment. The accounting system in all PACS need to follow these principles and policies in the treatment and recording of all financial transactions.

## 5. STEPS FOR PREPARATION OF FINANCIAL STATEMENTS

Financial statements of PACS would include the following statements:

- i) Trial balance (Annexure I)
- ii) Trading Account (Annexure II)
- iii) Profit and Loss Account (Annexure III)
- iv) Balance sheet (Annexure IV)
- v) Annexure to Profit and Loss Account and Balance Sheet

The above statements are generated from books of accounts maintained by the society.

### 5.1 Logical accounting steps

| S. No. | Activity                 | Description  |
|--------|--------------------------|--|
| 1.     | Voucher preparation      | As defined in Chapter 9 of this manual, voucher is a primary document, a piece of substantiating evidence; a proof; or, a written record of expenditure, disbursement, or completed transaction; The first step in Book Keeping starts with voucher preparation.   |
| 2.     | Voucher authorization    | Once the voucher is prepared, it has to be approved/authorized by designated authority for its completeness.   |
| 3.     | Disbursement/collections | Once the voucher is complete in all aspects the actual transaction i.e. expenditure disbursement etc takes place   |
| 4.     | Voucher Entry            | On the basis of the voucher, the books of original entry, i.e. subsidiary books, registers, personal ledgers are updated.  |
| 5.     | General ledger posting   | Posting is the transfer of accounting entries from a journal of original entry into a ledger book, in chronological order according to when they were generated. From the subsidiary books and personal ledgers, entries are posted to respective general ledger accounts that contains all of the financial accounts of a business; contains offsetting debit and credit accounts (including control accounts). |

### 5.2 Closing of books of accounts for generation of financial statements

The following steps should be initiated to close the books of accounts and prepare financial statements

- i) Close the cash/day book and verify and tally the cash balance physically.
- ii) Reconcile balances with DCCB/SCB and other Banks in deposit accounts as per bankbook/General Ledger with the balance confirmed by them (through Balance Confirmation Certificates) by preparing Bank Reconciliation statements.

- iii) Pass accounting entries for “Interest accrued” on Loans and advances (both overdue as well as non-overdue amount) as also “Income accrued” on investments up to the close of the year (31<sup>st</sup> March)
- iv) Pass accounting entries for “Interest accrued but not due” (interest payable) on deposits and borrowings.
- v) Make provisions for all administrative expenses, audit fees, etc. which is due but not paid up to 31<sup>st</sup> March.
- vi) Ensure that all the investment receipts and share certificates are in agreement with the investments shown in the books of account.
- vii) In case there is depreciation in the value of investment, necessary provision for the same should be made.
- viii) In case PACS is engaged in non-credit activity (PDS, Non-PDS etc.) closing stock should be physically verified by the Auditor of PACS. On verification, actual stock should be compared with the stock as per stock register. The deficit, if any, should be brought to the notice of management for taking corrective action. Closing stock should be valued on the basis of cost or market price whichever is less. Damaged or degraded stock should be valued at realizable price.
- ix) In the books, entries for accounting closing stock of all the items should be passed with reference to actual stock and not stock as per stock register after physically verifying the stock.
- x) Make provision for Non-Performing Assets by assessing performance of each loan account. Accounts which have become NPAs as per prudential norms, should be considered for making provision.
- xi) Make provision for overdue interest on Loans and Investments for the year.
- xii) Verify the entire fixed asset physically and ensure that there is no shortage of assets vis-à-vis assets as per dead stock register. Further, also ensure that no damage to the asset is caused to the extent that the asset became unusable. In such a case, the asset should be written off.
- xiii) Prepare depreciation chart indicating all fixed asset and make entries for depreciation on fixed assets. The depreciation in value of fixed assets for the year should match with the amount debited to P & L Account. The written down value (WDV)/straight line method at the year end should match and reflect in the Balance sheet.
- xiv) In case assets are purchased out of grant assistance received from State Govt./NABARD, depreciation on those assets should be shown as utilization by debiting the respective grant account and crediting Depreciation Account.
- xv) Ensure that Share Register is totaled and balanced. Total of member-wise share capital should tally with the share capital as per the General Ledger balance.
- xvi) In respect of Borrowings, Balance Confirmation Certificate should be obtained from the respective institutions / lenders and balances under borrowing accounts as per General Ledger should be reconciled / tallied with the balance confirmed.

- xvii) All deposit accounts should be balanced and summary of depositor wise balance outstanding under each type of deposits should be prepared. The total of outstanding balances of all depositors under respective type of deposits should be tallied with the balance in each deposit account as per General Ledger.
- xviii) If there are more than one branch, inter-branch entries should be reconciled by each branch and the net of such balance should be taken to the balance sheet.

*Note: All loan accounts, sundry creditors/debtors accounts should be balanced and summary of account wise balance outstanding under each type of accounts should be prepared.*

### **5.3 Preparation of trial balance**

After passing all the accounting entries, each of the expenses and income accounts head in General Ledger, should be closed and balances under Assets & Liabilities account carried forward to the new year. Trial balance incorporating all the account heads as per the list prescribed in the Chapter 2 of this manual should be prepared.

### **5.4 Preparation of Trading Account, Profit and Loss Account & Balance Sheet**

- i) Once trial balance is tallied, all items related to trading A/c (purchases, sales, Sales Return, Expenses related to trading and stock) in respect of all non-credit trading activities should be posted to Trading Account. All non trading expenses, depreciations and provisions for bad and doubtful debts, depreciation in the value of assets and overdue interest etc. should be posted to Profit and Loss Account on “expenditure” side. All the income (interest on loans and advances, income from investments and other revenue receipts) should be posted to “Income” side of Profit and Loss account. All the assets and liabilities should be carried / posted to Balance Sheet. All the financial statements should be prepared in the formats suggested under Common Accounting System (CAS) ( Annexures I to IV of this document).
- ii) Trading account should be closed and Gross Profit or Gross Loss should be ascertained. For this purpose, a summary of trading accounts may be prepared as per the suggested formats. If there is a gross profit, the same should be brought forward to the “Credit” side of Profit and Loss Account. If there is a gross loss, the same should be taken to the “Debit” side of Profit and Loss Account.
- iii) Thereafter Profit and Loss Account should be closed and net profit or loss for the year should be ascertained. If there is a net profit, the same should be carried forward to P & L appropriation account. In case of loss, the same should be carried to balance sheet.
- iv) In case there is a profit for the year, the amount of profit together with balance of unappropriated profit of earlier years, should be appropriated to various Reserves / Funds taking into account statutory requirement and as



per the decision taken in the Annual General Meeting for appropriation and payment of proposed dividend on share capital.

- v) The unappropriated balance of Profit should be carried to “Liability” side of the Balance sheet.
- vi) Balance Sheet should be prepared as per the format suggested. Total of “Assets” and “Liabilities” should be tallied. No new heads of accounts both under “Assets” and “Liabilities” should be added. If there are more than one item under any of the “Others” (to be specified) sub-head (say, under the head of “Reserves and Funds” or “Investments” etc.), the same should be indicated with such details in an Annexure.
- vii) No additional General Ledger Heads of Accounts to be opened other than the ones prescribed in Chapter 2 of this manual (Annexure VII of the Common Accounting System). However, subsidiary general ledger heads could be prepared for more details upto two more stages for eliciting more information under computerised environments. As for example, GL A/c. Head “Savings Deposits” can be split into next stage under the subsidiary General Ledger as Savings Deposit from Members Male, Members Female. Further, savings deposits from Male Members could be segregated village-wise. But, under all circumstances, only one broad account head i.e. Savings Deposits should appear in the Financial Statements of the PACS.

Certain items under the Balance Sheet should be provided with necessary details in the form of Annexures. Sundry Creditors, Sundry Debtors (other than Credit Sales), Any Other Stocks/Goods under Closing Stock, Shares in other Cooperative Institutions are to be indicated in detail in the Annexures with the relevant date, particulars and amounts of the respective entries.

### **5.5 Explanatory Note to the Financial Statements of PACS**

- i) *Capital Reserve* – Capital Reserve may arise on account of the following:
  - Profit on sale of capital asset
  - Amount received against the forfeiture of shares
  - Govt. grant received in the form of promoters’ contribution
  - Excess of assets taken over than the amount of liability, on acquisition of business.
- ii) *Building Fund* – This fund account will be credited with
  - Subsidy received from State Government/Central Govt./Other Agencies for construction of building.
  - Appropriation from profit of society to the Fund
  - Donations, if any,

- iii) *Recapitalization Fund*

Fund received from Government of India and the State Government towards accumulated losses and for maintaining CRAR of 7% under the Revival Package should be included here.

- iv) *Investments*

Investments net of provision should be shown in the outer column. Other items may be shown in the inner column (break-up column).

v) *Expenditure and Income*

Expenses shown in Profit and Loss account include paid and payable figures. Similarly, income shown consist of both income received and income receivable.

- Management expenses include meeting expenses of Board

vi) *Insurance and rent of Godown*

The expenses on godown rent should be debited to Trading Account of different activities in proportion to space occupied for storing the specified stock.

- Insurance of stock should be charged to Trading Account for respective activity.
- Salary of salesman/manufacturing wages, electricity and rent should be charged to the Trading Account of different activities, if the services are exclusively used for those activities.

vii) *Loans and advances*

Only net figure after deducting “provision for NPAs” should be shown in the outer column.

viii) *Closing Stock*

Shortage or deficit in stock should not be shown under this head. If any amount is recovered from the salesman for deficit in stock, the same should be credited to Trading Account.

- ix) The figure of interest accrued and receivable should be shown net of “Provisions made” in the outer column.

## **5.6 Preparation of Annual Report**

- i) It is necessary that the PACS also prepare Annual Report incorporating therein important developments in the society covering total members, enrollment of new members, borrowing members, members retired during the year, changes in the Management Committee and holding of MC meetings as per bye-law, growth of deposits, advances and profit, issue of Kisan Credit Cards and ST-SAO loans disbursed through KCC, loans issued to SC/ST/ women beneficiaries/ SHGs and information about Farmers’ clubs and other details as per the provisions of the Cooperative Societies Act along with the financial statements of PACS.
- ii) The copies of financial statements of PACS may be supplied to the members.
- iii) A copy of the Annual Report may also be displayed on the society premises for information of the members and others.

## 6. ACCOUNTING ENTRIES FOR CREDIT ACTIVITIES

### 6.1 DEPOSITS ACCEPTANCE FROM MEMBERS/PUBLIC

#### 6.1.1 Entry upon receipt of savings/recurring/fixed/re-investment deposits.

EX: If Rs. 100 is deposited in savings/recurring/fixed/re-investment deposits by account holders.

#### Voucher Type: PIS

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected   |
|---|-----------|------------|--|
| <b>By</b> Cash<br><br><b>To</b> Relevant Savings/Fixed/Recurring/re-investment A/c<br><br>(Being cash deposited to the above SB account.) | 100       | 100        | <ul style="list-style-type: none"> <li>▪ Savings/RD/Fixed/deposit ledger</li> <li>▪ Relevant general ledger accounts</li> <li>▪ Cash book</li> </ul> |

The book-keeping process involved from acceptance to repayment of fixed deposits is further illustrated in Appendix 10 – Illustration No. 1 of this manual.

#### 6.1.2 Entry upon withdrawal of cash from savings A/c by using Cash withdrawal form by accountholders.

EX: If Rs. 100 is withdrawn.

#### Voucher Type: CWF

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected  |
|---|-----------|------------|---|
| <b>By</b> Relevant Savings A/c<br><br><b>To</b> Cash A/c<br><br>(Being cash withdrawn from the above SB account.) | 100       | 100        | <ul style="list-style-type: none"> <li>▪ Cash book</li> <li>▪ Savings ledger</li> <li>▪ Relevant general ledger accounts</li> </ul> |

### 6.1.3 Entry upon credit of interest on FD

EX: Monthly interest of Rs. 15 on FD is to be provided after deduction of Rs. 2 as TDS.

#### Voucher Type: JV

| Particulars  | Debit Rs. | Credit Rs. | Books/registers affected           |
|--|-----------|------------|------------------------------------|
| <b>By</b> Interest on deposits–FD  | 15        |            | ▪ Deposit ledger                   |
| <b>To</b> Interest Accrued on deposit A/c  |           | 13         | ▪ Interest payment register        |
| TDS payable A/c  |           | 2          | ▪ Relevant general ledger accounts |
| (Being interest for the period from ... to ... paid on deposit A/c no. ... at the rate of ... % p.a. and TDS at ... %) |           |            |                                    |

### 6.1.4 Entry upon subsequent payment of interest after the above said provision is created.

#### Voucher Type: PV

| Particulars  | Debit Rs. | Credit Rs. | Books/registers affected       |
|--|-----------|------------|--------------------------------|
| <b>By</b> Interest accrued on deposits A/c   | 13        |            | ▪ Deposit ledger               |
| <b>To</b> Cash/SB A/c*   |           | 13         | ▪ Savings deposit ledger       |
|  |           |            | ▪ FD Interest payment register |
|  |           |            | ▪ Cash book                    |
| (Being interest for the period from ... to ... paid on deposit A/c. no. ... at the rate of ... % p.a.) |           |            |                                |

\*Interest on FD can be paid in cash or credited to SB A/c of the deposit holder.

### 6.1.5 Entry upon credit of interest on SB.

EX: If Rs. 100 is to be credited to SB A/c after deduction of Rs. 2 as TDS.

#### Voucher Type: JV

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected           |
|---|-----------|------------|------------------------------------|
| <b>By</b> Interest on deposits–SB A/c   | 100       |            | ▪ Savings deposit ledger           |
| <b>To</b> Relevant SB A/c   |           | 98         | ▪ Relevant general ledger accounts |
| TDS payable A/c   |           | 2          |                                    |
| (Being interest for the period from ... to ... paid on SB A/c. no. ... at the rate of ... % p.a. and TDS at ... % effected) |           |            |                                    |

6.1.6 Entry upon credit of interest on Recurring/re-investment deposits to the respective A/cs.

EX: If Rs. 100 is to be credited to RD/RID after deduction of Rs. 2 as TDS\*.

**Voucher Type: JV**

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected   |
|---|--------------|---------------|---|
| <b>By</b> Interest on deposits–<br>Recurring/ RID   | 100          |               | <ul style="list-style-type: none"><li>▪ Deposit ledger</li><li>▪ Relevant general ledger accounts</li></ul> |
| <b>To</b> Relevant Recurring/ RID A/c<br>TDS payable A/c  |              | 98<br>2       |   |
| (Being interest for the period<br>from ... to ... paid on deposit<br>A/c no. ... at the rate of ... %<br>p.a. by way of credit to and TDS<br>at ... % effected) |              |               |   |

\*TDS if applicable

6.1.7 Entry upon repayment of deposits.

EX: If Rs. 100 in RD/RID/SB/FD A/c is to be paid on closure .

**Voucher Type: PV/JV**

| Particulars                                    | Debit Rs. | Credit Rs. | Books/registers affected   |
|--|-----------|------------|--|
| <b>By</b> <i>Relevant RD/RID/SB/FD A/c</i>     | 100       |            | <ul style="list-style-type: none"><li>▪ Cash book</li><li>▪ Deposit ledger</li><li>▪ Savings ledger</li><li>▪ Relevant general ledger accounts</li></ul> |
| <b>To</b> <i>Cash/SB A/c</i>                   |           | 100        |  |
| (Being the deposit no. ... of Mr. ... repaid ) |           |            |  |

## 6.2. BORROWINGS

6.2.1 Entry upon receipt of borrowings.

EX: If Rs. 100 is borrowed from DCCB/Others

**Voucher Type: RV**

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected  |
|---|-----------|------------|---|
| <b>By</b> Cash/current A/c  | 100       |            | <ul style="list-style-type: none"><li>▪ Borrowing ledger</li><li>▪ cash book/bank book</li><li>▪ Relevant general ledger accounts</li></ul> |
| <b>To</b> Relevant Borrowings A/c                                       |           | 100        |   |
| (Being ... loan received carrying an interest rate of repayable in ...) |           |            |   |

6.2.2 *Entry upon provision and subsequent payment of Interest on borrowings.*

EX: If Rs. 100 is to be provided as interest on borrowings.

**Voucher Type: JV**

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|---|--------------|---------------|--|
| <b>By</b> Interest on Borrowings<br>DCCBs/others<br><br><b>To</b> Interest Accrued on<br>borrowings A/c<br><br>(Being interest on borrowings<br>from ... to ... credited to loan<br>A/c no. ... as per working sheet<br>attached) | 100          | 100           | <ul style="list-style-type: none"> <li>▪ Borrowing ledger</li> <li>▪ Relevant general ledger accounts</li> </ul> |

6.2.3 *\*Upon payment of above interest amount.*

**Voucher Type: PV**

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|---|--------------|---------------|--|
| <b>By</b> Interest Accrued on<br>borrowings A/c<br><br><b>To</b> Cash/ Current A/c<br><br>(Being interest on loan no. ...<br>taken on ... now paid) | 100          | 100           | <ul style="list-style-type: none"> <li>▪ Cash book/bank book</li> <li>▪ Borrowings ledger</li> <li>▪ Relevant ledger accounts</li> </ul> |

6.2.4 *Entry upon repayment of borrowings.*

EX: If Rs. 100 is repaid, then ...

**Voucher Type: PV**

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|---|--------------|---------------|--|
| <b>By</b> Relevant Borrowings A/c<br><br><b>To</b> Cash/Bank A/c<br><br>(Being repayment of instalment<br>on borrowing -- now repaid) | 100          | 100           | <ul style="list-style-type: none"> <li>▪ Borrowings ledger</li> <li>▪ Bank book</li> <li>▪ Relevant general ledger accounts</li> </ul> |

### 6.2.5 Entry upon reschedulement of MT/LT borrowings.

EX: If Rs. 100 in MT/LT borrowings account is rescheduled.

#### Voucher Type: JV

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|---|--------------|---------------|--|
| <b>By</b> Relevant Borrowings A/c<br><br><b>To</b> Relevant Rescheduled MT/LT Borrowings A/c<br><br>(Being the borrowings from ... to ... credited to loan A/c no. ... as per working sheet attached) | 100          | 100           | <ul style="list-style-type: none"> <li>Relevant general ledger accounts</li> </ul> |

## 6.3 LOANS AND ADVANCES

### 6.3.1 Entry for loan disbursement.

EX: If Rs. 100 is disbursed as loan

#### Voucher Type: PV

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|--|--------------|---------------|--|
| <b>By</b> Relevant Loan A/c<br><br><b>To</b> Cash A/c<br><br>(Being ... loan disbursed against sanction of Rs. ... vide sanction ref. no. ... dated ...) | 100          | 100           | <ul style="list-style-type: none"> <li>Cash book</li> <li>Respective loan ledgers</li> <li>Relevant general ledger accounts</li> </ul> |

The book-keeping process involved from disbursement to repayment of MT loans is further illustrated in Appendix 10 – Illustration No. 2 of this manual.

### 6.3.2 Entry for provision of interest on loans & advances which is not overdue.

EX: If Rs. 200 is the interest due on all loans and advances.

#### Voucher Type: JV

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected   |
|--|--------------|---------------|---|
| <b>By</b> Non overdue interest receivable on loans & advances A/c<br><b>To</b> Interest on loans & advances A/c<br>(Being interest on loans & advances for the period from ... to ... as per the interest calculation worksheet) | 200          | 200           | <ul style="list-style-type: none"> <li>Relevant loan registers and general ledger accounts</li> </ul> |

### 6.3.3 Entry on receipt of Rs. 10 interest due on loans & advances

EX: Of the Rs. 200 interest due on all loans and advances, Rs. 10 is received.

#### Voucher Type: RV

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected   |
|---|-----------|------------|--|
| <b>By</b> Cash A/c<br><br><b>To</b> Non overdue interest receivable on loans & advances A/c<br><br>(Being interest on loans & advances due received from ...) | 10        | 10         | <ul style="list-style-type: none"> <li>▪ Relevant loan registers</li> <li>▪ Cash book</li> <li>▪ Relevant general ledger accounts</li> </ul> |

### 6.3.4 Entry for accounting interest overdue on overdue loans & advances.

EX: If Rs. 20 of the interest due on loans & advances becomes overdue.

#### Voucher Type: JV

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected   |
|---|-----------|------------|--|
| <b>By</b> Overdue Interest Receivable A/c<br><br><b>To</b> Non overdue interest receivable on loans & advances A/c<br><br>(Being overdue interest on overdue loans & advances for the period from ... to ... now transferred) | 20        | 20         | <ul style="list-style-type: none"> <li>▪ Relevant general ledger accounts</li> </ul> |

### 6.3.5 Entry for making provision for overdue interest on loans & advances.

EX: In respect of the overdue interest on NPA loans. (say, Rs. 5)

#### Voucher Type: JV

| Particulars  | Debit Rs. | Credit Rs. | Books/registers affected  |
|--|-----------|------------|---|
| <b>By</b> Profit & loss A/c<br><br><b>To</b> Provision for overdue interest on loans A/c<br>(Being provision made for overdue interest on NPA loans) | 5         | 5          | <ul style="list-style-type: none"> <li>▪ DCB &amp; NPA provisioning register</li> <li>▪ Relevant general ledger accounts</li> </ul> |



### 6.3.6 Entry for receipt of overdue interest.

EX: If Rs. 5 of overdue interest is received.

#### Voucher Type: RV

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected  |
|---|-----------|------------|---|
| <b>By</b> Cash A/c<br><br><b>To</b> Overdue Interest A/c<br><br>(Being overdue interest on the following now received.<br>Name ...<br>Loan Type ...<br>A/c no. ...<br>Amount lying in <i>Overdue interest A/c</i> ) | 5         | 5          | <ul style="list-style-type: none"> <li>▪ Cash book</li> <li>▪ Relevant general ledger accounts</li> </ul> |

### 6.3.7 Entry for accounting for interest accrued but not due on standard loans & advances.

EX: If Rs. 25 is accrued interest but not due then...

#### Voucher Type: JV

| Particulars  | Debit Rs. | Credit Rs. | Books/registers affected   |
|--|-----------|------------|--|
| <b>By</b> Interest Accrued but not due on standard loans & advances<br><br><b>To</b> Interest on loans & advances A/c<br>(Being Interest Accrued but not due on the following<br>Name ...<br>Loan Type ...<br>A/c no. ...<br>Amount Rs. ...) | 25        | 25         | <ul style="list-style-type: none"> <li>▪ Relevant general ledger accounts</li> </ul> |

### 6.3.8 Entry upon receipt of installments in loans.

EX: If Rs. 5 loan amount is received.

#### Voucher Type: RV

| Particulars  | Debit Rs. | Credit Rs. | Books/registers affected   |
|--|-----------|------------|--|
| <b>By</b> Cash A/c<br><br><b>To</b> Relevant Loan A/c<br><br>(Being ... installment of Rs. ... received) | 5         | 5          | <ul style="list-style-type: none"> <li>▪ Cash book</li> <li>▪ Relevant loan registers and ledger general accounts</li> </ul> |

### 6.3.9 Entry for reschedulement of loans.

Rescheduled loan A/c is debited to record loan accounts rescheduled and credited to record collection in such accounts. All other aspects such as recording of interest income, repayments, etc. should be dealt in the manner explained above.

EX: If an outstanding loan of Rs. 10 is rescheduled.

#### Voucher Type: JV

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>Effected        |
|--|--------------|---------------|------------------------------------|
| <b>By</b> <i>Relevant Rescheduled loan A/c</i>   | 10           |               | ▪ Relevant general ledger accounts |
| <b>To</b> <i>Relevant Loan A/c</i>   |              | 10            |                                    |
| (Being the entry passed for recording reschedulement of loans & advances as per sheet) |              |               |                                    |

### 6.3.10 Entry for provisioning on standard assets.

EX: If Rs. 10 is provided on standard loans & advances.

#### Voucher Type: JV

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|--|--------------|---------------|--|
| <b>By</b> Profit & Loss A/c  | 10           |               | <ul style="list-style-type: none"><li>▪ DCB &amp; NPA provisioning register</li><li>▪ Relevant ledger general accounts</li></ul> |
| <b>To</b> Provision on standard assets   |              | 10            |  |
| (Being provision on standard assets made at the rate of ... as per asset provisioning norms) |              |               |  |

### 6.3.11 Entry for provisioning on Sub-standard, doubtful and loss assets.

EX: If Rs. 20 is provided on sub-standard, doubtful and loss assets.

#### Voucher Type: JV

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|---|--------------|---------------|--|
| <b>By</b> Profit & Loss A/c   | 20           |               | <ul style="list-style-type: none"><li>▪ DCB &amp; NPA provisioning register</li><li>▪ Relevant ledger general accounts</li></ul> |
| <b>To</b> Provision on sub-standard assets/ doubtful debts/ loss assets |              | 20            |  |
| (Being provision made at the rate of ... % on ... [as applicable])      |              |               |  |

6.3.12 *Entry for writing off loans.*

EX: If Rs. 20 outstanding in 'X' loan A/c is to be written off then (to record the actual write off).

**Voucher Type: JV**

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|---|--------------|---------------|--|
| <b>By</b> Provisions for loss Assets A/c<br><br><b>To</b> Respective loan A/c<br><br>(being the above amount due written off as per approval dt. ...)<br> | 20           | 20            | <ul style="list-style-type: none"> <li>▪ Relevant ledger general accounts</li> </ul> |

6.3.13 *Entry for recovery in written off accounts.*

EX: If Rs. 10 is subsequently recovered from written off accounts.

**Voucher Type: RV**

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected   |
|---|--------------|---------------|---|
| <b>By</b> Cash A/c<br><br><b>To</b> Recovery in written off A/c<br><br>(being the above amount written off as per approval dt. ... now recovered to the above extent)<br> | 10           | 10            | <ul style="list-style-type: none"> <li>▪ Cash book</li> <li>▪ Relevant general ledger accounts</li> </ul> |

## 7. ACCOUNTING ENTRIES FOR NON-CREDIT ACTIVITIES

### 7.1 PURCHASES

#### 7.1.1 Entry upon cash purchases of fertilizers, seeds, etc.

EX: If goods worth Rs. 10 after VAT of Rs. 2 are purchased for cash.

#### Voucher Type: PV

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected  |
|---|-----------|------------|---|
| <b>By</b> Purchases of relevant item<br>A/c<br>*Input VAT A/c | 8<br>2    |            | <ul style="list-style-type: none"> <li>Purchases register</li> <li>Cash book</li> <li>Relevant general ledger accounts</li> </ul> |
| <b>To</b> Cash A/c  |           | 10         |   |
| (Being purchases of ... (quantity) vide bill no. ... dt. ...) |           |            |   |

\*If applicable under relevant statute only.

#### 7.1.2 Entry upon purchases of fertilizers, seeds, etc.

EX: If goods worth Rs. 10 after VAT of Rs. 2 are purchased on credit.

#### Voucher Type: PUV

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected  |
|---|-----------|------------|---|
| <b>By</b> Purchases of relevant item<br>A/c<br>*Input VAT A/c | 8<br>2    |            | <ul style="list-style-type: none"> <li>Purchases register</li> <li>Sundry creditors ledger</li> <li>Relevant general ledger accounts</li> </ul> |
| <b>To</b> Sundry creditor A/c                                 |           | 10         |   |
| (Being purchases of ... (quantity) vide bill no. ... dt. ...) |           |            |   |

\*If applicable under relevant statute only.

#### 7.1.3 Entry upon purchases returns.

EX: If goods worth Rs. 10 after VAT of Rs. 2 purchased previously on credit are returned.

#### Voucher Type: DN

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected  |
|---|-----------|------------|---|
| <b>By</b> Sundry creditors A/c  | 10        |            | <ul style="list-style-type: none"> <li>Sundry creditors ledger</li> <li>Relevant general ledger accounts</li> </ul> |
| <b>To</b> Purchases returns A/c<br>*Input VAT A/c                                     |           | 8<br>2     |   |
| (Being purchases of ... (quantity) vide bill no. ... dt. ... now returned due to ...) |           |            |   |

\*If allowed under relevant statute only.

7.1.4 Entry upon payment to sundry creditors.

EX: If sundry creditors are paid Rs. 10.

**Voucher Type: PV**

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|--|--------------|---------------|--|
| <b>By</b> Relevant Sundry creditors<br>A/c<br><br><b>To</b> Cash A/c<br><br>(Being payment made to above<br>party on account of ...) | 10           | 10            | <ul style="list-style-type: none"> <li>▪ Cash book</li> <li>▪ Sundry creditors ledger</li> <li>▪ Relevant ledger accounts</li> </ul> |

7.1.5 Entry upon payment of Transportation/other exp. on purchases of fertilizers, seeds, etc.

EX: If Rs. 2 are paid as transportation charges.

**Voucher Type: PV**

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected   |
|---|--------------|---------------|---|
| <b>By</b> Transportation/other exp. of<br>relevant item A/c<br><br><b>To</b> Cash A/c<br><br>(Being the above exp. paid on<br>purchases of ... (quantity) vide<br>bill no. ... dt. ...) | 2            | 2             | <ul style="list-style-type: none"> <li>▪ Cash book</li> <li>▪ Relevant general ledger accounts</li> </ul> |

7.1.6 Entry upon receipt of Transportation/other exp. bill on purchases of fertilizers, seeds, etc. when it is to be paid at a later date.

EX: If the above transportation bill of Rs. 2 has to be paid later.

**Voucher Type: JV**

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected   |
|---|--------------|---------------|---|
| <b>By</b> Transportation/other exp. of<br>relevant item A/c<br><br><b>To</b> Relevant Sundry creditors<br>A/c<br><br>(Being the above exp. booked on<br>purchases of ... (quantity) vide<br>bill no. ... dt. ...) | 2            | 2             | <ul style="list-style-type: none"> <li>▪ Sundry creditors ledger</li> <li>▪ Relevant general ledger accounts</li> </ul> |

## 7.2 SALES

### 7.2.1 Entry upon cash sales of fertilizers, seeds, pesticides etc.

EX: If goods worth Rs. 10 after VAT/sales tax of Rs. 2 are sold for cash.

#### Voucher Type: RV

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected   |
|---|--------------|---------------|---|
| <b>By</b> <i>Cash A/c</i>                                       | 10           |               | <ul style="list-style-type: none"><li>▪ Cash book.</li><li>▪ Sales registers</li><li>▪ Relevant general ledger accounts</li></ul> |
| <b>To</b> <i>Sale of relevant item A/c</i>                      |              | 8             |   |
| <i>VAT/sales tax payable A/c</i>                                |              | 2             |   |
| (Being sale of ... (quantity) vide bill no. ... dt. ... to ...) |              |               |   |

### 7.2.2 Entry upon credit sale of fertilizers, seeds, pesticides etc.

EX: If goods worth Rs. 10 after VAT/sales tax of Rs. 2 are sold on credit.

#### Voucher Type: SV

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected |
|--|--------------|---------------|-----------------------------|
| <b>By</b> Relevant Sundry Debtor A/c                     | 10           |               | ▪ Sundry debtors ledger     |
| <b>To</b> Sale of relevant item A/c                      |              | 8             | ▪ Sales register            |
| VAT/sales tax payable A/c                                |              | 2             | ▪ Relevant ledger accounts  |
| (Being sale of ... (quantity) vide bill no. ... dt. ...) |              |               |                             |

### 7.2.3 Entry upon sales returns.

EX: If goods sold previously for Rs. 10 after VAT/sales tax of Rs. 2 are returned.

#### Voucher Type: CN

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|---|--------------|---------------|--|
| <b>By</b> Sales returns A/c   | 8            |               | <ul style="list-style-type: none"><li>▪ Sundry debtors ledger</li><li>▪ Relevant general ledger accounts</li></ul> |
| *VAT/sales tax payable A/c  | 2            |               |  |
| <b>To</b> Relevant Sundry Debtors A/c   |              | 10            |  |
| (Being sale of ... (quantity) vide bill no. ... dt. ... now returned back due to ...) |              |               |  |

\*If allowed under relevant statutes only.

#### 7.2.4 Entry upon receipt of cash from debtors.

EX: If Rs. 5 is received from sundry debtor.

##### Voucher Type: RV

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected  |
|---|-----------|------------|---|
| <b>By</b> Cash A/c<br><br><b>To</b> Relevant Sundry Debtors A/c<br><br>(Being receipt of money from the above debtor towards bill no. ... / advance received for supply of ...) | 5         | 5          | <ul style="list-style-type: none"> <li>▪ Sundry debtors ledger</li> <li>▪ Relevant general ledger accounts</li> </ul> |

### 7.3 OTHER INCOME

#### 7.3.1 Entry for booking other income.

EX: If Rs. 10 is receivable.

##### Voucher Type: JV

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected   |
|---|-----------|------------|--|
| <b>By</b> Relevant other misc. income receivable A/c<br><br><b>To</b> Other misc. income A/c<br><br>(Being ... [details of I = other income to be given]) | 10        | 10         | <ul style="list-style-type: none"> <li>▪ Relevant general ledger accounts</li> </ul> |

#### 7.3.2 Entry upon receipt of other income.

EX: If the other income of Rs. 10 is received.

##### Voucher Type: RV

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected   |
|---|-----------|------------|--|
| <b>By</b> Cash A/c<br><br><b>To</b> Relevant Other income receivable A/c<br><br>(Being receipt of income earlier booked vide Jv. no. ... dt. ...) | 10        | 10         | <ul style="list-style-type: none"> <li>▪ Cash book.</li> <li>▪ Relevant general ledger accounts</li> </ul> |

7.3.3 *\*Entry upon cash sale of gunny bags.*

EX: If gunny bags are sold for Rs. 5.

**Voucher Type: RV**

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected   |
|--|--------------|---------------|---|
| <b>By</b> Cash A/c<br><br><b>To</b> Sale of gunny bags A/c<br><br>(Being receipt of money against<br>Sale of ... (quantity) of gunny<br>bags to ...) | 5            | 5             | <ul style="list-style-type: none"> <li>▪ Cash book</li> <li>▪ Relevant general ledger accounts</li> </ul> |

\*wherever applicable VAT/Sales tax liability has to be created.



## 8. ACCOUNTING ENTRIES FOR COMMON ACTIVITIES

### 8.1 SHARE CAPITAL

8.1.1 Memo entry for the authorized capital.

Authorised capital of... (no. of shares) divided into ... (no. of shares) of Rs. ... each.

8.1.2 Entry on allotment of shares/admission fee received.

EX: On allotment of shares for Rs. 100 and receipt of admission fee of Rs. 1, then...

#### Voucher Type: RV

| Particulars  | Debit Rs. | Credit Rs. | Books/registers affected   |
|--|-----------|------------|--|
| <b>By</b> Cash A/c<br><br><b>To</b> Paid up Capital A/c<br>Admission Fee A/c<br><br>(Being allotment of shares and admission fee of the following members<br>Name ...<br>Admission fee ...<br>No. of shares ...) | 101       | 100<br>1   | <ul style="list-style-type: none"> <li>▪ Cash book</li> <li>▪ Share Capital ledger</li> <li>▪ Membership register</li> <li>▪ Relevant general ledger accounts</li> </ul> |

8.1.3 Entry for refund of share capital .

EX: On refund of share capital of Rs. 100.

#### Voucher Type: PV

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected   |
|---|-----------|------------|--|
| <b>By</b> Paid up Capital A/c<br><br><b>To</b> Cash On Hand A/c<br><br>(Being share capital of the following members refunded<br>Name ...<br>No. of shares ...) | 100       | 100        | <ul style="list-style-type: none"> <li>▪ Cash book</li> <li>▪ Share Capital ledger</li> <li>▪ Membership register</li> <li>▪ Relevant general ledger accounts</li> </ul> |

### 8.1.3 (a)

Entry for retirement of Govt. share capital of Rs.100

#### Voucher Type: PV

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected  |
|---|-----------|------------|---|
| <b>By</b> Paid up Capital – Govt. A/c<br><br><b>To</b> Cash On Hand A/c<br><br>(Being share capital refunded to State Govt. on ----- No. of shares -----) | 100       | 100        | <ul style="list-style-type: none"> <li>▪ Cash book</li> <li>▪ Paid up Capital - Govt. ledger</li> </ul> |

### 8.1.4 Entry upon forfeiture of shares.

EX: On forfeiture of shares worth Rs. 100.

#### Voucher Type: JV

| Particulars  | Debit Rs. | Credit Rs. | Books/registers affected  |
|--|-----------|------------|---|
| <b>By</b> Paid up Capital A/c<br><br><b>To</b> Capital Reserve A/c<br><br>(Being share capital of the following members forfeited and transferred to capital reserve<br><i>Name ...</i><br><i>No. of shares ...</i><br><i>Forfeited Amt. per share ...</i> ) | 100       | 100        | <ul style="list-style-type: none"> <li>▪ Share Capital ledger</li> <li>▪ Membership register</li> <li>▪ Relevant general ledger accounts</li> </ul> |

### 8.1.5 Entry upon declaration of dividend on share capital.

EX: On declaration of dividend at 5% on share capital of Rs. 100.

#### Voucher Type: JV

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected   |
|---|-----------|------------|--|
| <b>By</b> Profit & Loss A/c<br><br><b>To</b> Dividend payable A/c*<br><br>(Being dividend proposed on share capital at ...) | 5         | 5          | <ul style="list-style-type: none"> <li>▪ Relevant general ledger accounts</li> </ul> |

\*Dividend Payable may be shown in the account head 'Others' under 'Other Liabilities' in the Chart of Accounts.

8.1.5 (a) Entry upon payment of dividend in the above case

**Voucher Type: PV**

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected   |
|--|--------------|---------------|---|
| <b>By</b> Dividend Payable A/c<br><br><b>To</b> Cash A/c<br><br>(Being amount of dividend paid on share capital at ----) | 5            | 5             | <ul style="list-style-type: none"> <li>▪ Cash Book</li> <li>▪ Dividend Payable A/c</li> </ul> |

8.1.6 Entry upon transferring unpaid dividend declared to unclaimed dividend payable A/c after stipulated period.

EX: If dividend of Rs. 1 remains unpaid beyond stipulated period then...

**Voucher Type: JV**

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|--|--------------|---------------|--|
| <b>By</b> Dividend payable A/c<br><br><b>To</b> Unclaimed dividend payable A/c<br><br>(Being dividend proposed on share capital at ... being unpaid now transferred to unclaimed dividend payable A/c) | 1            | 1             | <ul style="list-style-type: none"> <li>▪ Relevant general ledger accounts</li> </ul> |

## 8.2 RESERVES & SURPLUS

8.2.1 Entries for Reserves created out of Profit & loss A/c.

EX: If Rs. 100 is required to be transferred to any reserve/fund, then ...

**Voucher Type: JV**

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|--|--------------|---------------|--|
| <b>By</b> Profit & Loss A/c<br><br><b>To</b> Relevant Reserve/fund A/c<br><br>(Being reserve/fund created for ... [purpose to be mentioned]) | 100          | 100           | <ul style="list-style-type: none"> <li>▪ Relevant general ledger accounts</li> </ul> |

### 8.2.2 Building Fund creation out of grants received.

EX: If Rs. 100 is received towards construction of building.

#### Voucher Type: RV

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|---|--------------|---------------|--|
| <b>By</b> <i>Cash A/c</i>   | 100          |               | <ul style="list-style-type: none"><li>▪ Cash book/Bank Book</li><li>▪ Relevant general ledger accounts</li></ul> |
| <b>To</b> <i>Building fund A/c</i>  |              | 100           |  |
| (Being grants or donations [as the case may be] received from ... towards construction of building) |              |               |  |

### 8.2.3 Capital reserve creation.

EX: Sale of land with original cost: Rs. 100 for Rs. 200

#### Voucher Type: RV

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected   |
|---|-----------|------------|--|
| <b>By</b> Cash A/c  | 200       |            | <ul style="list-style-type: none"><li>▪ Cash book</li><li>▪ Land register</li><li>▪ Relevant general ledger accounts</li></ul> |
| <b>To</b> Land A/c  |           | 100        |  |
| Capital reserve A/c   |           | 100        |  |
| (Being profit on sale of capital asset of Rs. 100 transferred to capital reserve a/c) |           |            |  |

## 8.3 ESTABLISHMENT & ADMINISTRATIVE EXPENSES

### 8.3.1 Entry for payment of establishment & other office expenses.

EX: If Rs. 10 of establishment exp. are paid.

#### Voucher Type: PV

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|--|--------------|---------------|--|
| <b>By</b> <i>Relevant Exp. head A/c</i>  | 10           |               | <ul style="list-style-type: none"><li>▪ Cash book</li><li>▪ Relevant general ledger accounts</li></ul> |
| <b>To</b> <i>Cash A/c</i>  |              | 10            |  |
| (Being the above expenses incurred for the month of ... paid against bill no. ... dt. ...) |              |               |  |

8.3.2 Entry for providing establishment, office & other expenses.

EX: If Rs. 10 of establishment exp. are to be provided.

**Voucher Type: JV**

| Particulars  | Debit Rs. | Credit Rs. | Books/registers affected   |
|--|-----------|------------|--|
| <b>By</b> Relevant Exp. head A/c<br><br><b>To</b> Provision for outstanding exp. A/c<br><br>(Being provision made for the month of ... ) | 10        | 10         | <ul style="list-style-type: none"> <li>Relevant general ledger accounts</li> </ul> |

8.3.3 Entry for providing PF/ Gratuity/ Pension/ Bonus.

EX: If Rs. 10 of above exp. are to be provided.

**Voucher Type: JV**

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected   |
|---|-----------|------------|--|
| <b>By</b> Salary and Allowances A/c*<br><br><b>To</b> Provision for PF/ Gratuity/ Pension/ Bonus A/c<br>(Being provision made for the period of ... ) | 10        | 10         | <ul style="list-style-type: none"> <li>Relevant general ledger accounts</li> </ul> |

\*As per chart of accounts salary and allowances includes contribution to PF, Bonus, Gratuity or Pension Fund.

8.3.4 Entry for payment of outstanding expenses/provisions.

EX: If Rs. 5 of above exp. are paid.

**Voucher Type: PV**

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected  |
|---|-----------|------------|---|
| <b>By</b> Provision for Outstanding expenses A/c<br><br><b>To</b> Cash A/c<br><br>(Being payment of above outstanding/ provisional exp. for the period ...) | 5         | 5          | <ul style="list-style-type: none"> <li>Cash book</li> <li>Relevant general ledger accounts</li> </ul> |

### 8.3.5 Entry for booking pre-paid expenses.

EX: If insurance of Rs. 100 is paid for the period from 1/10/06 to 30/9/07 then the expenses for 2006-07 are ...

#### Voucher Type: PV

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected                       |
|---|--------------|---------------|---|
| <b>By</b> Pre-paid exp. A/c<br>Insurance exp. A/c   | 50<br>50     |               | ▪ Cash book<br>▪ Relevant general ledger accounts |
| <b>To</b> Cash/bank A/c   |              | 100           |   |
| (Being pre-paid portion of the expenses paid for the period from ... to ... debited to pre-paid exp. A/c and the balance pertaining to current year booked to relevant exp. head A/c) |              |               |   |

### 8.3.6 Entry for booking pre-paid expenses of previous year in the current year.

EX: In Financial Year 2007-08 the above prepaid exp. of Rs. 50 should be booked as relevant years expenditure.

#### Voucher Type: JV

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected        |
|--|--------------|---------------|------------------------------------|
| <b>By</b> Relevant exp. head A/c   | 50           |               | ▪ Relevant general ledger accounts |
| <b>To</b> Pre-paid exp. A/c  |              | 50            |                                    |
| (Being pre-paid expenses for the previous year ... now transferred to relevant exp. head A/c ) |              |               |                                    |

### 8.3.7 Entry for reversal of excess provision made.

EX: If provisions/outstanding exp. are excess provided for Rs. 5.

#### Voucher Type: JV

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected        |
|---|--------------|---------------|------------------------------------|
| <b>By</b> Outstanding expenses A/c  | 5            |               | ▪ Relevant general ledger accounts |
| <b>To</b> Particular exp. head A/c  |              | 5             |                                    |
| (Being excess provision of above exp. made for the month of ... now reversed by credit to relevant exp. head A/c) |              |               |                                    |

## 8.4 FIXED ASSETS

### 8.4.1 Entry for purchase of fixed assets.

EX: If fixed assets worth Rs. 50 are purchased.

#### Voucher Type: PUV

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|--|--------------|---------------|--|
| <b>By</b> Relevant fixed asset A/c                         | 5            |               | <ul style="list-style-type: none"><li>▪ The Furniture, Fittings, Office Equipment and Other Movable Assets register/Land register</li><li>▪ Sundry creditors ledger</li><li>▪ Relevant general ledger accounts</li></ul> |
| <b>To</b> Relevant Sundry creditors A/c                    |              | 5             |  |
| (Being purchase of ... from ... vide bill no. ... dt. ...) |              |               |  |

Expenditure incurred for bringing the fixed asset to the current place and location should be capitalized (added to the cost of fixed asset). For instance, erection charges, transportation charges etc. should be treated as part of fixed asset cost.

### 8.4.2 Entry for fixed assets acquired in settlement of loans.

EX: The society foreclosed the collateral of a borrower for non-payment of loan of Rs. 20 despite the legal case filed against him. Total claims amount to Rs. 25 which include overdue interest receivable of Rs. 4 and legal fees of Rs. 1. Market value of the asset is Rs. 30. Estimated costs to sell Rs. 2. The fair market value is Rs. 28.

#### Voucher Type: JV

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|--|--------------|---------------|--|
| <b>By</b> Assets acquired in settlement of loans A/c           | 20           |               | <ul style="list-style-type: none"><li>▪ Relevant general ledger accounts</li></ul> |
| <b>To</b> Relevant Loan A/c                                    |              | 20            |  |
| (Being collateral ... foreclosed for settlement of above loan) |              |               |  |

#### 8.4.3 Entry for sale of above fixed assets acquired in settlement of loans.

##### Voucher Type: RV

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected           |
|---|--------------|---------------|---------------------------------------|
| <b>By</b> Cash A/c  | 28           |               | ▪ Cash book                           |
| <b>To</b> Assets acquired in settlement<br>of loans A/c                       |              | 20            | ▪ Relevant general<br>ledger accounts |
| Relevant exp. A/c   |              | 1             |                                       |
| Overdue interest receivable A/c   |              | 4             |                                       |
| Sundry deposits A/c   |              | 3             |                                       |
| (Being collateral ... foreclosed<br>for settlement of above loan now<br>sold) |              |               |                                       |

#### 8.4.4 Entry for fixed assets acquired from grants/donations received.

Where assets are acquired out of grant funds, the grant amount is deducted from the gross value of the asset and the asset is shown at the reduced book value. Depreciation is charged on the reduced book value. This has the effect of recognizing the grant in the profit and loss account over the useful life of the asset by way of a reduced depreciation charge.

EX: If fixed asset worth Rs. 10 is purchased and the grant previously received is Rs. 5, then...

##### Voucher Type: RV

| Particulars                                   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected           |
|---|--------------|---------------|---------------------------------------|
| <b>By</b> Relevant fixed asset A/c            | 5            |               | ▪ Cash book                           |
| Relevant grant/donation A/c                   | 5            |               | ▪ Fixed assets<br>register            |
| <b>To</b> Cash A/c                            |              | 10            | ▪ Relevant general<br>ledger accounts |
| (Being the above asset<br>purchased from ...) |              |               |                                       |

Alternatively, the grant amount is treated as deferred income and brought into the profit and loss account on a systematic basis over the useful life of the asset with depreciation being charged on the gross book value of the asset. The balance grant is disclosed separately in the balance sheet.



EX: In the above case if the useful life of the asset is 5 years, then ...

**Voucher Type: JV**

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected        |
|--|--------------|---------------|------------------------------------|
| <b>By</b> Relevant grant/donation A/c  | 1            |               | ▪ Relevant general ledger accounts |
| <b>To</b> Profit & Loss A/c  |              | 1             |                                    |
| (Being grant/donation recognized to P&L A/c over the useful life of the asset ... years) |              |               |                                    |

**8.4.5 Entry for fixed assets acquired as trade-in for old assets (exchange of old asset for new asset).**

When a fixed asset is acquired in exchange for another asset, its cost is usually determined by reference to the fair market value of the consideration given. It may be appropriate to consider also the fair market value of the asset acquired if this is more clearly evident. An alternative accounting treatment that is sometimes used for an exchange of assets, particularly when the assets exchanged are similar, is to record the asset acquired at the net book value of the asset given up; in each case an adjustment is made for any balancing receipt or payment of cash or other consideration.

When a fixed asset is acquired in exchange for shares or other securities in the enterprise, it is usually recorded at its fair market value, or the fair market value of the securities issued, whichever is more clearly evident.

EX: If there is an indicated loss.

|                                    |            |
|------------------------------------|------------|
| Old equipment                      | Rupees     |
| <b>Book value of old equipment</b> | <b>30</b>  |
| <b>Fair value of old equipment</b> | <b>25</b>  |
| <b>Trade-in/exchange value</b>     | <b>28</b>  |
| New equipment                      | Rupees     |
| <b>List price</b>                  | <b>100</b> |
| <b>Cash payment</b>                | <b>72</b>  |

**Voucher Type: PV**

| Particulars                              | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|--|--------------|---------------|--|
| <b>By</b> Relevant fixed asset (new) A/c | 97           |               | ▪ Fixed asset register.<br>▪ Cash book<br>▪ Relevant general ledger accounts |
| Loss on sale of fixed asset              | 5            |               |  |
| <b>To</b> Relevant fixed asset (old) A/c |              | 30            |  |
| Cash A/c                                 |              | 72            |  |

EX: If there is an indicated gain

|                                    |            |
|------------------------------------|------------|
| Old equipment                      | Rupees     |
| <b>Book value of old equipment</b> | <b>20</b>  |
| <b>Fair value of old equipment</b> | <b>25</b>  |
| <b>Trade-in/exchange value</b>     | <b>28</b>  |
| New equipment                      | Rupees     |
| <b>List price</b>                  | <b>100</b> |
| <b>Cash payment</b>                | <b>72</b>  |

**Voucher Type: PV**

| Particulars                                 | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected        |
|---|--------------|---------------|------------------------------------|
| <b>By</b> Relevant fixed asset (new)<br>A/c | 92           |               | ▪ Fixed asset register             |
| <b>To</b> Relevant fixed asset (old) A/c    |              | 20            | ▪ Cash book                        |
| Cash A/c                                    |              | 72            | ▪ Relevant general ledger accounts |

8.4.6 Entry for providing for depreciation on fixed assets.

EX: If depreciation of Rs. 5 are to be provided.

**Voucher Type: JV**

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected        |
|---|--------------|---------------|------------------------------------|
| <b>By</b> Depreciation on Properties<br>A/c   | 5            |               | ▪ Depreciation chart               |
| <b>To</b> Relevant fixed asset A/c  |              | 5             | ▪ Relevant general ledger accounts |
| (Being depreciation provided on the above fixed assets as per the depreciation chart) |              |               |                                    |

8.4.6 (a) Entry for charging above depreciation amount to P & L A/c

**Voucher Type: JV**

| Particulars                                      | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected        |
|--|--------------|---------------|------------------------------------|
| <b>By</b> P & L A/c                              | 5            |               | ▪ Depreciation chart               |
| <b>To</b> Depreciation on properties<br>A/c      |              | 5             | ▪ Relevant general ledger accounts |
| (Being depreciation amount charged to P & L A/c) |              |               |                                    |

8.4.7 Entry for disposal of fixed assets at more than book value.

EX: If fixed assets worth Rs. 50 are sold for Rs. 55.

**Voucher Type: RV**

| Particulars                        | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected   |
|------------------------------------|--------------|---------------|---|
| <b>By</b> Cash A/c                 | 55           |               | <ul style="list-style-type: none"><li>▪ Cash book</li><li>▪ Relevant fixed assets register</li><li>▪ Relevant general ledger accounts</li></ul> |
| <b>To</b> Relevant fixed asset A/c |              | 50            |   |
| Capital reserve A/c                |              | 5             |   |
| (Being sale of above asset to ...) |              |               |   |

8.4.8 Entry for disposal of fixed assets at less than book value.

EX: If fixed assets worth Rs. 50 are sold for Rs. 45.

**Voucher Type: RV**

| Particulars                        | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected   |
|------------------------------------|--------------|---------------|---|
| <b>By</b> Cash A/c                 | 45           |               | <ul style="list-style-type: none"><li>▪ Cash book</li><li>▪ Relevant fixed assets register</li><li>▪ Relevant general ledger accounts</li></ul> |
| Loss on sale of fixed asset A/c    | 5            |               |   |
| <b>To</b> Relevant fixed asset A/c |              | 50            |   |
| (Being sale of above asset to ...) |              |               |   |

8.4.9 Entry on upward revaluation of fixed assets.

EX: If fixed assets worth Rs. 50 are revalued at Rs. 60.

**Voucher Type: JV**

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected   |
|--|--------------|---------------|---|
| <b>By</b> <i>Relevant fixed asset A/c</i>                                  | 10           |               | <ul style="list-style-type: none"><li>▪ Relevant fixed assets register</li><li>▪ Relevant general ledger accounts</li></ul> |
| <b>To</b> <i>Revaluation Reserve A/c</i>                                   |              | 10            |   |
| (Being revalued amount of fixed assets transferred to capital reserve A/c) |              |               |   |

8.4.10 *Entry upon downward revaluation of fixed assets.*

EX: If fixed assets worth Rs. 50 are revalued at Rs. 40.

**Voucher Type: JV**

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected   |
|--|--------------|---------------|---|
| <b>By</b> <i>Loss on revaluation of fixed asset A/c</i>  | 10           |               | <ul style="list-style-type: none"><li>▪ Relevant fixed assets register</li><li>▪ Relevant general ledger accounts</li></ul> |
| <b>To</b> <i>Relevant fixed asset A/c</i>  |              | 10            |   |
| (Being fixed assets stated at revalued amount and charged to P&L A/c to the extent of revalued amt.) |              |               |   |

8.4.11 *Entry upon downward revaluation of fixed assets after upward revaluation.*

EX: If fixed assets worth Rs. 60 which were revalued from Rs. 50 previously are revalued at Rs. 40.

**Voucher Type: JV**

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected  |
|--|--------------|---------------|--|
| <b>By</b> Revaluation reserve A/c  | 10           |               | <ul style="list-style-type: none"> <li>▪ Relevant fixed assets register</li> <li>▪ Relevant general ledger accounts</li> </ul> |
| Loss on revaluation of fixed asset A/c   | 10           |               |  |
| <b>To</b> Relevant fixed asset A/c   |              | 20            |  |
| (Being fixed assets stated at revalued amount and charged to capital reserve A/c to the extent of previous upward revaluation and balance to P&L A/c. ...) |              |               |  |

A decrease in net book value arising on revaluation of fixed assets is charged to profit and loss statement except that, to the extent that such a decrease is considered to be related to a previous increase on revaluation that is included in revaluation reserve, it is charged against that earlier increase.

8.4.12 *Entry upon upward revaluation of fixed assets after previous downward revaluation.*

EX: If fixed assets worth Rs. 40 which were revalued from Rs. 50 previously are revalued at Rs. 60.

**Voucher Type: JV**

| Particulars   | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected   |
|---|--------------|---------------|---|
| <b>By</b> Fixed asset A/c   | 20           |               | <ul style="list-style-type: none"><li>▪ Relevant fixed assets register</li><li>▪ Relevant general ledger accounts</li></ul> |
| <b>To</b> Profit on revaluation of fixed asset A/c  |              | 10            |   |
| Revaluation Reserve A/c   |              | 10            |   |
| (Being fixed assets stated at revalued amount and credited to profit on rev. to the extent of previous downward revaluation and balance to capital reserve A/c ...) |              |               |   |

It sometimes happens that an increase to be recorded is a reversal of a previous decrease arising on revaluation which has been charged to profit and loss statement in which case the increase is credited to profit and loss statement to the extent that it offsets the previously recorded decrease.

8.4.13 *Entry for writing off/retirement fixed assets.*

EX: If fixed assets worth Rs. 10 are written off/retired from use.

**Voucher Type: JV**

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected   |
|--|--------------|---------------|---|
| <b>By</b> Fixed assets written off A/c                   | 10           |               | <ul style="list-style-type: none"><li>▪ Relevant fixed assets register</li><li>▪ Relevant general ledger accounts</li></ul> |
| <b>To</b> Relevant fixed asset A/c                       |              | 10            |   |
| (Being fixed assets written off as per approval dt. ...) |              |               |   |

## 8.5 INVESTMENTS

### 8.5.1 Entry for investments made.

EX: A sum of Rs. 50 is invested.

#### Voucher Type: PV

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected   |
|---|-----------|------------|--|
| <b>By</b> Relevant Investment A/c<br><br><b>To</b> Cash/Relevant Bank A/c<br><br>(Being investments made in ... maturing on ... carrying an interest rate of ... [wherever applicable]) | 10        | 10         | <ul style="list-style-type: none"> <li>▪ Cash book/Bank book</li> <li>▪ Investment register</li> <li>▪ Relevant general ledger accounts</li> </ul> |

### 8.5.2 Entry for providing for dividend/interest income and subsequent receipt.

EX: A sum of Rs. 5 is receivable on investments before TDS of Rs. 1 (if applicable).

#### Voucher Type: JV

| Particulars   | Debit Rs. | Credit Rs. | Books/registers affected   |
|---|-----------|------------|--|
| <b>By</b> Interest/income receivable on investments A/c<br>TDS on income of PACS A/c<br><br><b>To</b> Dividend on Investments/Interest on deposits with Banks etc. A/c<br><br>(Being interest/income on ... investments receivable after deduction of TDS of Rs. ... for the period ... from ...) | 4<br>1    | 5          | <ul style="list-style-type: none"> <li>▪ Cash book/Bank book</li> <li>▪ Investment register</li> <li>▪ Relevant general ledger accounts</li> </ul> |

#### Voucher Type: RV

| Particulars  | Debit Rs. | Credit Rs. | Books/registers affected  |
|--|-----------|------------|---|
| <b>By</b> Cash/Bank A/c<br><br><b>To</b> Interest receivable on investments A/c<br><br>(Being interest/income on ... investments received) | 4         | 4          | <ul style="list-style-type: none"> <li>▪ Cash book/Bank book</li> <li>▪ Relevant general ledger accounts</li> </ul> |

### 8.5.3 Entry for providing for depreciation on investments.

EX: A sum of Rs. 10 is to be provided as depreciation on investments.

#### Voucher Type: JV

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected        |
|--|--------------|---------------|------------------------------------|
| <b>By</b> Profit & Loss A/c<br><br><b>To</b> Provision for depreciation on investments A/c<br><br>(Being provision made towards depreciation on ... [investments] at the rate of ... due to ...) | 10           | 10            | ▪ Relevant general ledger accounts |

### 8.5.4 Entry for writing back depreciation provided on investments.

EX: A sum of Rs. 5 provided as depreciation is written back.

#### Voucher Type: JV

| Particulars  | Debit<br>Rs. | Credit<br>Rs. | Books/registers<br>affected        |
|--|--------------|---------------|------------------------------------|
| <b>By</b> Provision for depreciation on investments A/c<br><br><b>To</b> Profit & Loss A/c<br><br>(Being provision made towards depreciation on ... [investments] now written back due to ...) | 5            | 5             | ▪ Relevant general ledger accounts |

## 9. DEFINITIONS OF ACCOUNTING TERMS

- i) **“Account”** is the detailed record of a particular asset, liability, owners' equity, revenue or expense.
- ii) **“Accrued Expenses”** are expenses incurred during an accounting period for which payment is to be made in the succeeding period.
- iii) **“Accrued Income”** is income earned during an accounting period but not received by the end of the period.
- iv) **“Accrued Interest”** is interest earned but not paid since the last due date.
- v) **“Accounting Cycle”** is the sequence of steps starting from opening of books at the start of a period and culminating in preparation of the financial statements for a given period. It refers to the fact that because financial reports are prepared at the end of each period (usually a year) there are a sequence of steps (cycle) taken each period that result in the reports and preparation for the next period or cycle. The cycle goes through the journal entries, adjusting entries, posting to the accounts and financial reports.
- vi) **“Accounting Period”** is the time period for which accounts are prepared, usually one year.
- vii) **“Appreciation”** is the increase in the value of an asset in excess of its depreciable cost, which is due to economic, and other conditions, as distinguished from increases in value due to improvements or additions made to it.
- viii) **“Balance”** the difference between the totals of the credit and debit sides of an account.
- ix) **“Books Of Account”** are the financial records of a business. Usually refers to the lowest level of recorded data, before summaries are made.
- x) **“Book keeping”** is the systematic and chronological recording of all financial transactions.
- xi) **“Book Value”** is an accounting term which usually refers to cost as appearing in the books of account or financial statements.
- xii) **“Brought Forward”** is the recognition of a value that was determined in the past, e.g. an accumulated balance brought forward at the start of a new accounting period.
- xiii) **“Bad Debt”** is an account balance or loan receivable that is not realisable.
- xiv) **“Capital Asset”** is a long-term asset that is not purchased or sold in the ordinary course of business or not held for sale, conversion or consumption in the ordinary course of business. Generally, it includes fixed assets, e.g., land, buildings, furniture, equipment, fixtures and furniture.
- xv) **“Credit”**, in accounting, is an accounting entry system that either decreases assets or increases liabilities; In general, it is an arrangement for deferred payment for goods and services.
- xvi) **“Credit Sales”** are merchandise or services sold on the promise to pay later.



- xvii) **“Debit”** is a record of an indebtedness; specifically an entry on the left-hand side of an account constituting an addition to an expense or asset account or a deduction from a revenue, net worth, or liability account.
- xviii) **“Depreciation”** is the amount of expense charged against earnings by a company to write off the cost of a plant or machine over its useful life, giving consideration to wear and tear, obsolescence, and salvage value.
- xix) **“Expenditure”** is a cost incurred in the normal course of business to generate revenues.
- xx) **“Extraordinary Items”** are material items that are unusual in nature and occur infrequently. Both characteristics must exist for an item to be classified as an extraordinary item on the income statement.
- xxi) **“Fair Market Value”** is the price at which a willing seller will sell and a willing buyer will buy, in an arms-length transaction, when neither is under compulsion to sell or buy and both have reasonable knowledge of relevant facts.
- xxii) **“Fixed Overhead”** is those costs like rent, utilities, basic telephone, etc., that do not vary with the volume of sales. Variable overhead, on the other hand, are those costs which vary directly with production or volume of sales.
- xxiii) **“General Ledger”** is the ledger that contains all of the financial accounts of a business; contains offsetting debit and credit accounts (including control accounts).
- xxiv) **“Inventory Obsolescence”** is when inventory is no longer saleable for any reason.
- xxv) **“Interest Accrued But Not Due”** means that portion of interest income on loans and advances which has accrued for the accounting period but has not become due for payment by borrower.
- xxvi) **“Impairment Of Value”** is the permanent decline in the value of an asset.
- xxvii) **“Liability”**, in accounting, is a loan, expense, or any other form of claim on the assets of an entity that must be paid or otherwise honoured by that entity.
- xxviii) **“Posting”** is the transfer of accounting entries from a journal of original entry into a ledger book, in chronological order according to when they were generated.
- xxix) **“Pre-Paid Expenses”** are expenses that are paid in advance. Typically, insurance premiums are paid in advance of the coverage contained in the policy. Prepaid Expenses is a Current Asset for the business. This is because it paid in advance for something for which someone owes the service.
- xxx) **“Provisions”** as distinct from reserves, are a charge on the Profit and Loss Account and are made for providing for depreciation, renewal or diminution in the value of assets, or to provide for known liabilities. If the amount of liability is not known or ascertainable in certain terms, only that amount is provided for as is considered by the management as reasonably necessary

for the purpose. Any provision that is in excess of this amount should be treated as a reserve.

- xxxi) **“Provision for doubtful Debts”** is an account established to record debts which are considered doubtful of recovery.
- xxxii) **“Sundry Creditors”** are trade accounts of businesses representing obligations to pay for goods and services received.
- xxxiii) **“Sundry Debtors”** is a current asset representing money due for services performed or merchandise sold on credit.
- xxxiv) **“Voucher”** is a piece of substantiating evidence; a proof or a written record of expenditure, disbursement, or completed transaction or a written authorization or certificate, especially one exchangeable for cash or representing a credit against future expenditures.
- xxxv) **“Work In Progress”** a piece of work that is not yet finished.
- xxxvi) **“Write-Off”** is to decrease the value of an item, e.g., a bad debt write-off decreases the sundry debtors amount, a vehicle involved in an accident and declared a write-off if the cost to repair is in excess of the value of the vehicle etc.

## 10. Formats / Steps involved in Book-keeping

### Appendix 1

#### Format of Cash/Bank Receipt Voucher ("RV")

|   |                        |  |                        |                         |
|---|------------------------|--|------------------------|-------------------------|
| The _____ Co-operative Society Ltd. _____ Regd. No. |                        |  |                        |                         |
| <b><u>RECEIPT VOUCHER</u></b>                       |                        |  |                        |                         |
| No. _____   |                        | Dated _____                            |                        |                         |
| <b>S. No.</b>                                       | <b>Head of Account</b> | <b>Cash book/<br/>Ledger Folio No.</b> | <b>Debit<br/>(Rs.)</b> | <b>Credit<br/>(Rs.)</b> |
|   |                        |  |                        |                         |
|   |                        |  |                        |                         |
|   |                        |  |                        |                         |
| (Narration to be written here)                      |                        |  |                        |                         |
| <b>Received Rupees</b> _____ <b>only</b>            |                        |  |                        |                         |
| Place: _____  |                        | _____<br><i>Signature of Receiver</i>  |                        |                         |
| _____<br><i>Authorised Signatory</i>                |                        |  |                        |                         |

- The above voucher type should be used to record all Cash/bank receipts except cash deposits by account holders and loan repayment by borrowers for which pay-in-slip should be used. For cash withdrawals from bank A/c contra voucher should be used.
- Separate colouring to be used for the voucher type.
- Chronological numbering of vouchers to be strictly adhered to.

## Appendix 2

### Format of Cash/Bank Payment Voucher ("PV")

|   |                        |  |                        |                         |
|---|------------------------|--|------------------------|-------------------------|
| The _____ Co-operative Society Ltd. _____ Regd. No. _____ |                        |  |                        |                         |
| <b><u>PAYMENT VOUCHER</u></b>                             |                        |  |                        |                         |
| No. _____   |                        | Dated _____                            |                        |                         |
| <b>S. No.</b>   | <b>Head of Account</b> | <b>Cash book/<br/>Ledger Folio No.</b> | <b>Debit<br/>(Rs.)</b> | <b>Credit<br/>(Rs.)</b> |
|   |                        |  |                        |                         |
|   |                        |  |                        |                         |
|   |                        |  |                        |                         |
| (Narration to be written here)                            |                        |  |                        |                         |
|   |                        |  |                        |                         |
| <b>Paid Rupees</b> _____ <b>only</b>                      |                        |  |                        |                         |
| Place: _____  |                        |  |                        |                         |
| _____<br><i>Signature of Payee</i>                        |                        |  |                        |                         |
| _____<br><i>Authorised Signatory</i>                      |                        |  |                        |                         |

- Every payment recorded in the day book should be supported by proper voucher which is a documentary evidence for payment.
- The voucher shall include proper narration disclosing nature of payment, mode of payment, bill. no., name of the party and the account on which it is made.
- If the payment exceeds Rs. 500, revenue stamp should be affixed and signature of recipient should be obtained.
- The above voucher type should be distinguished from other voucher type by way of colouring.
- Vouchers to be chronologically numbered.

### Appendix 3

#### Format of Contra Voucher ("CV")

|   |                        |                  |                        |                         |
|---|------------------------|------------------|------------------------|-------------------------|
| The _____ Co-operative Society Ltd. _____ Regd. No. |                        |                  |                        |                         |
| <b><u>CONTRA VOUCHER</u></b>                        |                        |                  |                        |                         |
| No. _____   |                        | Dated _____      |                        |                         |
| <b>S. No.</b>                                       | <b>Head of Account</b> | <b>Folio No.</b> | <b>Debit<br/>(Rs.)</b> | <b>Credit<br/>(Rs.)</b> |
|   |                        |                  |                        |                         |
|   |                        |                  |                        |                         |
|   |                        |                  |                        |                         |
| (Narration to be written here)                      |                        |                  |                        |                         |
| <b>Rupees</b> _____ <b>only</b><br><br>Place: _____ |                        |                  |                        |                         |
| <i>Authorised Signatory</i>                         |                        |                  |                        |                         |

- The above voucher should be used to record all cash deposits and withdrawals from bank account.
- Separate coloring to be used for the voucher type.
- Chronological numbering of vouchers to be strictly adhered to.

## Appendix 4

### Format of Purchases Voucher ("PUV")

|   |                        |   |                        |                         |
|---|------------------------|---|------------------------|-------------------------|
| The _____ Co-operative Society Ltd. _____ Regd. No. |                        |   |                        |                         |
| <b><u>PURCHASES VOUCHER</u></b>                     |                        |   |                        |                         |
| No. _____   |                        | Dated _____   |                        |                         |
| <b>S. No.</b>                                       | <b>Head of Account</b> | <b>Cashbook/<br/>Purchase Reg./<br/>Sundry creditors<br/>L.F. No.</b> | <b>Debit<br/>(Rs.)</b> | <b>Credit<br/>(Rs.)</b> |
|   |                        |   |                        |                         |
|   |                        |   |                        |                         |
|   |                        |   |                        |                         |
| (Narration to be written here)                      |                        |   |                        |                         |
| <b>Rupees</b> _____ <b>only</b><br><br>Place: _____ |                        |   |                        |                         |
| <i>Authorised Signatory</i>                         |                        |   |                        |                         |

- All purchases to be routed through the above voucher except cash purchases for which payment voucher should be used.
- Separate coloring to be used for the voucher type.
- Chronological numbering of vouchers to be strictly adhered to.
- Purchase bills, delivery challans. and other documentary evidence should be attached to the voucher.

## Appendix 5

### Format of Sales Voucher ("SV")

| The _____ Co-operative Society Ltd. _____ Regd. No. |                 |  |                |                 |
|---|-----------------|--|----------------|-----------------|
| <b><u>SALES VOUCHER</u></b>                         |                 |  |                |                 |
| No. _____   |                 | Dated _____  |                |                 |
| S. No.  | Head of Account | Cash book/ Sales<br>Reg./ Sundry<br>debtors L.F. No. | Debit<br>(Rs.) | Credit<br>(Rs.) |
|   |                 |  |                |                 |
|   |                 |  |                |                 |
|   |                 |  |                |                 |
| (Narration to be written here)                      |                 |  |                |                 |
| <b>Rupees</b> _____ <b>only</b><br><br>Place: _____ |                 |  |                |                 |
| <i>Authorised Signatory</i>                         |                 |  |                |                 |

- All sales to be routed through the above voucher except cash sales for which receipt voucher should be used.
- Separate coloring to be used for the voucher type.
- Chronological numbering of vouchers to be strictly adhered to.
- Sales bill, delivery challans. and other documentary evidence should be attached to the voucher.

## Appendix 6

### Format of Journal Voucher ("JV")

|   |                        |                         |                    |                     |
|---|------------------------|-------------------------|--------------------|---------------------|
| The _____ Co-operative Society Ltd. _____ Regd. No. _____ |                        |                         |                    |                     |
| <b><u>JOURNAL VOUCHER</u></b>                             |                        |                         |                    |                     |
| No. _____   |                        | Dated _____             |                    |                     |
| <b>S. No.</b>   | <b>Head of Account</b> | <b>Ledger Folio No.</b> | <b>Debit (Rs.)</b> | <b>Credit (Rs.)</b> |
|   |                        |                         |                    |                     |
|   |                        |                         |                    |                     |
|   |                        |                         |                    |                     |
| (Narration to be written here)                            |                        |                         |                    |                     |
| Place: _____  |                        |                         |                    |                     |
| Authorized Signatory                                      |                        |                         |                    |                     |

- Journal vouchers are used to record those transactions that cannot be passed through any other voucher type. For instance, period end adjustments, closing entries, provisions, depreciation etc. are passed through journal vouchers.
- The above voucher type should be distinguished from other voucher type by way of coloring.
- Vouchers to be chronologically numbered.
- Separate coloring to be used for the voucher type.



## Appendix 7

### Format of Debit Note/Credit Note ("DN/CN")

|   |                        |                         |                    |                     |
|---|------------------------|-------------------------|--------------------|---------------------|
| The _____ Co-operative Society Ltd. _____ Regd. No. |                        |                         |                    |                     |
| <b><u>DEBIT / CREDIT NOTE</u></b>                   |                        |                         |                    |                     |
| No. _____   |                        | Dated _____             |                    |                     |
| <b>S. No.</b>                                       | <b>Head of Account</b> | <b>Ledger Folio No.</b> | <b>Debit (Rs.)</b> | <b>Credit (Rs.)</b> |
|   |                        |                         |                    |                     |
|   |                        |                         |                    |                     |
|   |                        |                         |                    |                     |
| (Narration to be written here)                      |                        |                         |                    |                     |
| Place: _____  |                        |                         |                    |                     |
| <i>Authorised Signatory</i>                         |                        |                         |                    |                     |

- Debit notes should be used to record purchases returns, passing on any expenses to other parties or in response to the credit notes issued by other parties etc.
- Credit notes are issued stating that a particular customer is entitled to certain sum as credit for sales returns, discounts etc. credit notes are also issued in response to debit notes issued by other parties.
- Vouchers to be chronologically numbered.
- Separate coloring to be followed for above voucher type.

## Appendix 8

### Format of Cash withdrawal form ("CWF")

FRONT SIDE:

|  |  |               |           |
|--|--|---------------|-----------|
| No. _____  | <i>PASS BOOK MUST ACCOMPANY THIS WITHDRAWAL SLIP</i> |               |           |
| The _____ Co-operative Society Ltd. _____ Regd. No. _____<br><b><u>WITHDRAWAL SLIP</u></b> |  |               |           |
| Date _____   |  | Branch _____  |           |
| Name _____   |  | A/c No. _____ |           |
| <b>PAY</b> _____<br>Rupees _____ only  |  |               |           |
|  |  |               | Rs. _____ |
| Place: _____<br>Date: _____<br>Folio: _____  |  |               |           |
| <i>Authorised Signatory</i>  |  |               |           |

BACK SIDE:

|  |                  |
|--|------------------|
| I authorize _____ (whose signature is attested below) to receive the payment of amount mentioned overleaf. |                  |
| <i>Signature of authorized agent</i>   | <i>Depositor</i> |
|  |                  |

## Appendix 9

### Format of Pay-In Slip (“PIS”)

#### Front Side

| The _____ co-op. society Ltd. _____ Regd. No.   | The _____ Co-operative Society Ltd. _____ Regd. No.   |
|---|---|
| <b><u>PAY-IN-SLIP</u></b>   | <b><u>PAY-IN-SLIP</u></b>   |
| Credit SB/FD/RD/RID A/c No. <span style="float: right;">Date <span style="border: 1px solid black; padding: 0 10px;"> </span></span>  | Credit SB/FD/RD/RID A/c No. <span style="float: right;">Date <span style="border: 1px solid black; padding: 0 10px;"> </span></span>  |
| <div style="border: 1px solid black; display: flex; justify-content: space-between; padding: 2px;"> <span> </span><span> </span><span> </span><span> </span><span> </span><span> </span><span> </span> </div>   | <div style="border: 1px solid black; display: flex; justify-content: space-between; padding: 2px;"> <span> </span><span> </span><span> </span><span> </span><span> </span><span> </span><span> </span> </div>   |
| Of <span style="border: 1px solid black; padding: 0 20px;"> </span> Rupees  | Of <span style="border: 1px solid black; padding: 0 20px;"> </span> Rupees  |
| (in words only) <span style="border: 1px solid black; padding: 0 20px;"> </span>  | (in words only) <span style="border: 1px solid black; padding: 0 20px;"> </span>  |
| <span style="border: 1px solid black; padding: 0 20px;"> </span>  | <span style="border: 1px solid black; padding: 0 20px;"> </span>  |
| <span style="border: 1px solid black; padding: 0 20px;"> </span> only.  | <span style="border: 1px solid black; padding: 0 20px;"> </span> only.  |
| By cash   | as per details furnished overleaf.  |
| <div style="border: 1px solid black; display: flex; justify-content: space-between; padding: 2px;"> <span style="background-color: #cccccc;">Rs.</span><span style="background-color: #cccccc;">Ps.</span> </div> <div style="border: 1px solid black; display: flex; justify-content: space-between; padding: 2px;"> <span> </span><span> </span><span> </span><span> </span><span> </span><span> </span><span> </span> </div> | <div style="border: 1px solid black; display: flex; justify-content: space-between; padding: 2px;"> <span style="background-color: #cccccc;">Rs.</span><span style="background-color: #cccccc;">Ps.</span> </div> <div style="border: 1px solid black; display: flex; justify-content: space-between; padding: 2px;"> <span> </span><span> </span><span> </span><span> </span><span> </span><span> </span><span> </span> </div> |
| Accountant <span style="border: 1px solid black; padding: 0 20px;"> </span>   | Accountant <span style="border: 1px solid black; padding: 0 20px;"> </span>   |
| <span style="border: 1px solid black; padding: 0 20px;"> </span>  | Entered by <span style="border: 1px solid black; padding: 0 20px;"> </span>   |
| <span style="border: 1px solid black; padding: 0 20px;"> </span>  | LF No. <span style="border: 1px solid black; padding: 0 20px;"> </span>   |
| <div style="border: 1px solid black; display: flex; justify-content: space-between; padding: 2px;"> <span> </span><span> </span><span> </span><span> </span><span> </span><span> </span><span> </span> </div>   | <div style="border: 1px solid black; display: flex; justify-content: space-between; padding: 2px;"> <span> </span><span> </span><span> </span><span> </span><span> </span><span> </span><span> </span> </div>   |
| Authorised Signatory  | Authorised Signatory  |

Signature of remitter

Contd. ...

Back side

| DENOM.      | No. | Rs. | Ps. |
|-------------|-----|-----|-----|
| 1000 x      |     |     |     |
| 500 x       |     |     |     |
| 100 x       |     |     |     |
| 50 x        |     |     |     |
| 20 x        |     |     |     |
| 10 x        |     |     |     |
| 5 x         |     |     |     |
| 2 x         |     |     |     |
| 1 x         |     |     |     |
| Coins       |     |     |     |
| Grand Total |     |     |     |

| DENOM.      | No. | Rs. | Ps. |
|-------------|-----|-----|-----|
| 1000 x      |     |     |     |
| 500 x       |     |     |     |
| 100 x       |     |     |     |
| 50 x        |     |     |     |
| 20 x        |     |     |     |
| 10 x        |     |     |     |
| 5 x         |     |     |     |
| 2 x         |     |     |     |
| 1 x         |     |     |     |
| Coins       |     |     |     |
| Grand Total |     |     |     |

| Cheque /DD No. | Date | Drawn on (Name of the Bank) | Place | Amount (Rs.) |
|----------------|------|-----------------------------|-------|--------------|
|                |      |                             |       |              |
|                |      |                             |       |              |
|                |      |                             |       |              |
|                |      |                             |       |              |

| Cheque /DD No. | Date | Drawn on (Name of the Bank) | Place | Amount (Rs.) |
|----------------|------|-----------------------------|-------|--------------|
|                |      |                             |       |              |
|                |      |                             |       |              |
|                |      |                             |       |              |
|                |      |                             |       |              |

- The above voucher should be used for all deposits by accountholders.
- Separate coloring to be used for the voucher type.
- Use separate vouchers for cash deposits and deposits through cheques

## Appendix 9 A

### Format of Pay-In Slip (“PIS”)

#### Front Side

| The _____ co-op. society Ltd. _____ Regd. No.   | The _____ Co-operative Society Ltd. _____ Regd. No.   |
|---|---|
| <b><u>PAY-IN-SLIP</u></b>   | <b><u>PAY-IN-SLIP</u></b>   |
| Credit SB/FD/RD/RID A/c No. <span style="float: right;">Date <span style="border: 1px solid black; padding: 0 10px;"> </span></span>  | Credit SB/FD/RD/RID A/c No. <span style="float: right;">Date <span style="border: 1px solid black; padding: 0 10px;"> </span></span>  |
| <div style="border: 1px solid black; display: flex; justify-content: space-between; padding: 2px;"> <span> </span><span> </span><span> </span><span> </span><span> </span><span> </span><span> </span> </div>   | <div style="border: 1px solid black; display: flex; justify-content: space-between; padding: 2px;"> <span> </span><span> </span><span> </span><span> </span><span> </span><span> </span><span> </span> </div>   |
| Of <span style="border: 1px solid black; padding: 0 20px;"> </span> Rupees  | Of <span style="border: 1px solid black; padding: 0 20px;"> </span> Rupees  |
| (in words only) <span style="border: 1px solid black; padding: 0 20px;"> </span>  | (in words only) <span style="border: 1px solid black; padding: 0 20px;"> </span>  |
| <span style="border: 1px solid black; padding: 0 20px;"> </span>  | <span style="border: 1px solid black; padding: 0 20px;"> </span>  |
| <span style="border: 1px solid black; padding: 0 20px;"> </span> only.  | <span style="border: 1px solid black; padding: 0 20px;"> </span> only.  |
| By cash   | as per details furnished overleaf.  |
| <div style="border: 1px solid black; display: flex; justify-content: space-between; padding: 2px;"> <span style="background-color: #cccccc;">Rs.</span><span style="background-color: #cccccc;">Ps.</span> </div> <div style="border: 1px solid black; display: flex; justify-content: space-between; padding: 2px;"> <span> </span><span> </span><span> </span><span> </span><span> </span><span> </span><span> </span> </div> | <div style="border: 1px solid black; display: flex; justify-content: space-between; padding: 2px;"> <span style="background-color: #cccccc;">Rs.</span><span style="background-color: #cccccc;">Ps.</span> </div> <div style="border: 1px solid black; display: flex; justify-content: space-between; padding: 2px;"> <span> </span><span> </span><span> </span><span> </span><span> </span><span> </span><span> </span> </div> |
| Accountant <span style="border: 1px solid black; padding: 0 20px;"> </span>   | Accountant <span style="border: 1px solid black; padding: 0 20px;"> </span>   |
| <span style="border: 1px solid black; padding: 0 20px;"> </span>  | Entered by <span style="border: 1px solid black; padding: 0 20px;"> </span>   |
| <span style="border: 1px solid black; padding: 0 20px;"> </span>  | LF No. <span style="border: 1px solid black; padding: 0 20px;"> </span>   |
| <span style="border: 1px solid black; padding: 0 20px;"> </span>  | <div style="border: 1px solid black; display: flex; justify-content: space-between; padding: 2px;"> <span> </span><span> </span><span> </span><span> </span><span> </span><span> </span><span> </span> </div>   |
| Authorised Signatory  | Authorised Signatory  |
|   | Signature of remitter   |

Contd. ...

**Back side**

| Denom.      | No. | Rs. | Ps. |  | Denom.      | No. | Rs. | Ps. |
|-------------|-----|-----|-----|--|-------------|-----|-----|-----|
| 1000 x      |     |     |     |  | 1000 x      |     |     |     |
| 500 x       |     |     |     |  | 500 x       |     |     |     |
| 100 x       |     |     |     |  | 100 x       |     |     |     |
| 50 x        |     |     |     |  | 50 x        |     |     |     |
| 20 x        |     |     |     |  | 20 x        |     |     |     |
| 10 x        |     |     |     |  | 10 x        |     |     |     |
| 5 x         |     |     |     |  | 5 x         |     |     |     |
| 2 x         |     |     |     |  | 2 x         |     |     |     |
| 1 x         |     |     |     |  | 1 x         |     |     |     |
| Coins       |     |     |     |  | Coins       |     |     |     |
| Grand Total |     |     |     |  | Grand Total |     |     |     |

| Cheque /DD No. | Date | Drawn on (Name of the Bank) | Place | Amount (Rs.) |
|----------------|------|-----------------------------|-------|--------------|
|                |      |                             |       |              |
|                |      |                             |       |              |
|                |      |                             |       |              |
|                |      |                             |       |              |

| Cheque /DD No. | Date | Drawn on (Name of the Bank) | Place | Amount (Rs.) |
|----------------|------|-----------------------------|-------|--------------|
|                |      |                             |       |              |
|                |      |                             |       |              |
|                |      |                             |       |              |
|                |      |                             |       |              |

## Appendix 10

### **ILLUSTRATION No. 1**

#### Deposits:

Mr. X has deposited an amount of Rs. 1000 as fixed deposit on 1/2/07 in cash on which interest is payable on monthly basis at the rate of 5 % p.a. The deposit is for a period of 2 months maturing on 31/3/07. The deposit has been repaid on 31/3/07.

*The various steps involved in book keeping starting from voucher generation, account opening, ledger posting, interest accounting and payment and repayment of fixed deposit is summarized below.*

**Step 1: Voucher generation at the time of depositing.**

**Pay-In Slip**

**Front Side**

| The ABC Co-op. Society Ltd. 123 Regd. No.   |   | The ABC Co-operative Society Ltd. 123 Regd. No.  |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
|---|---|--|---|---|---|---|---|---|--|---|---|---|-----|-----|---|---|---|---|---|---|---|---|--|
| <b><u>PAY-IN-SLIP</u></b>   |   | <b><u>PAY-IN-SLIP</u></b>  |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| Credit FD A/c No.   | Date <span style="border: 1px solid black; padding: 2px;">1/2/07</span> | Credit FD A/c No.  | Date <span style="border: 1px solid black; padding: 2px;">1/2/07</span> |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| <table border="1" style="width: 100%; text-align: center;"> <tr><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td></tr> </table>  | X   | X  | X   | X | X | X | X |   | <table border="1" style="width: 100%; text-align: center;"> <tr><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td><td>X</td></tr> </table> | X | X | X   | X   | X   | X | X |   |   |   |   |   |   |  |
| X   | X   | X  | X   | X | X | X |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| X   | X   | X  | X   | X | X | X |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| Of <span style="border: 1px solid black; padding: 2px;">Mr. X</span> Rupees   |   | Of <span style="border: 1px solid black; padding: 2px;">Mr. X</span> Rupees  |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| <div style="display: flex; justify-content: space-between;"> <span>(in words only)</span> <span><i>One thousand</i>-----</span> </div>  |   | <div style="display: flex; justify-content: space-between;"> <span>(in words only)</span> <span><i>One thousand</i>-----</span> </div>                 |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| only.   |   | only.  |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| By cash   |   | as per details furnished overleaf.   |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| <table border="1" style="width: 100%; text-align: center;"> <tr> <th style="width: 50%;">Rs.</th> <th style="width: 50%;">Ps.</th> </tr> <tr> <td>-</td> <td>1</td> </tr> <tr> <td>0</td> <td>0</td> </tr> <tr> <td>0</td> <td>0</td> </tr> <tr> <td>0</td> <td>0</td> </tr> </table> | Rs.   | Ps.  | -   | 1 | 0 | 0 | 0 | 0 | 0  | 0 |   | <table border="1" style="width: 100%; text-align: center;"> <tr> <th style="width: 50%;">Rs.</th> <th style="width: 50%;">Ps.</th> </tr> <tr> <td>-</td> <td>1</td> </tr> <tr> <td>0</td> <td>0</td> </tr> <tr> <td>0</td> <td>0</td> </tr> <tr> <td>0</td> <td>0</td> </tr> </table> | Rs. | Ps. | - | 1 | 0 | 0 | 0 | 0 | 0 | 0 |  |
| Rs.   | Ps.   |  |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| -   | 1   |  |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| 0   | 0   |  |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| 0   | 0   |  |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| 0   | 0   |  |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| Rs.   | Ps.   |  |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| -   | 1   |  |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| 0   | 0   |  |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| 0   | 0   |  |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| 0   | 0   |  |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| Accountant <span style="border: 1px solid black; padding: 2px;">X X X X X</span>  |   | Accountant <span style="border: 1px solid black; padding: 2px;">X X X X X</span>   |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
|   |   | Entered by <span style="border: 1px solid black; padding: 2px;">X X X X X X</span>   |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| X   |   | L.F.No.  |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
| Authorised Signatory  |   | <table border="1" style="width: 100%; text-align: center;"> <tr> <td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>2</td> </tr> </table> |   | - | - | - | - | - | -  | 2 |   |   |     |     |   |   |   |   |   |   |   |   |  |
| -   | -   | -  | -   | - | - | 2 |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
|   |   | <div style="display: flex; justify-content: space-between;"> <span>X X X X X X</span> <span>Signature of remitter</span> </div>                        |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |
|   |   | <div style="display: flex; justify-content: space-between;"> <span>X X X X X X X</span> <span>Authorised Signatory</span> </div>                       |   |   |   |   |   |   |  |   |   |   |     |     |   |   |   |   |   |   |   |   |  |



**Back side**

| Denom.      | No. | Rs.  | Ps. |  | Denom.      | No. | Rs.  | Ps. |
|-------------|-----|------|-----|--|-------------|-----|------|-----|
| 1000 x      |     |      |     |  | 1000 x      |     |      |     |
| 500 x       | 2   | 1000 | 00  |  | 500 x       | 2   | 1000 | 00  |
| 100 x       |     |      |     |  | 100 x       |     |      |     |
| 50 x        |     |      |     |  | 50 x        |     |      |     |
| 20 x        |     |      |     |  | 20 x        |     |      |     |
| 10 x        |     |      |     |  | 10 x        |     |      |     |
| 5 x         |     |      |     |  | 5 x         |     |      |     |
| 2 x         |     |      |     |  | 2 x         |     |      |     |
| 1 x         |     |      |     |  | 1 x         |     |      |     |
| Coins       |     |      |     |  | Coins       |     |      |     |
| Grand Total |     | 1000 | 00  |  | Grand Total |     | 1000 | 00  |

| Cheque /DD No. | Date | Drawn on (Name of the Bank) | Place | Amount (Rs.) |
|----------------|------|-----------------------------|-------|--------------|
|                |      |                             |       |              |
|                |      |                             |       |              |
|                |      |                             |       |              |
|                |      |                             |       |              |

| Cheque /DD No. | Date | Drawn on (Name of the Bank) | Place | Amount (Rs.) |
|----------------|------|-----------------------------|-------|--------------|
|                |      |                             |       |              |
|                |      |                             |       |              |
|                |      |                             |       |              |
|                |      |                             |       |              |

**Step 2: Cash book entry at the time of accepting deposit.**

| CASH BOOK  |                  |     |   |   |   |   |    |   |                                 |         |           |             |     |  |  |  |  |    |  |                                 |   |   |   |   |   |
|--|------------------|-----|---|---|---|---|----|---|---------------------------------|---------|-----------|-------------|-----|--|--|--|--|----|--|---------------------------------|---|---|---|---|---|
| Date: <div style="display: inline-block; border: 1px solid black; padding: 2px;"> <div style="display: flex; justify-content: space-around; width: 100px;"> <span>0</span><span>1</span><span>0</span><span>2</span><span>0</span><span>7</span> </div> </div> |                  |     |   |   |   |   |    |   |                                 |         |           |             |     |  |  |  |  |    |  |                                 |   |   |   |   |   |
| RECEIPT  |                  |     |   |   |   |   |    |   |                                 | PAYMENT |           |             |     |  |  |  |  |    |  |                                 |   |   |   |   |   |
| S. No.   | Particulars      | Rs. |   |   |   |   | P. |   | Initials of authorised person/s | S. No.  | Token No. | Particulars | Rs. |  |  |  |  | P. |  | Initials of authorised person/s |   |   |   |   |   |
|  |                  |     |   |   |   |   | I  | L |                                 |         |           |             |     |  |  |  |  |    |  |                                 |   |   |   |   |   |
| Opening cash   |                  |     |   |   |   | N |    |   |                                 |         |           |             |     |  |  |  |  |    |  |                                 |   |   |   |   |   |
| 1  | FD A/c No. XXXXX | -   | 1 | 0 | 0 | 0 | 0  | 0 | X X X X X<br>X                  | 1       |           |             |     |  |  |  |  |    |  |                                 |   |   |   |   |   |
| 2  |                  |     |   |   |   |   |    |   |                                 | 2       |           |             |     |  |  |  |  |    |  |                                 |   |   |   |   |   |
| 3  |                  |     |   |   |   |   |    |   |                                 | 3       |           |             |     |  |  |  |  |    |  |                                 |   |   |   |   |   |
| Total  |                  | -   | 1 | 0 | 0 | 0 | 0  | 0 |                                 | Total   |           |             |     |  |  |  |  |    |  | -                               | - | - | - | - | - |
| Cash in Hand   |                  | -   | 1 | 0 | 0 | 0 | 0  | 0 | X X X X X<br>X                  |         |           |             |     |  |  |  |  |    |  |                                 |   |   |   |   |   |

**Step 3: Entry in Deposit ledger at the time of accepting deposit.**

**DEPOSIT LEDGER**

| Type of Deposit  | Fixed deposit           |                          |          |                              |   |   |           |   |        |                         | DUE ON |                  | 3      | 1  | 0 | 3                               | 2 | 0 | 0 | 7 |   |                |  |  |  |  |  |  |  |
|--|-------------------------|--------------------------|----------|------------------------------|---|---|-----------|---|--------|-------------------------|--------|------------------|--------|----|---|---------------------------------|---|---|---|---|---|----------------|--|--|--|--|--|--|--|
| Date of Opening: 01 / 02 / 07  | 0                       | 1                        | 0        | 2                            | 2 | 0 | 0         | 7 | PERIOD |                         | 0      | 2                | MONTHS |    |   |                                 |   |   |   |   |   |                |  |  |  |  |  |  |  |
| Name and Address:  | Mr. X                   |                          |          |                              |   |   |           |   |        |                         | FROM   |                  | 0      | 1  | 0 | 2                               | 2 | 0 | 0 | 7 |   |                |  |  |  |  |  |  |  |
| Jointly with   | .....                   |                          |          |                              |   |   |           |   |        |                         | TO     |                  | 3      | 1  | 0 | 3                               | 2 | 0 | 0 | 7 |   |                |  |  |  |  |  |  |  |
| <div style="text-align: center; border: 1px solid black; padding: 10px; width: 100px; margin: 0 auto;">                     PHOTO                 </div> |                         |                          |          |                              |   |   |           |   |        | Interest Rate in % p.a. |        | 5                |        |    |   |                                 |   |   |   |   |   |                |  |  |  |  |  |  |  |
|  |                         |                          |          |                              |   |   |           |   |        |                         |        |                  |        |    |   |                                 |   |   |   |   |   | Rs. P.         |  |  |  |  |  |  |  |
|  |                         |                          |          |                              |   |   |           |   |        | AMOUNT DEPOSITED        |        |                  |        |    |   |                                 |   |   |   |   |   |                |  |  |  |  |  |  |  |
|  |                         |                          |          |                              |   |   |           |   |        | TOTAL INTEREST          |        |                  |        |    |   |                                 |   |   |   |   |   |                |  |  |  |  |  |  |  |
| PAYMENT INSTRUCTIONS:  |                         | Monthly interest payment |          |                              |   |   |           |   |        |                         |        | MATURITY VALUE   |        |    |   |                                 |   |   |   |   |   |                |  |  |  |  |  |  |  |
| E OR S/A OR S  |                         | .....                    |          |                              |   |   |           |   |        |                         |        | Date of maturity |        | 3  | 1 | 0                               | 3 | 2 | 0 | 0 | 7 |                |  |  |  |  |  |  |  |
| PARTICULARS OF LIEN  |                         |                          |          |                              |   |   |           |   |        | Nomination Particulars  |        |                  |        |    |   |                                 |   |   |   |   |   |                |  |  |  |  |  |  |  |
| LOAN A/c. No.  | Date of Sanction        | Date of Release          | Initials | Name of Nominee              |   |   |           |   |        |                         |        |                  |        |    |   |                                 |   |   |   |   |   |                |  |  |  |  |  |  |  |
|  |                         |                          |          | Relationship with Depositor  |   |   |           |   |        |                         |        |                  |        |    |   |                                 |   |   |   |   |   |                |  |  |  |  |  |  |  |
|  |                         |                          |          | Address of Nominee           |   |   |           |   |        |                         |        |                  |        |    |   |                                 |   |   |   |   |   |                |  |  |  |  |  |  |  |
|  |                         |                          |          | If Nominee is minor:         |   |   |           |   |        |                         |        |                  |        |    |   |                                 |   |   |   |   |   |                |  |  |  |  |  |  |  |
|  |                         |                          |          | Date of birth of minor       |   |   |           |   |        |                         |        |                  |        |    |   |                                 |   |   |   |   |   |                |  |  |  |  |  |  |  |
|  |                         |                          |          | Name and Address of Guardian |   |   |           |   |        |                         |        |                  |        |    |   |                                 |   |   |   |   |   |                |  |  |  |  |  |  |  |
| DATE   | PARTICULARS/ Instalment | AMOUNT                   |          |                              |   |   |           |   |        |                         |        | BALANCE          |        |    |   | Initials of authorized person/s |   |   |   |   |   |                |  |  |  |  |  |  |  |
|  |                         | DEPOSITED                |          |                              |   |   | WITHDRAWN |   |        |                         |        |                  |        |    |   |                                 |   |   |   |   |   |                |  |  |  |  |  |  |  |
|  |                         | Rs.                      |          | P.                           |   |   | Rs.       |   | P.     |                         |        | Rs.              |        | P. |   |                                 |   |   |   |   |   |                |  |  |  |  |  |  |  |
| 1/2/2007   | Cash                    | -                        | 1        | 0                            | 0 | 0 | 0         | 0 |        |                         |        |                  |        |    | - | 1                               | 0 | 0 | 0 | 0 | 0 | X X X X X<br>X |  |  |  |  |  |  |  |
|  |                         |                          |          |                              |   |   |           |   |        |                         |        |                  |        |    |   |                                 |   |   |   |   |   |                |  |  |  |  |  |  |  |

**Step 4: General Ledger Posting (Fixed deposits).**

**GENERAL LEDGER**

Head of Account: Fixed deposits

| Date   | Particulars   | Day Book Folio No. | Debit Rs. | Credit Rs. | Balance Rs. | Initials |
|--------|---------------|--------------------|-----------|------------|-------------|----------|
| 1/2/07 | Cash deposits | XXX                | -----     | 1000       | 1000        | XXX      |
|        |               |                    |           |            |             |          |

**Step 5: For payment of interest of Rs. 4 on 28/2/07 voucher should be raised in the following manner for recording the transaction.**

| The ABC Co-operative Society Ltd. 123 Regd. No.   |                         |                                |                |                 |
|---|-------------------------|--------------------------------|----------------|-----------------|
| <b><u>PAYMENT VOUCHER</u></b>   |                         |                                |                |                 |
| No.: 66   |                         | Dated: 28/02/07                |                |                 |
| S. No.  | Head Of Account         | Cash book/<br>Ledger Folio No. | Debit<br>(Rs.) | Credit<br>(Rs.) |
| 1   | Interest on deposits-FD | XXX                            | 4              |                 |
| 2   | Cash                    | XXX                            |                | 4               |
| Being payment of interest on FD No. XXX for the period from 1/2/07 to 28/2/07 at the rate of 5%.                                      |                         |                                |                |                 |
| <b>Paid Rupees</b> <i>Four</i> ----- <b>only</b><br><div style="border-bottom: 1px solid black; width: 50%; margin: 5px auto;"></div> |                         |                                |                |                 |
| Place: XXX  |                         | XXX                            |                |                 |
|   |                         | Signature of Payee             |                |                 |
| XXX XXX   |                         |                                |                |                 |
| Authorised Signatory  |                         |                                |                |                 |

**Step 6: Cash book entry.**

| CASH BOOK   |              |     |   |     |                                 |        |              |             |                      |   |    |                                 |     |   |   |
|---|--------------|-----|---|-----|---------------------------------|--------|--------------|-------------|----------------------|---|----|---------------------------------|-----|---|---|
| Date: <table border="1" style="display: inline-table; text-align: center; width: 150px;"> <tr> <td style="width: 20px;">2</td> <td style="width: 20px;">8</td> <td style="width: 20px;">0</td> <td style="width: 20px;">2</td> <td style="width: 20px;">0</td> <td style="width: 20px;">7</td> </tr> </table> |              |     |   |     |                                 |        |              |             |                      | 2 | 8  | 0                               | 2   | 0 | 7 |
| 2   | 8            | 0   | 2 | 0   | 7                               |        |              |             |                      |   |    |                                 |     |   |   |
| RECEIPT   |              |     |   |     | PAYMENT                         |        |              |             |                      |   |    |                                 |     |   |   |
| S. No.  | Particulars  | Rs. |   | P.  | Initials of authorised person/s | S. No. | Token No.    | Particulars | Rs.                  |   | P. | Initials of authorised person/s |     |   |   |
|   | Opening cash |     |   | 2 0 | 0 0                             | XXX    |              |             |                      |   |    |                                 |     |   |   |
| 1   |              |     |   |     |                                 |        | 1            |             | Interest on deposits |   |    | 4 0 0                           | XXX |   |   |
| 2   |              |     |   |     |                                 |        | 2            |             |                      |   |    |                                 |     |   |   |
| 3   |              |     |   |     |                                 |        | 3            |             |                      |   |    |                                 |     |   |   |
| <b>Total</b>  |              |     |   | 2 0 | 0 0                             |        | <b>Total</b> |             |                      |   |    | 4 0 0                           |     |   |   |
| Cash in Hand  |              |     |   | 1 6 | 0 0                             | XXX    |              |             |                      |   |    |                                 |     |   |   |

**Step 7: Ledger entry at the time of interest payment.**

**INTEREST PAYMENT / ACCRUAL**

| Date of Payment | Period |   |   |    |   |   | Product |   |    |   | Interest |   |    |  | Progressive total | Initials of authorised person/s |
|-----------------|--------|---|---|----|---|---|---------|---|----|---|----------|---|----|--|-------------------|---------------------------------|
|                 | From   |   |   | To |   |   | Rs.     |   | P. |   | Rs.      |   | P. |  |                   |                                 |
| 28/02/07        | 0      | 1 | 0 | 2  | 0 | 7 | 2       | 8 | 0  | 2 | 0        | 7 |    |  |                   | XXX                             |
|                 |        |   |   |    |   |   |         |   |    |   |          |   |    |  |                   |                                 |
|                 |        |   |   |    |   |   |         |   |    |   |          |   |    |  |                   |                                 |

**Step 8: General Ledger posting.**Head of Account: Interest on deposits - FD

| Date    | Particulars  | Day Book Folio No. | Debit Rs. | Credit Rs. | Balance Rs. | Initials |
|---------|--------------|--------------------|-----------|------------|-------------|----------|
| 28/2/07 | Cash payment | XXX                | 4         |            | 4           | XXX      |
|         |              |                    |           |            |             |          |

**Step 9: Closure of deposit.****Step 9A: Repayment of deposit and payment of interest**

Payment voucher should be raised in the following manner.

|   |  |                                    |                    |                     |
|---|--|------------------------------------|--------------------|---------------------|
| <b>The ABC Co-operative Society Ltd. 123 Regd. No.</b>                              |  |                                    |                    |                     |
| <b><u>PAYMENT VOUCHER</u></b>   |  |                                    |                    |                     |
| No.: 95   |  | Dated: 31/03/07                    |                    |                     |
| <b>S. No.</b>   | <b>Head Of Account</b>                   | <b>Cash book/ Ledger Folio No.</b> | <b>Debit (Rs.)</b> | <b>Credit (Rs.)</b> |
| 1   | Relevant FD A/c                          | XXX                                | 1000               |                     |
| 2   | Interest on deposits – FD for March 2007 | XXX                                | 4                  |                     |
| 3   | Cash A/c                                 | XXX                                |                    | 1004                |
| Being repayment of FD A/c No. XXX of Mr. X.   |  |                                    |                    |                     |
| <b>Paid Rupees</b> <i>One thousand and four</i> ----- <b>only</b><br>-----<br>_____ |  |                                    |                    |                     |
| Place: XXX  |  | XXX<br>Signature of Payee          |                    |                     |
| XXX<br>Authorised Signatory   |  |                                    |                    |                     |

**Step 9B: Cash book entry**

| CASH  |             |     |   |   |   |    |   |                                 |     | BOOK    |           |                      |     |   |   |   |    |   |                                 |  |
|---|-------------|-----|---|---|---|----|---|---------------------------------|-----|---------|-----------|----------------------|-----|---|---|---|----|---|---------------------------------|--|
| Date: <span style="border: 1px solid black; padding: 2px;">3</span> <span style="border: 1px solid black; padding: 2px;">1</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">3</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">7</span> |             |     |   |   |   |    |   |                                 |     |         |           |                      |     |   |   |   |    |   |                                 |  |
| RECEIPT   |             |     |   |   |   |    |   |                                 |     | PAYMENT |           |                      |     |   |   |   |    |   |                                 |  |
| S. No.  | Particulars | Rs. |   |   |   | P. |   | Initials of authorised person/s |     | S. No.  | Token No. | Particulars          | Rs. |   |   |   | P. |   | Initials of authorised person/s |  |
| Opening cash  |             |     | 2 | 0 | 0 | 0  | 0 | 0                               | XXX |         |           |                      |     |   |   |   |    |   |                                 |  |
| 1   |             |     |   |   |   |    |   |                                 |     | 1       |           | FD A/c. No. XXX      |     | 1 | 0 | 0 | 0  | 0 | XXX                             |  |
| 2   |             |     |   |   |   |    |   |                                 |     | 2       |           | Interest on Deposits |     |   |   | 4 | 0  | 0 |                                 |  |
| Total   |             |     | 2 | 0 | 0 | 0  | 0 |                                 |     | Total   |           |                      | 1   | 0 | 0 | 4 | 0  | 0 |                                 |  |
| Cash in Hand  |             |     |   | 9 | 9 | 6  | 0 | 0                               | XXX |         |           |                      |     |   |   |   |    |   |                                 |  |

**Step 9C: Ledger entry**

| DATE      | PARTICULARS/ Installment | AMOUNT    |   |   |   |    |   |   |  |           |   |   |   | BALANCE |   |   |   |     |   |   |   | Initials of authorized person/s |    |   |   |   |   |     |     |
|-----------|--------------------------|-----------|---|---|---|----|---|---|--|-----------|---|---|---|---------|---|---|---|-----|---|---|---|---------------------------------|----|---|---|---|---|-----|-----|
|           |                          | DEPOSITED |   |   |   |    |   |   |  | WITHDRAWN |   |   |   |         |   |   |   |     |   |   |   |                                 |    |   |   |   |   |     |     |
|           |                          | Rs.       |   |   |   | P. |   |   |  | Rs.       |   |   |   | P.      |   |   |   | Rs. |   |   |   |                                 | P. |   |   |   |   |     |     |
| 1/2/2007  | Cash                     | -         | 1 | 0 | 0 | 0  | 0 | 0 |  |           |   |   |   |         | - | 1 | 0 | 0   | 0 | 0 | 0 |                                 |    |   |   |   |   | XXX |     |
| 31/3/2007 | Cash                     |           |   |   |   |    |   |   |  |           | - | 1 | 0 | 0       | 0 | 0 | 0 | -   | - | - | - | -                               | -  | - | - | - | - |     | XXX |

**Step 9D: General ledger posting**

Head of Account: Fixed deposits

| Date    | Particulars   | Day Book Folio No. | Debit Rs. | Credit Rs. | Balance Rs. | Initials |
|---------|---------------|--------------------|-----------|------------|-------------|----------|
| 1/2/07  | Cash deposits | XXX                | -----     | 1000       | 1000        | XXX      |
| 31/3/07 | Cash payment  | XXX                | 1000      |            | NIL         | XXX      |

## Repayment of Interest

**Step 9 E:** *Ledger entry at the time of interest payment.*

### **INTEREST PAYMENT / ACCRUAL**

| Date of Payment | Period |   |   |   |   |   |    |   |   |   |   |   | Product |  |  |  |    |  | Interest |  |  |  |    |  | Progressive total | Initials of authorised person/s |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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|                 | From   |   |   |   |   |   | To |   |   |   |   |   | Rs.     |  |  |  | P. |  | Rs.      |  |  |  | P. |  |                   |                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 31/03/07        | 0      | 1 | 0 | 3 | 0 | 7 | 3  | 1 | 0 | 3 | 0 | 7 |         |  |  |  |    |  |          |  |  |  |    |  |                   |                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

**Step 9 F** *General Ledger posting*

### Head of Account : Interest on deposits – FD

| Date    | Particulars  | Day Book Folio No. | Debit Rs. | Credit Rs. | Balance Rs. | Initials |
|---------|--------------|--------------------|-----------|------------|-------------|----------|
| 31/3/07 | Cash payment | XXX                | 4         |            | 4           | XXX      |



**ILLUSTRATION No. 2**Loans:

Mr. Y has borrowed a sum of Rs. 1,000 from the society as MT loan on 1/4/07 carrying a simple interest rate of 12 % p.a. which becomes due for payment along with interest on 31/3/08..

The steps involved would be:

**Step 1: Payment voucher generation for disbursement of loan.**

|   |                  |  |                |                 |
|---|------------------|--|----------------|-----------------|
| The ABC Co-operative Society Ltd. 123 Regd. No.                               |                  |  |                |                 |
| <b><u>PAYMENT VOUCHER</u></b>   |                  |  |                |                 |
| No.: 1  |                  | Dated: 01/04/07                        |                |                 |
| S.<br>No.   | Head Of Account  | Cash book/<br>Ledger Folio No.         | Debit<br>(Rs.) | Credit<br>(Rs.) |
| 1   | Relevant MT loan | XXX                                    | 1000           |                 |
| 2   | Cash             | XXX                                    |                | 1000            |
| Being disbursement of Rs. 1000 as MT loan no. XXX agst. Sanction Ref. No. XXX |                  |  |                |                 |
| Paid Rupees <i>One thousand</i> _____ only<br>_____                           |                  |  |                |                 |
| Place: XXX _____  |                  | XXX _____<br><i>Signature of Payee</i> |                |                 |
| XXX<br><i>Authorised Signatory</i>  |                  |  |                |                 |

**Step 2: Entry in cash book.**

| CASH BOOK   |             |     |   |   |   |    |                                 |   |     |
|---|-------------|-----|---|---|---|----|---------------------------------|---|-----|
| Date: <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">1</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">4</span> <span style="border: 1px solid black; padding: 2px;">0</span> <span style="border: 1px solid black; padding: 2px;">7</span> |             |     |   |   |   |    |                                 |   |     |
| RECEIPT   |             |     |   |   |   |    |                                 |   |     |
| S. No.  | Particulars | Rs. |   |   |   | P. | Initials of authorised person/s |   |     |
| Opening cash  |             |     | 2 | 0 | 0 | 0  | 0                               | 0 | XXX |
| 1   |             |     |   |   |   |    |                                 |   |     |
| 2   |             |     |   |   |   |    |                                 |   |     |
| <b>Total</b>  |             |     | 2 | 0 | 0 | 0  | 0                               | 0 |     |
| Cash in Hand  |             |     | 1 | 0 | 0 | 0  | 0                               | 0 | XXX |

| PAYMENT      |           |                           |     |   |   |   |    |                                 |     |
|--------------|-----------|---------------------------|-----|---|---|---|----|---------------------------------|-----|
| S. No.       | Token No. | Particulars               | Rs. |   |   |   | P. | Initials of authorised person/s |     |
|              |           |                           |     |   |   |   |    |                                 |     |
| 1            |           | MT loan No. XXX disbursed |     | 1 | 0 | 0 | 0  | 0                               | XXX |
| 2            |           |                           |     |   |   |   |    |                                 |     |
| <b>Total</b> |           |                           |     | 1 | 0 | 0 | 0  | 0                               |     |

**Step 3: Entry in medium term disbursement cum loan ledger.**

|   |         |                    |             |                 |
|---|---------|--------------------|-------------|-----------------|
| Loan No.:                                       |         | 1                  |             |                 |
| Membership. No.:                                |         | XXX                |             |                 |
| Name of Borrower:                               |         | Mr. Y              |             |                 |
| Address:  |         | XXX                |             |                 |
| Village:  |         | XXX                |             |                 |
| Maximum Borrowing Power as on date of sanction: |         | 1,000              |             |                 |
| Loan amount sanctioned                          | Purpose | Cost of Investment | Loan amount | Benefiting area |
| 1,000   | XXX     | XXX                | 1,000       | XXX             |
|   |         |                    |             |                 |
|   |         |                    |             |                 |
| Disbursement Voucher No.:                       |         | 1                  |             |                 |
| Resolution No. & Date:                          |         | XXX                |             |                 |
| D.C.C.B. Loan No.:                              |         | 1                  |             |                 |
| Name of village where land is situated:         |         | XXX                |             |                 |
| Total holding(Acre):                            |         | XXX                | Wet: XXX    | Dry: XXX        |
| Value of the property:                          |         | XXX                |             |                 |
| Whether assignee of land:                       |         | XXX                |             |                 |
| Mortgage Deed No. & Date. (for LT Loan):        |         | XXX                |             |                 |
| Extent Mortgaged (for LT loan):                 |         | XXX                |             |                 |
| Remarks:  |         | XXX                |             |                 |

**Step 4: Ledger entry (Loan disbursement).**

| Date     | Particulars | Debit | Credit | Balance | No. of days | Products | Interest |      | Initials |
|----------|-------------|-------|--------|---------|-------------|----------|----------|------|----------|
|          |             |       |        |         |             |          | Due      | Recd |          |
| 1        | 2           | 3     | 4      | 5       | 6           | 7        | 8        | 9    | 10       |
| 1/4/2007 | Cash        | 1000  | -      | 1000    |             |          |          |      | XXX      |
|          |             |       |        |         |             |          |          |      |          |
|          |             |       |        |         |             |          |          |      |          |

**Step 5: General ledger posting (MT Loan disbursement)**

Head of Account: MT loans

| Date     | Particulars  | Day Book Folio No. | Debit Rs. | Credit Rs. | Balance Rs. | Initials |
|----------|--------------|--------------------|-----------|------------|-------------|----------|
| 01/04/07 | Cash payment | XXX                | 1000      | -          | 1000        | XXX      |
|          |              |                    |           |            |             |          |

**Step 6: For recording interest due on loans on 31/3/08 the following journal voucher should be raised.**

|  |  |                  |             |              |
|--|--|------------------|-------------|--------------|
| The ABC Co-operative Society Ltd. 123 Regd. No..   |  |                  |             |              |
| <b><u>JOURNAL VOUCHER</u></b>  |  |                  |             |              |
| No. 50   |  | Dated 31/03/08   |             |              |
| S. No.   | Head Of Account                          | Ledger Folio No. | Debit (Rs.) | Credit (Rs.) |
| 1  | Non-overdue-interest receivable on loans |                  | 120         |              |
| 2  | Interest on loans & advances             |                  |             | 120          |
| Being interest from 1/4/07 to 31/3/08 being accounted on MT Loan of Mr. Y at the rate of 12 %. |  |                  |             |              |
| Place: XXX _____<br><br><div style="text-align: center;">XXX<br/>Authorised Signatory</div>    |  |                  |             |              |

**Step 7: Ledger entry (For interest due)**

| Date      | Particulars  | Debit | Credit | Balance | No. of days | Products | Interest |      | Initials |
|-----------|--------------|-------|--------|---------|-------------|----------|----------|------|----------|
|           |              |       |        |         |             |          | Due      | Recd |          |
| 1         | 2            | 3     | 4      | 5       | 6           | 7        | 8        | 9    | 10       |
| 1/4/2007  | Cash         | 1000  | -      | 1000    |             |          |          |      | XXX      |
| 31/3/2008 | Interest due |       |        |         |             |          | 120      |      | XXX      |
|           |              |       |        |         |             |          |          |      |          |

**Step 8: General ledger posting for accounting for interest income.**

Head of Account: Non-overdue interest due on loan & advances

| Date     | Particulars       | Day Book Folio No. | Debit Rs. | Credit Rs. | Balance Rs. | Initials |
|----------|-------------------|--------------------|-----------|------------|-------------|----------|
| 31/03/08 | Interest on loans | XXX                | 120       | -          | 120         | XXX      |
|          |                   |                    |           |            |             |          |

Head of Account: Interest on loan & advances

| Date     | Particulars                       | Day Book Folio No. | Debit Rs. | Credit Rs. | Balance Rs. | Initials |
|----------|-----------------------------------|--------------------|-----------|------------|-------------|----------|
| 31/03/08 | Non-overdue interest due on loans | XXX                | -         | 120        | 120         | XXX      |
|          |                                   |                    |           |            |             |          |

**Step 9: Repayment of loan on 31/3/08.**

**Step 9A: Receipt voucher should be raised.**

| The ABC Co-operative Society Ltd. 123 Regd. No.                      |                                   |                                     |                |                 |
|--|-----------------------------------|-------------------------------------|----------------|-----------------|
| <b><u>RECEIPT VOUCHER</u></b>  |                                   |                                     |                |                 |
| No. 95   |                                   | Dated 31/03/08                      |                |                 |
| S. No.   | Head Of Account                   | Cash book/<br>Ledger Folio No.      | Debit<br>(Rs.) | Credit<br>(Rs.) |
| 1  | Cash                              |                                     | 1,120          |                 |
| 2  | MT Loan No. (name)                |                                     |                | 1,000           |
| 3  | Non-overdue interest due on loans |                                     |                | 120             |
| Being interest and principal repaid in above MT loan.                |                                   |                                     |                |                 |
| Received Rupees <u>One thousand one hundred and twenty-----</u> only |                                   |                                     |                |                 |
| Place: <u>XXX</u>  |                                   | <u>XXX</u><br>Signature of Receiver |                |                 |
| <u>XXX</u><br>Authorised Signatory                                   |                                   |                                     |                |                 |

**Step 9B: Ledger entry on repayment of principal and interest.**

| Date      | Particulars  | Debit | Credit | Balance | No. of days | Products | Interest |      | Initials |
|-----------|--------------|-------|--------|---------|-------------|----------|----------|------|----------|
|           |              |       |        |         |             |          | Due      | Recd |          |
| 1         | 2            | 3     | 4      | 5       | 6           | 7        | 8        | 9    | 10       |
| 1/4/2007  | Cash         | 1000  | -      | 1000    |             |          |          |      | XXX      |
| 31/3/2008 | Interest due |       |        |         |             |          | 120      |      | XXX      |
| 31/3/2008 | Cash         |       | 1000   | NIL     |             |          |          | 120  | XXX      |

**Step 10: General ledger posting.**

Head of Account: MT loans

| Date     | Particulars  | Day Book Folio No. | Debit Rs. | Credit Rs. | Balance Rs. | Initials |
|----------|--------------|--------------------|-----------|------------|-------------|----------|
| 01/04/07 | Cash payment | XXX                | 1000      | -          | 1000        | XXX      |
| 31/03/08 | Cash receipt | XXX                | -         | 1000       | NIL         | XXX      |

Head of Account: Non-overdue interest due on loan & advances

| Date     | Particulars       | Day Book Folio No. | Debit Rs. | Credit Rs. | Balance Rs. | Initials |
|----------|-------------------|--------------------|-----------|------------|-------------|----------|
| 31/03/08 | Interest on loans | XXX                | 120       | -          | 120         | XXX      |
| 31/03/08 | Cash              | XXX                | -         | 120        | NIL         | XXX      |

## ANNEXURE - I

### TRIAL BALANCE as on

(Last working day of the month)

Month: \_\_\_\_\_

Year: \_\_\_\_\_

#### LIABILITIES & INCOME

(Amount in Rs.)

| Head of account in GL<br>(As per the prescribed list) | Folio No. | Opening Balance at the beginning of the month | Total of Debit during the month | Total of Credit during the month | Closing Balance |
|---|-----------|---|---------------------------------|----------------------------------|-----------------|
| 1   | 2         | 3   | 4                               | 5                                | 6 (3+5-4)       |
|   |           |   |                                 |                                  |                 |
|   |           |   |                                 |                                  |                 |
|   |           |   |                                 |                                  |                 |

#### ASSETS & EXPENDITURE

(Amount in Rs.)

| Head of account in GL<br>(As per the prescribed list) | Folio No. | Opening Balance at the beginning of the Month | Total of Debit during the month | Total of Credit during the month | Closing Balance |
|---|-----------|---|---------------------------------|----------------------------------|-----------------|
| 1   | 2         | 3   | 4                               | 5                                | 6 (3+4-5)       |
|   |           |   |                                 |                                  |                 |
|   |           |   |                                 |                                  |                 |
|   |           |   |                                 |                                  |                 |

**Note:** No additional heads of accounts of GL to be added, other than prescribed in Annexure VII

## ANNEXURE - II

### TRADING ACCOUNT

For the month of \_\_\_\_\_

Year \_\_\_\_\_

| Particulars  | Amount (Rs.) |               | Particulars   | Amount (Rs.) |               |
|--|--------------|---------------|---|--------------|---------------|
|  | Current Year | Previous Year |   | Current Year | Previous Year |
| 1. Opening Stocks  |              |               | 1 Sales A/c. including Sales Tax  |              |               |
| (i) Fertilizers  |              |               | 1(a) Stock/Raw Material [(i) to (vii)]  |              |               |
| (ii) Seeds   |              |               | (i) Fertilizers   |              |               |
| (iii) Pesticides   |              |               | (ii) Seeds  |              |               |
| (iv) PDS Commodities   |              |               | (iii) Pesticides  |              |               |
| (v) Non-PDS consumer items   |              |               | (iv) PDS Commodities  |              |               |
| (vi) Foodgrains & other commodities under Govt. Procurement Scheme |              |               | (v) Non PDS consumer items  |              |               |
| (vii) Material under Mid-day Meal scheme                           |              |               | (vi) Foodgrains & other commodities under Govt. Procurement Scheme                        |              |               |
| (viii) Any other stocks of raw materials and work-in-process       |              |               | (vii) Food Products under Mid-day Meal scheme.  |              |               |
| 2. Purchases A/c   |              |               | 1(b) Less Sales Returns   |              |               |
| 2(a) Stock/Raw Material [(i) to (vii)]                             |              |               | 1(c) Net Sales [1(a)-1(b)]  |              |               |
| (i) Fertilizers  |              |               | 2. Commission   |              |               |
| (ii) Seeds   |              |               | 3. Compensation   |              |               |
| (iii) Pesticides   |              |               | 4. Gunny Bags Sales   |              |               |
| (iv) PDS Commodities   |              |               | 5. Other Trading Income   |              |               |
| (v) Non PDS consumer items   |              |               | 6. Closing Stock  |              |               |
| (vi) Foodgrains & other commodities under Govt. Procurement Scheme |              |               | 6.a. Gross Stock [(i) to (viii)]  |              |               |
| (vii) Mid-day Meal scheme  |              |               | (i) Fertilisers   |              |               |
| 2(b) Less Purchase Returns   |              |               | (ii) Seeds  |              |               |
| 2 (c) Net Purchases [2(a)-2(b)]                                    |              |               | (iii) Pesticides  |              |               |
| 3. Transport and other expenses on purchases.                      |              |               | (iv) PDS Commodities  |              |               |
| 4. Salary for Salesman/ Manufacturing wages                        |              |               | (v) Non-PDS consumer items  |              |               |
| 5. Factory expenses  |              |               | (vi) Foodgrains & other commodities under Govt. Procurement Scheme                        |              |               |
| 6. Insurance for Stocks, Godown                                    |              |               | (vii) Material under Mid-day Meal scheme  |              |               |
| 7. Godown rent   |              |               | (viii) Any other stocks of raw materials and work-in-process                              |              |               |
| 8. Electricity charges   |              |               | 6.b. Less: Value of stock in deficit and reduction in value of damaged / rejected stocks. |              |               |
| 9. Licence Fee   |              |               | 6.c. Net Closing Stock [6(a)-6(b)]  |              |               |
| 10. Interest on borrowings for the non-credit activities           |              |               |   |              |               |
| 11. Other expenses   |              |               |   |              |               |
| 12. Trading Gross Profit carried to main Profit & Loss Account     |              |               | 7. Trading Loss carried to the main Profit & Loss Account                                 |              |               |
| Total  |              |               | Total   |              |               |

\*This is a composite format of manufacturing and trading profit and loss account relating to all activities. Where appropriate, separate accounts may be drawn up for manufacturing and trading.

## ANNEXURE – III

### FORMAT OF PROFIT AND LOSS ACCOUNT OF PRIMARY AGRICULTURAL CREDIT SOCIETY (PACS) for the year ended 31 March 200\_\_

| Expenditure  | Amount (Rs.) |               | Income  | Amount (Rs.) |               |
|--|--------------|---------------|---|--------------|---------------|
|  | Current Year | Previous Year |   | Current Year | Previous Year |
| 1. Gross loss transferred from Trading a/c   |              |               | 1. Gross profit transferred from Trading a/c                |              |               |
| 2. Interest (paid and payable) on  |              |               | 2. Interest on Loans and Advances (Received and Receivable) |              |               |
| i. Deposits  |              |               |   |              |               |
| ii. Borrowings from DCCB / SCB*  |              |               |   |              |               |
| iii. Loans availed from State Government   |              |               |   |              |               |
| iv. Borrowings from others   |              |               |   |              |               |
| 3. Establishment and other Expenses  |              |               | 3. Income on Investments                                    |              |               |
| 3.i. Salary and Allowances including Contribution to PF, Bonus, Gratuity or Pension Fund |              |               | 3(i) Interest on Deposits with Banks / institutions         |              |               |
| 3.ii. Management expenses (expenditure relating to board meetings etc)                   |              |               | 3(ii) Dividend on other investments                         |              |               |
| 4. Rent, Taxes, Electricity and Repair Costs on Premises                                 |              |               | 4. Rental Income  |              |               |
| 5. Insurance   |              |               | 5. Admission Fees   |              |               |
| 6. Law charges   |              |               | 6. Miscellaneous Income (specify details in annexure)       |              |               |
| 7. Postage and telephone charges   |              |               |   |              |               |
| 8. Printing and Stationery   |              |               |   |              |               |
| 9. Audit Fees  |              |               |   |              |               |
| 10. Vehicle expenses   |              |               |   |              |               |
| 11. Traveling & Conveyance expenses  |              |               |   |              |               |
| 12. Donations and Subscriptions  |              |               |   |              |               |
| 13. Depreciation on properties   |              |               |   |              |               |
| 14. Other expenses   |              |               |   |              |               |
| 15. Provisions for   |              |               |   |              |               |
| i. Standard assets   |              |               |   |              |               |
| ii. NPA  |              |               |   |              |               |
| ii(a) Sub standard assets  |              |               |   |              |               |
| ii(b) Doubtful debts   |              |               |   |              |               |
| ii(c) Loss Asset   |              |               |   |              |               |
| iii. Bad and doubtful debts (credit sales)   |              |               |   |              |               |
| iv. Bad and doubtful debts (others)  |              |               |   |              |               |
| v. Depreciation in value of investments  |              |               |   |              |               |
| vi. Overdue Interest on loans  |              |               |   |              |               |
| vii. Overdue interest on investments   |              |               |   |              |               |
| viii. Others (to be specified)   |              |               |   |              |               |
| 16. Profit for the year  |              |               | 7. Loss for the Year  |              |               |
| Total  |              |               | Total   |              |               |

\* Applicable to PACS under two-tier system



### Appropriation of Profits

| Expenditure                                   | Amount (Rs.) |               | Income  | Amount (Rs.) |               |
|---|--------------|---------------|---|--------------|---------------|
|   | Current Year | Previous Year |   | Current Year | Previous Year |
| 1. Accumulated losses (previous year)         |              |               | 1. Balance of profit (previous year)          |              |               |
|   |              |               | 2. Profit for the current year                |              |               |
| 2. Profit appropriated to                     |              |               | 3. Unclaimed dividend appropriated **         |              |               |
| i. Agricultural Credit stabilization fund     |              |               |   |              |               |
| ii. Reserve fund                              |              |               |   |              |               |
| iii. Dividend equalization fund               |              |               |   |              |               |
| iv. Other reserves/ funds (to be specified)   |              |               |   |              |               |
| v. Dividend proposed on shares                |              |               |   |              |               |
| vi. Sub-Total                                 |              |               |   |              |               |
| 3. Balance of profit carried to Balance Sheet |              |               | 4. Balance of losses carried to Balance Sheet |              |               |
| <b>Total</b>                                  |              |               | <b>Total</b>                                  |              |               |

## ANNEXURE – IV

### FORMAT OF BALANCE SHEET OF PRIMARY AGRICULTURAL CREDIT SOCIETY (PACS) as on 31 March (year)

(Amount Rs.)

| S.<br>No. | Liabilities   | Breakup | 31 Mar 200'       | 31 Mar 200'        |
|-----------|---|---------|-------------------|--------------------|
|           |   |         | (Current<br>Year) | (Previous<br>Year) |
| <b>1</b>  | <b>Capital</b>  |         |                   |                    |
|           | i. Authorised   |         |                   |                    |
|           | ii. Subscribed  |         |                   |                    |
|           | iii. Paid-up  |         |                   |                    |
|           | a) Individuals  |         |                   |                    |
|           | b) Government   |         |                   |                    |
|           | c) Others   |         |                   |                    |
|           |   |         |                   |                    |
| <b>2</b>  | <b>Reserves and Funds (created out of surplus of PACS)</b>    |         |                   |                    |
|           | i. Reserve Fund   |         |                   |                    |
|           | ii. Capital Reserve   |         |                   |                    |
|           | iii. Agricultural Credit Stabilisation Fund                   |         |                   |                    |
|           | iv. Dividend Equalization Fund                                |         |                   |                    |
|           | v. Common Good Fund   |         |                   |                    |
|           | vi. Building Fund (created out of surplus by PACS)            |         |                   |                    |
|           | vii. Others (to be specified)                                 |         |                   |                    |
|           |   |         |                   |                    |
| <b>3</b>  | <b>Profit and Loss Account (if closing balance is profit)</b> |         |                   |                    |
| <b>4</b>  | <b>Grants and other Funds</b>                                 |         |                   |                    |
|           | i. Provident Fund   |         |                   |                    |
|           | ii. Building Fund (received from State Government)            |         |                   |                    |
|           | iii. Recapitalisation Assistance Fund                         |         |                   |                    |
|           | iv. Subsidies meant for Society                               |         |                   |                    |
|           | v. Subsidy meant for members                                  |         |                   |                    |
|           | vi. Others (to be specified)                                  |         |                   |                    |
|           |   |         |                   |                    |
| <b>5</b>  | <b>Deposits</b>   |         |                   |                    |
|           | i. Savings Deposits   |         |                   |                    |
|           | ii. Recurring Deposits  |         |                   |                    |
|           | iii. Fixed Deposits   |         |                   |                    |
|           | iv. Reinvestment Deposits                                     |         |                   |                    |
|           | v. Others (to be specified)                                   |         |                   |                    |
|           |   |         |                   |                    |

| S.<br>No.    | Liabilities  | Breakup | 31 Mar 200'    | 31 Mar 200'     |
|--------------|--|---------|----------------|-----------------|
|              |  |         | (Current Year) | (Previous Year) |
| <b>6</b>     | <b>Borrowings</b>  |         |                |                 |
|              | (a) Borrowings from DCCB / SCB*                                    |         |                |                 |
|              | i. ST (SAO) / KCC Credit Limit                                     |         |                |                 |
|              | ii. MT/LT Agri Loans   |         |                |                 |
|              | iii. MT Conversion   |         |                |                 |
|              | iv. MT/LT Reschedulement   |         |                |                 |
|              | v. SHG Loans   |         |                |                 |
|              | vi. Non farm sector Loans  |         |                |                 |
|              | vii. Cash Credit Limit for procurement of Agricultural Produce     |         |                |                 |
|              | viii. Cash Credit Limit for Gold Loans                             |         |                |                 |
|              | ix. Loans against deposits with DCCB / SCB                         |         |                |                 |
|              | x. Fertilizer Cash Credit Limit                                    |         |                |                 |
|              | xi. Seeds Cash Credit Limit  |         |                |                 |
|              | xii. Public Distribution Scheme CC Limit                           |         |                |                 |
|              | xiii. Consumer Commodities CC Limit                                |         |                |                 |
|              | xiv. Other non credit activities                                   |         |                |                 |
|              | xv. Other borrowings from DCCB / SCB (to be specified)             |         |                |                 |
|              |  |         |                |                 |
|              | (b) Borrowings from State Government                               |         |                |                 |
|              | (c) Borrowings from Other Institutions (details in annexure)       |         |                |                 |
|              |  |         |                |                 |
| <b>7</b>     | <b>Other Liabilities</b>   |         |                |                 |
|              | i. Interest Accrued on Deposits                                    |         |                |                 |
|              | ii. Interest Accrued on Borrowings                                 |         |                |                 |
|              | iii. Unclaimed Dividend  |         |                |                 |
|              | iv. Sundry Creditors (details in Annexure)                         |         |                |                 |
|              | v. Others (to be specified)  |         |                |                 |
| <b>8</b>     | <b>Bills for Collection (being Bills Receivable as per Contra)</b> |         |                |                 |
| <b>9</b>     | <b>Branch Adjustment Account</b>                                   |         |                |                 |
| <b>10</b>    | <b>Provisions</b>  |         |                |                 |
|              | i. Provision for PF / Gratuity / Bonus / Pension                   |         |                |                 |
|              | ii. Provision for Standard Assets                                  |         |                |                 |
|              | iii. Provision for Expenses  |         |                |                 |
|              | iv. Others (to be specified)                                       |         |                |                 |
|              |  |         |                |                 |
| <b>Total</b> |  |         |                |                 |

\* Applicable to PACS under two-tier system

| Sr. No | Assets   | Breakup | 31 Mar 200x<br>(Current Year) | 31 Mar 200x<br>(Previous Year) |
|--------|--|---------|-------------------------------|--------------------------------|
| 1      | Cash on Hand   |         |                               |                                |
| 2      | Balances with DCC Bank / SCB *   |         |                               |                                |
|        | i. Current Account   |         |                               |                                |
|        | ii. Savings Account  |         |                               |                                |
| 3      | Balances with Other Banks / Institutions                                     |         |                               |                                |
|        | i. Current Account   |         |                               |                                |
|        | ii. Savings Account  |         |                               |                                |
| 4      | Investments  |         |                               |                                |
|        | i. Government and Trustee Securities   |         |                               |                                |
|        | ii. Shares in Other Cooperative Institutions (specify details in annexure )  |         |                               |                                |
|        | iii. Term Deposits with DCCB/ SCB * representing Reserve Funds (Annexure)    |         |                               |                                |
|        | iv. Term Deposits with DCCB / SCB* (other than Reserve Funds)                |         |                               |                                |
|        | v. Term Deposits with other banks  |         |                               |                                |
|        | vi. NSC / KVP  |         |                               |                                |
|        | vii. Staff PF balance with PF Trust / as deposit with Banks                  |         |                               |                                |
|        | viii. Others (Details in Annexure)   |         |                               |                                |
|        | (a) Gross Investments  |         |                               |                                |
|        | (b) Less: Provision for depreciation in the value of investment              |         |                               |                                |
|        | (c) Investment net of provisions (a – b)                                     |         |                               |                                |
| 5      | Loans and Advances   |         |                               |                                |
|        | i. ST (SAO) Loans / KCC Loans  |         |                               |                                |
|        | ii. Medium Term / Long Term Agricultural Loans                               |         |                               |                                |
|        | iii. MT Conversion Loans   |         |                               |                                |
|        | iv. MT /LT Reschedulement  |         |                               |                                |
|        | v. Loans against pledge of agricultural produce                              |         |                               |                                |
|        | vi. SHG Loans  |         |                               |                                |
|        | vii. Non-Farm Sector Loans   |         |                               |                                |
|        | viii. Loans against Deposit  |         |                               |                                |
|        | ix. Loans for Consumer Durables  |         |                               |                                |
|        | x. Gold Loans  |         |                               |                                |
|        | xi. Loans to Staff Members   |         |                               |                                |
|        | xii. Other Loans (to be specified)   |         |                               |                                |
|        | (a) Total  |         |                               |                                |
|        | (b) Less: Provision for NPA  |         |                               |                                |
|        | (c) Loans and Advances net of provisions (a – b)                             |         |                               |                                |
| 6      | Closing Stocks   |         |                               |                                |
|        | i. Agricultural Inputs (fertilisers, seeds and pesticides)                   |         |                               |                                |
|        | ii. Public Distribution System Commodities                                   |         |                               |                                |
|        | iii. Non-PDS Consumer Items  |         |                               |                                |
|        | iv. Food grains and other Commodities under Procurement Scheme               |         |                               |                                |
|        | v. Materials under Mid-day Meals Scheme                                      |         |                               |                                |
|        | vi. Any other stocks/ work-in-progress/goods (item-wise details in annexure) |         |                               |                                |
|        | (a) Total ( i to vi)   |         |                               |                                |
|        | (b) Less: Reduction for value of shortage / damaged/degraded stock           |         |                               |                                |
|        | (c) Net closing stock (a) – (b)  |         |                               |                                |

\* Applicable to PACS under two-tier system

| Sr. No         | Assets   | Breakup | 31 Mar 200x<br>(Current Year) | 31 Mar 200x<br>(Previous Year) |
|----------------|--|---------|-------------------------------|--------------------------------|
| 7              | <b>Fixed Assets</b> (net of depreciation as per Depreciation Chart)                |         |                               |                                |
|                | i. Land and Buildings / Godowns  |         |                               |                                |
|                | ii. Furniture and Fixtures   |         |                               |                                |
|                | iii. Computers and Electrical Installations  |         |                               |                                |
|                | iv. Vehicles   |         |                               |                                |
|                | v. Others (to be specified)  |         |                               |                                |
| 8              | <b>Other Assets</b>  |         |                               |                                |
|                | <b>1(a)</b> Interest Accrued and Receivable (i to iii)                             |         |                               |                                |
|                | i. Interest Accrued but not due on Standard Loans                                  |         |                               |                                |
|                | ii. Interest accrued but not due on NPA Loans                                      |         |                               |                                |
|                | iii. Overdue interest receivable   |         |                               |                                |
|                | <b>1(b)</b> Less: Provision for overdue interest                                   |         |                               |                                |
|                | <b>1(c)</b> Net interest Accrued and Receivable (a) – (b)                          |         |                               |                                |
|                | <b>2(a)</b> Interest receivable on Investments                                     |         |                               |                                |
|                | <b>2(b)</b> Less : Provision for overdue interest on investments.                  |         |                               |                                |
|                | <b>2(c)</b> Net Interest receivable on investments (a) – (b)                       |         |                               |                                |
|                | <b>3</b> Miscellaneous Income Receivable   |         |                               |                                |
|                | <b>4(a)</b> Sundry debtors (for credit sales)                                      |         |                               |                                |
|                | <b>4(b)</b> Less: Provision for bad and doubtful Sundry Debtors (for credit sales) |         |                               |                                |
|                | <b>4(c)</b> Net Sundry debtors for credit sales {net of provision i.e. (a)-(b)}    |         |                               |                                |
|                | <b>5(a)</b> Sundry debtors (others) - details in annexure                          |         |                               |                                |
|                | <b>5(b)</b> Less : Provision for bad and doubtful sundry debtors (others)          |         |                               |                                |
|                | <b>5(c)</b> Net Sundry Debtors (others) (a – b)                                    |         |                               |                                |
|                | <b>6</b> Prepaid expenses  |         |                               |                                |
|                | <b>7</b> Tax Deducted at source  |         |                               |                                |
|                | <b>8</b> Others  |         |                               |                                |
| 9              | <b>Bills Receivable (as per contra)</b>  |         |                               |                                |
| 10.            | <b>Branch Adjustments accounts</b>   |         |                               |                                |
| 11             | <b>Profit and Loss Account</b> (if balance is loss)                                |         |                               |                                |
| <b>Total :</b> |  |         |                               |                                |

**Note:**

- i) Under 'Others', against various items of liabilities and assets only one amount will have to be shown. If there are more than one items under 'Others', the same may be shown in the Annexure.
- ii) Details of Sundry Creditors, Sundry Debtors etc., as specified in Balance Sheet may be given in the Annexure.

### List of Abbreviations

|          |  |
|----------|--|
| A/c      | Account  |
| Agri     | Agricultural   |
| ALM      | Asset Liability Management                                       |
| AM       | Accounting manual  |
| Amt.     | Amount   |
| ARC      | Arbitration  |
| BC       | Backward Communities   |
| BDR      | Bad Debts Reserve  |
| BS       | Balance Sheet  |
| CAR      | Capital Adequacy Ratio   |
| CAS      | Common Accounting System   |
| CCS      | Co-operative Credit Structure                                    |
| CN       | Credit Note  |
| Col.     | Column   |
| Cr       | Credit   |
| CRAR     | Capital Risk Adequacy Ratio                                      |
| CRR      | Cash Reserve Ratio   |
| CV       | Contra Voucher   |
| CWF      | Cash Withdrawal Form   |
| DCB      | Demand Collection Balance  |
| DCCB/CCB | District Central Co-operative Bank                               |
| DN       | Debit Note   |
| Dr       | Debit  |
| Dt.      | Date   |
| E or S   | Either or Survivor   |
| e.g.     | for example - <i>abbreviation of Latin 'exempli gratia'</i>      |
| EL       | Earned Leave   |
| EP       | Execution Petition   |
| EPF      | Employees' Provident Fund  |
| Etc.     | Et cetera – and so forth   |
| EWS      | Early Warning System   |
| EX       | Example  |
| Exp.     | Expenses   |
| FD       | Fixed Deposit  |
| FDR      | Fixed Deposit Receipt  |
| GL       | General Ledger   |
| GLF      | General Ledger Folio   |
| GoI      | Government of India  |
| Govt.    | Government   |
| HR       | Human Resources  |
| i.e.     | that is - <i>the abbreviation i.e. comes from Latin 'id est'</i> |
| ICS      | Internal Control System  |
| JV       | Journal Voucher  |
| KCC      | Kisan Credit Card  |
| KVP      | Kisan Vikas Patra  |
| KYC      | „Know Your Customer“   |
| LA       | Liquid Assets  |
| LT       | Long Term  |

|         |   |
|---------|---|
| M. No.  | Member Number                                       |
| MBC     | Most Backward Communities                           |
| MC      | Management Committee                                |
| MD      | Matured Deposits                                    |
| MF      | Marginal Farmers                                    |
| MIS     | Management Information System                       |
| Misc.   | Miscellaneous                                       |
| MT      | Medium Term   |
| MTC     | Medium Term Conversion                              |
| MTC (R) | Medium Term Conversion Rephasement                  |
| NABARD  | National Bank for Agriculture and Rural Development |
| NAFSCOB | National Federation of State Co-operative Banks     |
| No.     | Number  |
| NPA     | Non-Performing Assets                               |
| OBC     | Other Backward Communities                          |
| OD      | Overdraft   |
| P & L   | Profit and Loss Account                             |
| PACS    | Primary Agricultural Co-operative Credit Society    |
| PAN     | Permanent Account Number                            |
| PDS     | Public Distribution System                          |
| PF      | Provident Fund                                      |
| PI      | Performance Indicators                              |
| PIS     | Pay-In-Slip   |
| PUV     | Purchases Voucher                                   |
| PV      | Payment Voucher                                     |
| QVR     | Quarterly Verification Report                       |
| RBI     | Reserve Bank of India                               |
| RCS     | Registrar of Co-operative Societies                 |
| RD      | Recurring Deposit                                   |
| Regn.   | Registration  |
| RID     | Re-investment deposit                               |
| RM      | Risk Management                                     |
| RMF     | Risk Management Framework                           |
| Rs.     | Rupees  |
| RV      | Receipt Voucher                                     |
| SAO     | Seasonal Agricultural Operations                    |
| SB      | Savings Bank  |
| SBI     | State Bank of India                                 |
| SC      | Schedule Caste                                      |
| SCB     | State Co-operative Bank                             |
| SDS     | State Department Scheme                             |
| Secy.   | Secretary   |
| SF      | Small Farmers                                       |
| SHG     | Self Help Group                                     |
| SLR     | Statutory Liquidity Ratio                           |
| Sr. No. | Serial Number                                       |
| SRO     | Sub Registrar's Office                              |
| ST      | Short Term  |
| ST      | Schedule Tribe                                      |

|      |                        |
|------|------------------------|
| SV   | Sales Voucher          |
| TDS  | Tax Deducted at Source |
| Tel. | Telephone              |
| TOR  | Terms of Reference     |
| VAT  | Value-Added Tax        |
| WDV  | Written down value     |