

**MAHARASHTRA STATE AGRICULTURAL  
MARKETING BOARD, PUNE**



**COMMAN ACCOUNTING SYSTEM  
FOR  
APMC's IN MAHARASHTRA STATE**

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## **COMMON ACCOUNTING SYSTEM for Agricultural Produce Market Committee (APMC)**

### **CHAPATER 1 INTRODUCTION**

1. In Maharashtra Agricultural Produce Market Committee (APMC) have provisions regarding preparation and submission of financial statements such as Balance Sheet, Profit and Loss Account and Trading Account of APMCs. However, the formats for financial statements of APMCs have not been prescribed in one format. There is no uniformity and transparency in the formats adopted by APMCs within the States.

2. APMCs in States has adopt double entry system of book-keeping.

3. The introduction of a Uniform Accounting System for the APMCs would depend upon a number of factors like adoption of Common Financial Statements by APMCs, exhaustive list of General Ledger Heads of Accounts, applicability of various accounting principles like following double entry, Income Recognition, Asset Classification and Marketing fund Norms as per rule.

4. A Simplified, Standard and Common Accounting System for APMCs. While designing the Common Accounting System for APMC, the existing systems and practices of accounting of the APMC in state have been studied both under manual and computerised systems having regard to the nature and scale of work, best practices in accounting and their relevance to computerization.

(i) Applicability of universally accepted basic concepts and principles in the maintenance of accounts by the APMCs.

(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.

5. Uniformity in financial statements, viz., Balance Sheet, Profit and Loss Account, Trading Account (if any trading activity) with adoption of certain basic accounting principles are regarded as an essential part.

### **6. Computerisation**

As discussed with the APMCs, the financial statements comprising the output of the APMC and a separate MIS will constitute the focus of computerisation at the APMC level. As computerisation in APMC in different parts of the state may be time taking, so Marketing Board likely to introduced a computerized accounting system with the help of **TALLY ACCOUNTING SOFTWARE**.

### **7. Training and Hand-holding Support**

However, the implementation of Common Accounting System to APMC with the help of Tally software marketing board will Arrange 2 Day Training Programme depending upon the level of accounts keeping in the APMCs.

## **CHAPATER - 2**

### **ACCOUNTING PRINCIPLES AND POLICIES**

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 APMCs.

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:

- a) **Going Concern** - The APMC is viewed as a Local Authority and exempt income tax under section 10 that will continue its operations as going by the law.
- b) **Consistency** - It is assumed that the accounting policies adopted are consistent from one period to another.
- c) **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.

3. **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:

Rules of entry	Type of Account	
	Debit	Credit
Personal	Receiver	Giver
Real	What comes in	What goes out
Nominal	Expenses and losses	Incomes and gains

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

#### **4. Accounting Principles**

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

- a) Double-entry book-keeping system. All transactions to have debit and credit vouchers of equal amount.
- b) Distinctions to be drawn between capital expenditure and revenue expenditure and capital receipts and revenue receipts.
- c) Financial statements must be prepared on historical cost basis and should conform to statutory provisions and practices.
- d) Investments must be valued at the lower of cost or market value.
- e) Book debts must be valued only at the realizable amounts and in accordance with regulatory norms/ guidelines.
- f) Expenditure and income to be treated on accrual basis.
- g) Provisions for doubtful advances must be made to the satisfaction of the auditors and in accordance with guidelines issued by the regulatory authority.
- h) 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.
- i) Premises and other fixed assets must be accounted for at historical cost.
- j) Depreciation should be provided for on depreciable assets on straight line or diminishing balance method, on a consistent basis.
- k) 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.
- l) A clear demarcation to 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.
- m) The net profit disclosed in the Profit and Loss account must be computed after provision for standard loans, bad and doubtful debts, provision for overdue interest, depreciation/ erosion in the value of securities and other assets, transfers to contingency funds and other usual or necessary provisions.

5. 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 APMC needs to follow these principles and policies in the treatment and recording of all financial transactions. But if there is an accounting on computers on reputed software then no need to worry to keep in mind of accounting concepts & Principles.

## **CHAPTER 3**

### **ABOUT ACCOUNTING ON COMPUTERS**

#### **Accounting System –**

Information technology has changed the way business is conducted. An effective accounting system must support the management in making strategic business decision quickly. Thus as the process of decision – making changes, the accounting system must also change and evolve to meet both internal and external needs.

#### **Benefits of Accounting on Computers –**

As an institution/ organization grows, maintaining accounts becomes a time-consuming and costly process. Several people must be employed to maintain accounts, possibly at different locations.

There may not be consistency in the quality of accounting. The generation of consolidated reports is long drawn out and expensive. Thus information that is vital for quick strategic decisions is usually delayed or not available.

Accounting on computers resolves this Issue

- Results in a generation of timely reports in desired formats and resolves real time enquiry needs quickly and accurately, to enable faster decision -making.
- Facilitates knowledge sharing between accountants across different locations of an organization.
- Supports financial planning tools such as budget and performance reports which, in turn, facilitate control and evaluation of business processes.

#### **Introduction of Tally Accounting software-**

- **A leading accounting Package** – The first version of tally was released in 1988 and through continuous development, is now recognized as one of the leading accounting packages across the world, with over a quarter million customers. Tally's Market share is more than 95%.
- **No Accounting Codes** – Unlike other computerized accounting packages which require numeric codes, Tally pioneered the No Accounting Codes concept. Tally users have the freedom to allocate meaningful names in plain English to their data items in the system.
- **Complete business solution** – Tally provides a comprehensive solution to the Accounting and inventory needs of a business. The Package comprises financial accounting, book keeping & inventory Accounting. It also has various tools to extract, interpret and present data.
- **Flexible and easy to use** – Tally is very flexible. It mimics the human thought process, which means that Tally, can adapt to any business need. Tally users need not change the way their business is run adapt to the package.
- **Multi Platform availability** – Tally is available on windows 95, 98, ME, 2000 and NT. It runs on a single PC or on a network. On a network, it supports access via any combination of platforms.

## CHAPATER 4 HEADS OF ACCOUNTS IN GENERAL LEDGER

The account heads in the General Ledger are drawn up in line with the items appearing in the Balance Sheet, Income and Expenditure Account and Trading Account suggested for APMC

The account heads fall under five main groups, liabilities, assets, expenses, income and trading. All ledger accounts should have the name of the account and the page or folio number for identification and reference. In respect of each transaction the following information must be given: date, particulars, folio of the book of prime entry in which the original entry exists, amount, whether debit or credit and the resultant balance. Links and cross references for 'backward' and 'forward' tracking of the transactions in the ledger should be given for easy reference and for purposes of internal control. APMCs should have detailed instructions regarding permitted debits and credits in each head of account. Besides, there need to be instructions for the accounting entries to be passed in doubtful cases that do not fall clearly under one head of account or the other.

The chart of accounts suggested for APMCs is designed to :

- 1) ensure uniformity and common understanding of accounts;
- 2) guide in the installation of accounting and internal control systems;
- 3) enhance transparency; and
- 4) facilitate the analysis and evaluation of financial and management performance, monitoring, supervision and business linkages.

The list of heads of accounts in the General Ledger is given in **Annexure**

- **Account Heads as per budgeted heads following**

उत्पन्न खर्च पत्रक दि. / / ते / /

उत्पन्न बाजू	खर्च बाजू
बाजार फी	सभासद खर्च
गूळ, धान्य कांदा	सभापती/उपसभापती मानधन
भाजीपाला	सभापती/उपसभापती/ सदस्य प्रवास
जनावरे	सभा भत्ता
स्वस्त धान्य	सभा खर्च
अनुज्ञप्ती फी	आस्थापना खर्च
आडते	अधिकारी व कर्मचारी वेतन
अ वर्ग व्यापारी	अधिकारी व कर्मचारी घरभाडे भत्ता
ब वर्ग व्यापारी	अधिकारी व कर्मचारी प्रवास भत्ते
क वर्ग व्यापारी	कर्मचारी टंकलेखन भत्ता
मापारी	अधिकारी व कर्मचारी रोख भत्ता
हमाल	अधिकारी व कर्मचारी भ.नि.नि.
मदतनीस	कर्मचारी सानुग्रह अनुदान
गुदामधारक	
गुदामनोंदणी	प्रशासकीय खर्च
गाडीभाडे वटवणी अधिकर्ता	भेटी व समारंभ
जनावरे अनुज्ञप्ती	जाहिरात व प्रसिध्दी

उत्पन्न बाजू	खर्च बाजू
अ वर्ग व्यापारी	किरकोळ दुरुस्ती
ब वर्ग व्यापारी	पाणी पुरवठा
क वर्ग व्यापारी	वीज
मदतनीस	दूरध्वनी
	हॉल/जागा/प्लॉट भाडे
<b>जनावरे बाजार वसुली</b>	डाक व तार
प्रवेश फी	वृत्तपत्रे
साक्षांकन फी	लेखन सामुग्री
	मार्केट यार्ड देखभाल
<b>स्थावर उत्पन्न</b>	वृक्षारोपन
कार्यालय भाडे	मार्केट यार्ड साफसफाई
कॅन्टीन भाडे	किरकोळ खर्च
गाळाभाडे	वाहन इंधन
प्लॉट/शेड/जागा भाडे	वाहन दुरुस्ती
	भुकंपग्रस्त निधी
<b>इतर उत्पन्न</b>	अविक्रेयमाल दुरुस्ती
गाळा ट्रान्सफर फी	विधी विषयक
भुईकाटा भाडे	लिगल फी व टॅक्सेस
शेणखत कचरा विक्री	अंशदान वर्गणी
नक्कल फी	नकाशे व आराखडे
विलंब आकार	आर्किटेक्ट सुपरव्हीजन फी
व्याज	वाहन विमा/मालमत्ता
किरकोळ उत्पन्न	मुद्रांक व एन.ए.
गाळा देखरेख	छपाई खर्च
दंड	देणगी
शौचालय लिलाव	व्याज
डिक्लीडंट जमा	कर्म.समूह विमा हप्ता खर्च
अनुदान	कर्मचारी अर्जित रजा पगार
	कर्मचारी ग्रुप ग्रॅच्युईटी (उपदान)
	कर्मचारी पोषाख
	कर्मचारी प्रशिक्षण
	बँक कमिशन
	अकृषक सारा
	म.रा.बा.संघ वर्गणी
	झीज
	लेखापरिक्षण फी
	पडताळणी फी (भुईकाटा)
	ग्रामपंचायत कर आकारणी
	ट्रॅक्टर इंधन
	ट्रॅक्टर दुरुस्ती
	अभ्यास दौरा खर्च
	दंड खर्च
	निवडणूक खर्च
	व्यवसाय कर खर्च

देयता	संपत्ती
<b>निधी</b>	<b>हातातील शिल्लक</b>
बाजार निधी	मुख्य बाजार
कर्मचारी भ.नि.नि.	दुय्यम बाजार
विकास निधी	पेटिकॅश
	डाक व तार
<b>कर्ज</b>	<b>बँकेतील शिल्लक</b>
जि.म.स. बँक	मुख्य बाजार खातेनिहाय
म.रा. कृषी पणन मंडळ कर्ज	उपबाजार खातेनिहाय
	भुविकास बँक/मा.क.संयुक्त
<b>अनामत</b>	
अनुज्ञप्ती फी	<b>गुंतवणूक</b>
बाजार फी	इंदिरा विकास पत्र
निवडणूक डिपॉझीट	बा.स.सह.संघ शेअर्स
गाळा लिलाव	जि.म.स.बँक खातेनिहाय
अनामत लिलाव रक्कम	भुविकास बँक शेअर्स
अनामत कॅन्टीन लिलाव	
अनामत पानपट्टी	<b>येणे डिपॉझीट</b>
	इतर डिपॉझीट
<b>डिपॉझीट (देणी)</b>	लँड अक्विझीशन डिपॉझीट
गाळा बांधकाम व इतर	<b>अॅडव्हान्स</b>
<b>इतर देणी</b>	कर्मचारी भ.नि.नि.
देखभाल फी	अधि.व कर्म.घरबांधणी
तोलाई लेव्ही	इतर अॅडव्हान्स
हमाली लेव्ही	<b>शिल्लक माल</b>
अॅडिसिव्ह स्टॅम्प फी	शिल्लक माल
देणी खातेनिहाय	प्रिंटींग स्टॉक
व्यवसाय कर	इतर
आयकर	<b>इतर येणी</b>
	गाळाभाडे
<b>तरतुदी</b>	देखरेख फी
निवडणूक तरतुद	अनामत कांदा बियाणे
देणे अंशदान वर्गणी	कांदा बियाणे
देणे लेखापरिक्षण फी	गाळा देखभाल
देणे बाजार समिती संघ वर्गणी	बाजार फी (फेडरेशन)
देणे निफाड सेलहॉल जोडणी	टाटा इस्टेट कार लिलाव
देणे शॉपींग सेंटर विस्तारीकरण	कॅन्टीन लिलाव रक्कम
देणे मुतारी बांधकाम	येणे सदस्य प्रवास
देणे नविन यार्ड शेड	येणे अभ्यास दौरा
देणे सेलहॉल जोडणी	

देयता	संपत्ती
देणे शेतकरी बाजार गाळे	स्थावर मालमत्ता
देणे छपाई	जमिन
एकूण एकंदर	बांधकामे
	जंगम मालमत्ता
	अविक्रेय माल
	ग्रंथालय
	संगणक खरेदी
	टाटा सफारी कार
	ट्रॅक्टर खरेदी
	एकूण एकंदर

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## **CHAPTER 5**

### **FINANCIAL STATEMENTS**

1. Financial Statements of APMC would include the following statements :

- (i) Trial Balance
- (ii) Trading Account (if Any Trading Activity of APMC)
- (iii) Income & Expenditure Account
- (iv) Balance Sheet

2. Financial statements form part of the process of financial reporting and are drawn up with the objective of exhibiting truly and fairly the profitability and the financial position of the entity. Activity-wise trading accounts for each of the non credit activities will have to be prepared in a register form before preparing the summary trading account which is given in

3. The trial balance which is an extract of balances in all the heads of account in the General Ledger, and cash and bank balances is to be drawn up on a monthly basis. The format of the trial balance given hereafter incorporates opening balances, debits and credits during the month and closing balances. The debits and credits show the movement of the account during the month and the closing balances are the trial balance figures.

4. The Income & Expenditure Account prepared at the close of the financial year discloses the manner in which the amount of income & expenses has been arrived at for the year. The items of income and expenditure which arose in the accounting year are detailed and grouped under relevant heads. The profit or loss under the Trading Account is incorporated into the overall surplus and deficit of income & expenditure account. After the amount of surplus or deficit has been ascertained, it is appropriated or distributed for various purposes. The Trading Account and Profit & Loss A/c may be used for arriving at the Income & Expenditure of the entity on monthly basis.

5. The Profit and Loss Account is accompanied by a Balance Sheet that shows the financial position of an entity as on the date of the Balance Sheet. The Balance Sheet is a classified summary of the balances of assets and liabilities remaining open in the General Ledger after all the income and expenditure accounts have been closed by transfer to the Profit and Loss Account. It shows the financial position of the business at a given date by disclosing the amount of capital contributed, how the same has been invested and the values of assets and liabilities of the business as at the close of the period. Understandability, relevance, reliability and comparability are the four principal qualitative attributes that make the statements useful to stakeholders. Application of these qualities results in financial statements that present a true and fair view of the financial position and performance.

#### **6. Annual Closing of Accounts**

Ledger accounts of Real and Personal accounts are to be closed at the end of the year and the closing balances carried forward to the next year as opening balances. Balances in Nominal accounts are to be closed by transfer to the

profit and loss account. The steps for closing the books of account and preparation of financial statements of APMCs are given in **below**.

### **7. Periodicity for Financial Statements**

The Trial balance, Trading account and Income and Expenditure account may be prepared on a monthly basis while the balance sheet may be prepared on a half yearly or yearly basis.

## **CHAPTER – 6**

### **BOOKS OF ACCOUNT – for APMC**

1. The books of account maintained by APMCs are a means to facilitate proper recording of all transactions in conformity with the accounting principles and policies followed by APMCs as per Maharashtra Agricultural Produce Marketing (Development & Regulation) Act, 1963 act Rule no. 107.

It is possible that transactions undergoing the same accounting treatment in adherence to recommended policies are recorded in books that differ in design and form from APMC to APMC. However, it is desirable that the important primary books are standardized in design and form so that there is uniformity in the procedures followed in the various steps of the accounting system. Besides, uniform maintenance of books facilitates auditing and supervision.

2. The books suggested for APMC have been organized and designed for recording accounting data pertaining to financial and non-financial activities of the APMC, mainly share capital, deposit, investment, credit and non-credit activities. Specimen of some important books of accounts are indicated below:

- a) Cash Book.
- b) General Ledger
- c) Individual Ledger
- d) Dead Stock Register
- e) Salary Register
- f) Govt. Loan & Other Loan Register
- g) Fixed Asset Register

In Computers Accounting System no need to maintain Cash Book, General Ledger, Individual Ledger. But other Specimen mentioned above d, e, f & g has to be maintained as per mentioned in the MAPM rules 1967 Rule no. 116 (1).

कृषि उत्पन्न बाजार समित्यांनी प्रकरण ७ मध्ये नमूद केल्याप्रमाणे खालील विहित नमुन्यात लेखा पुस्तके ठेवणे अपेक्षित आहे.

**नमुना १६ (नियम ११६ (१) पहा)**

**कॅशबुक (कीर्द)**

वर्ष ..... बाजार समितीचे नाव.....

जमा						खर्च							
तारीख	जमा व्हाऊचर नंबर व पान नं.	व्यक्तिगत खाते (खतावणी) व पान नं.	जनरल लेजर नं.(सर्वसाधारण खाते )	तपशील	रक्कम		तारीख	जमा व्हाऊचर नंबर व पान नं.	व्यक्तिगत खाते (खतावणी) व पान नं.	जनरल लेजर नं.(सर्वसाधारण खाते	तपशील	रक्कम	
					रु.	पै.						रु.	पै.

नमुना १७ (नियम ११६(१) पहा)

जनरल लेजर सर्वसाधारण खतावणी-खातेवही )

बाजार समितीचे नाव .....

वर्ष..... अंदाजपत्रकात मंजूर केलेली रक्कम.....

खाते.....मूळ/पूरक/पुनर्विनियोजनाद्वारे (फक्त खर्चाच्या बाबी).....

तारीख	कॅशबुक मधील पान नं.	तपशील	जमा	शिल्लक खर्च (नावे)		जमा		नावे (खर्च)		शेरा
१	२	३	४	५		६		७		८
				रु.	पै.	रु.	पै.	रु.	पै.	

नमुना १८ (नियम ११६(१) पहा)

इंडिव्हिड्युअल लेजर (वैयक्तिक खातावणी - व्यक्तिगत खातेवही)

रक्कम.....बाजार समितीचे नाव.....वर्ष.....

तारीख	कॅशबुकमधील पान नं.	तपशील	जमा		भरणा		जमा शिल्लक		खर्च नावे शिल्लक	शेरा
१	२	३	४		५		६		७	८
			रु.	पै.	रु.	पै.	रु.	पै.		

नमुना २४ (नियम ११६ (१) पहा)

निरुपयोगी वस्तु (डेड स्टॉक किंवा जंगम मालमत्तेचे नोंदणी पुस्तक

वर्ष.....बाजार समितीचे नाव.....

वस्तुचे नाव आणि त्यांची संख्या	कोणत्या ठरावाने खरेदी केली तो ठराव	खरेदीची तारीख	किंमत	घसारा वर्ष	काढला रक्कम	विल्हेवाट लावल्याची तारीख	त्यासंबंधी कोणत्या तारखेस ठराव केला	किती रक्कम मिळाली	शेरा
१	२	३	४	५ (अ)	५ (ब)	६	७	८	९
	रु.								
	१)								
	२)								
	३)								

नमुना २५ (नियम ११६ (१) पहा)

पगाराचे नोंदणी पुस्तक

महिना .....वर्ष.....

बाजार समितीचे नाव.....

अ.क्र.	सेवकाचे नाव	हुद्दा	पगारश्रेणी (पे-स्केल)	सध्याचा पगार आणि दिला जाणारा भत्याचा दर	किती मुदतीकरिता पगार दिला	पगार	महागाई भत्ता	इतर भत्ते	७-९ च्या स्तंभाची बेरीज
१	२	३	४	५	६	७	८	९	१०

(-) वजा

भविष्य निधीकरिता दिलेली रक्कम	उचल घेतली असल्यास	विम्याचा हप्ता	इन्कम टॅक्स	एकूण वजावाट	नक्त रक्कम दिली ती	सेवकाची सही
११	१२	१३	१४	१५	१६	१७

**नमुना २६ (नियम ११६ (१) पहा)****शासनाच्या कर्जाचे नोंदणी पुस्तक**

वर्ष ..... पान नं.....

बाजार समितीचे नाव .....

अक्र	अर्जाची तारीख व ठराव क्र.	मंजूर केलेले कर्ज	ज्या कारणाकरिता मंजूर केले आहे ते कारण	ज्या शाकीय ठरावाने कर्ज मंजुरी दिली तो ठराव क्र. तारीख	व्याजाचा दर व दंड म्हणून घ्यावयाचा व्याजा अधिक दर	परतफेडीची तारीख	वार्षिक हप्ता				फेड केलेली रक्कम				चलन नं. आणि तारीख ज्यानुसार व्याज व मुद्दल	बाकी	शेरा
							कर्ज	व्याज	दंड व्याज	एकूण	मुद्दल	व्याज	दंडव्याज असल्यास	एकूण			
१	२	३	४	५	६	७	७-अ	७-ब	७-क	७-ड	८-अ	८-ब	८-क	८-ड	९	१०	११

**नमुना २७ (नियम ११६ (१) पहा)****स्थावर मालमत्तेचे नोंदणी पुस्तक**

बाजार समितीचे नाव .....

अ.क्र.	मालमत्तेचे स्वरुप (जमीन, इमारती इ.)	मालाचे वर्णन (अनुक्रम नं., घर नं., क्षेत्रफळ इ.)	मालमत्तेचे मूल्य	कोणाकडून खरेदी केली	बांधली असल्यास बांधकामाचा मूळ खर्च	खरेदीची तारीख किंवा बांधकाम पूर्ण झाल्याची तारीख	घसारा काढल्यावर मूल्य		
							वर्ष	किंमत	शेरा
१	२	३	४	५	६	७	८	९	१०

\* ALL OTHER MIS REPORTS MAINTAINED IN TALLY SOFTWARE SUCH AS BANK BOOK (ACCOUNTS MAINTAINED WITH DCCB/ OTHER BANKS), GENERAL LEDGER, DAY BOOK, VOUCHERS.

## CHAPTER – 7

### STEPS FOR PREPARATION OF FINANCIAL STATEMENTS

#### Part 1

#### Steps for preparation of Financial Statements of APMC

Financial statements of APMC would include the following statements:-

- (i) Trial balance.
- (ii) Trading Account.
- (iii) Income and Expenditure Account.
- (iv) Balance sheet.
- (v) Sub – reports – as Schedules – Which relates to Income tax return purpose which is not compulsory to APMC's to made the above statements manually.
  - 1) Board Meeting Expenses
  - 2) Administration Expenses
  - 3) Market Yard Expenses
  - 4) Income from Investment
  - 5) income from Property
  - 6) Other Income
  - 7) Fund – Market Fund, Election Fund, Employee Welfare Fund.
  - 8) Deposits & Advances Payable
  - 9) Receivables & Payables Amounts
  - 10) Employees Receipts & Payable
  - 11) Provisions & Current Liability
  - 12) Cash & Bank Balance
  - 13) Investments
  - 14) Land Acquisition & Projects
  - 15) Fixed & Movable Assets
  - 16) Deposits & Advances
  - 17) Employee Receivables
  - 18) Market Fee, Supervision fee, Tolai & Levy Receivables
  - 19) Lease Premium, Service Charges, Lease Rent Receivables
  - 20) Building Rent, Water Bill, Telephone bill & Penal interest Receivables.

2. The following steps may 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 bank book / 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 (31st 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 are due but not paid** up to 31st 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 APMC is engaged in Trading activity closing stock should be **physically verified** by the Auditor of APMC. 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. Provision for standard assets should be made as per norms.

(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 income & expenditure account. The written down value (WDV)/straight line method at the year end should match and reflect in the Balance sheet.

(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.

(xiv) Last year of expenses provision of has been nullify to against provision of expenses account. Then provision of current year provision to said expenses as on 31<sup>st</sup>.

### **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 Annexure VII should be prepared.**

### **4. Preparation of Trading Account, Income & Expenditure 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 in Annexure II, III & IV.

(ii) Trading account should be closed and Gross surplus or Gross Deficit should be ascertained. For this purpose, a summary of trading accounts may be **prepared as per the format suggested in Annexure V.** If there is a gross surplus, the same should be brought forward to the "credit" side of income & expenditure account. If there is a gross Deficit, the same should be taken to the "Debit" side of Income & Expenditure 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 Surplus for the year, the amount of surplus together with balance of unappropriated surplus of earlier years, should be transferred to APMC MARKETING FUND as per Mentioned in ACT 1963.

(v) The unappropriated balance of Surplus should be carried to "Liability" side of the Balance sheet in APMC MARKETING FUND. If Deficit it will be deduct into APMC MARKETING FUND.

**(vi) Balance Sheet should be prepared as per the format suggested in Annexure IV. Total of "Assets" and "Liabilities" should be tallied.**

It will be maintained in computerized software Tally Automatically. No new heads of accounts both under "Assets" and "Liabilities" should be added. There should be difference of heads in current Asset & Current Liabilities in APMC to APMC in Maharashtra. But Other heads income & Expenditure, Assets & Liabilities which mentioned in sanctioned budget by marketing board uniformity is made easy in common Accounting system to APMC's in Maharashtra.