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DIRECTORATE OF COOPERATIVE AUDIT: ODISHA: BHUBANESWAR

Circular No: 8999 / VI (1) 35/10-AUDIT -8 Dated: 23/12/15

Sub.: Format for preparation of Audit Report of PACS.

In the post reform scenario, more autonomy has been given to PACS and they are expected to function as full fledged and self-controlled business organizations that establish their own policies to meet the challenges of a dynamic economic environment. As such, it was felt necessary to give more scientific approach to audit of PACS and presentation of Audit Report. As the auditors of PACS are to ensure that the objectives are met with and its transactions are carried out in accordance with the provisions of Act and Rules, Bye-laws, Accounting standards set by ICAI and other administrative and executive circulars issued by Regulators and other authorities and submit their Audit Report in proper manner reflecting the true and fair picture of financial health of these societies, a format for preparation of Audit Report of PACS based on the prescription of GIZ, RFIP and NABARD was prescribed vide this Directorate Circular no. 6368 dtd. 10.12.2012 for adoption. Further, with a view to facilitating the management in decision making and discharging basic managerial function like planning, organizing and control, so as to achieve the organizational goal efficiently and effectively, a number of various schedules and statements, have been prescribed in the aforesaid format.

But, it is later observed that, this effort has not served the purpose to the desired level. Since the PACS personnel are weak in accounts and do not have required knowledge, they failed to understand the contents of the audit report to comply the Audit observation. As most of the schedules/statements prescribed in the Audit Report format are incomprehensible to the PACS personnel or management, the very purpose of preparation of the same is defeated. Further, it is found that, there is repetition of certain items and some items are not in consonance with the G L heads prescribed under Common Accounting System (CAS) which is not compatible to computerization. Since computerization of PACS is going on, there is an urgent need to modify the format, to make it compatible to computerization of PACS.

Taking the aforesaid facts into consideration, it is now decided to revise the format of Audit Report of PACS to make it adaptable to the situation and purposeful implementation at the PACS level so as to facilitate the management to act upon the Audit observations and take corrective measures.

The Audit Report of PACS shall consist of four parts namely A,B,C and D and each part shall contain the following documents/statements in the order as mentioned hereunder :-

PART-A

1. Audit Certificate
2. Letter to Management
3. Auditor's verification certificate. (In office copy only)
4. Check note (In office copy only)
5. Surcharge statement (In office copy only)
6. Proforma of Audit Certificate Issue Register (In office copy only)
7. Highlights of Audit findings
8. List of Top Twenty Defaulters.

9. Auditor's report- Detail of society and operation
10. Auditor's comment on overall working
11. Audit classification

PART-B

1. Trial Balance.
2. Trading Account.
3. Profit and Loss Account.
4. Appropriation of profit.
5. Balance sheet.
6. Narration of Balance sheet.
7. Accounting policies/notes to accounts and audit observation
8. Statement/schedule forming Balance sheet
   a. Statement-1(A)-: DCB on Principal.
   b. Statement-1(B)-: DCB on Interest
   c. Statement-2(A)-: Classification of Assets.
   d. Statement-2(B)-: Details of loss/bad assets.
   e. Statement-2(C): Statement of NPA & Provisions. (Loan)
   f. Statement-2(D): Statement of provision on NPA (Other assets)
   g. Statement-3- : Statement showing borrowing and repayment.
   h. Statement-4(A): Rate of interest on Borrowings.
   i. Statement-4 (B): Rate of interest on loans.
   j. Statement -5 : Statement of cash/postage and bills.
   k. Statement-6 : Position on depreciation of fixed assets.
   l. Statement-7 : Details of Investment.
   m. Statement -8 : Details of Advance.
   n. Statement-9(A) : Details of sundry creditors.
   o. Statement-9(B) : Details of sundry debtors.
   p. Statement-10 : Compliance on Audit defects/observations.
   q. Annexure in conformity with the Balance sheet
9. Balance confirmation certificate.
10. Interest received/receivable and interest paid/payable statement.
11. Information on paddy procurement business.
12. Stock verification certificate
13. Details of audit recoveries

PART-C

1. Financial analysis of MIS.
2. Calculation of financial ratio.
3. Profitability ratio
4. Production/efficiency ratio.
5. Performance ratio/Performance indicators
6. Cash flow Analysis.
7. Break-even point
8. Calculation of CRAR in the prescribed format (To be attached in the Audit Report)

PART-D

1. This part should contain audit files, which are generally of two types.
   a. Permanent audit file containing information relating to PACS and its environment and
   b. Temporary audit file containing work papers relating to its environment.

The modified Audit Report format of PACS is enclosed herewith.

All the AAGCS of circles are incumbent upon to circulate the copy of modified/revised Audit Report format to each auditor of their circle for his/her guidance and ensure that, the Audit Report of PACS is prepared in the prescribed form along with all the financial statements/schedules and other relevant documents as required.

The circular shall come into force with immediate effect.

28/12/2015

Auditor General
Cooperative Societies
Odisha

Memo No: 9000 (16) Date: 28/12/15

Copy with copy of revised Audit Report format of PACS forwarded to the Asst. A.G.C.S. of circles for information and necessary compliance.

28/12/2015

Deputy Auditor General
Cooperative Societies
Odisha

Memo No: 9001 (10) Date: 28/12/15

Copy with copy of Revised Audit Report format of PACS forwarded to the Secretaries of DCCBs for information and necessary action.

28/12/2015

Deputy Auditor General
Cooperative Societies
Odisha

Memo No: 9002 Date: 28/12/15

Copy forwarded to the M.D., O.S.C.B. Ltd. Bhubaneswar for information.

28/12/2015

Deputy Auditor General
Cooperative Societies
Odisha

Extra 2 neat copies with enclosures.

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ANNUAL AUDIT REPORT OF

____

SCS/LAMPCS/FSCS FOR THE YEAR

____

Audited by

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PART-A

The Members of ....Society

1. We have audited the attached Balance Sheet of ....(Name of the PACS) as at 31 st March 20XX and the related *Receipts and Payments Account, Trading and Manufacturing Account and Profit & Loss Account* (delete that is not applicable) for the year ended on that date as annexed thereto. These financial statements are the responsibility of the Society's Management. Our responsibility is to express an opinion on those financial statements based on our audit.

2. We conducted our audit in accordance with the audit standards generally accepted in India and the applicable provisions of the Cooperative Societies Act, 19XX and the rules made there under. The audit standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the governance and administration of the Society, accounting principles used and estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We report that:

3.1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

3.2. In our opinion, proper books of accounts as required by law have been kept by the Society so far as it appears from our examination of those books.

3.3. The Balance Sheet, *Receipts and Payments Account, Trading and Manufacturing Account and Profit & Loss Account* (delete that is not applicable) dealt with by this report are in agreement with the books of accounts.

3.4. On the basis of "fit and proper" criteria as applicable to PACS and written representations taken on record by the Society from the members of Management Committee/members of the Board (delete that is not applicable) none of them is disqualified as on that date from being appointed as a member/director.

3.5. In our opinion and to the best of our information and according to the explanations given to us the provision for non performing assets at

.. ..(state the % to total advances)of the society as stated in the financial statements is fair and adequate.

3.5. In our opinion and to the best of our information and according to the explanations given to us the said financial statements together with the notes on accounts thereon and attached thereto referred to in paragraph 3 above, give a true and fair view:

(a) In the case of the Balance Sheet, of the state of affairs of the Society as at 31st March, 20XX.

(b) In the case of the Receipts and Payments Accounts, of the receipts and payments relating to the transactions of the Society;

(c) In the case of Trading and Manufacturing Accounts, of the trading and manufacturing profit/loss (delete that is not applicable) for the year ended on that date.

(d) In the case of the Profit and Loss Account, of the profit/loss (delete that is not applicable) for the year ended on that date.

(Name and Signature of the DRCS/ ARCS issuing the Audit Report)

Place
Date

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Auditor's verification Certificate.

I ______________________ the Auditor of ______________ Bank/Society duly autorised by ________________ to audit the accounts of the said Bank/Society under section 62(1)(1) of the O.C.S.Act, 1962 for the year ended on __________ ie. for the period covering ___________ to ________ hereby certify :-

(i) That I have examined and audited the attached Balance sheet of the ______________ as on __________ and the profit and loss Account of the Bank/Society for the year ended on that date as annexed to the Audit Report based on the accounts relating to the Head Office and Branches of the Bank/Society and have separately submitted the Audit Report thereon with this certificate.

(add Manufacturing and Trading accounts if they form part of the financial statement.)

(ii) That in my opinion and to the best of my knowledge basing upon information and replies and explanation given to me on audit queries and half margin memos issued by me and as revealed from the books and records of the Bank/Society, the Balance Sheet is a full and fair one containing all necessary particulars and is properly drawn up in confirmity with O.C.S. Act, Rules, Bye-laws and instructions of R.C.C.S.Orissa so as to exhibit a true and fair picture of the Bank/Society for the year of audit.

(iii) That where I have called for any explanation or information for the purpose of my audit it has been given to me by the Bank/Society and found satisfactory to the best of my knowledge and belief.

(If not satisfactory, write-except the following information and explanation- to close the sentence and then give the details of deficiencies serially under this point).

(iv) That the transactions which have come to my notice have been within competance of the Bank/Society.

 ~~XXXXXXXXXXRXRX~~

Orta

xxxxXxxxxx

(v) That the Returns/Interim audit reports/ concurrent audit reports received from the Branches of the Bank/Society have been examined and found adequate for the purpose of my audit.

(vi) That in my opinion the Books of accounts have been kept by the Bank/Society as required under the O.C.S.Act, Rules and Bye-laws of the Bank/Society and instructions/directions of A.G.C.S.Orissa and R.C.S.Orissa.

(vii) That the amounts shown under different heads of Balance Sheet tallies with the bances shown in the books of accounts and ledgers of the Bank/Society on that date.

(viii) That the investments, loans and advances are in accordance with provisions of O.C.S.Act, Rules, Bye-laws, Rules of business and instructions of R.C.S.Orissa and made with proper documentation.

(ix) That Reserves and provisions are made in accordance with provisions of O.C.S.Act, Rules, Bye-laws and Circular instructions of R.C.S.Orissa and A.G.C.S.Orissa.

(x) That there is adequate mechanism of internal control and safe guderd developed by the Bank/Society.

(xi) That the establishment and contingent charges are correct, authorised and within the Budgetory limit.

Sd/-
A u d i t o r.

N o t e :-

If on any point of this certificate the observation of Auditor is negative, the negative certificate on that point be written and brief reason for such negative certificate be given under that point.

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CHECK NOTE OF AUDIT REPORT FOR PACS

1.	Name of the PACS	:	
2.	Year of Audit	:	
3.	Name of the Auditor with designation		
4.	Name of the checking officer with designation	:	
5.	Name of the Re-checking officer with designation	:	
6.	Total days devoted for completion of audit and amount of audit fees levied	:	
7.	Whether the Audit Report with all Copies have been page marked along with page certificate	:	Yes/No
8.	Whether the Audit Report along with Copies have been properly Stitched	:	Yes/No
9.	Whether the Auditor has put his initial in each page of office copy of audit Report	:	Yes/No
10	Whether the Audit Report has been presented with clear sub-division of four parts i.e. A,B,C and D based on latest DCA circular	:	Yes/No
11	Whether the prescribed contents of all parts have been properly arranged as scheduled in the latest DCA circular	:	Yes/No
12.	Whether the signature of Chief Executive and President/MIC have been obtained in required places of Audit Report	:	Yes/No
13.	Whether the Auditor's verification certificate has been annexed with office copy of Audit Report in prescribed format duly filled in and signed by Auditor	:	Yes/No
14.	Whether the prescribed proforma for Audit Certificate issue register has been annexed in office copy of Audit Report duly filled in Correctly and signed by Auditor	:	Yes/No
15	Whether the "Highlights" has been annexed by stating all key areas	:	Yes/No

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comprising comparative figure with growth and whether all the main problem areas have been mentioned there in

16. Whether the prescribed Surcharge Statement in two copies (one for office copy of Audit Report and another for surcharge section) have been properly filled up and signed by Auditor : Yes/No

17. Whether all the contents of Auditor's report along with audit observations have been correctly mentioned : Yes/No

18. Whether audit classification has been correctly made in the prescribed Format : Yes/No

19 Whether the financial statements, other statements and required annexure have been presented in the latest prescribed format and whether correctly mentioned : Yes/No

20. (a) Whether the Balance confirmation certificate duly authenticated by Bank Authorities of OCCB and other banks with seal & signature has been annexed with Audit Report : Yes/No

(b) Whether the amount under different heads as per Balance confirmation certificate have been tallied with the amount as mentioned in the Balance sheet : Yes/No

(c) Whether the reason of difference has been clearly mentioned in respective chapter of Audit Report, if some heads are not tallied : Yes/No

(d) Whether detail transaction of each head as per confirmation certificate have been annexed in PART-D of Audit Report : Yes/No

(e) In case of non-availability of detail transaction under some heads in bank computer and annexing the same in manual form by Auditor whether there is seal and signature of Bank Authority in the manual transaction : Yes/No

(f) Whether the Auditor has annexed one abstract of borrowing in prescribed format of OCA (O) : Yes/No

(g) Whether the abstract has been correctly prepared basing on the detail transaction of borrowing as provided by bank : Yes/No

(h) Whether the total of all columns of abstract of borrowing including 'Interest paid' have been tallied with the figure as per financial statement Yes/No

21. In case of sustaining gross loss in trading business, whether the Auditor has given justified reason in audit observation in respective chapter of Audit Report : Yes/No

22. (a) Whether the Auditor has annexed details of audit recoveries, shown during the year with proper justification and proper fixation of responsibility : Yes/No

(b) Whether the auditor has annexed Half-margin memo along with compliance, for the recoveries shown during the year : Yes/No

(c) Whether the auditor has suggested criminal action in case of fraud and misappropriation along with disciplinary action basing on the D.C.A. circular : Yes/No

23 Whether the auditor has given comment in Budget chapter of auditor's report on excess expenditure than the budgetary limit, if any, preparation of realistic budget and non-achievement of budgetary income goal etc. : Yes/No

24. In case of any irregular and illegal appointment and abnormal salary hike during the year in contravention to R.C.S. circular, whether the auditor has given comment in audit observation of respective chapter of Audit Report : Yes/No

25. Whether the auditor has annexed balance register abstract in case of deposit, share capital and other subsidiary accounts, if required along with proper reconciliation : Yes/No

26. Whether the financial analysis for M. .S. in Part-C of the Audit Report has been correctly arrived on each point : Yes/No

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27. (a) Whether the N.P.A.—cum-member loan outstanding list along with assessment of overdue (Principal and interest) as per C.A.S. proforma has been annexed in Audit Report : Yes/No
(Checking of totaling of all columns of the list is the responsibility of the auditor)

(b) Whether one page wise abstract of the NPA-cum outstanding list comprising all columns has been annexed : Yes/No

(c) Whether the total principal outstanding in the page wise abstract has been tallied with the respective figure in the balance sheet : Yes/No

(d) If no, whether current year difference is equal to the previous year difference : Yes/No

(e) Whether the auditor has narrated in details in case reconciliation of full or portion of previous year difference : Yes/No

(f) Whether O.D. interest reserve in financial statement is tallied with the figure as per list : Yes/No

(g) Whether classification of N.P.A. and provisioning has been made correctly basing on the latest circular : Yes/No

28. Whether stock verification report along with proper valuation of closing stock has been annexed with Audit Report : Yes/No

29. In case of any other defects as found during scrutiny, whether complied by auditor : Yes/No

SIGNATURE OF AUDITOR	SIGNATURE OF CHECKING OFFICER	SIGNATURE OF RECHECKING OFFICER

Views of <u>SAAGCS (O)</u>

<u>Signature</u>

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Surcharge Statement.

1. Name of Coop.Institution with date. ...

2. Name of Auditor/Inspecting Officer/Enquiry Officer/ Liquidator with designation. ...

3. Period covered under Audit/ Inspection/Enquiry/Report of Liquidator. ...

4. Date of Commencement & completion of Audit/enquiry/ inspection. ...

5. Finding of report necessitating surcharge. ...
   (Gist of detail narration in report with page nos. alongwith documents/memos etc.)

6. Amount involved. ...

7. Nature of action warranting surcharge. ...
   (out of point 9 of guidelines).

8. Person(s) held responsible inthe report with amount recoverable from each.

9. Enclosures/List of documents or evidences-
   1.
   2.
   3.

Put-up by.	Checked by.	Approved by.

Signature of Auditor/
Examiner of enquiry,
Inspection or report of
Liquidator with date.

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xxxx

Examination report of S.A.A.G.C.S.(O) with his observation and modification suggested, if any.

Signature with date.

Observation of A.G.C.S./Asst. A.G.C.S. with note of approval/refusal of proposal.

Signature with date.

...

PROFORMA FOR AUDIT CERTIFICATE ISSUE REGISTER.

Sl. No.	Name of the Circle	Name of the DCCB to which it is affiliated.	Name of the District	Name of the Block	Name of the society (Category wise)	Year of Audit	Membership position as on	Total paid up share capital	Govt share capital out of total paid up share capital	% of Govt share capital to total paid up share.
	1	2	3	4	5	6	7	8	9	10

Amount of Deposit		Amount of Deposit		Borrowings			
During the year		At the end of the year		During the year		At the end of the year	
SBD	FD	SBD	FD	Agril	Non Agril	Agril	Non Agril
11 (A)	11 (A1)	11 (B)	11(B1)	12 (A)	12 (A1)	12 (B)	12 (B1)

Loans and Advances				Demand and collection				
During the year		At the end of the year		principal Demand	% of Collection	Interest Demand		% of Collection
Agril	Non Agril	Agril	Non Agril			Agril	Non Agril	
13 (A)	13 (A1)	13 (B)	13 (B1)	14 (A)	14 (A1)	14 (B)	14 (B1)	14 (C)

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NPA/Bad & Doubtful Assets		Provision required to be made against NPA /Bad & Doubtful Assets	Provision made against NPA/Bad & Doubtful Assets	OD interest reserve	Other investments		Interest Received before closing entry		
							On loan & advances		On Investment
Amount	% to total loan outstanding				During the year	At the end of the year	Agrl.	Non Agrl.	
15 (A)	15 (B)	16	17	18	19 (A)	19 (B)	20 (A)	20 (A1)	20 (B)

Interest received after closing entry			Total interest received			Interest receivable		
On Loan & Advances		On Investment	On loan & advances		On Investment	On Loan & Advances		On Investment
Agrl.	Non Agrl.		Agrl.	Non Agrl.		Agrl.	Non-Agrl.	
21 (A)	21 (A1)	21 (B)	22 (A)	22 (A1)	22 (B)	23 (A)	23 (A1)	23 (B)

Interest paid before closing entry				Interest paid after closing entry			
Deposit		Borrowing		Deposit		Borrowing	
SBD	FD	Agrl.	Non Agrl.	SBD	FD	Agrl.	Non Agrl.
24 (A)	24 (A1)	24 (B)	24 (B1)	25 (A)	25 (A1)	25 (B)	25 (B1)

Total Interest Paid				Interest payable				working capital	working fund
Deposit		Borrowings		Deposit		Borrowings			
SBD	FD	Agrl.	Non Agrl.	SBD	FD	Agrl.	Non Agrl.		
26 (A)	26 (A1)	26 (B)	26 (B1)	27 (A)	27 (A1)	27 (B)	27 (B1)	28 (A)	28 (B)

Cost of Managem-ent	% of Cost of Manage-ment to working capital	Cost of Establishm-ent	Total Income (Interest received + Misc. Income-Interest paid (from PACS & DCCBs)	% of cost of establishment to Total Income	% of cost of Management to Total Income	Amount of Profit / Loss for the year.	
						Profit	Loss
						A	B
29 (A)	29 (B)	30	31	32	33	34	

Amount of Accumulated loss/UDP at the end of the year		Amount of Reserve at the end of the year	Amount of Building fund at the end of the year	Amount of Dividend Declared	Net Worth	% of CRAR maintained (for PACS & DCCBs)	Audit calssifica-tion	Amount of fraud/misap. / Embazl. Etc. during the year.	Amount realised
Accumulated Loss	UDP								
A	B								
35		36	37	38	39	40	41	42	43

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Amount of fraud/misap. /embezl. etc. at the end of the year	Surcharge proceedings number initiated on misappropriation embezzlement etc.	Average working fund	B.F.P.		Initial of Assistant A.G.C.S.
			If Gross Financial Margin figure is Positive	If Gross Financial Margin figure is Negative	
			A	B	
44	45	46	47		48

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AUDITOR'S REPORT

1. Name of the Society

2. Full address of the Society

3. Regd. No. & Date :

4. Name of the Administrative Circle :

5. Society affiliation. :

   a) Name of Financing Bank & its Branch :

   b) Name of the Central Society

6. Name of the Block

7. Area of operation. :

8. Date of functioning :

9. Commercial Banks/ Regional Rural Banks functioning under the area of operation of the Society. :

10. Year and period of audit :

11. Chronological number of audit :

12/13

12. **Name & Address of the Secretary/ Chief Executive and period of working** :

a) During the period under Audit :

b) At the time of Audit :

13. i) **Name of the President & Board of Directors/ MIC/ Administrator** :

From To

a) During the year of Audit :

b) At the time of Audit

ii) Name of the custodian of records

a) During the year of audit

b) At the time of audit :

14. **Authority of Audit** :

15. **Name & Designation of Auditor** :

A) Present :

B) Last year. :

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16. **Place of Audit.** :

17. **Days devoted for audit**

a) Date of commencement of audit ,

b) Date of completion of audit. :

c) Total days devoted for audit

18. **Physical verification on the date of commencement of audit.** :

A) i) Cash. :

ii) Bank deposits :

iii) Securities if any. :

iv) Postage :

v) Others (Specify) :

B) **Insurance and its period of coverage.**

i) Cash

ii) Building & Machinery. :

iii) Stocks :

vi) Vehicles -

v) DICGC

N.B.:- Policy No., Amount Coverage, Period of Coverage & Shortfall if any.

Audit observation:-

N.B.:- Observation on retention of cash balance along with other points.

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PART - A (1)

1 Aims and objective along with activities of Society to fulfil the aim. In this context the achievements/ failure of society in the present scenario.

2. Bye laws with up to date amendments if any:-
(Preservation of Regd. Bye-laws with all up to date amendments, non-compliance of provisions of Bye-laws, contradictions and suggestions.)

3 **Membership Position.** (Both Male & Female)

A)

Class of members	Member position at the beginning of the year.										Member enrolled during the year										Membership ceased during the year										Membership position at the end of the year.									
	S.T.		S.C.		OBC		Gen.		Total		S.T.		S.C.		OBC		Gen.		Total		S.T.		S.C.		OBC		Gen		Total		S.T.		S.C.		OBC		Gen.		Total	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
'A' Class																																								
'B' Class																																								
'C' Class																																								
Total -																																								

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B) Comparative figures of membership for last three years.

Year	Total Membership	Loanee Members	KCC Loanee Members	Non KCC Loanee Members	Remark
1	2	3	4	5	6

C) **Membership position.**

i) Small Farmers.

ii) Marginal Farmers.

iii) Big Farmers.

Audit Observations.

4 **Management.**

A) **Board of Management during the period under audit.**

S. No.	Name of the Members	Elected/ Nominated by Board or Govt.	Designation	Date of assumption	Period of functioning.
1	2	3	4	5	6

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B) **Board of Management at the time of Audit**

Sl No.	Name of the Members	Elected/ Nominated by Board or Govt.	Designation	Date of assumption	Period of functioning
1	2	3	4	5	6

Audit Observation.

N.B.:- **Legal compliance on formation of Board, if any.**

C) **Board meetings held during the period under audit**

i) Sl.No. Date of Board Meeting No. of Members attended No. of resolutions passed

ii) Important resolutions passed by the meeting.

Audit Observations.

a) Convening of meeting as per provision of Bye-laws.

b) Quorum of the meeting as per provisions of Bye-laws.

c) Any deviation noticed in the resolution which contradicts the provisions of Act & Rules and circular instructions of higher authorities.

d) Remarkable works made by the Board of Management.

e) Compliance of resolutions passed by Board in the subsequent period.

D) **Sub –Committees**.

(Details of sub-committee formed by Board of Management, its members, function and resolutions passed).

Audit Observations and Suggestions.

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5. Board of Management superseded during the year under audit and competent authority's order no. and date along with reasons for such supersession.

6. Name of the MIC/ Administrator if appointed in place of Board of Management on supersession, the order no. for such appointment along with Name, Designation, Address and Date of functioning of such MIC/ Administrator.

7. Members of the Board of Management, who have lost their qualification and action taken against.

8. <u>Annual General Body Meeting</u>.

a) Date of General Body meeting and members present.

b) Whether AGB was convened as per the provisions of Act and observance of quorum.

c) No. of resolution passed.

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d) Important resolutions taken by AGB.

e) Auditors views on the resolutions taken in the AGB.

i) Audit observations in the Final Audit Report of C.S.

ii) Appointment of staff and approval of Budget.

iii) Any irregularities.

9. **Staff Position.**

A – Particulars on sanctioned staff strength.

Sl. No.	Category of Employee	Sanctioned strength	Name of the authority & sanctioned Order No. & Date	Approved scale of pay	Present strength	Vacancy

B Present staff position. (Including deputation staff)

Sl. No.	Name of the employee	designation	Order No & Date of appointment	Educational qualification	Scale of pay	Present salary	Security deposit

Audit Observation

(The details of irregularities noticed during the period under audit).

10 **Share Capital**

A) Authorised Share Capital.

Sl No.	Class of Share	Value per Share	No. of share	Amount
1	Individual			
2.	Government			
3.	Others			
	Total			

B) Paid up Share Capital.

Sl.No.	Class of Share	Value per Share	No. of share available	Amount
1.	Individual			
2.	Government			
3.	Others			
	Total			

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Audit Observation

(Observation on maintenance of Share Capital Register. Reconciliation of Share Capital amount along with irragularities notice in course of audit).

11. **Working Fund**.

Total Assets as per Balance Sheet as on 31.03.	Rs	Rs.
Add(+)		
a) Provisions netted in Asset side of Balance sheet	Rs	Rs.
Minus(-)		
a) Contra item	Rs.	
b) Fixed Assets	Rs	
c) Accumulated Loss	Rs.	
d) Misc. expenditure to the extent not written off.	Rs	
Working Fund		Rs.

(Comparative statement of working fund for last three years alongwith auditor observation)

Year	W F	Amount	Growth	% of Growth.

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12. **Working Capital.**

Total Assets as per Balance Sheet as on 31.03.	Rs	Rs.
Add (+)		
a) Provisions netted in Asset side Balance sheet	Rs	Rs.
Minus(-)		
a) Contra item	Rs.	
b) Accumulated Loss	Rs	
c) Misc expenditure to the extent not written off	Rs	
Working Capital		Rs.

(Comparative statement of working capital for last three years alongwith auditor observation)

Year	W.C	Amount	Growth	% of Growth.

13. **Reserves/ Funds**

	During this year	Last year
i) Reserve fund		
ii) Capital Reserve		
iii) Agriculture Credit Stabilisation fund		
iv) Dividend Equalisation fund		
v) Building fund		

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vi) Common good fund

vii) Other fund (Specify)

14. Financial assistances in shape of subsidy/ Share Capital Assistances/ Grant/ Recapitalisation Assistances from Govt., Financing Bank and other agencies etc and its details.

A) Received up to last year.

From whom received	Purpose of receipt	Total financial assistances received	Utilised up to the end of last year	Balance remained un-utilised at the end of the last year

B) Financial Assistances received during the year of Audit

From whom received. Govt. Order No. & date.	Purpose of Assistance	Amount of assistances	Amount Utilised	Amount remained un-utilised at the end of the year.

Audit observation.

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15 Funds utilised in the business (Comparative 3years figure).

Details of funds	Current year	Previous year	Last but previous year
A) Source of Funds			
1. Members Share.			
2. Govt. Share.			
3. Reserve Fund.			
4. Other funds			
5. Loan from CCB.			
6. Loan from Govt.			
7. Other loans.			
8. Deposits			
Total			
B) Utilisation of Funds.			
a) Investments.			
b) Loans & Advances.			
Total			

Note on difference between Sources & Uses of fund.

16. **Business of the Society.**

A) Collection of Deposit

Types of Deposit	**Current year**	**Last Year**
a) Saving Deposit.		
b) Current Deposit		
c) Recurring Deposit.		
d) Fixed Deposit		
e) Re-investment Deposit.		
f) Other Deposits.		
Total		

Audit observation :-(Comment on growth / decrease of Deposit)

B) **Borrowings from DCCB/ other Financing Agency.**

Name of the Financing agency	Scheme in which Borrowing is availed	Amount borrowed	Amount repaid	Amount outstanding as at the close of the year	Rate of interest
1	2	3	4	5	6

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Audit Observation

17. **Cash and Bank balance, Maintenance of Liquidity with reference to last year.**

Details of account	Last day of audited year	Previous year
i) Cash in Hand		
ii) Current A/c with DCCB/ SCB		
iii) Current A/c with other Banks		
iv) Saving A/c with DCCB/ SCB		
v) Saving A/c with other Banks		
vi) Fixed deposit with DCCB/ SCB		
vii) Fixed deposit with other Banks		
viii) Other Deposits.		

Audit Observation

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18. **Investment**

i) Govt. & other Trust security.

ii) Share with other Cooperatives.

iii) Investment with DCCB/ SCB.

iv) Investments with other Banks.

v) Postal securities (NSC/ KVP).

vi) Investment of Staff Provident Fund.

vii) Investment of Reserve Fund.

viii) Other Investments.

Audit Observation.

19. **Details of Fixed Assets.**

	Volume/ Quantity	Purchase value	Book value
a) Land			
b) Building & machinery			
c) Computer			
d) Vehicles			
e) Furniture & Fixtures			
f) Others if any (Specify)			

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20. Loans and Advances.

(Loans and advances financed during the year under audit along with its comparison to the previous year. The details of schematic finance made during the year along with its collection need be furnished vide statement – 1).

21. D.C.B.

A) **Principal.**

Demand collection and balance of loans during the year.

Details to be furnished vide Statement – 1(A).

B) **Interest.**

Demand collection and balance of interest during the year.

Details to be furnished vide Statement – 1(B).

Audit Observation

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22.(A) **Non Performing Assets (Loan).**

(The classification of assets be made as per IRAC norm and the details be furnished vide statement 2 (A, B & C) along with required provision. The abstract of same be narrated here)

	Amount	Required percentage for provision	Amount required	Provision made
1. Standard Assets				
2. Sub-standard Assets (1 to 3 year)				
3. Doubtful Assets				
a) D_1 – (3 to 4 years)				
i) Secured				
ii) Un-secured.				
b) D_2 – (4 to 6 years)				
i) Secured				
ii) Un-secured				
c) D_3 – (above 6 years)				
i) Secured				
ii) Un-secured				
4. Loss/ Bad Assets.				
Total				

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(B) NPA (Other Assets)

Sl No.	Particulars	Outstanding	Amount estimated as Bad and Doubtful	Provision required	Provision made.
1	2	3	4	5	6
i.	Provision on Investment				
ii.	Sundry Debtor Credit Sale.				
iii.	Sundry Debtor/ others				
iv.	Other Provisions				

Audit Observation with comparison to last year.

23. Legal action taken for recovery of OD loans.

A) **Surcharge Action.**

(Detail information on Surcharge proceeding cases need be furnished.)

	No	Amount
i) Surcharge pending for disposal at the beginning of the year.		
ii) Surcharge initiated during the year audit.		
Total		
iii) Surcharge disposed during the year		

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iv) Surcharge pending for disposal at the end of the year.

Case No.& Date	Name of the person involved with designation	Amount initiated	Date of Disposal	Amount waved/ dropped	Amount order for recovery	Amount recovered
1	2	3	4	5	6	7

Balance outstanding (6)-(7)	EP filed or not	EP case No.	Amount collected through EP	Disciplinary action, if any	Criminal action, if any
8	9	10	11	12	13

B) <u>Cases pending with legal forums</u>.

Particulars	Dispute stage No.	Dispute stage Amount	E.P. stage No.	E.P. stage Amount
Pending at the beginning of the year				
Cases filed during the year				
Total				

Cases finalised during the year

Cases pending for finalisation

C) Case pending for E.P. at society level.

Particulars	**No**	**Amount**
I) Decree at the beginning of the year pending for EP.		
ii) Decrees received during the year		
Total		
i) After mutual recovery decree disposed		
ii) After E.P. decrees disposed		
Decrees pending at the end of the year for E.P.		

Audit Observation.

24. Verification of Loans at the time of audit.

Sl. No.	**Name of the Loanee**	**Date of verification**	**Date of loan financed**	**Amount of loan**

(Whether loan outstanding is tallied with loan ledger? The comment of audit)

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25. A) **Consumer Business.**

i) Observation on Resolution made by Board of Management/ Purchase committee/ order of the administrative department on purchase of goods, sale price fixation, salesman's duty, closing stock at the end of the year and stock verification along with irregularities there on.

ii) Observation on fixation of less sale price than the purchase price, non saleable goods, purchase without any approval, stock excess/ shortage, stock shortage without administrative approval, if any.

iii) Business during the year.

Opening stock value			Purchase value during the year			Total value of stock		
Controlled	Non controlled	Total	Controlled	Non controlled	Total	Controlled	Non controlled	Total

Sale during the year			Closing stock at the end of the year		
Controlled	Non controlled	Total	Controlled	Non controlled	Total

E) Audit observation on maintenance of accounts for consumer goods and the business along with comments on verified stock position with Book balance.

Book balance	Verified stock	Shortage/ Excess	Person responsible for such shortage

N.B.:- Stock verification report to be attached.

26. **Fertiliser Business.**

Business during the year

Sl. No.	Name of the Fertiliser	Opening stock		During the year					
				Volume of purchase		Volume of sale		Shortage if any	
		Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
1	2	3		4		5		6	

Closing stock at the end of the year	
Quantity	Amount
7	

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Audit observation on such business and accounts keeping.

27. Seeds Business.

Sl. No	Name of the Item	Opening stock		During the year					
				Volume of purchase		Volume of sale		Shortage if any	
		Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
1	2	3		4		5		6	

Closing stock at the end of the year		Amount of commission Received
Quantity	Amount	
7		8

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28 **Processing/ Manufacturing if any.**

Processing during the year.

Raw material used		Processed Good			Semi product	
Name	Volume	Name	Volume	% of Raw material used	Name	% of Raw material used

Audit observation on such business and accounts keeping

29. **Procurement business if any.**

Procurement of goods and its business.

Name of Goods	Opening stock	Procurement during the year	Total	During the year				Balance stock
				Sale	Supply	Dried/ damage	Total	

Audit remarks on such business and its accounts keeping.

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30. **Godown.**

A) The arrangement of Godown for storage.

Place of Godown	Construction from society fund/ other Grant	Capacity of Godown	Year of construction	Condition of godown

B) Insurance of Godown and stock.

C) Uses of Godown (Society's use or for rent purpose).

Audit Observation.

31. **Budget.**

(Details of Budget along with approval and expenditure against the provision)

i) Projected Income & Expenditure. (As per Heads prescribed under CAS)

Sl.No	Particulars	Projected Income	Actual Income	Projected Expenditure	Actual Expenditure	Excess/ Less

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Audit Observation.

32. **Credit appraisal, sanction and disbursement of loan and documentations**.

33. **Reconciliation of Accounts**.

Sl No	Particulars	G/L Balance	Ledger Balance	Difference	Person responsible

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34. **Realisable amount from employees and other officials of the society as per Balance Sheet, along with the action taken.**

a) Total No. of persons involved.

b) Total amount of recovery.

(Details to be given in Statement.)

35. __Detail notes on.__

a) Bills receivable/ Branch Adjustment A/c.

b) Sundry Creditors.

c) Sundry Debtors.

36. **Compliance/ Rectification on audit observations of last year**

__N.B.:-__ Brief notes on compliance/Rectification on audit defects/ Observations be given alongwith a statement No-10.

37. **Inspection by Administrative Authority/ Financing Bank**

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36 **List of records maintained by the Society.**

Records required to be maintained in the prescribed proforma	Records actually maintained	Records examined by the Auditor	Auditor's remark.
1	2	3	4
1. Share Capital Ledger			
2. Membership Register			
3. Savings Account Ledger			
4. Deposit Ledger			
5. Borrowings Ledger			
6. Cash Book			
7. Investment Ledger			
8. Short Term Loan Ledger			
9 MT/LT disbursement cum Loan Ledger.			
10. Furniture, Fittings, Office Equipment and other movable Asset Register			
11. Depreciation chart.			
12. Sundry debtors Ledger			
13. Sundry Creditor Ledger.			
14. Safe deposit Locker Operation Register.			
15. Insurance Policy Register.			
16. Minute Book (Meetings of Board of management)			
17. Purchase Register.			
18. Sale Register.			
19. Costing Register.			
20. Stock Register.			
21. Day Book.			

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22. Bank Book (Accounts maintained with DCCB/ other Banks).
23. General Ledger.
24. Monthly Interest Payment Register (FD).
25. Accounts opened & Closed register.
26. Gold Stock register.
27. Maturity Register for Term, Recurring and reinvestment deposits quarterly.
28. Register for acknowledgement of Debt
29. NPA Register.

(Irregularities noticed in maintenance of records and audit observations there on.)

39. **Cost of Management**.

Total of the Loss side of profit and loss account.

(-) Interest paid (deposits and borrowings)

(+) Provisions charged to profit and loss account.

(+) OTS loss/ Debt waiver loss

(+) Net profit if any

Cost of Management:- ---------- ------------------------------------

40. **Computation of Cost of Establishment/ Staff Cost.**

1. Salary to Staff.
2. Wages to Contingent Staff
3. Bonus to Staff.
4. Gratuity to Staff.
5. Contribution to PF of Staff by Employer
6. Interest on PF if any
7. Contribution to Employees Pension Fund by Employer.
8. Travel Expenses.
9. Any other allowances.

Total -

Audit Observations:-

41. **Profit/ Loss.**

(Reasons for Loss)

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42. **Submission of Reports & Returns**.

43. **Defects and Irregularities noticed during the audit be reported under the following heads.**
    1) Accounting irregularities.
    2) Financial irregularities.
    3) Administrative irregularities.

44. **Audit Fees**.

45. **Audit Classification**.

Signature & designation of Auditor

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Auditors' comments on the overall working of the society

(Auditors should amongst others cover the following minimum details in this section:

a) weaknesses observed in the governance of the society;

b) non quantitative aspects of the working of the society, for example the nature of business, new business lines added, business discontinued, achievements of objectives of the PACS, shortfalls and areas of improvement, comparison with peers both in terms of membership and business activities etc;

c) quantitative aspects of PACS working like the achievement of budgets, loans disbursed and recovered, growth in deposits and loan portfolio, growth in other businesses, growth in turnover and profits or losses, dividend paying ability and whether dividends can be paid, etc.,

d) audit Classification and audit compliances.

As per our Audit Report Attached | For and on behalf of the Management Committee

(Name & Signature of the Auditor) | **(Secretary/President/Authorized Persons)**

Place:

Date

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AUDIT CLASSIFICATION OF PACS

Sl. No.	Main criteria for audit rating		Sub criteria for audit rating	Maximum Marks	Total Marks
1.	Statutory/ Administrative Compliances	a.	Elections are held on time	2	10
		b.	General Body Meetings are held as per the Act & Byelaws	2	
		c.	Management Committee Meetings are held as per Byelaws	2	
		d.	Audit defects rectified in time	2	
		e.	Legal action taken against defaulters in time	2	
2.	Effective Internal Control & Efficient MIS	a.	Segregation of duties is effective	2	15
		b.	Internal checks and balances are adequate	2	
		c.	Expenditure is properly authorised and approved prior to its accounting	2	
		d.	Prescribed Accounting Books and records are maintained	2	
		e.	No errors in ledger balancing	2	
		f.	Controls on assets of PACS are adequate	2	
		g.	MIS as recommended by NABARD is implemented	3	
3.	Capital Structure & Capital Adequacy	a.	Capital adequacy ratio is in accordance with NABARD Rules	5	10
		b.	Growth in Share Capital & Reserves is at least 10%	5	
4.	Profit Earning Capacity	a.	PACS incurred operating loss for the year	0	5
		b.	PACS incurred operating profit but not adequate to make necessary provisions and transfer to Statutory Reserves	1	
		c.	Profits are adequate to make provisions and transfer to Statutory Reserves	3	
		d.	Profits are adequate to declare dividend	5	
5.	Liquidity, Credit & Financial Stability	a.	Recovery of loans greater than 95% of Demand (Dues)	5	40
		b.	Recovery of loans is between 65%-94% of Demand (Dues)	3	
		c.	Recovery of loans less than 65% of Demand (Dues)	0	
		d.	Percentage of NPA greater than 5%	0	
		e.	Percentage of NPA less than 5%	5	
		f.	Owned Funds + Deposits cover at least 50% of loans	3	
		g.	Owned Funds are at least 10% of	3	

[illegible]

Sl. No.	Main criteria for audit rating		Sub criteria for audit rating	Maximum Marks	Total Marks
			total assets		
		h.	Owned funds + Liabilities with maturity of greater than one year cover assets with maturity of greater than one year	3	
		i.	Loans to Deposits ratio at least 1:1	3	
		j.	Growth in Deposits is at least 10%	3	
		k.	Growth in loans is at least 15%	3	
		l.	Bad Debts written off fully covered by Reserves	3	
		m.	Average loan per member repayable to DCCB always less than average loan per member	3	
		n.	Return on total assets is greater than 1	3	
		o.	Interest on loans is higher by at least 1% than interest on borrowings	3	
6.	Productivity & General Business Parameters	a.	Increase in total deposit per employee	5	20
		b.	Increase in total loans per employee	5	
		c.	Decrease in Transaction Cost	5	
		d.	Increase in Net Margin	5	

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PART-B

TRIAL BALANCE OF __________________ SCS/ LAMPCS/FSCS. FOR THE YEAR__________

LIABILITIES AND INCOME

SL NO	Head of Accounts (as prescribed in CAS)	OPENING BALANCE AS ON 01.04.	Total of Debit during the year	Total of Credit during the year	CLOSING BALANCE AS ON 31.03.______
1	2	3	4	5	6 (3+5-4)
1. CAPITAL					
1	Paid up Capital - Individual				
2	Paid up Capital - Government				
3	Paid up Capital - Others				
2	**RESERVES, FUNDS & GRANTS.**				
1	Reserve Fund				
2	Capital Reserve				
3	Agriculture Credit Stabilisation Fund.				
4	Dividend Equalisation 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	Recapitalisation Assistance Fund-Contribution from PACS				
13	Provident Fund				
14	Other Grants				
3. DEPOSITS					
1	Savings Deposit				
2	Recurring Deposit				
3	Fixed Deposits				
4	Reinvestment Deposits				
5	Other Deposits				
4. BORROWINGS FROM DCCBS/SCB					
1	S.T.(SAO)/KCC Credit Limit				
2	MT/LT Agri Loans				

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3	ST Conversion				
4	MT/LT Reschedulement				
5	SHG Loans				
6	Non Farm Sector Loans				
7	Fertiliser 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	Borrowing from State Government				
17	Borrowing from Other Institutions (Other than DCCB/SCB/State Govt)				
5.	**CONTRA ITEMS**				
1	Bills For Collection (Being Bills Receivable as Per Contra)				
6	**BRANCH ADJUSTMENT ACCOUNT (Applicable to PACS that have more than one branch)**				
7.	**OTHER LIABILITIES**				
1	Interest Accrued on Deposits				
2	Interest Accrued on Borrowings				
3	Un-Claimed Dividend				
4	Sundry Creditors (Annexure-)				
5	Other Liabilities (Annexure-)				
8.	**PROVISIONS**				
1	Provision For P.F/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				

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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				
9	**PROFIT AND LOSS ACCOUNT**				
	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.)				
10.	**TRADING ACCOUNTS**				
	INCOME				
1	Sale of fertilizers				
2	Sale of Seeds				
3	Sale of Pesticides				
4	Sale of PDS Commodities				
5	Sale of Non-PDS Commodities				
6	Sale of food grains and other Commodities under Government procurement scheme				
7	Sale of Food Items under MID-day meal Scheme				
8	Gunny bag Sales				
9	Other Trading Income				
10	Purchase Returns				
11	Commission				
12	Compensation				
	TOTAL				

Secretary **President/MIC** **Auditor**

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TRIAL BALANCE OF_____________ _____ SCS/ LAMPCS/FSCS. FOR THE YEAR ______. ______,

ASSETS AND EXPENDITURE

SL NO	Head of Accounts (as prescribed in CAS)	OPENING BALANCE AS ON 01.04.	Total of Debit during the year	Total of Credit during the year	CLOSING BALANCE AS ON 31.03.______
1	2	3	4	5	6 (3+4-5)
	ASSETS				
1.	**CASH AND BANK BALANCES**				
1	Cash in Hand				
2	Current Account with DCCB / SCB				
3	Current Account with other banks				
4	Saving Bank Account with DCCB/SCB				
5	Saving Bank Account with other Banks/Institutions				
2.	**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				
3.	**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 (Annexure-)				
4.	**CLOSING STOCKS**				
1	Agricultural Inputs - Fertilisers				
2	Agricultural Inputs - Seeds				

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3	Agricultural Inputs - Pesticides				
4	Public Distribution System Commodities				
5	Non PDS Consumer items				
6	Food Grains and Other Commodities under procurement schemes				
7	Materials under MID- day meals scheme				
8	Other stocks / Goods / work in Progress				
5.	**FIXED ASSETS**				
1	Land and Buildings including Godowns				
2	Furniture and fixtures				
3	Computers and Electrical Installations				
4	Vehicles				
5	Other Fixed Assets				
6.	**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	Deposit with Agencies/ parties				
9	Prepaid Expenses				
10	Misc. Income Receivable				
7	**CONTRA ITEMS**				
1	Bills Receivable (Being Bills for collection as per contra)				
8	**BRANCH ADJUSTMENT ACCOUNT (Applicable to PACS that have more than one branch)**				
9.	**PROFIT AND LOSS ACCOUNT**				
	EXPENDITURE				
1	Interest on Deposits				
2	Interest on Borrowings from DCCB / SCB2				
3	Interest on Loans availed from State Govt.				
4	Interest on Borrowings from Others				
5	Salary and Allowances (including contribution to PF, Bonus, Gratuity and pension Fund) (Annexure____)				
6	Management Expenses (Expenditure relating to Board meeting etc.)				
7	Rent, Taxes, Electricity				
8	Repair Cost of Premises				
9	Insurance				
10	Law Charges				

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11	Postage and Telephone Charges				
12	Printing and Stationery				
13	Audit Fees				
14	Vehicle Expenses				
15	Travelling and Conveyance expenses				
16	Donations and Subscriptions				
17	Depreciation on Properties				
18	Depreciation on Value of Investments				
19	Other expenses (Annexure__)				
20	Provision for Standard Assets				
21	Provision for Sub Standard Assets				
22	Provision for Doubtful Assets (Loans)				
23	Provision for Loss Assets (Loans)				
24	Provision for bad and doubtful debts (others)				
25	Provision for bad and doubtful debts (credit Sales)				
26	Provision for overdue interest on Loans				
27	Provision for overdue interest on Investments				
28	Provision for depreciation in the Value of Investments				
29	Other Provisions				
11.	**TRADING ACCOUNTS**				
	EXPENDITURE				
1	Purchase of fertilizers				
2	Purchase of Seeds				
3	Purchase of Pesticides				
4	Purchase of PDS Commodities				
5	Purchase of Non-PDS Commodities				
6	Purchase of food grains and other Commodities under Government procurement scheme				
7	Purchase of food grains and other items under Mid-day meal Scheme				
8	Transport/ other expenses on purchase of Fertilizers				
9	Transport/ other expenses on purchase of Seeds				
10	Transport/ other expenses on purchase of pesticides				
11	Transport/ other expenses on purchase of PDS Commodities				
12	Transport/ other expenses on purchase of Non-PDS Commodities				
13	Transport/ other expenses on purchase of Food grains and other Commodities under Government Procurement Scheme				
14	Transport/ other expenses on purchase of material under Mid-day meal scheme				
15	Salary of salesmen / Manufacturing wages				
16	License Fee				

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17	Impairment In Stocks				
18	Factory Expenses				
20	Sales Returns				
	TOTAL OF ASSETS AND EXPENDITURE				

	TOTAL OF LIABILITIS AND INCOME				

	GRAND TOTAL				

NB: -

Under Grand total head six columns are to be mentioned as opening (Dr. & Cr.), transaction (Dr. &Cr.) and Closing (Dr. & Cr.). For full agreement of the trial balance.

Secretary President/MIC Auditor

TRADING ACCOUNT OF SCS/LAMPCS/FSCS

For the year

	Particulars	Amount (Rs.) Current year	Amount (Rs.) Previous year		Particulars	Amount (Rs.) Current year	Amount (Rs.) Previous year
1	**Opening Stock**			1	**Sales A/C including Sales Tax**		
	(i) Fertiliser				1(a) Stock/Raw Material [(i) to(Vii)]		
	(ii) Seeds				(i) Fertiliser		
	(iii) Pesticides				(ii) Seeds		
	(iv) PDS Commodities				(iii) Pesticides		
	(v) Non-PDS Consumer items				(iv) PDS Commodities		
	(vi) Food grain & other Commodities under Govt. Procurement Scheme				(v) Non PDS Consumer items		
	(vii) Materials under Mid-day Meal scheme				(vi) Food grains & Other Commodities Under Govt Procurement Scheme		
	(viii) Any other stock of raw materials and work in process				(vii) Food Products under Mid-day Meal Scheme		
2	**Purchase A/c**				1(b) Less Sales Returns		
	2(a) Stock/ Raw Materials [(i) to (vii)]				1(c) Net Sales [(1(a)-1(b)]		
	(i) Fertiliser			2	Commission		

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	(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) Food grain & other Commodities under Govt. Procurement Scheme				**6(a)** Gross Stock [(i) to (viii)]		
	(vii) Materials under Mid-day Meal scheme				(i)Fertiliser		
	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) Food grains & Other Commodities Under Govt. Procurement Scheme		
6	Insurance for Stock, 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	License Fees				6(c)Net Closing Stock [6(a)-6(b)]		
10	Interest on borrowings for the non-Credit activities						

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PROFIT & LOSS ACCOUNT OF ________ SCS/LAMPCS/FSCS.

For the year ________

S No	**Expenditure**	Amount (Rs.)		S No	**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 & 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 P.F, Gratuty,Bonus,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		

11	Other Expenses						
12	Trading Gross Profit carried to main Profit & Loss Account			7	Trading Loss carried to main Profit & Loss Account		
	TOTAL				TOTAL		

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N.B.:- A separate Trading Account on paddy procurement business undertaken and fertilizer business be attached and incorporate the same to the main Trading Account.

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6	Law charges			6	Miscellaneous Incomes (Specify details in annexure -)		
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						
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 & doubtful debts (credit sales)						
	(iv) Bad & doubtful debts (others)						
	(v) Depreciation in Value of Investments						
	(vi) Overdue interest on loans						

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	(vii) Overdue interest on Investments						
	(viii) Others (to be specified)						
16	Profit for the year.			12	Loss for the year.		
	GRAND TOTAL				TOTAL		

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BALANCE SHEET OF ____________ SCS/LAMPCS/FSCS.

AS ON 31.03. (Amount Rs.)

SL NO		Liabilities	Breakup	31.03. Current year	31.03. Previous year
1		CAPITAL			
		Authorised			
	ii	Subscribed			
	iii	Paid up			
		(a) Individuals			
		(b) Government			
		(c) Others			
2		RESERVES AND FUNDS (CREATED OUT OF SURPLUS OF PACS)			
	i	Reserve Fund			
	ii	Capital Reserve			
	iii	Agricultural Credit Stabilization Fund			
	iv	Dividend Equalization Fund			
	v	Common Good Fund			
	vi	Building Fund (created out of surplus by PACS)			
	vii	Others (to be specified)			
3		PROFIT AND LOSS ACCOUNT (if closing balance is profit)			
4		GRANTS AND OTHER FUNDS			
		Provident Fund			
	I	Building Fund (Received from State Government)			
	ii	Recapitalisation Assistance Fund a) GOI b) GOO c) PACS			
	iv	Subsidies meant for Society			
	v	Subsidy meant for members			

Appropriation of profits

	Expenditure	Amount (Rs.) Current year	Amount (Rs.) Previous year		Income	Amount (Rs.) Current year	Amount (Rs.) Previous year
1	Accumulated losses (Previous Year)			1	Balance of profit (previous Year)		
2	Profit appropriated to			2	Profit for the current Year		
(i)	Agricultural credit stabilization fund			3	Unclaimed dividend appropriated *		
(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		
	Total				Total		

* Wherever the unclaimed dividends are not likely to be claimed by the share holders, Such amounts can be appropriated

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	(B)	Borrowings from State Government			
	(C)	Borrowing from other Institutions (details in annexure-)			
7		**OTHER LIABILITIES**			
	i	Interest Accrued on Deposits			
	ii	Interest Accrued on Borrowings			
	iii	Unclaimed Dividend			
	iv	Sundry Creditors (Details in Annexure)			
	v	Other's (to be specified)			
8		**Bills For Collection (Being Bills Receivable as Per Contra)**			
9		**Branch Adjustment Account**			
10		**PROVISIONS.**			
	i	Provision for PF / Gratuity / Bonus / Pension.			
	ii	Provision for Standard Assets			
	iii	Provision for Expenses			
	iv	Others (to be specified)			
		GRAND TOTAL			

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	vi	Others (to be specified)		
5	DEPOSITS			
	i	Savings Deposits		
	ii	Recurring Deposits		
	iii	Fixed Deposits		
	iv	Reinvestment Deposits		
	v	Others (to be specified)		
6	BORROWINGS.			
	(A)	**Borrowings from DCCB / SCB***		
	i	S.T (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	Fertiliser Cash credit Limit		
	xi	Seeds Cash credit Limit		
	xii	Public Distribution Scheme CC Limit		
	xiii	Cosumer Commodities CC Limit		
	xiv	Other Non Credit activities		
	xv	Other borrowings from DCCB / SCB (to be specified)		

(3)

BALANCE SHEET OF __________ SCS/LAMPCS/FSCS.

AS ON 31.Mar.

(Amount Rs.)

SL NO		Assets	Breakup	31.03. Current year	31.03. Previous year
1		CASH ON HAND			
2		BALANCE WITH DCC BANK / SCB*			
	i	Current Account			
	ii	Savings Account			
3		BALANCE 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 -)			

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	(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 stock/ work-in-progress/goods (item-wise details in annexure)			
	(a)	**(a) Total** (i to vi)			
	(b)	(b) **Less: Reduction for value of shortage / damaged/degraded stock**			
	(c)	**(c) Net closing stock (a) - (b)**			
7		**FIXED ASSETS** (net of depreciation as per Depreciation Chart)			
	i	Land and Buildings / Godowns			
	i	Furniture and Fixtures			
	iii	Computers and Electrical Installations			
	iv	Vehicles			
	v	Others (to be specified)			
8		**OTHER ASSETS**			
	1 (a)	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			
	1(b)	Less: **Provision for overdue interest**			
	1(c)	**Net interest Accrued and Receivable** (a) - (b)			
	2(a)	Interest receivable on Investment			
	2(b)	Less: Provision for overdue interest on investments,			
	2 (c)	**Net Interest receivable on investments (a) - (b)**			

	3	Miscellaneous Income Receivable				
	4(a)	Sundry debtors (for credit sales)				
	4(b)	Less: provision for bad and doubtful Sundry Debtors (for credit sales)				
	4(c)	Net sundry debtors for credit sales [net of provision i.e.(a) -(b)]				
	5(a)	Sundry debtors (others) - (Details in Annexure)				
	5(b)	Less: provision for bad and doubtful sundry debtors (others)				
	5(c)	**Net sundry Debtors (others) (a - b)**				
	6	Prepaid expenses				
	7	Tax Deducted at source				
	8	Others				
9	**Bills Receivable (as per contra)**					
10	**Branch Adjustments accounts**					
11	**Profit and Loss Account** (if balance is loss)					
		TOTAL				

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.

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Accounting policies, notes to accounts and audit observations

.1 *Significant accounting policies*

a. Accounts are based on historical cost basis and prepared in accordance with the Generally Accepted Accounting Principles. As on the date of this report, the Accounting Standards as prescribed by the National Accounting Standards Board, do not apply to the ………………………(name of the Society).

b. Fixed Assets are stated at their cost of acquisition as on the date of their installation. Depreciation on assets is provided at the rates as prescribed by the Income Tax Act, 1961/the ……………………………Societies Act/as recommended by the Registrar of Cooperative Societies vide order no……………………… *(delete whichever is not applicable)*

c. Inventories are valued at weighted average cost/at cost/at net realisable value (delete whichever is not applicable).

d. Loans to Members are stated at their book values. However, provision for non performing assets has been made in accordance with and at the rates recommended by the Registrar of Cooperative Societies vide its order no ……………………………

e. Investments and current assets are stated at their realisable value.

f. Capital and liabilities are stated at their respective book values.

.2 *Notes on accounts*

a. Loans given by DCCB are secured by……………(state the nature of security…) and the security documents are held by ……………(state who holds the documents i.e. DCCB or the PACS). Loans given by other agencies are secured by ……………(state the nature of security) and the security documents are held by…………………(state who holds the documents)

b. Imbalances between DCCB and ……………(name of the Society) as on 31-3-20XX amounted to Rs……………… This imbalance arose due to . (state the reasons for the imbalances)

c. During the year legal action was initiated in ………(given number of cases) having a total value of Rs……………for recovery of overdue loans from Members. In ………(given number of cases), decree was finalized for recovery/write off.

d. Reconciliation of sub ledger and GL controls accounts was done in all except the following cases…………………(give un reconciled ledger balances). There were no differences noticed on such reconciliation. (There were differences on such reconciliation and the same have been explained/unexplained.) Delete *whichever is not applicable*

(iii) Annexures both for P/L account and Balance Sheet will be prepared in opening, Debit, Credit and closing format for effecting in Trial Balance and Final accounts.

Secretary **President/MIC** **Auditor**

B – D.C.B. on Interest as on 31.03.

Sl. No.	Category of Loan	Scheme of the loan	O.D. at the beginning of the year	Demand during the year	Total Demand	Collection during the year	Balance O.D. at the close of the year	% of Collection	Advance Collection
1	2	3	4	5	6	7	8	9	10
a)	Agriculture (Loan wise)								
b)	Non-Agriculture (Loan wise)								

Statement – 1

A – D.C.B. on Principal as on 31.03.

Sl. No.	Category of Loan	Scheme of the loan	O.D. at the beginning of the year	Demand during the year	Total Demand	Collection during the year	Balance O.D. at the close of the year	% of Collection	Advance Collection
1	2	3	4	5	6	7	8	9	10
a)	Agriculture (Loan wise)								
b)	Non-Agriculture (Loan wise)								

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Statement – 2

A – Classification of Assets.

Sl. No	Type of Loan	Total loans & advances and other assets	Standard assets	NPA amount		Sub-Standard within 3 years		Doubtful assets 3 to 4 years		Doubtful assets 4 to 6 years		Doubtful assets above 6 years		Bad Loss/ Assets	O.D. Interest Reserve
				Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

(After mentioning the Loan and Advances the other Asset & amount will be specified).

B – Details of Loss/ Bad Assets

Sl. No	Particulars of Assets	Amount
1	2	3

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C – Statement of NPA & Provision for the year.............................

Sl. No	Particulars of Assets	Amount	Rate of Provision in percentage	Provision required to be made	Provision already made	Provision required to be made during the year
1	2	3	4	5	6	7
1	Total Loans & Other Assets					
A)	Standard Assets					
B)	Total NPA					
i)	Sub Standard Asset within 3 years					
	a) Secured					
	b) Un-secured					
ii)	Doubtful Assets 3 to 4 years					
	a) Secured					
	b) Un-secured					
iii)	Doubtful Assets 4 to 6 years					
	a) Secured					
	b) Un-secured					
iv)	Doubtful Assets above 6 years					
	a) Secured					
	b) Un-secured					
v)	Loss/ bad assets					
	GRAND TOTAL					

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STATEMENT-2 (D)

STATEMENT ON PROVISION ON N.P.A. (OTHER ASSETS)

SL NO	PARTICULARS	OUTSTANDING AS ON	OUT OF WHICH AMOUNT TREATED AS BAD/DOUBTFUL ASSETS	PROVISION REQUIRED TO BE MADE	PROVISION ALREADY MADE	PROVISION MADE DURING THE YEAR	TOTAL PROVISION AS ON
1	2	3	4	5	6	7	8
1.	Provision for depreciation in value of investment						
2.	Provision for sundry debtor (others)						
3.	Provision for sundry debtors For Cr. Sale						
4.	Other provisions						

N.B.:- Details on each head to be furnished and total given.

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Statement – 3

Statement showing of Borrowing and Repayment as on 31.03………

Sl. No.	Financing Agency	Types of Loan	Code No.	Opening Balance at the beginning of the year	Repayment during the year	Borrowing during the year	Balance as on 31.03.
1	2	3	4	5	6	7	8

Statement – 4

A – Rate of Interest on Borrowing.

Sl. No	Particulars of Borrowing	Rate of interest from financing institution
1	2	3

B – Rate of Interest on Loan.

Sl. No	Particulars of Loans & Advance	Rate of Interest to members
1	2	3

Statement – 5

Statement of Cash, Postage and Bill Balance as on 31.03.

Sl. No	Particulars	Amount
1	2	3

Statement – 6

Position of depreciation on Fixed Assets as on 31.03.

Sl. No	Type of Fixed Asset	Purchase value of assets	% of depreciation allowed	Depreciation allowed up to previous year	Amount of depreciation this year	Net value at the close of the year	Addition during the year	Total value at the end of the year
1	2	3	4	5	6	7	8	9

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Statement – 7

Details of Investment as on 31.03.

Sl. No	Particulars of Investment	Amount	Remarks
1	2	3	4

Statement – 8

Details of Advances as on 31.03.

Sl. No	Name of the Person	Advance outstanding	Date from which it is outstanding
1	2	3	4

Statement – 9

A - Details of Sundry Creditor as on 31.03.

Sl. No	Name of the Party	Amount outstanding at the end of previous year	Amount outstanding as on 31.03.
1	2	3	4

B - Details of Sundry Debtors as on 31.03.

Sl. No	Name of the Party	Amount outstanding at the end of previous year	Amount outstanding as on 31.03.
1	2	3	4

STATEMENT NO. 10

COMPLIANCE/RECTIFICATION ON AUDIT OBSERVATION/DEFECTS OF LAST YEAR (PREVIOUS YEAR)

SL.NO	YEAR OF A/R	NO. OF PARAS OUTSTANDING AT THE BEGINNING OF THE YEAR	PARA NO. (SERIAL NO OF THE DEFECT SHEET)	NO. OF PARAS COMPLIED DURING THE YEAR	PARA NO. (SL.NO.OF DEFECT SHEET)
1	2	3	4	5	6

TOTAL

NO. OF PARAS SETTLED/ DROPPED	PARA NO. (SL.NO. OF THE DEFECT SHEET)	NO. OF PARAS OUTSTANDING AT THE END OF THE YEAR	**PARA NO. (SL.NO. OF THE DEFECT SHEET)**	**REMARKS**
7	8	9	10	11

TOTAL

Signature of Auditor.

N.B.- Current year objection Paras should not be included in this statement.

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Name of the DCCB:............................ Name of the Branch:...............................

Balance Confirmation Certificate

(As on 31st March,..........)

This is to certify that balance outstanding in various accounts of the...

(Name and Address of the PACS to be indicated) maintained in our branch as on 31st March.........

(Amount in Rupees)

Sl. No.	Particulars	Balance Outstanding	
		Principal Amount	**Interest/Dividend* payable (if any) as on 31st March..........**
1	Share Capital invested by PACS including application money deposited		
2	Reserve Fund etc. (specify)		
3	**Deposit Accounts**	**Principal Amount**	**Interest payable (if any) as on 31st March..........**
	Savings		
	Current		
	Term (Fixed Deposits)		
	Any special deposits representing any specific fund like Reserve Fund etc.		
	Other Deposits (specify)		
4	Loan Accounts	**Principal Amount**	**Interest payable (if any) as on 31st March..........**
	ST – SAO		
	ST – Others		
	MT – Conversion		
	MT – Development Loans		
	Cash Credit/ Overdrafts		
	Other Loans (specify)		
5	**Any other Accounts (specify)**		

*Including accrued but not dues as on 31st March ....

Signature.. Date...........................

(Accountant/ Branch Manager)

Statement showing detailed transaction on interest received and receivable and interest paid & payable for the year...

(To be enclosed to the Audit Report of PACS)

Interest Received before closing entry			Interest Received after closing entry			Total Interest Received			Interest Receivable			Interest Paid before closing entries			
On Loan & Advances		On Investment	On Loan & Advances		On Investment	On Loan & Advances		On Investment	On Loans & Advances		On Investment	On Deposit		Borrowings	
Agril	Non Agril.		Agril.	Non Agril.		Agril.	Non Agril.		Agril.	Non Agril.		SBD	FD	Agril.	Non Agril.

Interest Paid after closing entries				Total Interest Paid				Interest Payable			
On Deposit		Borrowings		On Deposit		Borrowings		Deposit		Borrowings	
SBD	FD	Agril.	Non Agril.	SBD	FD	Agril.	Non Agril.	SBD	FD	Agril.	Non Agril.

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PART – C

1. Financial Analysis for MIS

1. **Working Fund**: Working fund is defined as funds deployed in the business. It is calculated by adding the items appearing on the asset side of the Balance Sheet excluding (i) contra items, (ii) intangible assets like accumulated loss, (iii) Fixed assets like Land, Building, Furniture, fixtures, fittings, Plant & Machinery etc.

Total of the assets – (contra items + accumulated loss + all fixed assets + Misc Expenditure Not Written off) = Working fund.

2. Average Working Fund = $\dfrac{\text{Cumulative of monthly working fund for an accounting year}}{12}$

3. **Net worth/ Own Fund**. - It is the Balance Sheet value of owners claim on a accounting concept. The net worth is also known as owned fund. It is calculated as follows:-

Paid up Share Capital
+ Statutory Reserve
+ Other free reserves
+ Credit balance of P/L A/c if any
+ Provision on Standard Assets

Total

(-) Accumulated loss
Short provision, if any.

Net Worth ______________________

N.B.:- **Free Reserve** The other reserves not in the nature of outside liabilities such as,

a) Agricultural Credit Stabilisation Fund.
b) Building Fund
c) Dividend Equalisation Fund.
d) Common good Fund.
e) Other Funds not in nature of outside
f) Recapitalisation Assistance.

4. **Interest income**.- Interest income is defined as income received and receivable on loans and advances and on Investments. (Excluding overdue interest)
5. **Interest Expenses**:- It is also called as financial cost or cost of resources. It is the quantum of interest paid and payable on borrowings and deposits
6. **Net Interest Income (NII)** – It is defined as the excess of Interest Income over interest expenses.

Interest Income – Interest Expenses = Net Interest Income (NII)

7. **Miscellaneous Income** - All other Incomes other than Interest Income and Capital Gain. It includes non fund based income like hire charges, commission received, procurement business, sale of inputs, commission on demand draft, trading income from non credit business etc. This is always expressed as a percentage to Average Working Fund

$$\textbf{Miscellaneous Income} = \frac{\textbf{Miscellaneous Income}}{\textbf{Average Working Fund}} \times 100$$

8. **Operating Income** - This includes Interest Income (excluding O.D. Interest) and Misc. Income.

Operating Income = Interest Income + Misc. Income.

9. **Operating Cost**: it is defined as aggregate of Interest Expenses and Cost of Management.

Operating Cost = Interest Expenses + Cost of Management

10. **Operating Profit**:- Operating profit is defined as the excess of operating income over operating cost.

Operating Profit = Operating Income – Operating Cost

If there is no operating profit, the audit has to comment on the reasons along with fixation of responsibilities.

INFORMATION ON PADDY PROCUREMENT BUSINESS

Sl No.	Name of the Circle	Name of the CCB	Name of the District	Name of the PACS (SCS/LAMPS/FSS)	Quantity of paddy procured/ purchase during the year (in Qtl.)	Amount of paddy procured / purchased during the year	Amount of commission received (Receivable)
1	2	3	4	5	6	7	8

Amount of mandi labour charges received (Receivable)	Amount of administrative charges received (	Expenses on paddy procurement buisness			Tax deducted at sources	Amount of excess expenses shown recoverable in the Audit report	Amount of Net Profit earned on paddy procurement business
		Administrative charges	Mandi labour Charges	Excess expenses beyond limit			
9	10	11	12	13	14	15	16

Secretary President/MIC Auditor

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11. **Capital gain and other Income**:- This includes profit on sale of properties like land, building, furniture etc. and reversal of provisions made for O.D. Interest and NPA

12. **Gross Income**:- Gross income includes interest income, miscellaneous income, capital gain and other income during a particular period.
13. **Total Expenses or Gross Expenses**:- It includes interest expenses, cost of management, provisions and other expenses if any during a particular year.
14. **Net Income**:- Net income is defined as excess of Gross income over Gross expenses. It is also called as net profit.
    Net Income = Gross Income – Gross Expenses
15. **Non Performing Assets (NPA)**:- NPA is an asset which ceases to generate income to the society. NPA are classified to Sub-Standard, Doubtful and Bad assets depending upon the period of assets become.
16. Current Assets:- Current asset comprises of Cash and Resources. Commonly identified as funds which are reasonably expected to be realised in cash or sold or consumed or turn over during the operating cycle of business usually not exceeding one year. The current assets can be grouped under following heads.
    i) Inventories – Raw materials, Stock in process and Finished goods.
    ii) Receivables – Sundry Debtors, Bills Receivable and Bills discounted at Bank
    iii) Other Current assets – Cash, Investment (only those which can be classified as per RBI guidelines), Advances, Prepaid expenses, Advance payment of Tax etc.
17. **Current Liabilities** - Current liabilities are otherwise known as short term liabilities. All liabilities which are repayable with in a period of one year are grouped under Current Liabilities. Current liabilities bear a relationship with Current assets, as they normally arise to acquire current assets. The current liabilities have a matching relationship with current assets. The items grouped under current liabilities are acceptance, Sundry Creditors, Advance received, un-expired discount, un-claimed dividends, interest accrued but not due on borrowings, dividend payable, provisions for tax etc.
18. **Own Capital**:- The Own Capital of an institution is the sum total of its paid up share capital + reserve fund and all other reserves.
19. **Borrowed Capital**:- In terms of provision U/S 56 of OCS Act, 1962 the borrowed capital of a Cooperative constitutes of deposit tapped – Borrowing availed from financing agencies.
20. **Capital Fund**:- Capital fund of a Credit Cooperative is calculated for fixation of exposure limit

i) Paid up share capital

ii) Recapitalisation Assitance

   a. State Govt

   b. Govt. of India

   c. PACS

iii) Statutory Reserve

iv) Capital Reserve arising out of sale of assets.

v) Other funds and Reserves not in the nature of outside liabilities i.e. Funds created out of profits not utilised for last 3 years and not intended for being utilised in the near future.

vi) Credit balance of P/L account, if any (UDP).

2 Subtotal:-

Add:

Excess provision (i.e. excess provision made
in balance sheet over requirement))
[illegible]

3 **Deduct.**

a) Accumulated Loss.

b) Short Provisions.

4 Net Capital Funds.

21 Market value of equity share of members or paid up share capital -

$$\frac{\text{Net worth}}{\text{Paid up Share Capital}} \times 100$$

(If the share value is 100% or more the share is fully protected).

2. (A) Calculation of Financial Ratio

1. Average yield.- It indicates how much return is received per Rs.100/- fund deployed in business. This ratio helps the institution to plan its business strategy

$$\text{Average yield on assets} = \frac{\text{Total Interest received (P/L)}}{\text{Average working fund}} \times 100$$

$$\text{Average yield on advances} = \frac{\text{Interest income from loan \& advances (P/L)}}{\text{Average loan \& advance}} \times 100$$

$$\text{Average yield on investment} = \frac{\text{Interest income from investment}}{\text{Average investment}} \times 100$$

2 Average cost of funds - Average cost of funds is defined as the cost of funds per Rs 100/-. It is also known as financial cost. It indicates the cost for mobilisation of resources and helps the management of the institution to make resource planning.

$$\text{Average cost of funds} = \frac{\text{Total Interest expenses (P/L)}}{\text{Average working fund}} \times 100$$

$$\text{Average cost of deposits} = \frac{\text{Total Interest expenses on deposits (P/L)}}{\text{Average deposits}} \times 100$$

$$\text{Average cost of borrowings} = \frac{\text{Total Interest expenses on borrowings (P/L)}}{\text{Average borrowing}} \times 100$$

3. Gross Financial Margin - (1 – 2) = Average yield on Asset – Average cost of funds

4. Misc. Income (non fund income) :-

$$\frac{\text{Misc. Income}}{\text{Average working fund}} \times 100 \quad \text{or} \quad \frac{\text{Total non fund income}}{\text{Average working fund}} \times 100$$

5. Risk Cost.- This indicates the quality of assets. Higher the risk cost, poorer the quality of assets.

$$\text{Risk cost} = \frac{\text{Provision for NPA and standard assets during the year}}{\text{Average working fund}} \times 100$$

6. Net Financial Margin: (3+4) - 5 i.e. Gross financial margin + Misc Income – Risk cost

7. Transaction Cost:- This ratio indicates the cost of transaction per Rs.100/- worth of business. The purpose of such calculation is to know whether the transaction cost is within the manageable limit or not. Lower the ratios, higher will be the net profit of the institution. This ratio can be brought down by increasing the value of business.

$$\text{Transaction Cost} = \frac{\text{Total Cost of Management}}{\text{Average working fund}} \times 100$$

8. Net Margin.- (6 – 7) = Net Financial margin – Transaction cost.

This ratio is calculated to know the working result. If the margin is positive, the institution earns net profit and if it is negative the institution incurs loss. This helps the management to make appropriate profit planning.

(B) Profitability Ratio

This ratio is calculated to safeguard the business and ascertain the profitability.

a) Net Profit as percentage to total Income,
b) Return of Assets (ROA) = Net profit to Total Assets.
c) Return of Equity (ROE) = Net profit to Capital.
d) Net profit as percent to deposit

3. Productivity/ efficiency Ratio

To find out the Productivity or efficiency of the staff of the organisation following ratios are to be calculated. This indicates the chronological growth of the business after making comparison with the figures of corresponding period of previous year.

a) Deposit per Employee = $\frac{\text{Outstanding balance of deposit}}{\text{No. of Employees}}$

b) Deposit per Branch = $\frac{\text{Outstanding balance of deposit}}{\text{No. of Branches}}$

c) Loan & Advances per Employee = $\frac{\text{Outstanding Loans \& Advances}}{\text{No. of Employees}}$

d) Loan & Advances per Branch = $\frac{\text{Outstanding Loans \& Advances}}{\text{No. of Branches}}$

e) Per employees business = $\frac{\text{Outstanding (Deposit + Loans \& Advances)}}{\text{No. of Employees}}$

f) Per Branch business = $\frac{\text{Outstanding (Deposit + Loans \& Advances)}}{\text{No. of Branches}}$

g) Per Employees Vouchers = $\frac{\text{No. of Vouchers during the year}}{\text{No. of employees}}$

h) Per Branch Vouchers = $\frac{\text{No. of vouchers during the year}}{\text{No. of Branches}}$

4. Performance Ratio/ Performance Indicators

This ratio indicates the average performance on different parameters and is to be compared with the previous year performances to know whether the business of the institution is in a increasing trend or not. This will also help the Management to work out the business strategy to improve the ratio.

1) Average deposit per member = $\frac{\text{Total deposits outstanding}}{\text{Total No. of Members}}$

2) Average Loan per borrowing member = $\frac{\text{Total Loan \& Advances outstanding}}{\text{Total nos. Of borrowing members}}$

3) Average loan repayable to financing agency per borrowing Member = $\frac{\text{Outstanding borrowings of financing agency}}{\text{Total nos. Of borrowing Members}}$

This ratio indicates average loan repayable to financing agency per borrowing member. This has to be compared with the previous corresponding period to know whether the borrowing is increasing or decreasing. This ratio has to be compared with the average loan outstanding per borrowing member. If the borrowing ratio increases while the loan repayable ratio decreases.

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it indicates that the recoveries are not passed on to the financing agency. In the other hand, if the borrowing ratio decrease while the loan repayable ratio increases, it indicates that the OD of members is increasing or the institution is deploying the deposits in the loans and advances portfolio. This can be verified by comparing the deposit ratio. This also helps the management to take necessary corrective action as deemed fit.

4) Ratio of Borrowing members to Total members – $\dfrac{\text{Total borrowing members}}{\text{Total no. of Members}}$ X 100

This indicates the percentage of members availing credit facilities. In comparison to previous corresponding figure, the declining ratio indicates the members are availing loan from other sources. Under such circumstances the management has to prepare strategy to increase the borrowing member along with the increase in volume of business.

5) Ratio of Depositors to Borrowers – $\dfrac{\text{Total no. of depositors}}{\text{Total no. of borrowers}}$ X 100

This ratio helps the management to know whether the society has more depositors or borrowers. Higher ratio indicates more no. of depositors and also the confidence of the people on the services extended by the Institution. Lower ratio indicates that the Institution is giving more emphasis on lending than the deposit mobilisation.

6) Ratio of Total Loans to Total Assets – $\dfrac{\text{Total Loans \& Advances outstanding}}{\text{Total Assets}}$ X 100

This ratio indicates the proportion of Loans & Advances to the Total Assets. Higher proportion indicates the higher level of earning assets. This ratio is to be compared with previous corresponding period and reasons for variation, if any, be analysed.

7) Ratio of Total Borrowings to Total Assets – $\dfrac{\text{Total borrowings (Deposits + Borrowings)}}{\text{Total Assets}}$ X 100

This ratio indicates the dependency of the Institution on outside agencies. High ratio indicates the institution is more dependant on borrowing than its own fund.

8) Ratio of Total Deposit to Total Assets – $\dfrac{\text{Total deposit outstanding}}{\text{Total Assets}}$ X 100

This ratio indicates the dependency level of Institution on financing agencies. High ratio indicates the Institution is less dependent on financing agencies.

9) Ratio of operating expenses to Average Total Asset – $\dfrac{\text{Operating expenses}}{\text{Average total Assets}}$ X 100

Average total Asset – $\dfrac{\text{Cumulative of monthly assets for the year}}{12}$

This ratio is compared with that of the previous corresponding period to analyse the trend in its movement. Increase ratio will erode the profit of the Institution.

10) Ratio of Interest earned to interest paid – $\dfrac{\text{Interest received on Loans \& Advances, Investment}}{\text{Interest paid on deposits \& borrowings}}$ X 100

This ratio is to be compared with that of the previous corresponding period to assess the growth of income. If the ratio is 1 or 100% the financial margin will be Zero. If it is less than 1 or 100%, the financial margin is negative and will sustain loss. In the later case the management is able to take steps for its immediate redressal.

11. NPA Ratio to Loans & Advances.- The ratio indicates the quality of loan portfolio i.e., the extent of poor quality loans. Higher the ratio, poorer is the quality of loan.

NPA Ratio : $\dfrac{\text{Total NPA}}{\text{Total Loans \& Advances}}$ X 100

The sustainable limit is up to 5%. The decreasing/ increasing trend helps the management to take immediate remedial measures.

12) Return of Asset – $\dfrac{\text{Net profit}}{\text{Total Assets}}$ X 100

The ratio indicates the earning per Rs.100/- worth of assets and its earning capacity. The ratio has to be compared with that of the previous corresponding period. Increase trend indicates that quality of assets and the composition of assets are good for which good return is being fetched. Declining trend indicates deterioration in quality of assets and high proportion of non earning/ non productive/ non-performing assets/ low income generating assets.

13) Capital Adequacy Ratio –

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Capital to Risk Weighted Assets Ratio(CRAR)	=	Net Capital Funds / Risk Weighted Assets	X	100

This ratio indicates the risk bearing capacity of the institution. Higher the ratio, higher is the risk bearing capacity. The standard ratio is follows

For PACS = 7% of RWA (calculation of RWA is prescribed earlier)
For other Credit Cooperatives = 9% of Rwa
For Nationalised Banks = 10% of RWA

N.B:- The Capital Fund and RWA is to be prepared as per prescription of NABARD communicated in letter No. 3031/12.04.10 and Format to be attached to Audit report.

For PACS =7% of RWA (Calculation of RWA is prescribed earlier in DCA(O) Lt No-3031 dtd-12.04.2010)
For other Credit Cooperatives= 9% of RWA
For Nationalised Banks = 10% of RWA.

(4) Credit deposit Ratio = $\frac{\text{Total Loans outstanding}}{\text{Total deposit outstanding}} \times 100$

This ratio indicates recovery performances as well as dependency on external resources. Low ratio indicates that the Institution is giving more emphasis on mobilisation of deposits rather than on lending or recovery performance is good or dependency on external resources is low.

5. Cash flow analysis

A cash flow statement is a statement depicting the changes of cash position from one period to another and the same is computed by taking in to the account the cash-in- flows (sources) and cash-out-flows (application/ uses of cash). Sources of cash can be both internal and external cash from operation i.e. Interest income, trading income and misc. Income are internal sources whereas issue of Share Capital, receipt of borrowings, receipt of deposits, collection of loan and interest, maturity value of investment and sale value of assets etc. are the external resources. Cash outflow may be on account of purchase of inputs, PDS commodities & fixed assets, repayment of borrowing & interest thereon, fresh investments, payment of interest on Deposits, payment of dividends and decrease in deposits etc.

The format for preparation of cash flow statement is furnished below

Sl. No.	Particulars	Amount (Rs.)	Amount (Rs.)
1	Opening Cash & Bank balance		
2	Cash Inflow		
a)	Repayment of Loans. i) Principal ii) interest.		
b)	Deposit Receipts		
c)	Sale proceeds of fertiliser/ seeds/ pesticides.		
d)	Sale proceeds from PDS commodities		
e)	Dividend/ Interest Receipt on Investment		
f)	Maturity amount of Investment		
g)	Amount borrowed from DCCB		
h)	Amount borrowed from other agencies		
i)	Other receipts (commission etc. specify the items)		
3	Total inflow during the period (total of items under Sl.-2)		
4	Cash outflow		

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a)	Repayment of borrowings from DCCB i) Principal ii) Interest		
b)	Repayment of borrowings from other agency i) Principal ii) Interest		
c)	Deposit Payments		
d)	Purchase of Fertiliser/ Seeds/ Pesticides		
e)	Purchase of PDS/ essential commodities		
f)	Purchase of non-PDS commodities		
g)	Investment during the period		
h)	Disbursement of loans		
i)	Other Payments (Specify)		
5	Total outflow (Total of items under Sl.4)		
6	**Total of Cash & Bank balances at the end of the period ((1+3) − 5)**		

6 . Break Even Point (BEP)

Break even point is the amount of business at which an institution makes no profit or no loss. In other words, it is the level of business at which income generated is equivalent to the cost of the business. The organisation can earn profit only if its level of business is above the Break Even Point.

In a credit organisation the break-even level of operation is as follows.

(i) If Gross Financial Margin is Positive.

$$BEP = \frac{\text{Cost of Management + Risk cost − Misc. Income}}{\text{Gross Financial Margin}} \times 100$$

(ii) When Gross Financial Margin is Negative:-

$$= \frac{\text{COM+RC+2X Net Int Diff (Int Exp - Int Income) - MI}}{\text{Gross Financial Margin*}} \times 100$$

* G.F.M. figure is to be taken as positive for the purpose.

Signature of Auditor

Calculation of Capital to Risk weighted Assets Ratio (CRAR)

Name of the Society :

DCCB : State : Odisha

A. Calculation of Risk weighted Assets (Amt. Rs Thousand.)

Sl No.	Assets	Amount	Risk weight (%)	Risk weighted Assets (3 * 4) / 100
1	2	3	4	5
1	Cash on Hand		0%	
2	Balance with Banks		20%	
3	Balances with other Institutions		20%	
4	**Investment**			
a	Government Securities		2.50%	
b	Shares with the DCCB/SCB		20%	
C	Shares in other Co-operative Institutions (other than CCB/SCB)		100%	
d	Fixed Deposit with DCCB / Other Banks		20%	
e	NSC / KVP		2.50%	
f	Staff PF Balance with PF /Trust / As deposits with Banks		20%	
g	Others (Including Deposit with Marketing Societies)		100%	
5	**Loans & Advances**			
a	Advance against term deposits/LIC policies/NSC, etc where adequacies margin available.		0%	

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b	All other loans to members & Staff		100%	
6	Closing Stock		100%	
7	Fixed Assets			
a	Land & Buildings, Godown		100%	
b	Furniture&Fixtures,Banking Counter, Computer & Electrical Installation		100%	
c	Vehicles		100%	
d	Agriculture Machinery		100%	
8	Other Assets		100%	
9	Total Risk weighted Assets			

Secretary **President/MIC** **Auditor**

Note i Assets are net of provisions created for diminution in value as per prudential norms.

ii PACS Should not add/create new account under assets. Account heads as given in CAS to be followed

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B) Capital Funds and Risk weighted Assets Ratio

(Amt Rupees)

SL No	Particulars	Amount	Amount
1	**Capital Funds**		
i	Paid up Share Capital		
ii	Recapitalization assistance received from		
	(a) State Govt		
	(b) Govt of India		
	(c) PACS Share		
iii	Statutory Reserve		
iv	Capital Reserve arising out of sale of assets		
v	Other Funds and Reserves not in the nature of outside liabilities @		
vi	Credit balance of P & L account , if any (U.D.P)		
2	**Sub Total**		
	Add : Excess Provision (i.e. excess provision made in balance sheet over requirement)		
3	**Deduct :**		
	(a) Accumulated Losses		
	(b) Short Provisions		
4	**Net Capital Funds**		
	Capital to Risk Weighted assets ratio (CRAR) - Net Capital Fund/ Risk weighted assets x 100		

:@ Funds created out of Profits, Not utilized for the last 3 years and not intended for being utilized in the near future

Secretary **President/MIC** **Auditor**

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PART- D

Types of Audit Files

a) Permanent Audit File/s - that should have the following content

- PACS Byelaws, registration certificate and other charter documents if any.
- Extract of Societies Act provisions relating to accounts and audit
- Copies of audited financial statements for 2 previous years along with audit report and audit certificate
- Analysis of significant ratios
- Internal controls documents
- Business understanding document
- Significant audit observations, audit defects noticed and not resolved
- Significant accounting policies

b) Temporary Audit file/s - that should have the following contents

- Audit plan, audit programs, check lists, questionnaires
- Record of audit procedures performed
- Copies of communication regarding allocation of audit and staff
- Material weakness in internal controls
- Evidence that work performed was adequately supervised
- Extract of MC minutes, AGM minutes, as may be relevant for audit
- Analysis of transactions; working trail balances, confirmation letters, reconciliation statements etc
- Copies of financial statements
- Half margin memos issued and resolved.
- List of audit defects resolved and unresolved.
- Evidence for resolution of defects/deficiencies.
- Audit report, audit certificate along with finalized P&L, Balance Sheet