

Year End Operation in IPKS

*Back dated adjustment entries for Financial Year 2017-2018 through Memorandum of Correction (MOC) screen, to be allowed after day end of 31st Mar'18 and on or before year end closing. Societies year end closing operation can be extended maximum upto 10th Apr'18. All the transactions made as back dated entries in the system will reflect as the transaction dated 31st Mar'18. **After year end closing, no further adjustment will be allowed for Financial Year 2017-2018.***

- **Borrowing from Higher Tiers**

Borrowing Interest Payable (as on 31st Mar'18) is required to be collected from different banks.

The following MOC entries to be done.

*Dr. Borrowing Interest Paid A/C
Cr. Borrowing Interest Payable A/C*

Similar vice versa entries to be done for Interest Payable as per last year.

*Dr. Borrowing Interest Payable A/C
Cr. Borrowing Interest Paid A/C*

- **Investment with other banks (CCBs and Others)**

Interest Receivable on Investment with other banks (as on 31st Mar'18) is required to be collected.

The following MOC entries to be done.

*Dr. Interest Receivable on Investment A/C
Cr. Interest Received on Investment A/C*

Similar vice versa entries to be done for Interest Receivable on Investment account as per last year.

*Dr. Interest Received on Investment A/C
Cr. Interest Receivable on Investment A/C*

- **Provisions from Audit and Legal Fees**

The following MOC entries to be done.

*Dr. Audit and Legal Fees Paid Account
Cr. Audit and Legal Fees Payable Account*

If Audit and Legal Fees paid during the year by debiting Audit and Legal Fees Payable Account, then no need of reversal for Audit and Legal Fees Payable Account is required for last year.

- **Trading**

Closing Stock value (as on 31st Mar'18) is required to be ascertained physically or from system.

The following MOC entries to be done.

Dr. Closing Stock / Stock-in-Trade (Asset type Account)

Cr. Trading Account (Expenditure Type A/C)

Similar vice versa entries to be done for Closing Stock / Stock-in-Trade as per last year.

Dr. Trading Account (Expenditure Type A/C)

Cr. Closing Stock / Stock-in-Trade (Asset type A/C)

- **Treatment of Overdue Interest Suspense**

Detailed List for all type of loan to be generated after EoD of 31st Mar'18. The penal/overdue interest receivable for all type of loan to be ascertained and the sum of the penal/overdue interest receivable as on 31st Mar'18 to be posted in the following MOC entries.

Dr. Overdue Interest Suspense / Reserve (Expenditure Type A/C)

Cr. Overdue Interest Suspense / Reserve (Liability Type A/C)

Similar vice versa entries to be done for Overdue Interest as per last year.

Dr. Overdue Interest Suspense / Reserve (Liability Type A/C)

Cr. Overdue Interest Suspense / Reserve (Expenditure Type A/C)

- **NPA Classifications and Provisioning for NPA**

After EoD of 31st Mar'18, loan account wise NPA classification needs to be done as soon as possible. Provisions are required to be made after classification of NPA under the following categories (as per NPA norms).

1. Standard Asset
2. Sub Standard Asset
 - a. Doubtful 1
 - b. Doubtful 2
 - c. Doubtful 3
3. Loss Asset

The following MOC entries to be done.

Dr. Provisions against NPA (Expenditure Type A/C)

Cr. Provisions against NPA (Liability Type A/C)

Similar vice versa entries to be done for NPA as per last year.

Dr. Provisions against NPA (Liability Type A/C)

Cr. Provisions against NPA (Expenditure Type A/C)

- **Depreciation on Assets**

Depreciation on various assets like Building, Furniture, Computer etc as on 31st Mar'18 to be ascertained as per rule and the following MOC entries to be done.

Dr. Concerned Depreciation A/C (Expenditure Type A/C)

Cr. Respective Asset A/C like Building, Furniture, Computer etc

- **Pre Migration Interest Payable on Deposit**

Pre Migration Interest Payable for Different Deposit products to be reversed with the following entries

Dr. Interest Payable on Deposit (Pre Migration Figure)

Cr. Interest Paid on Deposit (Pre Migration Figure)

Provisioning of Interest for Deposit products, for the current financial year which is going to be closed, the system will take care.

- **Pre Migration Interest Receivable on Loan**

Pre Migration Interest Receivable for Different Loan products to be reversed with the following entries

Dr. Interest Received on Loan (Pre Migration Figure)

Cr. Interest Receivable on Loan (Pre Migration Figure)

Provisioning of Interest for Loan products, for the current financial year which is going to be closed, the system will take care.

- **Adjustment of Wrong Entries**

Wrong entries in General Ledger during the financial year in IPKS application may be rectified for debiting and crediting in proper account through MOC entries.

- **Other Adjustments**

As per the societies, any other provisioning to be made through MOC entries (if any) before completion of EoY.