

CHAPTER 17

BORROWINGS (LOANS RECEIVED)

INTRODUCTION

17.1 This chapter contains the recommended accounting system for transactions relating to loans received by the Urban Local Body (ULB).

17.2 On sanction by the State Government, the ULB may borrow funds, either by issuing debentures, or other wise, for the purposes specified in the approval. These borrowings are generally secured by movable and immovable properties vested in the ULB. Unless specifically approved by the State Government, the loans cannot be used for any purpose other than that specified in the approval.

17.3 Where the terms of sanction provide for the establishment of a sinking fund for the repayment of loan, the ULB shall establish it and credit to it, funds from the Municipal Fund. Similarly, if the terms provide for a creation of an escrow account for repayment of loans, the ULB shall create it and credit to it, the income earmarked for this. The purpose of establishment of a sinking fund or an escrow account is to accumulate money, including interest, adequate to repay the loan as per the repayment schedule.

ACCOUNTING PRINCIPLES

17.4 The following Accounting Principles shall govern the recording, accounting and treatment of transactions relating to Borrowings (Loans Received):

- a. Interest expenditure on loan shall be recognised on accrual basis.
- b. Interest on borrowings directly attributable to acquisition or construction of qualifying fixed assets up to the date of commissioning of the assets shall be capitalised.
- c. A provision shall be made for the interest accrued between the date of last payment of interest and the date of financial statements and shall be charged to the current period's Income and Expenditure Statement.
- d. The expenses incurred while issuing of debentures or bonds (Issue Expenses) shall be deferred and amortised in equal installments over a period of 5 years or the tenure of the loan whichever is earlier. In case, the debentures & bonds are prematurely redeemed, the amount of issue expenses outstanding during the year shall be written-off and charged to the Income and Expenditure Statement as expense of the year when such an event happens. However, all other expenses in respect of raising loans other than those considered, as issue expenses shall be expensed off in the year in which they are incurred.

ACCOUNTING RECORDS AND PROCEDURES

17.5 This section describes the records, registers, documents, forms, accounting entries, etc., in respect of accounting for transactions related to Loans. For the purposes of accounting of Loans, there are certain forms, registers, etc., which are specific to Loans, e.g., Register of Loans – (Form BR-1). These (Forms BR-1 to BR-3) are annexed to this chapter and are prefixed “Loan”.

ACCOUNTING FOR RECEIPT OF LOAN

17.6 The amount borrowed as per the terms of sanction shall be entered in the Register of Loans in Form BR–1 maintained by the Accounts Department of the ULB. A separate folio shall be allotted for each loan taken. In case, sanction has been obtained for issuing debentures, the particulars of the debenture holder shall be recorded in the Register of Debentures in Form BR-2. Amount received as loan shall be deposited in the Designated Loan Bank Account.

17.7 Raising / Borrowing of Funds: On receipt of loan, the Accounts Department shall pass the following entries:

- a. In cases where debentures have been issued for raising funds.

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
450- (b)	Designated Loan Bank Account *	Dr.	10,00,000		Cash book, Ledger, Register of Debenture
331-70-(a)	To Bonds & debentures**	Cr.		10,00,000	

* Specify the name of the Bank and Account number

**Specify the percent or any other distinguishing feature of the debenture issued for easy identification.

(a) Insert Detailed Head Codes of Account as applicable

(b) Insert Detailed & Minor head codes of account as applicable

Note 1: The Major account head to be credited shall be 330 in the case of Un- Secured Loans and this applies to all the entries relating to loans explained in this Chapter.

Note 2: The postings in the Ledger Accounts of “Bonds & debentures” Account shall be carried out as indicated in Chapter 5 – General Accounting Procedures. The postings in the Ledger Accounts shall be similarly carried out in respect of all other accounting entries described subsequently in this chapter. Whenever the cash or the bank account is involved, there will be no entry in the Journal Book.

- b. In cases where funds are borrowed otherwise than by issue of debentures.

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
450-(b)	Designated Loan Bank Account *		10,00,000		Cash Book, Ledger, Register of Loans
331-(b)	To Loans _____ **			10,00,000	

*Specify the name of the Bank and Account number

**Specify the institution from which the funds have been borrowed or any other distinguishing feature of the loan received for easy identification.

(a) Insert minor & detailed Head Codes of account as applicable

ACCOUNTING OF INTEREST PAYABLE ON LOAN / DEBENTURES

17.8 Recording of interest accrued:: For interest payment, on receipt of approval for payment of interest from the authorities designated by the ULB, the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
240 – (b)	Interest & Finance Charges	Dr.	1,00,000		Journal Book, Ledger, Register of Loans, Register of Debenture
350-12-(a)	To Interest Accrued & due – Loans	Cr.		1,00,000	

(a) Insert Detailed Head Codes of Account as applicable

(b) Insert Minor & Detailed Head Codes of Account as applicable

17.9 Recording of payment of interest: On payment of interest to the lenders, the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
350-12-(a)	Interest Accrued & due – Loans	Dr.	1,00,000		Cash Book, Ledger, Register of Loans, Register of Debenture
450-21-(a)	To Bank Account *	Cr.		1,00,000	

*Specify the name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

17.10 The amount of interest remaining unclaimed or unpaid shall be treated as Current Liability.

17.11 Recording of interest accrued but not due: For the period between the date of last payment of interest and the date of the preparation of the financial statements, the amount of interest accrued for the period aforesaid shall be determined and a provision shall be made for it. The Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
240 –(b)	Interest & Finance Charges	Dr.	15,000		Journal Book, Ledger
360 –20-(a)	To Provision for Interest-Interest Accrued & Not Due	Cr.		15,000	

(a) Insert Detailed Head Codes of Account as applicable

(b) Insert Minor & Detailed Head Codes of Account as applicable

17.12 Recording of reversal of interest provisioning: At the beginning of the new accounting period, the provision entry made in the previous accounting period shall be reversed and the following entry shall be passed

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
360 –20-(a)	Provision for Interest – Interest Accrued and Not Due	Dr.	15,000		Journal Book, Ledger
240 –(b)	To Interest & Finance Charges- Loans	Cr.		15,000	

(a) Insert Detailed Head Codes of Account as applicable

(b) Insert Minor & Detailed Head Codes of Account as applicable

17.13 Through the reversal entry, the entry for period end expenses passed in the current period shall be reversed in the next accounting period. Payments made during the next accounting period in respect of the interest shall be recorded by debits to the interest on loans/ debentures accounts in the same manner as payment for interest accruing and arising in the next accounting period as described in paras 17.11 and 17.12.

17.14 The credits made in the interest account through the above reversal entry would automatically take care of the extra debits given in the next accounting period.

ACCOUNTING FOR REPAYMENT OF LOAN/REDEMPTION OF DEBENTURES

Repayment of Loan/Redemption of Debentures in case where Sinking Fund is established Establishment of Sinking Fund

17.15 For creation/addition to Sinking fund:Where the terms of sanction for raising loan or issuing debenture provides for establishment of a Sinking Fund, an amount stipulated in the terms of sanction shall be transferred to the Sinking Fund from the Municipal Fund at the end of the year. To record the above, the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
290- (a)	Transfer to Sinking Fund	Dr.	1,00,000		Journal Book, Ledger, Register of Sinking Fund
311-50-(b)	To Sinking Fund	Cr.		1,00,000	

(a) Insert Minor and Detailed Head Codes of account as applicable

(b) Insert Detailed Head Codes of account as applicable

17.16 Recording of transfer of funds from the Main Bank Account to the Sinking Fund Bank Account. The amount so transferred to the Sinking Fund from the Municipal Fund shall be deposited in a separate bank account. On deposit, the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
450- 41-(a)	Designated Bank Account*	Dr.	1,00,000		Cash Book Ledger, Register of Sinking Fund
450-21-(a)	To Bank Account *	Cr.		1,00,000	

*Specify the name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable.

Investment of Sinking Fund

17.17 Investments made in respect of Sinking Fund shall be entered in a Sinking Fund Investment Register (Form IN-1) (provided in Chapter 19 on Investments). The accounting entries/procedures to be followed for investments of such moneys are similar to those followed in respect of other investments. They relate to investments, maturity of investment, recording of interest, profit/loss on sale/maturity of investments, etc. These have been described in Chapter 20 on Investments.

17.18 Interest earned on Investments, profit/loss on disposal of Investments, if any, shall be updated in the Register of Sinking Fund (Form BR-3).

Transfer from Municipal Fund to Sinking Fund

17.19 Recording of transfer from Municipal Fund to make good the deficit in Sinking Fund observed during an examination of sinking fund investment: On examination, if it is observed that the present value of sinking fund investment is less than the value of the Fund stipulated in the terms of sanction, the difference shall be made good from the Municipal Fund. The Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
290-(a)	Transfer to Sinking Fund	Dr.	5,000		Journal Book, Ledger, Register of Sinking Fund
311-50-(a)	To Sinking Fund	Cr.		5,000	

(b) Insert Minor & Detailed Head Codes of Account as applicable

(c) Insert Detailed head as applicable

17.20 Recording of transfer of Funds. The additional amount so transferred from Municipal Fund to Sinking Fund shall be deposited to the Sinking Fund Bank Account and accordingly following entry shall be passed:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
450- 41-(a)	Designated Bank Account*	Dr.	5,000		Cash Book, Ledger, Register of Sinking Fund
450-21-(a)	To Bank Account *	Cr.		5,000	

*Specify the name of the Bank and Account number

(a) Insert Minor & Detailed Head Codes of Account as applicable

Repayment of Loan/Redemption of Debentures

17.21 On repayment/redemption of loans/debentures: For repayment of loans and/or redemption of debentures, the Accounts Department shall pass the following entries:

a. For repayment of loan from the Sinking Fund

Code of Account	Accounting Entry	Dr. / Cr	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
331 - (a)	Loans To Designated	Dr.	10,00,000		Cash Book, Ledger, Register of Sinking Fund, Register of Loans
450-41-(b)	Bank Account *	Cr.		10,00,000	

**Specify the name of the Bank and Account number*

(a) Insert Minor & Detailed Head Codes of Account as applicable

(b) Insert Detailed Head Codes of Account as applicable

b. For redemption of debentures from the Sinking Fund

Code of Account	Accounting Entry	Dr. / Cr	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
331- (a)	Bonds & debentures	Dr.	10,00,000		Cash Book, Ledger, Register of Sinking Fund, Register of Debentures
450- 41-(a)	To Designated Bank Account *	Cr.		10,00,000	

**Specify the name of the Bank and Account number*

(a) Insert Minor & Detailed Head Codes of Account as applicable

c. For transfer of funds from the Sinking Fund on repayment/redemption of loan/debenture.

Code of Account	Accounting Entry	Dr. / Cr	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
421- (b)	Investments – Other Funds	Dr.	20,00,000		Journal Book, Ledger, Register of Sinking Fund
420 - (b)	To Investments – General Funds	Cr.		20,00,000	

(a) Insert Minor & Detailed Head Codes of Account as applicable

Repayment of Loan/Redemption of Debentures in case where Escrow Account is created:

17.22 Creation of Escrow account: When the terms of sanction for raising loan or issuing debentures provide for the establishment of an Escrow account, an amount equivalent to that stipulated in the sanction shall be transferred to the Escrow account based on collections of earmarked income. For e.g. if a loan has been taken for building Water Supply Infrastructure, then out of the water supply income collected, an amount equal to certain percentage of water tax shall be deposited into the Escrow account. For creation of Escrow Account, the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
450-41-(a)	Designated Bank Account *	Dr.	3,00,000		Cash Book, Ledger, Register of Loans, Register of Debenture
450-21-(a)	Bank Account *	Dr.		7,00,000	
110-02-(a)	To Tax Revenues – Water Taxes	Cr.		10,00,000	

**Specify the name of the Bank and Account number*

Insert Detailed Head Codes of Account as applicable

Investment of amount lying in Escrow Account:

17.23 Investments made in respect of Escrow account shall be entered in an Escrow Account Investment Register (Form IN-1) (provided in Chapter 20 on Investments). The accounting entries/procedures to be followed for investments of such moneys are similar to those followed in respect of other investments. They relate to investments, maturity of investment, recording of interest, profit/loss on sale/maturity of investments, etc. These have been described in Chapter 20 on Investments.

17.24 Interest earned on Investments, profit/loss on disposal of Investments, if any, shall be updated in the Escrow Account Investments Register.

Accounting and payment of Interest on Loans/ Debentures

17.25 Accounting and payment of interest on Loans/ Debenture/ Bonds raised/ issued will be same as provided in the section “Accounting of interest payable on loan / debentures” above, reference to which is invited. The only difference being payment will be out of Escrow Bank Account instead of Main Bank Account. To record the payment the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
350- 12- (a)	Interest Accrued & due- Loans	Dr.	70,000		Cash Book, Ledger, Register of Loans, Register of Debenture
450-41-(a)	To Designated Bank Account*	Cr.		70,000	

* Specify the name of the Bank and Account number
(a) Insert Detailed Head Codes of Account as applicable

Repayment of Loan/Redemption of Debentures

17.26 On repayment/redemption of loans/debentures: For repayment of loans and/or redemption of debentures, the Accounts Department shall pass the following entries:

a. For repayment of loan from the Escrow Account:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
331- (a)	Loans	Dr.	300,000		Cash Book, Ledger, Register of Loans
450-41-(b)	To Designated Bank Account*	Cr.		300,000	

*Specify the name of the Bank and Account number
(a) Insert Minor & Detailed Head Codes of Account as applicable
(b) Insert Detailed Head Codes of Account as applicable

b. For redemption of debentures from the Escrow Account

Code of Account	Accounting Entry	Dr. / Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
331- (b)	Bonds & debentures	Dr.	10,00,000		Cash Book, Ledger, Register of Debentures
450- 41-(a)	To Designated Bank Account*	Cr.		10,00,000	

*Specify the name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

(b) Insert Minor & Detailed Head Codes of Account as applicable

Repayment of Loan/Redemption of Debentures in case where Sinking Fund/Escrow Account is not established

17.27 Recording of repayment of loan or redemption of debenture :Where Sinking Fund is not established, the loan shall be repaid or debentures redeemed from the Municipal Fund as per the terms of the agreement entered into and the following entry shall be passed:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
331-(b)	Loans	Dr.	10,00,000		Cash Book, Ledger, Register of Loans, Register of Debentures
331-(b)	Bonds & debentures	Dr.		10,00,000	
450-21-(a)	To Bank Account*	Cr.		20,00,000	

*Specify the name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

(b) Insert Minor & Detailed Head Codes of Account as applicable

Accounting for Expenditure incurred in raising loans or issuing debentures

17.28 Recording of Loan Issue Expenses :The ULB may incur expenses such as credit rating fees, security creation fees, stamp duty, etc., at the time of raising loan or issuing debentures. These expenses shall be deferred and be classified as Loan Issue Expenses and on payment being made, the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
480-10-(a)	Loan Issue Expenses–Deferred	Dr.	50,000		Cash Book, Ledger,
450-21-(a)	To Bank Account*	Cr.		50,000	

*Specify the name of the Bank and Account number

(a) Insert Detailed Head Codes of Account as applicable

17.29 Recording of amortisation of Loan Issue Expenses :The Loan Issue Expenses shall be amortised in equal instalments over a period of 5 years or the tenure of the loan whichever is lower. For instance, issue expenses of Rs. 50,000 incurred for raising loan shall be amortised over a period of 5 years in equal instalments of Rs. 10,000/- every year. At the end of each financial year, for amortising the relevant portion of Loan Issue Expenses, the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
270-50-(a)	Miscellaneous Expenditure written off	Dr	10,000		Journal Book, Ledger,
480-10-(a)	To Loan Issue Expenses Deferred	Cr.		10,000	

(a) Insert Detailed Head Codes of Account as applicable

17.30 Recording of write-off of Loan Issue Expense. In case the loans are pre-paid or debentures are redeemed prematurely, the balance outstanding in the Loan Issue Expenses shall be written-off during the year in which the prepayment or premature redemption has been made. Continuing the earlier illustration, in case the loans have been prepaid during the third year, then the balance of Rs. 30,000/- lying outstanding in the Loan Issue Expenses shall be written-off during the third year. At the end of the financial year, the Accounts Department shall pass the following entry:

Code of Account	Accounting Entry	Dr./ Cr.	Debit Amount (Rs.) Illustrative figures	Credit Amount (Rs.) Illustrative figures	Books to be entered into
270-50-(a)	Miscellaneous Expenditure written off	Dr.	30,000		Journal Book, Ledger
480-10-(a)	To Loan Issue Expenses Deferred	Cr		30,000	

(a) Insert Detailed Head Codes of Account as applicable

INTERNAL CONTROLS

17.31 The following internal controls shall be observed by the ULB in respect of Loans related transactions:

- a. The Accounts Department shall ensure that adequate provision is made for the interest accrued between the date of last payment of interest and the date of Financial Statements and is charged to the current period's Income and Expenditure Statement.
- b. The Executive Officer/Secretary & in case of Municipal Corporation the Head of the Accounts Department shall carry out physical verification of Sinking Fund Investment documents and compare with the Sinking Fund Investment Account.
- c. The Executive Officer/Secretary & in case of Municipal Corporation the Head of the Accounts Department shall monitor the funds borrowed and ensure proper utilisation of funds.

- d. The Executive Officer/Secretary & in case of Municipal Corporation the Head of the Accounts Department shall ensure that the present value of the sinking fund investment ties up with the value of the Fund as per the State Government's sanction. If any mismatch is observed, the adequate funds shall be transferred from the Main Bank Account to Sinking Fund Bank Account.
- e. The Executive Officer/Secretary & in case of Municipal Corporation the Head of the Accounts Department shall ensure that the transfers to escrow account out of income collected are as per the conditions of borrowings.
- f. The Commissioner/ Executive Officer/Secretary of the ULB shall specify such appropriate calendar of returns /reports for monitoring.

17.32 All Reconciliation Statements shall be certified by the Executive Officer/Secretary & in case of Municipal Corporation the Head of the Accounts Department and verified.

PRESENTATION IN FINANCIAL STATEMENTS

17.33 The various heads of accounts used for the accounting of Loans shall be reflected in the Financial Statements or the Schedules attached to the Financial Statements of the ULB. All such Financial Statements and schedules should be affixed with signature and seal of the Commissioner or authority authorise by him for this purpose & in case of other ULBs the Executive Officer/Secretary.

17.34 The schedule of Income and Expenditure Statement in respect of Loans is provided below.

Schedule I-13: Interest & Finance Expenses

Code No.	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
240-10-(a)	Interest on Loans from Central Government		
240-20-(a)	Interest on Loans from State Government		
240-30-(a)	Interest on Loans from Government Bodies & associations)		
240-40-(a)	Interest on Loans from International Agencies		
240-50-(a)	Interest on Loans from Banks & Other Financial Institutions		
240-60-(a)	Other Interest		
240-70-(a)	Bank Charges		
240-80-(a)	Other Finance Expenses		
Total : Interest & Finance expenses			

(a) Insert Detailed Head Codes of Account as applicable

Schedule I-16 - Schedule of Provisions & Write off

Code No.	Particulars	Current Year	Previous Year
270-50-(a)	Miscellaneous Expenses / Expenditure written off		
Total – Provisions & Write off			

(a) Insert Detailed Head Codes of Account as applicable

17.35 The Balance Sheet abstract in respect of Loans is provided below

Schedule of Ear Marked Funds

Schedule B-2 (a): Sinking Fund

(a) Opening Balance	
Particulars	Sinking Fund
(b) Additions to the Sinking Funds	
(i) Transfer from Municipal Funds	
(ii) Interest/Dividend earned on Sinking Fund Investments	
(iii) Profit on disposal of Sinking Fund Investments	
(iv) Appreciation in Value of Sinking Fund Investments	
(v) Other addition (Specify nature)	
Total (b)	
Total (a+b)	
(c) Payments out of funds	
(i) Capital expenditure on	
Fixed Assets	
Others	
Total	
(ii) Revenue Expenditure on	
Salary, Wages and allowances etc	
Rent	
Other administrative expenses	
Total	
(iii) Other:	
Loss on disposal of Sinking Fund Investments	
Diminution in Value of Sinking Fund Investments	
Transferred to Municipal Fund	
Total	
Total (c)	
Net balance at the year end – (a)+(b)-(c)	

Schedule B-2 (b): Escrow Account

Particulars	Escrow Account
(a) Opening Balance	
(b) Additions to the Escrow Account	
(i) Transfer from Income from Project	
(ii) Interest/Dividend earned on Escrow Account	

Investments	
(iii) Profit on disposal of Escrow Account Investments	
(iv) Appreciation in Value of Escrow Account Investments	
(v) Other addition (Specify nature	
Total (b)	
Total (a+b)	
(c) Payments out of funds	
(i) Capital expenditure on	
Fixed Assets	
Others	
Particulars	
Total	
(ii) Revenue Expenditure on	
Salary, Wages and allowances etc	
Rent	
Other administrative expenses	
Total	
(iii) Other	
Loss on disposal of Escrow Account Investments	
Diminution in Value of Escrow Account Investments	
Transferred to Municipal Fund	
Total	
Total (c)	
Net balance at the year end – (a)+(b)-(c)	

Schedule B-5/6: Secured & Unsecured Loans [Code No 330/331

Code No.	Particulars	Current Year	Previous Year
330/31-10-(a)	Loans from Central Government		
330/31-20-(a)	Loans from State government		
330/31-30-(a)	Loans from Govt. bodies & Associations		
330/31-40-(a)	Loans from international agencies		
330/31-50-(a)	Loans from banks & other financial institutions		
330/31-60-(a)	Other Term Loans		
330/31-70-(a)	Bonds & debentures		
330/31-80-(a)	Other Loans		
Total Secured/Un Secured Loans			

(a) Insert Detailed Head Codes of Account as applicable

Notes

1. Rate of Interest and Original Amount of loan and outstanding can be provided for every Loan under each of these categories separately;
2. The nature of the Security shall be specified in each of these categories
3. Particulars of any guarantees given shall be disclosed
4. Terms of redemption (if any) of bonds/debentures issued shall be stated, together with the earliest date of redemption
5. For loans disbursed directly to an Executing Agency, please specify the name of the Project for which such loan is raised.

Schedule B-9: Schedule of Other Liabilities

Code No.	Particulars	Current Year	Previous Year
350-12-(a)	Interest Accrued and Due-Loans		
Total Other liabilities			

(a) Insert Detailed Head Codes of Account as applicable

Schedule B-10: Schedule of Provisions

Code No.	Particulars	Current Year	Previous Year
360-20-(a)	Provision for interest- Interest Accrued & not due- Loans		
Total Provisions			

(a) Insert Detailed Head Codes of Account as applicable

Schedule B-13: Schedule of Investments - Other Funds (Sinking Funds, Escrow Account)

Code No.	Particulars	Current year	Previous year	Face value (Rs.)	Carrying Cost (Rs.)	Face value (Rs.)	Carrying Cost (Rs.)
421-10-(a)	Central Government Securities						
421-20-(a)	State Government Securities						
421-30-(a)	Debentures and Bonds						
421-40-(a)	Preference Shares						
421-50-(a)	Equity Shares						
421-60-(a)	Units of Mutual Funds						
421-80-(a)	Other Investments						
	Sub-total						
	Less:						
420-90-(a)	Accumulated Provision						
Net Total Investments OF							

(a) Insert Detailed Head Codes of Account as applicable

Note:

- 1.Details of Investments shall be provided separately for each of the Special Fund Investment and Grant Investment.
- 2.Value in respect of investments, which have matured but not encashed shall be disclosed separately

Schedules B-17: Schedule of Cash & Bank Balances

Code No.	Particulars	Current Year	Previous Year
450-21-(a)	Bank Balances		
450-41-(a)	Designated Bank Account		
Total			

(a) Insert Detailed Head Codes of Account as applicable

Schedules B-20: Schedule of Miscellaneous Expenditure Not Written Off

Code No.	Particulars	Current Year	Previous Year
480-10-(a)	Loan Issue Expense Deferred		
Total –			

(a) Insert Detailed Head Codes of Account as applicable

_____ *Name of the ULB*

REGISTER OF LOANS

Form BR – 1

- | | |
|---|-------------------------------------|
| 1. Department from which loan received _____ | 5. Rate of Interest _____ |
| 2. Purpose of Loan _____ | 6. No. of installment _____ |
| 3. No. & date of resolution / orders sanctioning the loan _____ | [whether half-yearly or yearly] |
| 4. Amount of Loan sanctioned _____ | 7. Amount of each installment _____ |

Receipt of Loan			Amount due for repayment				Initials of the officer	Amount Repaid				Balance			Remarks
Date of Receipt	Amount Received	Total Amount Received	Due Date of Repayment	Amount of Principal	Amount of Interest	Total Amount due to repayment		Date of Repayment	Principal Amount	Interest	Total	Principal Amount	Interest	Total	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

Not:

1. Separate folio shall be allotted to each loan.
2. The format for capital grant register would be similar.
3. Pages of ledger / register would be numbered.
4. In case of more than one loan, summary of all loans shall be drawn suitably in the register.
5. _____

For each entry made, record the Name, Designation and Signature of the person making the entry in the register and the person checking the entry

Form BR – 2

_____ *Name of the ULB*

Date of order sanctioning the issue of debenture: Debenture Face Value (Rs.):

Amount raised by issue of debentures (Rs.): Rate of interest payable on debentures:

Date of issue of Debentures: Purpose of issuing debentures:

Details of Guarantee and Security furnished: Name of the Debenture-trustee, if any: Interest payment Schedule:

Date of maturity:

Repayment Schedule:

REGISTER OF DEBENTURES

Sr. No.	Debenture Folio No.	Debenture Certificate Nos.	Distinctive number of Debentures issued		Name & Address of the Debenture Holder	Date of becoming a Debenture holder	Date of ceasing as a Debenture holder	Initials of Authorised Officer*	Payment of Interest on Debentures				Initials of Authorised Officer*	Remarks
			From	To					Date when Due	Amount Due(Rs.)	Date of Payment	Amount Paid (Rs.)		

Note:

- (1) Details of all the holders who have been issued debentures of a particular series shall be listed above.
- (2) Separate folios shall be allotted for each series of the debentures being issued.
- (3) Three to four lines should be left after each certificate number to record the transfer entries for those certificates.
- (4) Date on which a person becomes a debenture holder and the date on which he ceases to be shall be mentioned for all the transfers effected.
- (5) For each entry made, record the Name, Designation and Signature of the person making the entry in the register and the person checking the entry.

