



ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

No:MA1/4(AA) 2020-21-AD

O/o VC & MD: Accounts Wing,
RTC House: Vijayawada,
Date: 05.03.2021.

ACCOUNTS CIRCULAR NO: 08/ 2020-21

Sub: Annual Accounts – Maintenance of proper Books of Accounts and Compilation of Statement of Accounts for the year 2020-21 so as to reflect Correct, True and Fair view of Profit and Loss Account & Balance Sheet – Instructions issued - Reg.

Ref: Accounts Circular No 11/2019-20, dated 05.03.2020.

1. Statutory Obligations:

Under Section 33 of the RTCs Act 1950, "The Corporation shall maintain proper Accounts and other records and prepare an annual statement of Accounts including the Profit and Loss Account and the Balance Sheet in the form prescribed by the State Government in consultation with the Comptroller and Auditor General of India. The Accounts of the Corporation shall be audited annually by the Comptroller and Auditor General of India or his nominee..."

2. Time Schedule

In order to fulfil the above statutory obligations, the following time schedule is prescribed for compilation, consolidation and submission of our Annual Accounts for the financial year 2020-21 to the Board and to A.G.

- a) Submission of Mar 2021 Regular Account Current **without provisions** by all Accounts centers in Regions / Zones to the Regional / Zonal Dy. CAOs /AOs and HO units to Dy.CAO (MA) on **8th Apr' 2021**.
- b) Submission of Mar 2021 Provisional Account Current **with all Provisions** by all Accounts centers in Regions / Zones to the Regional / Zonal Dy. CAOs /AOs and HO units to Dy.CAO (MA) on **15th Apr' 2021**.
- c) Submission of Mar 2021 consolidated Final Account Current of Regions/Zones to Head Office along with accompaniments Suspense Registers, AO/CE to submit Fixed Assets register, Depreciation register softcopies, All HO units to furnish Notes to Accounts issues along with final submission of Account current on **25th Apr' 2021**.

3. Convening Meetings

As soon as Feb 2021 accounts are over, the Dy.CAOs/AOs of all the Consolidation Centers shall conduct Annual Accounts Meetings of all the Accounts Supervisors of their constituent Units to review –

- Irregular balances,
- Abnormalities in balances,

- Unusual operation of AHs
- Infrequent transactions
- Compliance of Accounts Circulars issued during the FY and
- Omissions and Commissions pointed out in AG's audit etc.

4. The following guidelines are issued for strict compliance:

1) Accident Compensation

As we maintain our accounts on accrual basis, Provision for Outstanding Expenses shall be booked in respect of Motor Accident Claims pending as on 31st March every year as detailed below;

A) In respect of Claims for which Compensation amounts are awarded in Lok Adalat or MACT or Court on or before 31st March, Provision has to be made for the awarded amount, if all the following conditions are fulfilled.

- Award or Judgment is pronounced on or before 31st March;
- Decision is taken to accept the Award or Judgment; and
- Payment could not be made on or before 31st March for want of communication or order or sanction etc.

(a) In respect of other Accidents, which occurred on or before 31st March, provision has to be made at rates prescribed (Rs 50000 for each death case and Rs 25000 for each permanent disability case) in the M V Act. This provision has to be made for all pending Accident cases irrespective of whether Claims are received or not.

(b) Provision calculated as above shall be booked (Dr AH 6901 and Cr AH 1141) in March accounts every year of all Regional Offices for and on behalf of their constituent Depots. The Provision JE has to be just reversed in March accounts of the ensuing year. Thus in March accounts of all Regional Offices, two JEs have to be passed, one for reversing the Provision JE in March accounts of previous Year and making Provision for Outstanding Cases as on 31st March of Current Year.

B) Correctness in Accounting of payments towards Accident Compensation shall be ensured with reference to the Accounts Letter No. MA1/4(1)/2003-04-AD dated 16-04-2005.

The Personnel Officers / Law Officers in the Regions and Senior Law Officer in Head Office are advised to give complete information on the outstanding claims of MACT and others as on 31.03.2021 to the Accounts Officers / Dy. CAOs concerned by 5th Apr, 2021.

2) Accrual Basis:

- Carry out all required adjustments for (i) Outstanding Expenses, (ii) Income accrued but not received, (iii) Pre-paid Expenses and (iv) Income received in advance.
- With regard to Outstanding Expenses, if figures of actual expenditure are known before passing provision JE, exact amounts have to be taken into consideration. If figures of actual expenditure are not known, probable expenditure has to be estimated based on past experience, correspondence etc., using best judgment in the circumstances. There should not be any omissions in identifying "Items" of expenditure.

3) Physical Verification Of Assets:

Physical Verification Of Assets i.e. Land, Buildings, Vehicles, Plant & Machinery, Furniture & Fittings and Electronic Equipment etc and Oils / Stores at all Depots / Zones shall be carried out.

----Annexure 1

Tyre Censuses has to be carried out at Depot level, TRS, J – Ward at Zonal level as on 31-03-2021 invariably and Depot Accounts Supervisor/ Regional Audit Inspector/ Zonal Audit Inspector has to certify the inventory of Tyres duly Cross Checking with norms.

----Annexure 2

Float Units: WMs of ZWS has to complete Float unit's reconciliation as on 31.03.2020 and submit a report to Dy.CAO of the Zone to conduct physical verification of Float units along with the value.

----Annexure 3

The physical verification shall be completed by the end of 25.04.2021 and submit report to Dy.CAO(TA&I) and copy to Dy.CAO(MA) along with March 2021 Final Accounts submission.

4) Bills Receivables.

- a) For all the amount receivables in respect of Police Warrants, Postal Mail Bags, Interstate Oil Supplies, Special Hires etc. claims shall be preferred by 31.03.2021 by raising bills. In case of the disallowances made for the bills raised already, proper adjustments shall be made duly obtaining orders of the competent authority.
- b) The Account Head 0826- Amount Payable to Other RTC & AH 2326 – Amount receivable from Other RTC which are being operated by both the States for Receivable / Payable from the respective other states requires to be reconciled / cleared in each unit in March 2021 Accounts itself positively without fail. All AOs and Dy.CAOs shall reconcile and pass rectification entries if required.

5) Accounting of HSD OIL Shortage or Excess as at 31st March 2021:

The balances outstanding in the AH2805-HSD Oil Shortage, AH 2806 - HSD Oil Excess, AH 2917-F/S- Inventory- Diesel Oil Excess, AH 2918-F/S- Inventory-0.20 % Diesel Oil Shortage, AH 2922-F/S- Inventory-Petrol Excess and AH 2923-F/S- Inventory-0.6 % Petrol Shortage shall be cleared duly taking necessary follow up action. The personnel department shall take necessary action in getting the cases cleared.

The HSD Oil transactions should be Reconciled with MTD 29/R: The HSD Oil closing stock should be reconciled with closing stock balance of MTD 29/R. Certification to that extent should be given by the Depot Managers, MF and Accountant along with March, 2021 Accounts to the Dy. CAOs/ AOs of the Region. **All regional AOs/Dy.CAOs shall give certification that all MTD-29 R have been audited to Dy.CAO/MA and Dy.CAO/TA & I.**

----Annexure 4

- 6) **Retail Oil Outlet:** APSRTC started Retails oil outlet business at Rangampeta, East Godavari Region. And other outlets are in the process of cropping up. The regular procedure is being followed in fuel station accounting.

- 7) **Clearance of Suspense Balances:** All AOs and POs shall take necessary action to clear/ minimize the balances under Account Heads i.e., AH 23 Group, AH 24 Group & AH 28 Group and see that there are no amounts pending for want of recovery/ action.

8) **Capital Grants:**

EEs' Offices have to take care in booking of Capital Grants on receipt, to AHs 0320- Capital Receipts-Spl. Schemes or AH 0321- Capital Reserves as the case may be and transfer the Capital Grants to the HO along with information in the prescribed pro-forma after completion and capitalization of relevant Work. Also Confirmatory Certificate that **"all the Capital Grants received against which Works are completed have been transferred to the AO (Works)**, HO has to be sent along with the Mar 2021 Account Current. **All Executive Engineers shall give certification in this regard to Dy.CAO/MA.**

----Annexure 5

9) **Clearance of AHs:**

There shall be No Outstanding balance in AH 2814 -Pending Classification, 27 Group-Transfer of Funds, AH 2527- Drawing Account and AH 0909-Net Pay & Allowance, necessary clearance shall be done to respective Ahs.

Funds in Transit: All Unit Officers are advised not to account any amount in Funds - in-Transit AHs 27XX and plan funds transfer accordingly so that idling of funds will be minimized and adverse comments from AG will be avoided.

10) **Civil Works:**

Capitalization of works which are fully completed and put in to use and which are partly completed and put into use before 31.03.2021 of EEs' Offices have to be submitted to AO(works) After issue of Completion Report, the entire amount to be capitalized to the respective capital Asset Head from the work- in -progress account heads.

Closing stock of inventory like Cement and Steel etc., shall be accounted to AH 2191- INV-Cement, AH 2192- INV-Steel, & AH 2193- INV-AC Sheets etc... **The valuation and physical stock shall be verified by the Zonal Audit Inspectors and submit report to Dy.CAO(TA&I) and copy to Dy.CAO(MA) along with March 2021 Final Accounts submission.**

----Annexure 6

- 11) **Imprest Accounts:** Imprest Accounts to be closed on 31st Mar 2021 and audited compulsory and **submit conformity to Dy.CAO(TA&I) and Dy.CAO(MA).**

----Annexure 7

12) **Clearance Of Inter Unit Advices:**

- a) Debit and Credit Advices shall not be issued in the accounts of March except for transfer of Out Depot Remittances (ODR), Police Warrants, Funds, Stores and Workshops, Profit/Loss on sale of scrap and Non Departmental Recoveries (NDRs) only.
- b) If any of the Debit or Credit Advices raised in March accounts for specified purposes against Units within the Consolidation Centre could not be dispatched before 20th Apr, the same should be handed over to the AO of the Consolidation Centre who should get them incorporated in accounts of Responding Unit before closing Accounts at the Consolidation Centre level. Before closing March Accounts, the Dy.CAO/AO shall ensure one hundred percent clearance of all Advices exchanged between Units within the Consolidation Centre.

- c) With regard to Debit or Credit Advices raised in March accounts for specified purposes against Units OUTSIDE the Consolidation Centre that could not be dispatched before 20th April
- 1) For Stores, Workshops expenditure and Income towards sale of scrap vehicles and materials, the Dy CAOs maintaining Stores Accounts shall book expenditure and income to final heads of account and hold in their books of account only. In such cases, Region-wise break up has to be furnished by way of letters to the Dy CAOs/AOs of the respective Regions as well as to the Dy CAO(MA) in name cover and appropriate adjustments will be made at the Corporate Office while compiling Region wise Profit & Loss Account for march. However, in respect of Stock transfers to other Zonal Stores, Advices should be sent per bearer and got accepted; else inventory Reconciliation would be affected.
- d) In case of March Advices for other specified purposes, Origination Units should send Advices, in original, to the Dy CAO(MA): HO for further action.
- e) In cases where issuance of Advices for purposes other than those specified at (a) above becomes necessary in the calendar month of March, the same may be issued booking their issue in April accounts. Responding Units should accept such Advices in April accounts only but not in March accounts.
- f) M.V Tax should be operate in B&F section/HO for reconcile with Govt by issuing credit advices after adjustments in MA Section/HO.

There shall be no outstanding unaccepted advices.

- 13) Accounting of Personnel cost:** The Govt. of AP formed a Committee to suggest a method for accounting of the salaries paid by the Govt. of AP to the employees of PTD working on deputation. The Committee Report is yet to be received, till such time the method prescribed in the Accounts Circular No.12/2019-20, dated 11.09.2020 may be continued. Any modifications will be communicated later on.

14) Materials-In-Transit:

Zonal Offices maintaining Stores Accounts have to assess and book the value of

- (a) Material received and lying in the Receipts Section as on 31st Mar 2021.
- (b) Material rejected but not returned to the Supplier as on 31st Mar 2021 by debiting AH 2164 and Crediting AH 0829 in Mar 2021 Accounts. The JE shall be reversed in April 2021 Accounts. (Ref: Accounts. Cir. No. 3/1996-AD at Page 107 of the Accounts Circulars Book 1991-2000)

All Zonal Dy.CAOs shall ensure that all the issue notes issued upto 31.03.2021 are invariably accounted at Depots in Mar 2021 Accounts only.

15) Accounting of Depot Stores:

The Dy. CAOs/AOs shall conduct verification of Inventory balances as on 31.03.2021 as per 27 / R by debiting AH 2166 and crediting relevant AHs in Group 41 of the respective Depots duly reversing the Journal Entry passed in March, 2020 Accounts.

16) Monetary Benefit:

Monetary Benefit Claims, received on or before 31st Mar 2021 and pending for disposal on 31st Mar 2021 shall be listed out in detail and the liability at rates prevailing as on 31st Mar 2021 shall be assessed and booked into Accounts, that is, a) Reversing the Provision JE made in Mar 20 Accounts of the last year and b) Booking the Provision with Dr. AH 6061- Monetary Benefit Scheme and Cr. AH 1132- C/L-Pay & Allowances etc. for Outstanding Monetary Benefit at the end of Current Year.

In cases of employees died in harness on or before 31st March and for which Monetary Benefit Claims are not received, we have to disclose the amount involved as "Contingent Liability". Ref: Accounts Cir.No. 12/2003, dt 28th Jul 03;

17) Prior Period Transactions:

It shall be checked whether Previous Year(s) Transactions are correctly distinguished from Current Year's Transactions as under:

(A) When any payment or receipt relating to Previous Year(s) is made or received in the Current Year:

- i) If the provision was NOT MADE in Previous Year(s), AHs prescribed for Previous Year(s) transactions shall be operated.
- ii) If the provision WAS MADE in Previous Year(s), AHs prescribed for Current Year transactions shall be operated for the difference amount

(B) When Provisions for expenditure are made on assumption basis and the actual payments vary with the provisions made:

- i) Excess of the provision over Payment has to be credited to the expenditure heads of account of the Current year only; and
- ii) Excess of Payment over the Provision has to be debited to the expenditure heads of account of the Current year only.

(C) The Provisions made in Previous Years may have become superfluous on account of

- i) The liability not materialising for any reason, or
- ii) Actual payments in the subsequent year would have been wrongly debited to final heads of account without connecting the provisions made in previous year (s). In such cases, outstanding Provisions have to be withdrawn by debiting the Account in which Provision is unnecessarily held and crediting the AHs prescribed for previous year transactions.

18) Clearance Of Stock Adjustment Accounts:

a) Hundred percent clearance shall be ensured in respect of all the amounts booked under the AH NOs 2803, 2804, 2807, 2808 up to the end of Previous Year by COS / Dy. CAOs of the Zones.

b) The amounts booked under AHs 2805, 2806, 2868 and 2869 towards Shortage / Excess of HSD Oil should be cleared by Depot Managers/Dy.CAOs/AOs duly obtaining the necessary sanction/Concurrence.

19) Stores Obsolescence Fund:

Zonal Offices maintaining Stores Accounts have to confirm that any Loss due to disposal of Obsolete Stores is debited to AH 7687- CONT-Stores Obsolescence Fund.

20) Accounting Of AH 2831- Differed Revenue Expenditure- Refurbishing Cost- it shall be ensured that the major over haul expenditure received from Zonal Workshop and major local repairs cost incurred by the Depots shall be apportioned over a period of 3 years to rationalise the Depot costs.

21) Workshops:

The Floor stock shall be verified by the concerned Dy. CAOs / AOs in view of the directive from the Committee on Public Undertakings to the Corporation and consequential Circular instructions by ED (E) vide his Cir Lr. No COS CII/CMC/17/98-99/SPD dt.14.10.98 not to stock the materials more than 2 Days consumption in the Workshops since the Stores is located adjacent to the workshops.

Floor Stock at ZWS: Closing stock lying on the floor at Zonal workshops as on 31.03.2021 shall be taken into Accounts. The respective AHs in 21 Group shall be Debited and respective AHs in 56 group Credited as on 31.03.2021 duly reversing the JE passed in March 2020.

22) Maintenance Of Subsidiary Registers:

Subsidiary Registers AH wise for all the groups viz., 03, 04, 06, 08, 09, 10, 11, 12, 16, 17, 19, 20, 21, 22, 23, 24 and 28 shall be updated upto 31.03.2021 with sufficient details tallying with Ledger/Account Current balances by all the Account Centers and this shall be submitted along with Final submission of Mar 2021 Accounts.

23) Revenue Scrap Suspense: The value of Scrap material in scrap yard shall be assessed and Debit respective Accounts Heads in AH Group 22 and Credit AH 2830. The amount accounted in March 2020 Accounts shall be reversed in the March 2021 Accounts.

24) Inventory at TRS: The Closing Stock at TRS as on 31.03.2021 shall be debited AH 2167 and Credited AH 5476. The amount accounted in March 2020 Accounts shall be reversed in the March 2021 Accounts.

25) Omissions and Commissions: After submitting of consolidated Account Current, no entries shall be made by the consolidation centres also without the permission of the Dy.CAO (MA) / Head Office.

26) Passengers Amenities Fund: It shall be ensured that the accounting of Bus Station transactions are done to the AHs prescribed as per the Accounts Circular No.5 / 2013-14, dated 12.08.2013.Compliance in this regard month wise Bus station wise details to be furnished to Dy.CAO (MA) along with accompaniments.

----Annexure 8

27) Bank Reconciliation Statement:

All Depot Managers / Unit Officers are advised to verify and update the BRS of their Unit as on 31st March 2021 and submit to Accounts Office along with March 2021 Accounts. The BRS shall be completed before Finalisation of Annual Accounts and necessary entries shall be passed for the items not accounted. **All Dy.CAOs and AOs shall audit the BRS of the units under their control along with 51 B vouchers and CIR paid vouchers. Conformity in this regard shall be sent to Dy.CAO(TA & I) / Dy.CAO (MA).**

----Annexure 9

28) Stall Rents:

- a) The Stall rents amounts should be reconciled with PD Stall Rent Periodicals and submit the same to the Accounts Officer of Region along with March 2021 Accounts. **Certification to the extent should be given by the Depot Managers along with March 2021 Accounts to the Dy. CAOs/ AOs of the Region and to Dy.CAO(MA) and Dy.CAO (TA&I).**
- b) Security deposits of stalls, outsourcing contracts & other deposits should be reconciled with PD and submit the same along with March 2021 Accounts.
- c) **BOT/ DOT: BOT / DOT revenue shall be accounted on accrual basis as per agreement and penalty and interest shall be collected on delayed payments.**

Provision shall be booked for the property tax , GST amount not paid by DOT/BOT licensees in Mar 2021 Accounts.

----Annexure 10

- 29) **Depreciation:** The DMs shall cross verify the Kilometres statement with MTD 151 A for the correctness of the vehicle numbers and certify the same. Dy.CAO/SPA&CE shall arrive at the actual depreciation to be booked during the year 2019-20 by all the Regions and arrive at the depreciation to be accounted for 2021-22 based on the actual depreciation accounted for 2020-21.
- 30) **Control Ledger Card Balances:** Carry forward the March-2020 Closing balances as per April 2020 Opening Balances and tallying with Head Office ledger balances.

5. Accompaniments:

Following statements are required to be submitted along with the Annual Accounts in addition to the above annexures.

- 1) **Age-wise break up of Suspense Balances:** More than 3 years (Upto 2016-17), Between 3 years to 1 year (2017-18 to 2019-20) and Below 1 year (2020 -21) for the balances exhibited in Mar 2021 Account Current for all Ahs in 11, 12, 23, 24, 28 Groups. Before submitting Age-wise Break up of Suspense Balances to the Head Office, **it shall be ensured that it does tally with the Closing Balances of Account Current.**

----Annexure 11

2) Contingent Liabilities:

The following information in which the judgement is not delivered or the liability on APSRTC is not clearly established shall also be submitted.

- a) MACT Claims (7% interest booked on Pending MACT Claims), (b) Back Wages, (c) Monetary Benefit, (d) Property Tax (e) Service Tax (f) Income-Tax (g) Land compensation claims. (h) MV Fines. (i) VAT/GST (j) Others.

----Annexure 12

- 3) Receipt on Capital Account: Details of the amount credited / debited to **AH 0320- Capital Receipts-Spl. Schemes**, summarized statements for the consolidation Center have to be accompanied by first copies of the statements received from the constituent Units. This information has to be furnished only **for the amount debited / credited during the year but not for the Closing Balances.**

----Annexure 13

- 4) The copy of Bank guarantee register shall be submitted by Dy.CAO/SPA&CE on 31st March 2021.

----Annexure 14


6. Observations of AG on Annual Accounts:

The following observations of AG audit of annual accounts shall not be repeated.

- i. Non Provision of Expenditure in the books of accounts.
- ii. Non Clearance of Suspense balances.
- iii. Non Clearance of Old outstanding dues.
- iv. Non Capitalisation of Assets which are put into use during the year
- v. Wrong accounting of Prior Period Expenditure to Current year heads.
- vi. Wrong accounting of Capital Assets under 16 group ie., Wrong Allocation.

7. April Account Current:

March Closing Balances in respect of AHs for which balances are required to be carried forward from year to year shall be adopted as Opening Balances in April Accounts Current by all the Accounting Units. The consolidated April Accounts Current shall be submitted to reach the Corporate Office by 6th May invariably.



**Financial Advisor &
Chief Accounts Officer.**

To

All the EDs / RMs/HODs of HO.
All the Dy. CPMs/ POs/SLO/ Los
All WMs/COSs
All the Dy. CAOs and AOs,
All the Executive Engineers,
All the Depot Managers,
The Dy.CTM/ATM(PNBS & DBS),
All other Officers concerned,
APSRTC.

Copy to OSD to VC & MD for favour of information pl.

Copy to CM (F&A) for information and necessary action.

Copy to the Resident Senior Audit Officer, AG RTC Branch, RTC house for information.

