

APS RTC

No MAI/5(1)/92 AD

O/o the VC & MD Finance Wing

Mushirabad Hyderabad

Dated 26 Nov 93

ACCOUNTS CIRCULAR No 17 / 1993

Sub STORES - Materials sent to Laboratories/Agencies for testing Accountal procedure " - Reg

It has come to light that the cost of materials sent for testing is being debited to AH No 40-A by preparing CMA 40 Issues Note and the same is continued years together in Suspense Account After examining the issue the following Accountal procedure is hereby prescribed

- 1) Whenever material is sent to Laboratories/Agencies for testing the cost of material shall be charged to revenue AH No 160 A (New Code 7340) "Material issued to Laboratories/Agencies for testing" Directly at the time of issue
- 2) Testing charges paid to Laboratories/Agencies shall be charged to AH 172 B (New code 7339) "Testing and Inspection charges for materials Plant & Machinery and Chassis" The earlier Nomenclature of AH 172-B pre delivery inspection/testing charges incurred before procuring Plant & Machinery and Chassis" is hereby modified as above
- 3) Where material fails to pass the test only testing charges have to be recovered from the firm concerned but not the material cost The amount of testingg charges recoverable from the firm shall be debited AH No 294(9) (New Code 2316) "Testing/Inspection charges recoverable from firms" The earlier nomenclature of AH 294(9) "Amount recoverable from A P Govt towards Equating Rebate" is hereby modified as above

This procedure shall come into force with immediate effect

Sd/ (G Somasekhara Rao)
CHIEF MANAGER (FINANCE)