

APS RTC

O/o the VC & MD Finance Wing
Mushirabad Hyderabad
Dated 06 Oct 94

No C&B/A8/114(l)/94 95/FD

C I R C U L A R

Sub MONTHLY ACCOUNTS - Contribution to Depreciation Fund Charge in Accounting procedure Reg

Ref VC & MDs Circular No C85B/A8/114(l)/94-95/FD dated 20 APR 94 / 21 JUL 94

Instructions were issued through the Circular cited to follow the revised rate of Depreciation from the Accounts of JUL 94 onwards wherem it was also directed to debit in addition to normal CPK on Depreciation a lumpsum amount of Rs 2 25 lakhs in respect of Deluxe / Luxury vehicles and Rs 2 00 lakhs in respect of other vehicles whenever new vehicles were allotted to the Depots This was intended to reflect realistic picture of Depreciation in respect of the accounts of each Depot with reference to the vehicles already under operation as at 31 MAR 94 and the vehicles added to the Depot during the current year as replacement or augmentation The lumpsum provision was suggested to avoid revision of average CPK from month to month whenever a new bus was delivered to a Depot

Though the revised system has been accepted generally some of the Field Managers have expressed the fear that the addition of lumpsum provision of Rs 2 25 lakhs / Rs 2 00 lakhs per vehicle in a month added to the burden of the Depot and vitiated its profitability in the month in which replacement/ augmentation vehicles are provided

Taking this problem into account, it is decided to dispense with the lumpsum provision referred to above and instead to have a fixed CPK depot wise based on the actual fleet position of the Depot and volume operated during the Current Year

The revised fixed CPK on Depreciation has been arrived at with reference to actual life of vehicles held by each Depot as at 31 MAR 94 and also taking into account the augmentation and replacement programme of vehicles for each Depot as projected to Head Office by the Field Officers for the months of SEP 94 to MAR 95 The revised CPK towards Depreciation for each Depot as shown in the Annexure to this Circular will uniformly apply for all the months from SEP 94 to MAR 95 (Note Annexure not printed)

All the Depot Managers / Regional Managers should note the above change in the Depreciation CPK and ensure implementation of the same positively from the Accounts of SEP 94 to MAR 95 The Profit & **LOSS** Account for the month of SEP 94 should be compiled with the changed Cost Per Kilometre (CPK)

As the above change is effective only from 01 SEP 94 earlier Circular is in force upto 31 AUG 94 Those Units which have not followed the earlier procedure while compiling the Accounts upto AUG 94 have to make good the shortfall, if any, in SEP 94 Accounts compulsonly This has to be fulfilled because the ultimate provision towards Depreciation under any system has to take care of and tally with the total Depreciation as worked out in the Corporations annual accounts and placed before the Board / Government

Sd/- (C Anjaneya Reddy)
Vice Chairman & Managing Director