

APS RTC

No MA1/5(3)/94-95/AD

O/o the VC & MD Accounts Wing
Mushirabad Hyderabad
Dated 02 Dec 95

ACCOUNTS CIRCULAR No 10 / 1995-AD

Sub ACCOUNTS - Accountal of Cost of Damages - Prescribing of Account Heads
-Reg

It is noticed that there is no uniformity in the accountal of Cost of Damages by the Units Though most of the Units are crediting the material consumption heads and pay heads of account, some of the Units are directly crediting the entire cost of damages assessed to AH 9229 Cost of Damages (Miscellaneous Income group)

The existing practice of crediting Cost of Damages assessed is also resulting in incorrect exhibition of the expenditure incurred and also holding irregular credit balances in Materials Consumption heads of account in 41 group at Depot level

The matter has been examined and it is decided to prescribe the following new Account Heads to credit the Cost of Damages assessed

<u>NOMENCLATURE</u>	<u>AH No</u>
<u>For assessment at Depots</u>	
Damages Material Cost	4197
Damages Labour Cost	4797
Damages - Tyre Cost	4497
<u>For assessment at Workshops</u>	
Damages Material Cost	5697
Damages - Labour Cost	5597
Damages Overheads	5797

The amounts received from outsiders or remitted by Drivers towards Cost of Damages shall be credited to AH 2816 - Cost of Damages (Suspense Accounts group) If there is any left over credit balance outstanding under AH 2816 towards excess of amount collected over Cost of Damages assessed such excess amount shall be transferred to AH 9229 - Cost of Damages

A list of Journal Entries usually passed at depots is enclosed for guidance

Sd/ (K V Subba Rao)
CHIEF ACCOUNTS OFFICER

ACCOUNTAL FOR COST OF DAMAGES AT DEPOT LEVEL

Transaction	Debit	Credit
1 Booking the Cost of Damages incurred at depot	2816	
Material Cost		4197
LabourCost		4797
TyreCost		4497
2 Acceptance of Debit Advice received from Dy CAO/AO towards Cost of Damages incurred at Workshop or Body Building Unit	2816	I D T
3 Receipt of amount towards CoDs	Bank	2816
4 Incorporation amount recoverable from employee as per final orders	2367	2816
5 Issue of Debit Advice for recoverable amount if the employee is working at another Unit at the time of issuing final orders of debit	IDT	2367
6 Write off of irrecoverable balance after obtaining competent sanction	6902	2816
7 Transferring the excess of amount collected over assessed CoDs	2816	9229