

APS RTC

No MA1/4(3)/98 AD

O/o the VC & MD Finance Wing

Mushirabad Hyderabad

Dated 11 Nov 98

ACCOUNTS CIRCULAR NO 8/1998

Sub ACCOUNTS - Accountal of the expenditure towards Hire Charges on Hired Vehicles Reg

AH 7801 (Fixed Expenses) and AH 7803 (Variable Expenses) have been prescribed under caption "Private Hire Vehicles Expenses" Nomenclature of AH 7801 is hereby modified to read as "Hire Charges" AH 7803 is hereby by withdrawn from operation Hence the existing balance in AH 7803 be transferred to AH 7801 by proposing Journal Entry

Further as per the existing procedure, expenditure towards Hire Charges on Hired Vehicles is booked into accounts on Cash Basis as and when payments are actually made Provision for outstanding expenses towards Hire Charges is booked into accounts on Accrual Basis in March Accounts only every year For administrative reasons it is decided to book expenditure towards Hire Charges on Hired Vehicles hereafter every MONTH on "Accrual Basis" Hence the following instructions are issued

- 01 Estimate the outstanding expenses towards Hire Charges on Hired Vehicles at the end of every month and pass Journal Entry by debiting AH 7801 (Hire charges) and crediting AH 1145 (Provisions Others)
- 02 Reverse the Journal Entry in the subsequent month and make fresh Journal Entry for the amount outstanding at the end of subsequent month
- 03 As and when payments are actually made operate final Ahs only as usual

These instructions shall be implemented from NOV 98 accounts Hence one Provision JE shall be passed in NOV 98 accounts From DEC 98 accounts onwards two JEs shall be passed every month for the following

- (a) For reversing the Provision JE passed in PREVIOUS month
- (b) For making provision towards Hire Charges outstanding at the end of the CURRENT month

Sd/ (K V Subba Rao)
CHIEF ACCOUNTS OFFICER