

APS RTC
No PA10/13(l)/2000

O/o the VC & MD Finance Wing
Mushirabad Hyderabad
Dated 23rd Nov 2K

JOINT ACCOUNTS AND ADMINISTRATIVE CIRCULAR No 4 / 2000

Sub VEHICLE ADVANCES Accountal of Interest on advances for purchase of Two Wheelers - Reg

Ref Joint Accounts & Administrative Circular No 23/1989 dt 08 01 90

In order to streamline the accountal procedure for Interest on advances for purchase of Two Wheelers the following procedure is prescribed in supercession of the instructions issued in the circular cited at reference

01 BOOKING OF VEHICLE INTEREST

- I) At the time of communicating sanction of the competent authority for release of advance for purchase of Two Wheelers, the Personnel Officer shall calculate provisional amount of interest assuming that Principal recovery would be effected without any interruption
- II) The Unit at which the advance for purchase of Two Wheelers is drawn shall
 - a) Propose Journal Entry by debiting AH 2438 (Vehicle Advance) and crediting 9003
 - b) Make an entry in the Service Record

02 ANNUAL STATEMENT OF ACCOUNT

At the end of each Financial Year or whenever an employee who drew Vehicle Advance is transferred to another Unit the Unit which effects recovery shall compile one statement in duplicate showing Opening Balance Month wise Debits and Credits as well as Closing Balance for disposition as follows

- a) File first copy in the Service Record
- b) Retain second copy in the Accounts Wing of the Unit as office copy

03 TRANSFERS

Whenever an employee who drew Vehicle Advance is transferred from one Unit to another the Unit from which the employee is transferred shall transfer out standing debit (which includes Principal as well as Interest) in AH 2438 to the new place of working by Debit Advice

04 DEATH IN HARNESS

- I) Whenever an employee who drew Vehicle Advance dies in harness write off sanction of the competent authority has to be obtained for the following
Debit Balance of Principal and Interest outstanding in Unit

MINUS Interest relating to the period after death
MINUS Installments which escaped recovery for any reason upto death
- II) Write off sanction shall be sought only for Principal as well as Interest only to the extent of recoveries which could not be effected after death If any installments escaped recovery before death for any reason the same shall be recovered in settlement dues
- III) Interest relating to the period after death shall be written back duly crediting AH 2438 and debiting AH 9092

05 COMPUTATION OF ACTUAL INTEREST

Since Interest accountal is made at the time of sanction on the assumption that recoveries would be made without any interruption the Unit at which the employee is presently working shall collect actual recovery particulars through out the recovery period calculate actual amount of interest and force the difference of amount in interest in its accounts and effect recovery This action shall be initiated six months before the scheduled last recovery of Principal

06 CASH BOOK/CIR/JOURNAL ENTRIES AT UNIT LEVEL

PARTICULARS	DEBIT AH	CREDIT AH
Drawal of Principal	2438	Bank
Booking Interest	2438	9003
Effecting Recoveries	Bank	2438
On Death		
Write off of balance of Principal plus		
Interest for period upto death	7403	2438
Write back interest after death	9092	2438

07 OLD CASES

- I) In case of Rs 15000 advance recoverable in sixty installments and carrying interest at 7 5% p a sanctioned upto 18th Feb '96 total amount of interest works out to Rs 2906 In case of Rs 21000 advance recoverable in sixty installments and carrying interest at 10% p a sanctioned after 18th Feb 96 total amount of interest works out to Rs 5425 So in cases where Rs 15000 or Rs 21000 were sanctioned as advances recoverable in sixty installments at 7 5% and 10% p a interest respectively interest amounts of Rs 2906 and Rs 5425 have to be forced into accounts duly debiting AH 2438 and crediting 9003
- II) The Accounts Wing of the Depot / Unit shall book the provisional amount of Interest into accounts accordingly

- III) Past experience with the old HBA cases reveals that in number of cases Sanction Orders are not filed in the relevant P Cases and necessary entries are not made in the relevant Service Records Consequently much time is wasted in getting the copies of relevant Sanction Orders duly deputing personnel

To overcome this, the concerned Unit Officers shall collect the copies of Sanction Orders of the loanees if not available in the 'P Cases, from Dy CPM (IR&W)/HO or Zonal Dy CPMs who communicated sanctions

- IV) AH 2448 (Interest Conveyance) is hereby withdrawn from operation Hence the existing balance in AH 2448 shall be transferred to AH 2438

Sd/ (I Prabhakar Reddy)
EXECUTIVE DIRECTOR (ADMN)

Sd/ (KV SubbaRao)
CHIEF ACCOUNTS OFFICER