

# **ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION**

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No MA1/4(1)/2002 AD

Dated 27<sup>th</sup> Jan 03

## **ACCOUNTS CIRCULAR NO 5 / 2003**

Sub ACCOUNTS - Production Units Accountal Procedure for Encashment -  
Revision of – Reg

Ref (1) Accounts Cir No 21 / 1991 dt 31<sup>st</sup> Dec 91  
(2) Lr No MA1/5(1)/95 96/AD dt 15<sup>th</sup> Apr 96

The existing accountal procedure for Encashment is detailed in the above two references printed at Pages 239 and 109 of Finance Accounts & Audit Circulars and Instructions (1991 2000) Book

Separate Groups of AHs are prescribed for Production Units viz Body Building Unit (Group 50) Tyre Retreading Shops (Group 54) Workshops (Group 55) and Printing Press (Group 58) As per the existing accountal procedure AH 7519 is debited for the purpose of booking provision towards Encashment in accounts every month But AH 7519 is not related to Production Units Hence expenditure towards Encashment gets included in Production Units expenditure only when actual payments are made to the debit of AH 60s of respective Groups

In order to ensure that expenditure towards Encashment for Production Units is also included in their respective Groups on a month to month basis the existing accountal procedure is revised as follows

- 01 Work out monthly Provision separately for each of the Production Units at prescribed percentage of Pay+DA booked during the month to AHs in respective Groups
- 02 Book Provision in accounts every month by debiting the following new AHs prescribed with effect from Apr 02 accounts instead of AH 7519 and crediting AH 1131
  - AH 5061 BBU Prov for Encashment
  - AH 5461 TRS Prov for Encashment
  - AH 5561 ZWS Prov for Encashment
  - AH 5861 P P Prov for Encashment

03 As and when payments are actually made—

- (a) Debit AH 60s of respective Groups as at present
- (b) Debit AH 1131 and Credit AH 61s with the total amount of actual payment (instead of to the extent of only availability of balance in AH 1131) in the accounts of the months in which actual payments are made

04 In Mar accounts every year assess the requirement of credit balance in AH 1131 and regulate as follows

- (a) If credit balance in AH 1131 is above the requirement debit AH 1131 and credit AH 61s of respective groups
- (b) If credit balance in AH 1131 is below the requirement debit AH 61s of respective groups and credit AH 1131

To put it simply following changes are brought in for accountal of Provisions for Encashment in respect of Production Units—

- (a) AH 61s of respective Groups have to be operated in place of AH 7519 for the purpose of creating and clearing Provisions (both Expenditure and Liability) for Encashment
- (b) For the purpose of adjusting or setting off Payments against Provision JE has to be passed for full amount of Payment irrespective of whether balance in AH 1131 is more or less than the Payment amount

For current FY 2002 03 accounts-

- (a) Monthly provisions for Production Units were made by debiting AH 7519 upto Dec 02 accounts So Encashment provision (expenditure) relating to Production Units upto Dec 02 has to be transferred from AH 7519 to AH 61s of respective Groups (Dr AH 61s and Cr AH 7519) in Jan 03 accounts For this purpose a Calculation Sheet showing the amounts to be transferred by passing JE in Jan 03 is enclosed
- (b) From the on hand Jan 03 accounts onwards adopt the procedure for monthly provisions etc now prescribed

The above revision brought out in accountal procedure for creation and clearance of Provision for Encashment is in respect of Production Units only There is no change in respect of other Umnts such as Depots CED Offices and other NoUs of Regions and Zones etc

Sd/ (K V Subba Rao)  
CHIEF ACCOUNTS OFFICER

Encl One Stt

To  
The Dy CAOs and AOs of  
all Zonal Offices  
CTR and WL Regions  
The AO (BBW & PP)  
A P S R T Corporation

Copies to the FA ED (Engg) CA and CME (O)  
Copies to all the Works Managers and AMEs of all TRSs  
Copies to all other Dy CAOs and AOs  
Copy to the Sr Audit Officer AG RTC Branch

Note Enclosure not pntned