

APS RTC

O/o the VC & MD Accounts Wing  
Mushirabad Hyderabad  
Dated 27 12 2000

No MA1/4(l)/2000-01/AD

All the Dy Chief Accounts Officers  
All the Accounts Officers  
A P S R T Corporation

Sub ANNUAL ACCOUNTS Annual Accounts for the year 2000 01 Compilation  
and Audit of - Reg

Ref Chapter 3 of 1991 Edition of Accounts & Audit Manual Volume II

### **TIME SCHEDULE**

In order to fulfill the statutory obligations the schedule for compilation consolidation and submission of our 2000-01 Annual Accounts to the A G is prescribed hereunder

- |    |  |             |
|----|--|-------------|
| 01 | Submission of Accounts Current by EEs / DMs / ATMs of MGBS and DBS / all HO Sections (except C&B and WA) to respective Dy CAOs / AOs with first phase accompaniments | 27APR 2001  |
| 02 | Submission of consolidated Accounts Current of Regions to Head Office with first phase accompaniments  | 05 MAY 2001 |
| 03 | Submission of consolidated Accounts Current of Zones to Head Office with first phase accompaniments  | 10 MAY 2001 |
| 04 | Submission of Account Current by C&B and W A Sections  | 20 MAY 2001 |
| 05 | Submission of Consolidated Accounts of the Corporation to Board for approval   | 12 JUN 2001 |
| 06 | Submission of the Board approved Accounts to A G   | 26 JUN 2001 |

The Dy CAOs / AOs of all the Consolidation Centres are requested to conduct Annual Accounts Meetings of all the Accounts Supervisors of their constituent Units and also scrutinise their accounts at draft stage They are also requested to submit their consolidated accounts to the Corporate Office for scrutiny at draft stage and furnish final copies of MAR Accounts Current on or before the above due dates Three copies of MAR Accounts Current may please be kept ready for submission to the Audit parties at the time of audit

### **IMPORTANT MEASURES**

We furnish below certain important measures to be taken for compiling Annual Accounts exhibiting true and fair position

## **01 Accrual basis**

Carry out all required adjustments for (a) Outstanding Expenses, (b) Income accrued but not received (c) Pre paid Expenses and (d) Income received in advance

With regard to Outstanding Expenses if figures of actual expenditure are known before passing provision JE exact amounts have to be taken into consideration If figures of actual expenditure are not known we should estimate probable expenditure based on past experience correspondence etc using best judgment in the circumstances There should not be any omissions in identifying "Items" of expenditure (Ref Cir Lr No MA1/5(3)/94 95/AD dtd 04 01 97)

## **2 Prior Period or Previous Year(s) Transactions**

Check whether Previous Year(s) Transactions are correctly distinguished from Current Year s Transactions as follows

- (i) When any payment or receipt relating to Previous Year(s) is made or received in Current Year
  - (a) If provision was NOT MADE in Previous Year(s) operate AHs prescribed for Previous Year(s) Transactions
  - (b) If provision WAS MADE in Previous Year(s) operate AHs prescribed for Current Year Transactions for the difference amount
- (ii) Provisions for expenditure are made on assumption basis After making payments
  - (a) Excess of Provision over Payment has to be credited to expenditure heads of account of Current Year only, and
  - (b) Excess of Payment over Provision has to be debited to expenditure heads of account of the Current Year only
  - (c) Provisions made in Previous Years may have become superfluous on account of liability not materialising for any reason Or in respect of Provisions made in Previous Year(s), actual Payments would have been made by wrongly debiting to final heads of account at the time of actual payment in subsequent year (which is previous to the current one) without connecting credit In such cases, outstanding Provisions have to be withdrawn by debiting the Account in which Provision is unnecessarily held and crediting AHs prescribed for Previous Year transactions

## **3 Subsidiary Registers**

- (i) Update Subsidiary Registers for all the Balance Sheet items with sufficient details

- (ii) In case of certain AHs such as 1001 etc some Accounting Units are not maintaining Subsidiary Registers since either no balances are held at all or balances held relate to transactions of latest one month. If any balances are held in such AHs and Subsidiary Registers are not maintained in conventional form or by using Computers Transaction wise composition of the balances at the end of every month shall be recorded in a manuscript register. Composition of Mar 2001 balances shall be specifically reviewed by the Dy CAOs / AOs of the Consolidation Centres
- (iii) Carry out all required adjustments for items in AHs under Purchases Advances Deposits Sundry Debtors Other Recoverable amounts, Other Suspense Accounts etc
- (iv) Check whether balances outstanding in Accounts are corresponding with the information in Administration Files with regard to Property Tax (AH 1140), Stall Rents (AH 2317) MACT Deposits (AH 2458) Thefts and Embezzlements (AH 2813) Cost of Damages (AH 2816) Loss of Tickets (AH 2833) Refund of Fares (AH 2834) etc
- (v) Review balances of AHs under Groups 25 26 and 27

#### **04 Contingent Liabilities**

- (i) Contingent Liabilities' are possible liabilities which may or may not crystallise into actual liabilities and which if they do become actual liabilities give rise to a loss or an expense or an asset of doubtful value. Ensure that there are no omissions in disclosure of Contingent Liabilities for MACT Compensation, Claims for Damages to Property Bus Stand Fee, Property Tax Back Wages etc. All claims against the Corporation, which are in dispute shall be included in the list of Contingent Liabilities
- (ii) If there is certainty of making payment book provision in accounts and where provision is booked the item shall not be included in the list of Contingent Liabilities. For instance if Property Tax is revised and an Appeal is filed or being filed against revision provision has to be made in accounts at the old rate of tax and the difference amount has to be shown in the list of Contingent Liabilities

#### **05 Compensation Cases**

MACT Compensation paid has to be debited to AH 6901 if (i) decision is taken not to appeal against the judgment and (ii) competent sanction for payment is obtained

Normally payments are made only after obtaining competent sanction. If appeal is not filed within the prescribed period after the date of judgment it could be

inferred that the judgment is accepted Keeping these Guidelines in view, review accountal of all MACT payments

In respect of judgments pronounced before 31 03 2001 make provision for Outstanding Expenses (Dr AH 6901 and Cr AH 1141) if all the following conditions are fulfilled

- (i) Judgment is pronounced before 31 03 2001,
- (ii) Decision is taken not to appeal against the Judgment and
- (iii) Payment could not be made before 31 03 2001 for want of sanctions

Track the latest position of all Lok Adalat / Court / Arbitration cases and make provision for Outstanding Expenses wherever necessary as above otherwise show them as Contingent Liabilities

#### **06 Inter Unit Transactions**

- (i) Before closing Mar Accounts one hundred percent clearance of all Advices exchanged between Units within the Consolidation Centre shall be ensured by the concerned Dy CAO/AO In respect of Advices issued to Units outside the Consolidation Centre vigorous follow up action shall be taken by the Originating Units directly with the concerned Responding Units as well as the Dy CAOs and AOs of the Responding Units
- (ii) Debit and Credit Advices shall not be issued in the accounts of Mar except for transfer of (a) Out Depot Remittances (ODR) (b) Police Warrants (c) Funds (d) Stores and Workshops (e) Profit/Loss on sale of scrap and (f) Non Departmental Recoveries (NDRs) only
- (iii) With regard to all other types of Inter Units Transactions Advices have to be physically issued in the calender month of Mar but Journal Entries for issue as well as acceptance shall be made in the Accounts of Apr only
- (iv) The Dy CAOs of all Zonal Offices RR TPT and WL Regions are requested to ensure transmission PER BEARER of Debit Advices for Stores Workshop expenditure etc of Mar by 20th Apr certain If any supplementary information regarding Stores Workshop expenditure etc is received from Stores or Workshops after transfer, the expenditure shall be booked to final heads of account and held in their books of account only and not transferred by way of Debit Advices Region-wise break up may please be furnished by way of letters to the Dy CAOs/AOs of the respective Regions as well as to the AO (MA&IT) in name cover and appropriate adjustments will be made at the Corporate Office while compiling Region wise Profit & Loss Account for Mar

#### **07 Net Pay & Allowances (AH 0909) and Drawing Account (AH 25271)**

- (i) If Mar salaries are disbursed on or before 31st Mar, propose the Journal

Entry (Dr AH 0909 and Cr 2527) in the Accounts of Mar

- (ii) If Mar salaries are disbursed on or after 1st Apr, propose the Journal Entry (Dr AH 0909 and Cr AH 2527) in the Accounts of Apr

## **08 Columnar Ledgers**

Update Columnar Ledgers to tally the sum of balances in Accounts Current of the constituent Units with the balance held in the consolidated Account Current

## **09 Bills Raising**

Raise bills for all dues towards Police Warrants Postal Bills Inter State Oil supplies, Special Hire etc In case of dis allowances made for bills raised already make proper adjustments duly obtaining orders of the competent authority

## **10 Assets Verification**

Complete physical verification of Fixed Assets (Land, Buildings Vehicles Plant & Machinery Furniture & Fittings Electronic Equipment etc) and Stores

## **11 Stock Adjustment Accounts**

- (i) Ensure one hundred per cent clearance of all amounts booked in AH Nos 2801 and 2802 in Accounts upto the end of Previous Year With regard to inventory Reconciliation for Current Year, do not wait till year end to commence reconciliation work Take up review of transactions relating to Receipt Orders, Issue Notes Transfer Issue Notes Last Sheets Sale Issue Notes Departmental Stock Reports Audit Stock Reports etc , immediately The un-reconciled inventory difference as on 31st Mar should be only a meagre amount
- (ii) Ensure that at the end of Mar no balances remain in AHs 2803 to 2808 (Stock Adjustment Accounts)
- (iii) Clearance of balances Stock Adjustment Accounts has to be made by operating AH 1120 "Current Liabilities Provisions Stock Adjustment Account"

## **12 Other Important Adjustments / Checks**

- (i) Bus Passes and Season Tickets The validity of monthly Bus Passes and Season Tickets issued in March extends to certain period in April As per Guidelines issued in our Circular No MA1/4(l)/96 97/AD dtd 26 02 97, two JEs have to be passed in Mar 2001 accounts for (a) Reversal of Mar 00 JE for booking proportionate amount relating to Apr 00 and (b) Booking proportionate amount relating to Apr 2001

- (ii) **Cash Retrenchments** Cash Retrenchments from Salary Bills towards Excess Drawal or Short Recoveries shall be debited to AH 2814 "Payments Pending Classification" and credited to the respective Account Heads The debit given to AH 2814 shall be cleared when the amount is remitted into Bank It may be ensured that except March Cash Retrenchment no balance shall remain outstanding at the end of March
- (iii) **Civil Works** Capitalise the works which are partly completed and put into use with expenditure incurred till the date they are put to use to AH 1628 After issue of Completion Report the entire amount be capitalised and booked to the respective capital Asset Head (Ref Lr No W1/152(2)/96-AD dt 15 06 96)
- (iv) **Electricity and Water Charges** Assess the amount due from Stall Contractors upto 31 Mar and book the income accrued upto 31 Mar to AH 6792 (Ref A/cs Cir No 2/1998-AD)
- (v) **Imprest** Close Imprest Accounts on 31 Mar, otherwise assess and book expenditure upto 31st Mar into accounts on accrual basis (Ref A/cs CirNo 1/1998-AD)
- (vi) **Materials-in-Transit** Assess the value of (a) material received and lying in Receipts Section as on 31st Mar under accountal irrespective of whether advance payment has been made or not and (b) material rejected but not returned to the Supplier as on 31st Mar irrespective of whether advance payment has been made or not and bring to book (Dr AH 2164 and Cr AH 0829 in Mar accounts every year The JE shall be reversed in the following Apr accounts (Ref A/cs Or No 3/1996-AD)
- (vii) **OUT DEPOT REMITTANCES** ENSURE THAT AT THE END OF MAR, NO BALANCES REMAIN IN AH 2844 RELATING TO ODR LIKE-WISE, THERE SHOULD BE ONLY CREDIT BALANCE IN AH 2843 REPRESENTING REMITTANCES MADE AT OUT DEPOTS AT THE FAG END OF MAR FOR WHICH DEBITS ARE BOOKED THROUGH TRR IN APR
- (viii) **Person Weighing Machines** Open Cash Boxes of Person Weighing Machines on 31 Mar otherwise assess and book License Fee and Share of Revenue upto 31st Mar to AH 9105 on accrual basis (Ref A/cs Cir No 2/1998-AD)
- (ix) **Stores Obsolescence Fund** Confirm that any loss due to disposal of Obsolete Stores is debited to AH 0322
- (x) **Workshops** Especially in the last week of Mar every year, drawals of stores shall be restricted to the minimum extent possible so that not more than one-two days' requirements are held on shop floor on the last working days of the financial year as per Cir COSCII/CMC/17/98-99/SPD dtd 14 10 98

- (xi) Propose required Journal Entries for all other required adjustments including (a) Value of Depot Stores (MTD-27) (b) Difference between 'Expenditure and 'Income for Production Units (c) Stale Cheques and Bank charges etc (d) Value of Closing Stock at TRS PP and BBU

### **13 Omissions and Commissions**

- (i) Please take note of the observations made by the A G in their Audit Reports of earlier years and Review Notes communicated by the Head Office from time to time Also ensure that the same type of objection is not repeated in the comments of the current year
- (ii) Review correctness of allocation especially in respect of (a) Accounts holding irregular balances (b) Write off of irrecoverable amounts (c) Transactions of infrequent nature (d) Amounts booked to AH 0618 and (e) Prior Period Income and Expenditure before closing Mar Accounts
- (iii) Some instances of misclassification omissions and commissions etc may come to light inspite of best efforts after closing Mar accounts at Consolidation Centre level also In such cases the Unit has to prepare JE vouchers in duplicate These JEs should not be incorporated in Accounts at local level Hence send both the copies to the AO (MA) through the concerned Consolidation Centre Main Accounts Section will assign number to the JE incorporate the same in the Accounts of Head Office and return one copy to the concerned Unit for record However sincere efforts should be made to incorporate all required JEs at Unit level itself before closing Mar accounts

### **ACCOMPANIMENTS**

Following are the important Statements required to be submitted along with Annual Accounts in first phase

01 Age-wise break up of Suspense Balances [More than 3 years (upto 1997 98) Between 3 years to 1 year (During 1998 99 to 1999 00) and (Below 1 year (in 2000 01) ] for the balances exhibited in Mar 2001 Account Current (AHs 0329 0330 0331 all AHs in 06 08 09 Groups, AHs 1045 1047 1050 and all AHs in 11 12 23 24 28 Groups) Before submitting Age wise Break up of Suspense Balances to the Head Office ensure that it does tally with the Closing Balances of Account Current Last year it was noticed that break up of the Balances given by some Regions did not tally with Account Current Balances resulting in avoidable correspondence Hence this aspect should be carefully ensured

02 Deposits Details of Transaction-wise break up for the balance outstanding under AH0618 - "Deposits Others"

03 Details of the Contingent Liabilities Nature of claim wise i e MACT Compensation Claims for damages to Property Back wages Property Tax Bus Stand Fee etc

04 Details of Prior Period Income and Expenditure Details of amounts booked towards Prior Period Income (AH 92s of respective groups) and Expenditure (AH 91s of respective groups except Pay & Allowances)

05 Details of the amount credited / debited to AH 0321 Receipt\_on Capital Account Summarised statements for the Consolidation Centre have to be accompanied by first copies of the statements received from the constituent Units This information has to be furnished only for the amount debited/credited during the year but not for the Closing Balances

06 Details of Ex-gratia provision as per Guidelines in this Office Cir Lr No MAI/5(1)/95-96/AD dtd 13 11 96 in the Proforma given hereunder

**DETAILS OF AH NO 1128 EX GRATIA PROVISION FOR 2000 01**

Particulars	Amount in Rs
a) Provision as on 01 04 2000	
b) Less Actual Payment in 2000 2001	_____
c) Balance (a - b)	
d) Withdrawal of Provision	_____
e) Balance (c - d)	NIL
f) Ex gratia Provision made in 2000-2001	
g) Provision as on 31 03 2001	_____

Other information/statements listed in Annexure A to this Office Circular Lr No MA 1/5(1)/94 95/AD dt 09 03 95 issued in connection with compilation of Annual Accounts for the year 1994-95 may please be submitted in second phase, to the Corporate Office within 15 days of submitting consolidated Mar 01 Account Current

**A U D I T**

As soon as the Annual Accounts are got approved by the Board the A G will be requested to take up audit Please extend necessary co-operation to Audit Parties in collecting information/data required by them Any objection raised/memo received from the Audit shall be attended to on priority basis One copy each of all Audit Enquiries Replies given to A G and Provisional Comments on accounts be filed in a separate file and forwarded to the AO (MA) Especially with regard to Memos on the Land subject the Officials are replying that the subject is being dealt in the LAO's Section The concerned Officials have to fax the Memos and get replies from LAOs Section and furnish replies to the AG Audit Parties since primary responsibility for furnishing replies lies on the Auditee Units



**APR 2001 ACCOUNT CURRENT**

Mar 2001 Closing Balances in respect of AHs for which balances are required to be earned forward from year to year shall be adopted as Opening Balances in Apr 2001 Accounts Current by all the Accounting Units. The consolidated Apr 2001 Accounts Current shall be submitted to reach the Corporate Office by 12 05 2001 through concerned Accounts Supervisor for scrutiny at the Corporate Office with specific reference to carrying over of balances.

Sd/- (K V Subba Rao)  
CHIEF ACCOUNTS OFFICER