

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

O/o the VC & MD Accounts Wing
Mushirabad Hyderabad

No Dy CAO (c)/FACTIS(4)/2001 EDP

Date 4th Aug 2001

All the Regional Managers
A P S R T Corporation

Sub P & L Account Flow Chart for computation of expenditure for Depot wise P&L Account and Region wise P & L Account - Reg

We enclose three Flow Charts prepared by our EDP Department sketching out

- ◆ Stages for consolidation of accounts
- ◆ Flow of information for working out each item of expenditure in Depot wise P & L Account at Regional Office and
- ◆ Flow of information for working out each item of expenditure in Region wise P & L Account at Corporate Office

for your information we also append Explanatory Notes in narrative form covering few points which could not be incorporated in Flow Charts for practical reasons

Sd/ (K V Subba Rao)
CHIEF ACCOUNTS OFFICER

End 3 Charts and Notes

Copies to the EDs of all Zones *Note*
Encl See Pages 119 to 121

EXPLANATORY NOTES

CHART -A In this Chart A stages for consolidation of Accounts Current from Unit level to Corporation are sketched

First Stage

At Regional Office Accounts Current of Depots Bus Stations (MGBS and DBS only) and NoUs of RM s Office

At Zonal Office Accounts Current of Executive Engineers and NoUs of Zonal Office

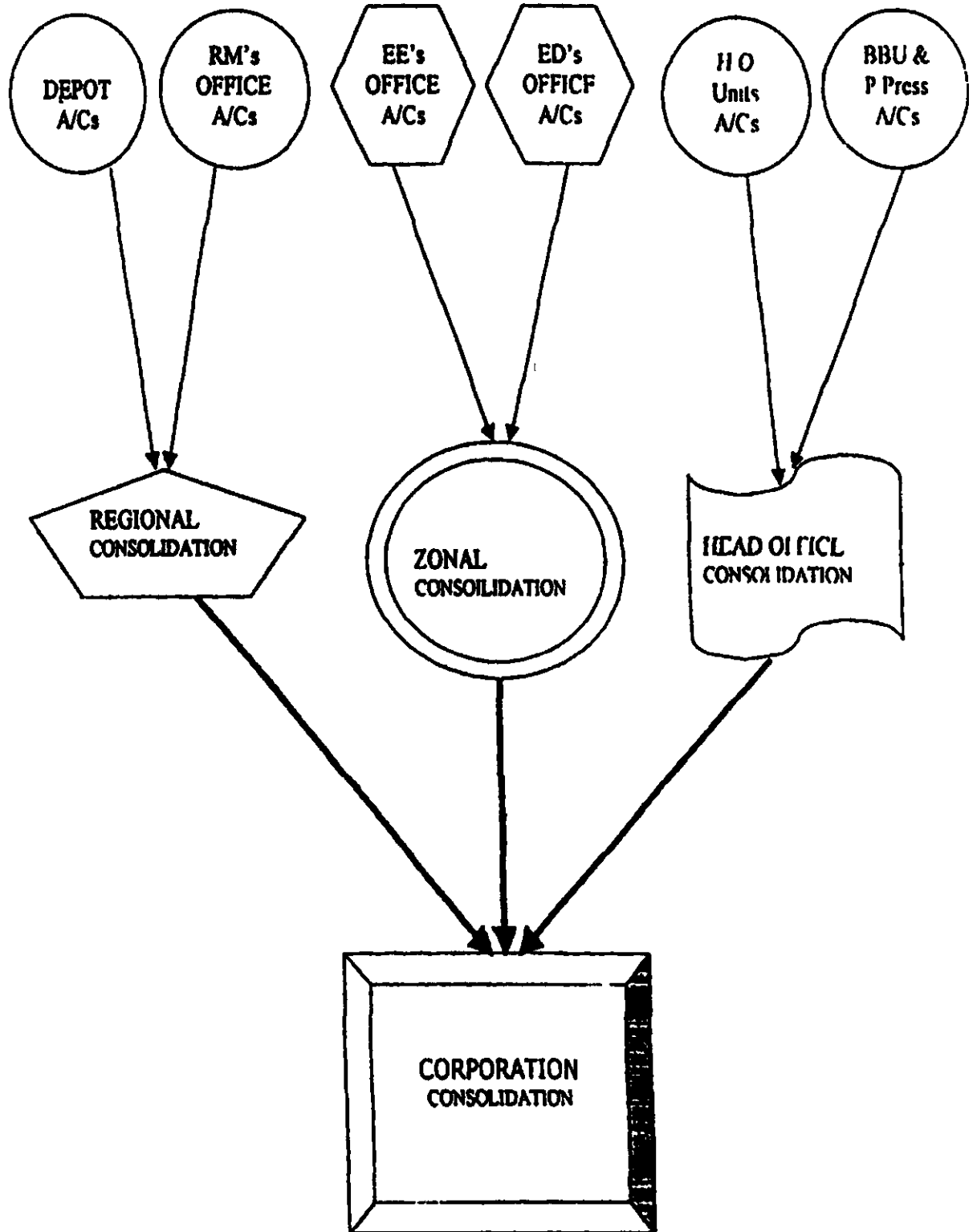
At Head Office Accounts Current of BBU & PP and NoUs of H O

Second Stage

At HO (Corporate level) Consolidated Accounts Current of Regions Zones and HO Units

CHART -B In this Chart B flow of information for working out each item of expenditure in Depot wise P & L Account at Regional Office is sketched Expenditure directly relating to Depots towards Personnel Cost Miscellaneous etc is worked out as follows and shown according to NATURE of expenditure

CHART-A CONSOLIDATION OF MONTHLY
ACCOUNT.CURRH!



COMPILATION OF DEPOT WISE PROFIT LOSS
ACCOUNT AT REGIONAL OFFICE

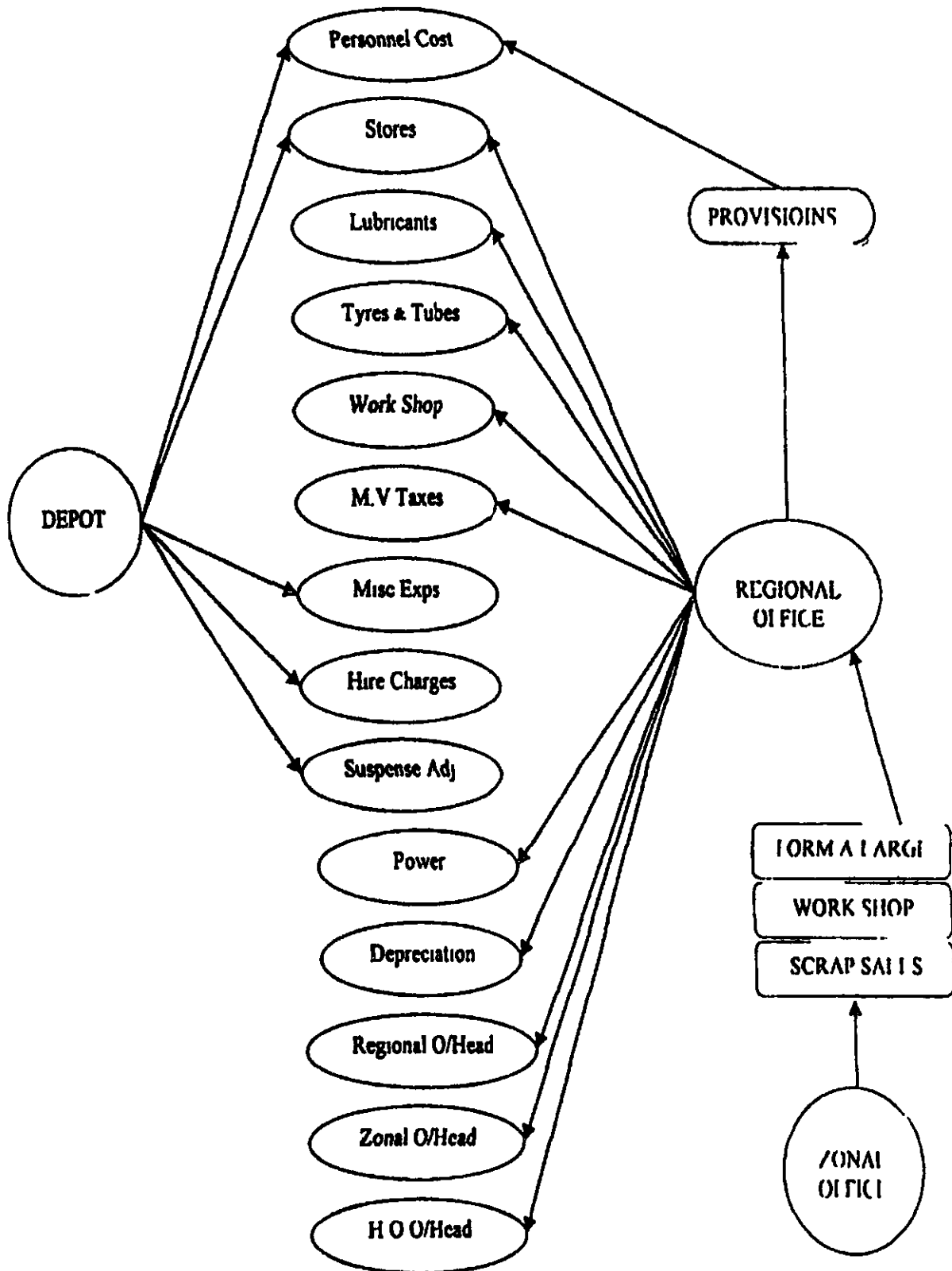
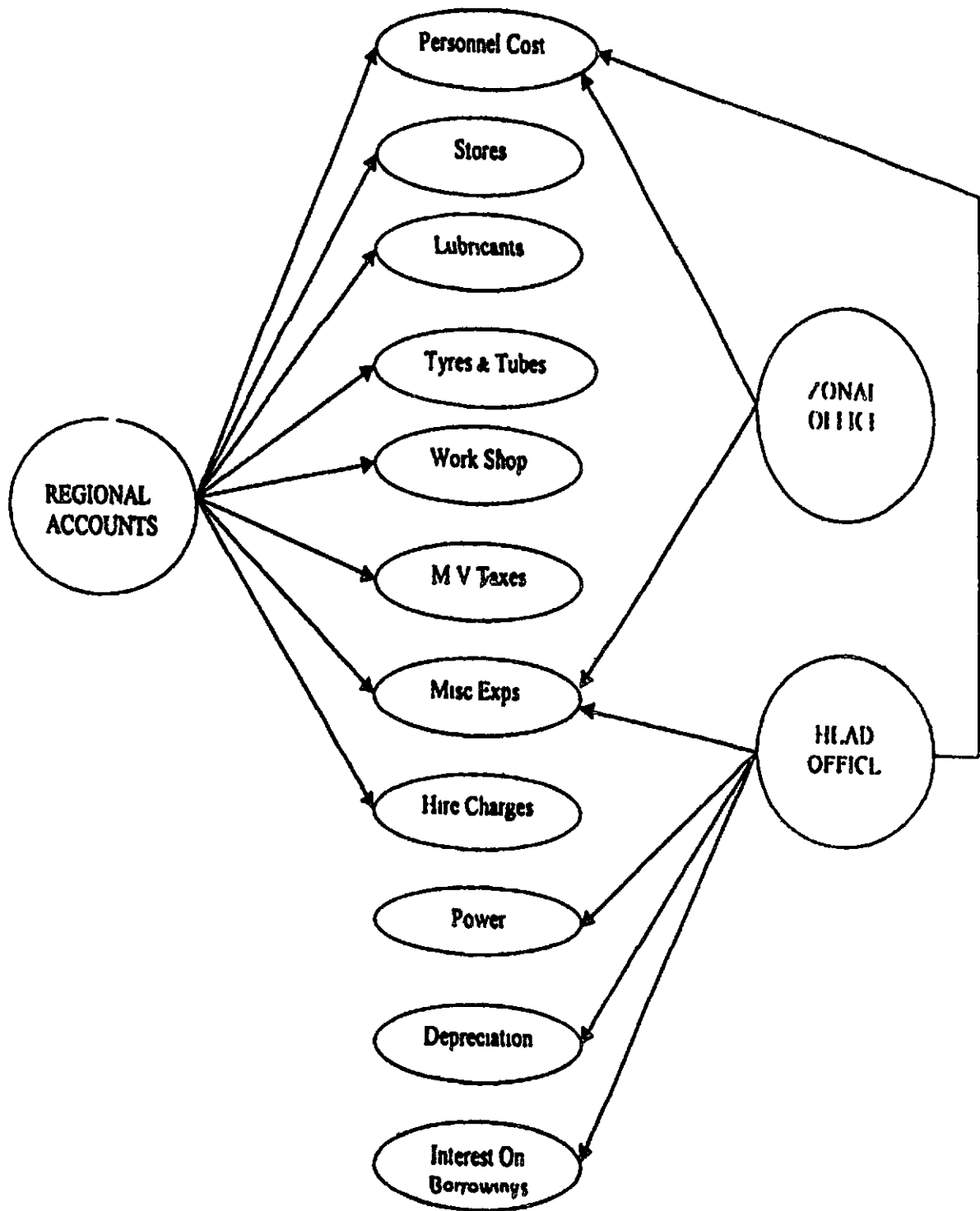


CHART-C

**COMPILATION OF REGION. WISb PROMT & LOSS At
OUNI ATHEAD_OFFJCF**



PERSONNEL COST

Personnel Cost shown against Depot includes (a) Expenditure booked by Depot and (b) sum of Provisions for Exgratia Encashment and Gratuity calculated by the Computer as a percentage of Pay + DA of the Depot (Refer Note A and Note B at the end) and (c) expenditure towards value of stores transferred by the Zonal Stores through Form A Large for Uniform

STORES LUBRICANTS TYRES & TUBES AND WORKSHOP

Zonal Office transfers value of Stores Lubricants Tyres & Tubes and Workshop services drawn by Depots to Regional Office by way of Debit Advices Regional Office accepts Debit Advices and holds expenditure relating to Depots for Stores Lubricants Tyres & Tubes and Workshop in the books of account of Regional Office only Regional Office enters depot wise expenditure into Computer Computer adds up any amounts booked for these purposes at Depot towards Local Purchases to arrive at expenditure for Stores Lubricants Tyres & Tubes and Workshop

MV TAXES

Regional Office books expenditure towards MV Taxes for and on behalf of all Depots Depot wise amounts are entered into Computer

MISCELLANEOUS

Expenditure booked in the accounts of (a) Depots and (b) Regional Office towards value of stores drawn from the Stores for stationary etc

HIRE CHARGES This item of expenditure includes (a) Hire Charges (b) MV Taxes and (c) Personnel Cost for Hired Vehicles Depots book expenditure towards Hire Charges only Computer works out M V Taxes at the current rate of 15 % of Hired Vehicles income Regarding Personnel Cost Computer works out CPK for total PC of the Depot 37 % of the same is multiplied with Hired KMs to arrive at the Hired PC amount for Conductor Bus Station Staff etc These amounts are deducted from Personnel Cost and M V Taxes expenditure of Corporation vehicles Refer Page 90 (Note C)

SUSPENSE

Increase in Suspense Balances of the Depot is treated as expenditure Decrease in Suspense Balances is treated as minus expenditure Computer makes this adjustment as per Program This is shown as a distinct item in the P & L Account

POWER

Regional Office makes data entry of expenditure based on Regional MIS information

DEPRECIATION

Head Office communicates Depreciation rate per Kilometre for each Depot Regional Office works out the amount of Depreciation for all Depots makes data entry into Computer against respective Depots and books the total amount in the accounts of Regional Office Refer Pages 1 and 139

OVERHEADS

The expenditure of Regional Office distributed amongst all Depots includes (a) RM s Office establishment (b) Difference between Provision and actual Payment towards Dearness Allowance and (c) Difference if any between Provision required to be made and Provision actually made through JE in the Regional Office for Exgratia Encashment and Gratuity

Expenditure of Regional Office as detailed above Zonal Office and Head Office is distributed amongst depots on fleet basis and shown as Overheads of RM s Office ZM s Office and Head Office separately that is according to LOCATION of booking expenditure Before distribution revenue booked m Regional Office Zonal Office and Head Office is deducted from expenditure that is only net amount is distributed as Overhead

Regional Office compiles Preliminary Depot wise P & L Account as soon as Consolidated Account Current is submitted to the Head Office Final Depot wise P & L Account is compiled on receipt of Region wise P & L Account compiled at Head Office Corrected cumulative data is made use of for processing ensuing month s Provisional Depot wise P & L Account

CHART-C

In this Chart C flow of information for working out each item of expenditure in Region wise P & L Account at Corporate Office is sketched Expenditure directly relating to Regions (Depots and RM s Office) as well as Region s share of Zonal Office and Head Office Overheads is shown according to NATURE of expenditure that is Personnel Cost Miscellaneous 6tc

Region wise P & L Account compiled by Main Accounts Section includes the following Parts

- ◆ Region wise P & L Account for the month and upto the month
- ◆ Region s Income & Expenditure for the month and upto the month (Amounts booked in Region that is Depots and RM s Office)
- ◆ Zone s Income & Expenditure for the month and upto the month (Amounts booked m Zone after transfer of Stores Workshops expenditure etc)
- ◆ Head Office Income & Expenditure for the month and upto the month (Amounts booked in HO towards (a) HO s expenditure and (b) expenditure booked for and on behalf of all Units throughout the Corporation)

Booklets containing the above are supplied to all Regional Offices every month

Increase in Suspense Balances of the Region is treated as expenditure Decrease in Suspense Balances is treated as minus expenditure For this purpose increase or decrease in Suspense Balances of not only Depots but of Regional Office also are considered These adjustments are not shown distinctly but made to the Miscellaneous Expenditure Refer Page 49

Head Office works out probable commitment towards Exgratia and Encashment in Mar accounts every year for each of the Regions and Zones (NoUs) Differences (Short/ Excess) between Provisions held in the accounts and probable commitments are added to or deducted from Personnel Cost of individual Regions/Zones This adjustment is made by Main Accounts Section at HO directly to data relating to Income & Expenditure booked by Regions/Zones but not as HO Overhead

Depreciation expenditure booked by Regional Offices on a month to month basis is reversed by Head Office in Mar accounts every year and actual expenditure is shown against Region

Expenditure LESS Revenue of Zonal Office and Head Office is allocated to all Regions on Fleet basis Head Office Overheads for 2000 01 included Interest on Borrowings (Rs 6303 lacs) Contribution to SRBS (663) Cost of printing Tickets (349) EDLIF (Rs 323) Administration Charges to RPF Commissioner (129) Tarnaka Hospital (371) Stock Adjustment Account (330) Training Expenses (103) Audit Fee and Computers Consultancy (80) Advertisements (41) etc which were incurred for and on behalf of all Depots and booked in the accounts of Head Office These accounted for 79.4 (nearly eighty) per cent of total HO Overheads amount shown in 2000 01 Region wise P & L Account

Note A - Exgratia Encashment and Gratuity

(1) For the purpose of Depot wise P & L Account there is no manual data entry Computer works out expenditure for Exgratia Encashment and Gratuity as follows

- ◆ Cast sum of Pay + DA booked in Depot accounts
- ◆ Apply rates for Provisions as communicated by HO to the sum of Pay + DA
- ◆ Deduct actual payments towards Exgratia and Encashment made at Depot during the month
- ◆ Arrive at net amounts towards Exgratia Encashment and Gratuity for the purpose Depot P & L Account

Provisions amount worked out as above is added to Personnel Cost for Pay & Allowances etc booked in Depot accounts

As a result of the above monthly Provisions LESS actual payments amount is reflected in the P & L Account under Personnel Cost of each Depot and not the actual payments made in respect of Exgratia Encashment and Gratuity

Exgratia and Encashment payments made at Depots are initially booked to expenditure in Depot accounts So Computer deducts these amounts while working out monthly expenditure for the purpose of Depot wise P & L Account With regard to Gratuity Depots book actual payments directly to Gratuity Fund Account hence there is no impact on P & L Account

(2) With regard to accountal aspect Regional Office books Provisions for Exgratia Encashment and Gratuity in RMs Office accounts every month Refer Page 109

Note B - Dearness Allowance Regional Office books Provision for Dearness Allowance for and on behalf of all Depots every month (Refer Page 1) This is not identified with individual Depots as in case of Exgratia Encashment and Gratuity So DA provision amount gets distributed amongst all Depots on fleet basis as part of RM's Office Overhead only When Depots make actual payment expenditure gets booked in the accounts of Depots In the same month Regional Office reverses the Provision So RM's Overhead amount would get reduced to the extent DA Provision was reversed

Note C - Page references given relate to Apr 01 edition of the Finance Accounts and Audit Circulars book