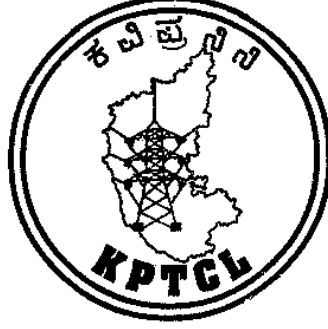


**KARNATAKA POWER TRANSMISSION
CORPORATION LIMITED**



**Compendium of Circulars &
Clarification Letters Issued on
ACCOUNTS**

**From
16-09-2002 to 31-03-2014**

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Sub: Treatment of Transactions between KPTCL and ESCOMS regarding transfer of Fixed Assets.

Ref: Letter No. FA(A/cs) Cys:11 dated 1/6/2002 of F.A.(A/cs), KPTCL.

Letter No. F.A. (A/cs) Cys:14 dated 14/6/2002 of F.A.(A/cs), KPTCL.

Clarifications are being sought by some of the Major Works Divisions in respect of transfer of Fixed Assets and Accumulated Depreciation since they are constructing at present 33 KV Lines and Stations also along with Lines and Stations of higher capacities.

In letter dated 1/6/2002 (Ref.1), necessary instructions have already been issued about operation of IUA Account Codes. It is reiterated herein once again that regular IUA Account Codes are to be operated only for transactions among **Units of KPTCL only**. For accounting Inter-Company transactions, New Account Codes under Receivable and Payable Head of Accounts have been issued under Account Group 28 & 42 Series. The same are to be used in relation to the nature of transactions.

A typical example to transfer Fixed Assets & Accumulated depreciation is shown below:-

Transfer of 33 KV Station & lines constructed by MW Division to the concerned O & M Divisions.

1	28.894 TO 28.897		Other receivable from ESCOM Units – Other Transactions Dr.	XX	
	To	10.6016	Overhead Lines (Towers, Poles, Fixtures, Overhead conductors and devises) – Lines on fabricated steel supports.		XX
	To	10.5436	Other Transmission Plant – Transformer kiosks, Sub-station equipment and other fixed apparatus. (Entry passed to transfer the Assets of 33KV Lines /Stations to. ...unit ofESCOM vide T.D>No..Dated.....).		XX
2	12.6016		Depreciation Provision – Overhead Lines (Towers, Poles, Fixtures, Overhead conductors and devises) – Lines on fabricated steel supports. Dr.	XX	
	12.5436		Depreciation Provision - Other Transmission Plant – Transformer kiosks, Sub-station equipment and other		XX

Sl. No.	Type of Transactions	Action to be taken.
1	Materials are drawn before 31-5-02 for KPTCL works from a store (now under ESCOM) and work completed. But, the material issues are accounted in ESCOM Unit after 1-6-2002 and T.D sent	<p>1) Sending TD by the ESCOM unit is in order for the reason; IUA Account codes are not to be operated w.e.f. 1-6-2002. Had the transaction been accounted prior to 31-5-2002, the ESCOM unit would have debited IUA 31 against the location code of the concerned Accounting Unit. As the transaction has been accounted after 1-6-2002, the ESCOM unit has debited the Receivable Account Code and sent the T.D.</p> <p>2) For recording these type of transactions exclusively, a new Account Code 28.846 – Receivable from KPTCL towards Materials procured for Major Works / TL&SS Divisions issued by O&M units of ESCOMS to KPTCL Units shall be debited by ESCOM units.</p> <p>3) Similarly for accounting the receipt of above type of materials by KPTCL units, New Account code 42.238 – Payable to ESCOM units towards Materials procured for MW / TL&SS Divisions and received from O&M Units of ESCOMS by KPTCL units shall be credited.</p> <p>4) Generally, Receivables and Payables outstanding against a Company are to be set off against each other in the books of the Company to arrive at the net amount to be paid / received. As a special case, Receivable by ESCOMS & Payable by KPTCL in respect of above type of transactions shall not be set off against other Payables or Receivables but kept separately for exclusive identification purpose only.</p>

2	<p>Some of the materials of KPTCL (Required for Transmission activity) were in the Stores, which are now coming under ESCOM. The said materials have been transferred to KPTCL Stores after 1-6-2002. ESCOM unit has sent TD to KPTCL Unit. Doubt expressed now is that Acceptance of TD will result in paying for our own materials.</p>	<p>1) The value of material stock held by ESCOM Units as on 1-6-2002 is deemed to pertain to them as the same is reckoned for the purpose of notification of Opening Balance of each ESCOM. Hence sending TD by ESCOM units to KPTCL units is in order.</p> <p>Instructions at para 2,3 & 4 above applies in Toto in this case also.</p> <p>.</p>
3	<p>Released materials of KPTCL which were returned to Stores (prior to 31/5/2002) now under ESCOM is drawn after 1/6/2002 by KPTCL unit. MESCOM unit has sent TD to KPTCL Unit. Acceptance of TD will result in paying for our own materials</p>	<p>1) The value of released materials held by ESCOM Units as on 1-6-2002 is deemed to pertain to them as the same is reckoned for the purpose of notification of Opening Balance of each ESCOM. Hence sending TD by ESCOM units to KPTCL units is in order.</p> <p>2) For recording these type of transactions exclusively, a new Account Code 28.847 – Receivable from KPTCL towards Released Materials pertaining to Major Works / TL&SS Divisions issued by O&M units of ESCOMS to KPTCL Units, shall be debited by ESCOM units.</p> <p>3) Similarly for accounting the receipt of above type of materials by KPTCL units, New Account code 42.239 – Payable to ESCOM units towards Released Materials pertaining to MW / TL&SS Divisions and received from O&M Units of ESCOMS by KPTCL, units shall be credited.</p> <p>4) Generally, Receivable and Payable outstanding against a Company are to be set off against each other in the books of the Company to arrive at the net amount to be paid / received. As a special case, Receivable by ESCOMs & Payable by KPTCL in respect of above type of</p>

		<p>transactions shall not be set off against other Payables or Receivables but kept separately for exclusive identification purpose only.</p>
4	<p>Assets existing in Asset Registers of Accounting Units prior to 1-6-2002, are to be transferred to KPTCL units from ESCOM units and vice-versa. Whether to transfer the assets by means of Advice of Transfer (A.T.) or Transfer Document(T.D.)</p>	<p>1) The Asset is to be transferred by means of Transfer Document only.</p> <p>2) For recording these type of transactions exclusively, a new Account Code 28.848 – Receivable from KPTCL towards Assets pertaining to Major Works / TL&SS Divisions issued by O&M units of ESCOMS to KPTCL Units, shall be debited by ESCOM units.</p> <p>3) Similarly for accounting the receipt of above type of materials by KPTCL units, New Account code 42.240 – Payable to ESCOM units towards Assets pertaining to MW / TL&SS Divisions and received from O&M Units of ESCOMS by KPTCL units, shall be credited.</p> <p>4) Generally, Receivable and Payable outstanding against a Company are to be set off against each other in the books of the Company to arrive at the net amount to be paid / received. As a special case, Receivable by ESCOMs & Payable by KPTCL in respect of above type of transactions shall not be set off against other Payables or Receivables but kept separately for exclusive identification purpose only.</p> <p>For the Assets <u>transferred by KPTCL units to ESCOM units</u> the following Receivable and Payable Account shall be made use of by KPTCL & ESCOM units respectively.</p> <p>A/c code to be operated by KPTCL units only:-</p>

(II) FOR ON GOING WORKS:

2. In respect of ongoing works, where work is already awarded, KPTCL shall complete these works at cost (Actual out lay books) to ESCOM.
3. In respect of works for which DPR is approved, tender floated but not finalised, the work shall be treated as new work.

(III) The following Accounting procedure is prescribed.

(A) NEW WORKS:

If KPTCL is entrusted with the work of execution of new 33 KV lines and stations, the same procedure in vogue in respect of Deposit Contribution Work shall be followed along with the conditions made in (I) a,b,&c above. For the purpose of Accounting the following new Account codes are separately issued.

62.921 ANC-Processing and execution charges collected from ESCOMs-New 33KV lines and stations.

47.315-Deposits received from BESCOM for execution of 33KV lines and stations.

47.316-Deposits received from MESCOM for execution of 33KV lines and stations.

47.317-Deposits received from HESCOM for execution of 33KV lines and stations.

47.318-Deposits received from GESCOM for execution of 33KV lines and stations.

(B) ON GOING WORKS:

At present, work relating to 33 KV lines and stations are carried out by MW Divisions and expenditure is booked under relevant account under Account Group 14 in the KPTCL units. Wherever such works are completed and 33KV lines and stations commissioned, such assets are to be transferred to the concerned O&M Division of the ESCOM. Immediately on commissioning of the Assets, the entire out lay of the works shall be transferred to ESCOMs by debit to the following New account codes and credit to 14 series.

28.846-Receivables from BESCOM towards 33KV assets handed over.

28.847-Receivables from MESCOM towards 33KV assets handed over.

28.848-Receivables from HESCOM towards 33KV assets handed over.

28.849-Receivables from GESCOM towards 33KV assets handed over.

Transfer Document duly enclosing therewith full details of the Assets, shall be sent to concerned O&M Division of the ESCOMs and confirmation obtained.

It shall be noted that unless other wise warranted under specific circumstances, **the 33KV lines and works shall not be categorised under 10 series after completion of works by KPTCL units. The Assets shall be transferred to ESCOMs directly from CWIP as explained above.**

The ESCOM unit shall accept the Transfer Document by crediting New account codes 42.236(ANC)-Payable to KPTCL towards cost of 33KV Transmission Lines and Stations and send acceptance to the Major Works Division of KPTCL that has transferred the asset.

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FA(A & R)/C(A & FRS)/AO(A/cs)/AAO-/CYS-2

Dated : 8.04.2003

Sub: Furnishing monthly Inventory Statements

Ref: 1. Letter.No. CCA/AO/SN.14/CYS-146/92-93 dt 04.12.92 of the then Chief
Controller(Accounts)
2. Circular No. KPTCL: B5B/4449/99-00 dated 19.06.2002 of the General
Manager (Admn & HRD)

In Circular dated 19.06.2002 (Ref.-2), guidelines have been issued regarding treating of Major Works Division Stores as TL & SS Stores. It is directed therein that Major Works Stores shall maintain separate Numerical Ledger for Major Works Materials and for TL & SS Materials and to send store accounts separately to Major Works Divisions in respect of transactions relating to Major Works materials and similarly to TL & SS Divisions in respect of transactions relating to TL & SS materials. TL & SS Divisions have to maintain separate pricing ledger for TL & SS materials transactions. But it is observed that some of the TL & SS Divisions are not furnishing monthly inventory statements even though they are expected to obtain store accounts and maintain separate pricing ledger.

As per instructions issued in letter dated 04.12.92 (Ref-1), monthly inventory statements are to be sent in the proforma prescribed therein. Detailed instructions on the manner of preparing the inventory statements are also issued in the said letter, [Page. No. 134-136 of Compendium of Circulars Volume-I issued by the Chief Controller (Accounts)], and in letter dated 15.04.1993 [Page. No. 137 of Compendium of Circulars Volume-I].

It is therefore instructed that all the TL & SS Divisions have to submit inventory statements every month invariably in the proforma enclosed herewith within 15th of the subsequent month.

KARNATAKA POWER TRANSMISSION CORPORATION LIMITED
DIVISION: LOCATION CODE:

STATEMENT SHOWING THE DETAILS OF STOCK INVENTORY HELD ON.....

Particulars	Material accounted under A/c Code 14.607,14.708,14.809 and 14.810-Furniture and Fixtures., etc.	Written down value of released assets accounted under A/c Code 16.101 to 16.109,16.201 and 16.209	Other materials accounted under A/c Code 22 series.	Grand Total
1	2	3	4	5
Opening Balance				
Receipts during the month				
Issues during the month				
Closing Balance				

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FA(A & R)/C(A & FRS)/SPA/AAO II/CYS:4 DATED: 16.4.2003

Sub: **Charging of interest on works and maintenance of 'C' Register.**
Ref: KERC Tariff Order – 2003.

The KERC in its Tariff Order 2003 has again reiterated that interest on capital loans shall be charged to respective individual works and also the Cost Registers should be maintained and updated regularly and completion reports should be prepared immediately after completion of the works.

In this regard, the o/o Chief Engineer, Elec., (PFC/ APDRP) and other administrative offices who are dealing with preparation of projects and mobilisation of resources and the Loans Section in this office which arranges repayment of loans and payment of interest on loans are hereby directed to ensure that the interest charges on loans are transferred to the respective field units of the Major Works without any delay and further ensure that the interest charges are booked to the relevant individual works invariably.

All the Major Works units which are responsible for maintenance of Cost Registers, preparation of Completion Reports and closure of work accounts are hereby instructed that they should maintain the Cost Registers of each individual works in the prescribed manner and post them up-to-date so as to arrive at the financial progress vis-à-vis physical progress and intimate the same to KERC as and when called for. The Completion Reports also shall be prepared by the field officers in accordance with the existing rules and regulations without any delay and submit the same to the respective Accounts Section for verification and closure of work accounts. The concerned officers in the Accounts Section shall obtain CRs in time and pass the same after due verification in the cost registers without any delay. There should not be any delay in obtaining the CRs from the field staff and if there are any delays, the responsible official's name and designation shall be intimated to the Chief Engineer, Elec., Transmission, of their Zone, for taking further action in the matter. It should be noted that if the KERC's directives as intimated above are not implemented the officials/officers responsible for non-implementation will be directly held responsible for the lapses and they may have to face further consequences.

The controller of Accounts of the Transmission Zone and the Deputy Controller of Accounts of Transmission & Works Circles shall also conduct a thorough inspection on the above issues during their inspections and ensure that there are no lapses in any of the Divisions in their jurisdiction. They shall initiate action on the concerned officials /officers for the lapses observed by them in implementing the above directives of KERC.

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FA (A&R)/PS/CYS.12

Dated: 31st May 2003.

Sub: Procedure for Accounting of Pension & Gratuity.

- Ref: 1. Second Transfer Scheme notified vide No. DE 14 PSR 2002 Dated 31-05-02 by GOK.
2. GOK Order No. DE 15 PSR 2002 Dated 19th December 2002 approving "Pay as You Go" option for discharging Pension and related liabilities.

Under Rule 11 of the Second Transfer Scheme notified on 31-5-2002, the Government of Karnataka has prescribed Rules regarding operation of Pension and Gratuity Trust and also indicated the liability of GOK, KPTCL and four ESCOMs for discharging the terminal benefits. GOK has taken the responsibility of discharging liability towards terminal benefits till the effective

date of second transfer of specified personnel i.e. upto 31-5-2002. The responsibility for the liability towards terminal benefits with effect from and for the period following the effective date i.e. from 1-6-2002 and onwards rests with KPTCL and four ESCOMs.

In the order dated 19-12-2002, GOK has approved "Pay-As-You-Go" Option for settlement of terminal benefits of KPTCL / ESCOM employees. Further, GOK has indicated in cash-flow statement for the year, amount earmarked for release every-month towards payment of terminal benefits.

Releases made by GOK and actual payment towards terminal benefits during the year 2000-01 & 2001-02 are as follows: -

(Amount in Lakhs)			
Particulars	2000-01	2001-02	TOTAL
Releases made by GOK	17000	18100	35100
Actual Payment of terminal benefits	15675	16732	32407
Excess released	1325	1368	2693

During the year 2002-03, GOK has released Rs. 15000 lakhs in cash as against proposed release of Rs.18480 lakhs for this purpose. Against the projected amount, the release is short by Rs.3480 lakhs.

The Releases of amount by GOK & payment of terminal benefits to employees out of the released amount are to be accounted in Pension & Gratuity Trust. The receipts and payments cannot be accounted as Income and Expenditure in KPTCL or ESCOM. However, as the amounts released were received in KPTCL and payments were made at the units of KPTCL & ESCOMs, receipt and payment of this amount are to be properly depicted in the books of KPTCL & ESCOMs. The procedure of obtaining the amount from GOK by KPTCL and making payment by retaining Revenue earnings by Corporate Office of each ESCOM will continue upto 31-7-2003. **From 1-8-2003 and onwards all activities will be taken over by P&G Trust independently.**

Detailed procedure of accounting and depiction of these transactions are laid down below for the guidance of P&G Trust, KPTCL & ESCOMs.

I. **Responsibility of the Pension and Gratuity Trust.**

A) When amounts towards payment of terminal benefits are received from GOK in time :

4. As and when the amounts are due from GOK for arranging payment of terminal benefits, a Journal entry to raise the demand shall be passed by debiting "Receivable from GOK" and crediting "Income Account".
5. The Pension & Gratuity (P&G) Trust has to obtain from GOK funds required for payment of terminal benefit every month as indicated in the cash flow statement. Amounts so received shall be taken on receipt (Debit) side of the cashbook by crediting "Receivable from GOK".
6. Payment of terminal benefit shall be made through the units of KPTCL & ESCOMs as is being done in the existing system. Funds transferred to units for arranging payment shall be debited to a suspense account by credit to Bank Account duly posting the same on the payment side of the Cashbook.
7. On getting information of actual payments made from units, the expenditure account shall be debited by crediting suspense Account by passing a Journal entry. Transfer of funds to units in the succeeding months shall be reduced by the amount of **excess funds** if any, transferred earlier and remaining as balance in P&G Trust Bank Account at the unit. However, balance remaining in P&G Trust Bank Account at the units towards **un-disbursed** payment shall, not be reckoned for the purpose of setting of in future transfer of funds.
8. At the end of the Financial year, balance remaining in P&G Trust Account of each unit shall be obtained and bank balance restored by passing a Journal entry by debiting respective bank account and crediting suspense account. This entry shall be reversed on the first day of the next financial year to restore the bank balances in the P&G Trust account of the units.

B) When amounts towards payment of terminal benefits are not received from GOK in time but obtained temporarily from KPTCL as laid down in the Second Transfer Scheme.

- 1) Para A (1) above shall be followed for raising demand
- 2) Pension & Gratuity (P&G) Trust has to obtain funds required for payment of terminal benefit for that month from KPTCL. The Amounts received shall be taken on receipt (Debit) side of the cashbook by crediting "Payable to KPTCL Account".
- 3) Para A (3,4&5) above shall be followed for arranging payment and depiction of Bank Balance at the end of the year.
- 4) On receipt of the amount due from GOK, receipt shall be accounted as in para A (2) above. Further, the amount shall be paid to KPTCL duly passing a bill and debiting "Payable to KPTCL Account" on payment side of the cashbook for the amount paid to KPTCL.

C) Accounting treatment for contributions received towards “Corpus Fund”.

- 1) The P&G Trust has to account the amount of contributions due from KPTCL and each ESCOM towards Corpus Fund as per actuarial valuation as “Receivable” from respective company every month on accrual basis without fail.
- 2) A demand entry debiting “Receivable towards Corpus Fund Account (Pension / Gratuity separately) of each company” and crediting “Corpus Fund Account (Pension & Gratuity separately) of each company” shall be passed as and when contributions become due.
- 3) On receipt of contribution towards Corpus Fund, the same shall be taken on receipt side of the cashbook by crediting “Receivable towards Corpus Fund Account (Pension / Gratuity separately) of each company”.
- 4) On investing the Corpus Fund, “Investment Account” shall be debited on payment side of the cash book. Each company-wise and Investment-wise Account shall be maintained.
- 5) As and when the Interest on Investments are due, following Accounting entries shall be passed.

When Interest is due (JV to be passed):-			
Interest Accrued and due Dr.		XX	
To	Interest Account		XX
On receipt of Interest in cash:-			
Interest Accrued and due shall be credited on receipt side of the Cashbook			
When Interest earned is re-invested without receiving cash (JV to be passed):-			
Investment Dr.		XX	
To	Interest Accrued and due		XX

D) P&G Trust has to analyse the release of amounts by GOK during the year 02-03 and 03-04 (Up to 31-7-2003 only) vis-à-vis excess releases of Rs.26.93 crores for the years 00-01 & 01-02 shown above and after setting off the short releases during the succeeding years, account the resultant excess release / short release as Receivable / Payable to KPTCL in its' accounts and receive the amount from KPTCL or discharge the liability to KPTCL as the case may be duly obtaining the amount from GOK.

II. Responsibility of KPTCL

9. Resource Section in FA (A&R) Office :-

The Resource Section has to analyse release of amounts by GOK during the year 02-03 and 03-04 (Up to 31-7-2003 only) vis-à-vis excess releases of Rs.26.93 crores for the years 00-01 & 01-02 shown above. After setting off the short releases during the succeeding years, account the resultant excess release / short release duly reconciling the same with P&G Trust figures as Payable / Receivable from P&G Trust in its' accounts and pay the amount to P&G Trust or receive from P&G Trust as the case may be.

Accounting of Receipts:-

As the P&G Trust will be taking over all activities independently from 1-8-2003, the amounts received from 1-4-2002 to 31-7-2003 from GOK towards payments of terminal benefits shall be accounted as credits to Account Code – 28.876 – Receivable from GOK towards actual payment of Pension & Gratuity.

10. The amounts are proposed to be released directly to P&G Trust by GOK from 1-8-2003 and onwards. In case, the amount is released to KPTCL by adjustment etc, on or after 1-8-2003, such amounts shall be accounted by credit to “GOK amount - payable to P&G Trust” and payment arranged to P&G Trust immediately by debit to “GOK amount - payable to P&G Trust”, if advance payment to Trust is not already made.

Accounting of Payments:-

11. If the Amounts are not released by GOK in time, KPTCL has to pay funds required by P&G Trust for making payment of Terminal Benefits; by debiting account code “Receivable from P&G Trust”. The payment by KPTCL shall be made on a specific request from P&G Trust on each occasion. Immediately after the Amounts are released by GOK, the KPTCL shall obtain the dues from P&G Trust and account by crediting Account code “Receivable from P&G Trust”.
12. Actual payment of Gratuity & Pension booked against Account Codes 44.110 & 44.120 in all the Accounting units of combined KPTCL (before unbundling) for the period upto 31-5-2002 shall be collected and accounted as payment by debit to 28.876 and credit to 44.110 & 44.120.
13. Actual payment of Gratuity & Pension booked against Account Codes 44.110 & 44.120 in all the Accounting units of KPTCL only (i.e. TRANSCO only after unbundling) for the period from 1-6-2002 To 31-7-2003 shall be collected and accounted as payment by debit to 28.876 and credit to 44.110 & 44.120.
14. For the period from 1-6-2002 To 30-9-2002, funds were given by KPTCL to Accounting units of ESCOMS, for payment of Pension and Gratuity and accounted as Receivable from each ESCOM. The ESCOMs have paid Pension

& Gratuity at their units by debiting Account codes 44.110 & 44.120. The actual amount booked in each ESCOM for the above period against Account codes 44.110 & 44.120 shall be collected and a journal entry passed for the amount by debit to Account Code – “28.876 – Receivable from GOK towards actual payment of Pension & Gratuity” and credit to Account Code 28.900 / 28.901 / 28.902 / 28.903 (as the case may be) – Funds transferred to ESCOM – receivable / adjustable.

- 15.** For the period from 1-10-2002 To 31-3-2003, the ESCOMS have arranged payment of Pension and Gratuity at their units duly supplying funds to them out of retained revenues. Payment of Pension & Gratuity at the units of ESCOMs is debited to Account codes 44.110 & 44.120. Actual amount booked in each ESCOM for the period from 1-10-2002 to 31-3-2003 against Account codes 44.110 & 44.120 shall be collected and a journal entry passed for the amount by debit to Account Code – “28.876 – Receivable from GOK towards actual payment of Pension & Gratuity” and credit to Account Code 37.2(710) – IUA- Other transactions / adjustments, and **A.T. sent to LDC, Bangalore.**
16. For the period from 1-4-2003 To 31-7-2003 also, the system of payment as stated in sub-para 6 above is supposed to be followed. The same accounting treatment shall be given in Resource Section.

Accounting contributions made to P&G Trust towards Corpus Fund:-
From 1-6-2002 and onwards KPTCL has to make contributions to P&G Trust towards Corpus Fund on the basis of Actuarial Valuation got done by the P&G Trust. Every month the contributions due and payments made shall be accounted as follows:-

When Provision is made (JV to be passed):-			
75.830 – Terminal Benefits (Pension) Corporation’s contribution Dr.		XX	
75.840 – Terminal Benefits (Gratuity) Dr		XX	
To			
	44.122 – Pension Trust – Provision for payment to Trust towards Pension & Gratuity in respect of existing employees		XX

When Payment is made to P&G Trust, Account code 44.122 shall be debited on payment side of the cash book.

B) Office of the CEE- LDC, Bangalore (EBC) :-

1. For the payment of Pension & Gratuity made by ESCOMs at their units for the period from 1-10-2002 To 31-7-2003, the Advice of Transfer from Resource Section shall be obtained and accepted by debit to 37.3 – IUA – Clearance Account and credit to 23.201 / 23.202 / 23.203 / 23.204 as the case may be.

III. Responsibility of ESCOMS

1. For the period from 1-6-2002 To 30-9-2002, funds were given by KPTCL to Accounting units of ESCOMS, for payment of Pension and Gratuity and accounted as Payable to KPTCL in the units of ESCOMS.. The ESCOM units have paid Pension & Gratuity by debiting Account codes 44.110 & 44.120. The funds transferred to units by KPTCL and accounted as payable to KPTCL shall be got transferred in Part C of March Final 03 to Corporate Office. The actual amount booked in each unit of ESCOM against Account codes 44.110 & 44.120 for the above period shall also be got transferred in Part C of March Final 03 and a journal entry passed for the amount by debit to Account Code – “46.106 – Funds Received from KPTCL – Payable / Adjustable” and credit to Account Code 44.110 & 44.120 at the Corporate Office..
2. For the period from 1-10-2002 To 31-3-2003, the ESCOMS have arranged payment of Pension and Gratuity at their units duly supplying funds to them, out of retained revenues. The payment of Pension & Gratuity at the units of ESCOMS is debited to Account codes 44.110 & 44.120. The actual amount booked in each unit of ESCOM for the period from 1-10-2002 to 31-3-2003 against Account codes 44.110 & 44.120 shall be got transferred to Corporate office in March Final 03 and a journal entry passed for the amount by debit to Account Code – “41.161 – “Sundry Creditors for purchase of power – KPTCL” and credit to Account Code 44.110 & 44.120 at the Corporate Office.
3. For the period from 1-4-2003 To 31-7-2003 also, the system of payment as stated in sub-para 2 above is supposed to be followed. The same accounting treatment shall be given in ESCOM Corporate Office.

Accounting contributions made to P&G Trust towards Corpus Fund:-

When Provision is made (JV to be passed):-			
75.830 – Terminal Benefits (Pension) Corporation’s contribution Dr.		XX	
75.840 – Terminal Benefits (Gratuity) Dr		XX	
To	44.122 – Pension Trust – Provision for payment to Trust towards Pension & Gratuity in respect of existing employees		XX
When Payment is made to P&G Trust, Account code 44.122 shall be debited on payment side of the cash book.			

From 1-8-2003, all the units in KPTCL & ESCOM, which are arranging payment of Pension & Gratuity, shall invariably maintain a separate Operative Bank Account in relevant Bank for operating funds transferred by P&G Trust. A separate cashbook also shall be maintained in units to record transactions of this Bank Account. Under no circumstances the P&G Trust Bank Accounts' transactions shall be clubbed with regular Bank transactions in the cashbook. Cash Balance Report and other returns as prescribed by P&G Trust shall be sent by each unit to the P&G Trust.

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Dated: 18th June 2003

Ref: This office Letter No. FA(A&R) / PS/CYS 12 dated 31-5-2003.

It has been specified vide item II (A)(5) of this office letter dated 31-5-2003 that the actual payment of Pension, Gratuity and Family Pension made and debited to Account codes 44.110 & 44.120 by all the Accounting units of KPTCL shall be collected by Resource Section from 1-4-2003 and onwards for setting off the credits received from GOK towards this account every month. All the Accounting Units are hereby instructed to give the information to Controller (Finance), 6th Floor, Kaveri Bhavan, Bangalore in the following proforma for each month from June 2003 and onwards on or before 15th of the following month. The information for the months of April & May 2003 in separate statements shall be sent to reach Controller (Finance) on or before 25-6-2003.

**STATEMENT SHOWING PENSION, GRATUITY AND FAMILY PENSION
PAYMENTS MADE FOR THE MONTH OF**

Sl. No	Particulars	Debited to Account Code 44.110	Debited to Account Code 44.120
1	Pension payment during the month	----	XXX
2	Gratuity Payment during the month	XXX	---
3	Commutation payment during the month	---	XXX
4	Family pension payment during the month	---	XXX
5	Arrears payment during the month (specify nature)	XXX	XXX

Note: XXX indicates figures.

All the Controllers, Deputy Controllers (A/cs) and Accounts Officers are responsible for sending the above statement to the Controller (Finance) within the prescribed date without fail. If no such payments are made in their units they should invariably send a NIL Statement positively. Any delay in sending the statement, sending incomplete statements or non-sending of statement will be viewed very seriously, as this information is very essentially required to set-off payments against the amount received from GOK and also to pursue payments from GOK in time.

The Pension and Gratuity Trust is all set to arrange these payments from the Trust with effect from 1-8-2003. The above information shall be sent to The Controller (P&G Trust), 6th Floor, Kaveri Bhavan, Bangalore regularly every month after this function is taken over by the Trust.

Sub: Maintenance of 33 KV Stations and Lines

Ref: 1. Your Letter No. SEE/EE (O)/AEE-2. / 260-65 dated 30-5-2003 addressed to The Director (Transmission), KPTCL with a copy to this office.

Please refer to this office Circular No. CYS 34 dated 8-8-2002 wherein guidelines were given for accounting maintenance cost of 33 KV Stations and Lines incurred in the books of KPTCL as Receivable from the concerned ESCOM and to send Transfer Document (T.D) to respective units ESCOM. It is also stated in the said circular that concerned ESCOM should confirm accounting of maintenance expenditure in books of ESCOM by giving acceptance to T.D. As ESCOMs are financially independent with effect from 1-10-2002 (1-9-2002 in case of GESCOM)., maintenance cost of 33 KV Stations and Lines incurred by KPTCL has to be got reimbursed from concerned ESCOM by **Cash Only** in the changed scenario. TL&SS Divisions should send a bill towards Maintenance of 33 KV Stations and Lines, to the concerned O&M Division / Corporate Office of the ESCOM concerned after completion of the month and obtain payment.

Specific queries raised in your letter under reference are clarified here below.

Sl.No.	Query	Clarification
1	Whether to carry out the maintenance of 33 KV Lines and Stations by KPTCL till they are taken over by MESCOM officially, as is being done now.	MESCOM has to take up maintenance of 33 KV Lines and Stations as the assets pertain to them and expenditure on these assets are factored in as Revenue Expenditure in ERC filed by ESCOMS. If they cannot take up the work of maintenance immediately for any reason, they have to inevitably bear the expenditure duly making available budget provision and also pay expenditure incurred by KPTCL by cash. Or they can directly bear the expenditure utilizing services of KPTCL staff. For services of KPTCL staff utilised they have to make payment in cash.

2	How to regularize and meet the expenditure made by KPTCL towards 33 KV lines& Stations in the absence of Audit Certificate since no Budget provision is available at both KPTCL and MESCOM	Unless, budget provision is there in MESCOM for this, works shall not be taken up. In fact, work orders are to be issued by MESCOM / MESCOM units against their budget provision only.
3	Materials cannot be drawn by KPTCL from stores in the absence of a Work Order. How to obtain the materials has become a question.	If ESCOMs are agreeable to bear 33 KV maintenance expenditure by admitting bills preferred by KPTCL (including the cost of material), then the concerned TL&SS Division can issue Work order and draw required materials. Otherwise the materials are to be drawn from ESCOM Stores only against work orders sanctioned by them. In this case the ESCOM will have to bear the "Service Cost" for utilizing services of employees of KPTCL.
4	Whether any special provision can be made by KPTCL towards the maintenance of 33 KV lines and stations till it is officially taken over by MESCOM	No, this cannot be done. MESCOM has to bear the expenditure with immediate effect.
5	What to do about the half done, spill over works of maintenance in 33KV stations and lines	The issue has been clarified vide Part III (B) 2 of this office circular No. CYS 104 dated 27-3-03, wherein it is prescribed that the completed works shall be transferred to ESCOMS by treating the cost as recoverable from ESCOMS by debit to specific account codes.
6	What is to be done in case of repairs of 33KV class power transformer, which are under repair?	Repair cost and incidentals are to be charged to MESCOM and cost collected in cash.

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Sub: Accounting procedure for mobile telephones.

Ref: Corporation Order No. KPTCL/B12/4703/01-02 dated 30/5/2003.

In the Corporate Order dated 30/05/2003, the rules to regulate providing of mobile telephones to officers are laid down. It has been observed that no uniform accounting procedure is adopted for purchase of mobile telephones, accounting of issue of mobile telephones, maintenance of T&P account of mobile telephones and incurring expenditure on monthly payment of bills of mobile telephones. The responsibilities of mobile telephone holder while in possession of this equipment, as relating to accounts are also not specified. To streamline the entire procedure, following guidelines are prescribed for the purpose of purchase and accountal, and regarding responsibilities while in possession of the equipment. The guidelines shall be followed scrupulously and proper accountal ensured.

17. Purchase of Mobile Telephones:

The officers who are authorised by the Corporation shall only purchase mobile telephones.

Purchase of equipment shall be done duly observing all purchase rules and regulations.

After purchase of equipment, the equipment may be handed over to allottee officers either through stores of the Corporation or directly from the supplier to the allottee under specific acknowledgement.

If the equipment is handed over through stores, existing procedure of drawal of materials by placing indent, invoicing the equipment under acknowledgement, etc., shall be followed. In such cases, bills of suppliers shall be passed only after obtaining MAS from stores.

If mobile telephones are directly handed over from supplier to the allottee, proper acknowledgement shall be obtained from allottees duly certifying on the bill of supplier that the specific equipment is handed over to designated officer and accounted under his Capital T & P account vide related item No. and page of T&P register. The allottee shall also certify that he has received the equipment and accounted the same in his personal T&P register duly giving reference to item No. and page of T&P register before bills of suppliers are certified and passed for payment. A certificate from allottee to this effect also shall be enclosed to the passed bill of the supplier.

In the administrative offices, where General T&P Register is maintained, it shall be ensured that the equipment is invariably accounted in General T&P Register against the name of the equipment holder with due acknowledgement from the holder.

Bill Passing and Accounting:

Supplier's bill shall be passed by debit to 42.201 if the equipment is passed through stores. In this event, as soon as the equipment is received in stores, a Receipt Voucher shall be drawn and the same accounted in Accounts Section by debit to 14.811 (ANC) – CWIP – Mobile Phones, by credit to 42.101 – Liability for supply of materials. Subsequently, the liability shall be transferred to 42.201 – Sundry Creditors' Control Account, as per existing practice.

If the equipment is directly handed over to allottee from supplier, the bill shall be passed by debiting 14.811 (ANC) – CWIP – Mobile Phones, duly ensuring that all certificates as stated in I(e) above are recorded on the bill and also the allottee has accounted equipment in his personal T&P account.

Immediately after issue of equipment to allottee as stated in both cases vide I-(d) and (e) above, the equipment shall be categorised as asset by debit to 10.573 – Communication equipment – Mobile Phones and credit to 14.811 (ANC) – CWIP – Mobile Phones.

The equipment shall be maintained as capital asset in the Asset Register under 10.573 – Communication equipment – Mobile Phones and depreciation charged as per rules. Whenever the equipment is scrapped, existing procedure of removal of equipment from the Asset Register along with accumulated depreciation, etc., shall be followed.

The cost of monthly bills of mobile telephones and any other expenditure incurred on mobile telephones shall be charged to 76.114 – Mobile Phone charges. While passing monthly bills of mobile telephones all the procedures laid down for passing P&T telephone bills shall be followed duly making necessary entries in the relevant registers.

Responsibilities of the Accounting Unit:

The accounting unit is responsible for ensuring accountal of mobile telephones in the Capital T&P of mobile telephone holders.

Mobile telephones shall be counted as one of the T&P items every year during annual T&P counting.

Mobile telephones shall be treated as an important T&P item, the charge of which has to be handed over to successors by the holder, whenever he relinquishes the designated post and gets relieved of his duties.

LPC on transfer of officers shall be issued only after ensuring that mobile telephones possessed by them in the earlier post has been handed over to the successor incumbent. Recording of a certificate to this effect in the charge report of the relieved officer shall be ensured.

Responsibilities of Mobile telephone holder:

Mobile telephone shall be considered as personal T&P of the officer holding the equipment.

Mobile telephone holders are responsible for proper maintenance of the equipment in good condition.

For any damage or loss of equipment attributable to the T&P holder, he shall bear the cost.

Mobile telephone holder shall hand over the equipment on relinquishing the charge of the post for any reason, to the successor incumbent.

All mobile telephone holders shall record a certificate to the effect that the mobile telephone (with Make, Serial No., Sim Card No., etc.) is handed over to the successor incumbent, in the Charge Handing over report.

If the officer is not a mobile telephone holder, he has to record a certificate to the effect that he is not a mobile telephone holder, in the Charge Handing over report.

The above procedure shall be followed scrupulously in accounting mobile telephones.

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FA (A/cs)/C (A&FR)/A/Cs II/CYS. 30

Dated: 15th July 2003

Sub: Maintenance of Fixed Asset Registers- Preparation of Abstract of each account code to tally to Trial balance.

Ref: This office Lr No FA (A&R)/C (A&FR)/AAO-II/ CYS.23 dated 27-6-2003.

As already intimated in the letter under reference, M/s. B.P. Rao & Co, Chartered Accountants appointed as Statutory Auditors of KPTCL for the year 2002-03 have commenced Branch Audit of Accounting units of KPTCL. In their letter dated 10-7-2003, the auditors have informed that in some of the Divisions Fixed Asset Registers are not maintained properly. Balances as per registers are not tallying with the Trial Balance and some of the Assets transferred from other

Accounting Units / Assets transferred to other divisions are not entered in the Fixed Asset Register. Also provision for depreciation of transferred Assets is continued in the Asset Register.

A number of circulars have been issued regarding maintenance of Fixed Asset Register as detailed here below.

Sl No.	Reference to Circular No.	Page No.	Reference to compendium of Circulars
1	B.O.No. B7/9335/86 dated 9-10-1986	22	Vol.I
2	CYS.196 dated 5-12-1986	32	Vol.I
3	CYS 134 dated 17-1-1995	195	Vol.I
4	CYS 140 dated 23-1-1995	198	Vol.I
5	CYS 144 dated 31-1-1995	201	Vol.I
6	CYS 172 dated 15-3-1995	207	Vol.I
7	CYS 175 dated 31-3-1995	213	Vol.I
8	CYS 10 dated 20-4-1992	246	Vol.I
9	CYS 125 dated 24-1-1992	20	Vol.II
10	CYS 131 dated 1-2-1992	25	Vol.II
11	CYS 10 dated 20-4-1992	29	Vol.II
12	CYS 61 dated 9-7-1992	30	Vol.II

In this connection, attention is drawn especially to Circular No. CYS 134 dated 17-1-1995 (Sl No. 3 of table above) wherein clear instructions are issued for reconciliation of Original value of Fixed Assets and Accumulated Depreciation as per Asset Register and Trial Balance. If the abstract of Fixed Assets and Depreciation as per the format given therein is not maintained / updated in the separate register, immediate action shall be taken to update the same within three days and produce the register to the Statutory Auditors during the course of audit of the unit, failing which the Accounts Officer of the unit will be personally held responsible for the lapse in not maintaining Asset Register properly and not following various instructions issued.

The Controllers & Deputy Controllers shall ensure proper maintenance of Asset Register and verify Abstract of Fixed Asset and Depreciation Register with reference to the Trial Balance during their inspection of the Units.

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Sub: Providing a separate Head Of Account for the charges collected by BESCOM and payable to KPTCL towards cost of installation of switchgear.

Ref: Lr. No. CEE/PS/12/03-04 dated 25-7-2003 from CEE-Transmission, Bangalore to this office.

If any consumer intends to avail power supply at a voltage higher than 33 KV from any ESCOM, the work of constructing necessary infrastructure are to be carried out by KPTCL. Generally, such prospective consumers approach jurisdictional ESCOM office. In such cases, necessary arrangements shall be made by ESCOM for preparation and sanction of estimate by the jurisdictional competent authority of KPTCL or if the estimates are sanctioned by ESCOM authorities for such works, they should invariably obtain the approval of KPTCL authority for 66 KV and above portion of works included in the estimates prepared by them as the said portion of work has to be executed by KPTCL. The amount collected from consumers by ESCOM as per estimate has to be initially Accounted by ESCOMs as "Payable to KPTCL in cash" and send a Demand Draft to concerned Accounting unit of KPTCL immediately as any inter Company transactions under Receivable and Payable heads are prohibited with effect from 1-8-2003 and should be strictly on CASH BASIS only as per KPTCL Corporate office Letter No. KPTCL/B5B/22/2003-04 dated 25-7-2003. Necessary Account codes for accounting cash collected under "Payable to KPTCL in cash" may be issued by corporate office of each ESCOM.

In addition whenever an ESCOM requests KPTCL to build infrastructure of voltage higher than 33 KV, such works shall be taken under Deposit Contribution Works. All formalities of KPTCL for executing DCW shall be strictly followed in such cases.

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Sub: Accounting procedure in respect of payment of Terminal benefits by Accounting units on behalf of Pension Trust.

Pension & Gratuity Trust, KPTCL, Bangalore is giving funds from July 2003 and onwards for payment of monthly pension / family pension and terminal benefits to the employees / officers on their retirement. On receipt of intimation of sanction of Gratuity & Commutation from the competent authority, accounting units are arranging payment of the same after obtaining funds from their

Corporate Offices. As these terminal benefits on retirement are to be paid by Pension & Gratuity Trust, KPTCL, Bangalore, payment of Gratuity & Commutation made by Accounting Units are to be accounted as Receivable from Pension & Gratuity Trust. For this purpose a new Account Code 28.907 – Receivable from Pension & Gratuity Trust is issued. On payment of Gratuity & Commutation on retirement, this account code is debited and a bill preferred on Pension & Gratuity Trust duly giving all relevant details for reimbursement of this amount. On receipt of reimbursement, this account code shall be credited and the balance cleared.

Pension & Gratuity Trust, KPTCL, Bangalore, has prescribed that all the pension disbursing Accounting units have to open a separate Bank Account and to maintain a separate cashbook for accounting payment of monthly pension / family pension. The initial deposit for opening of this bank account is borne by the respective accounting units. The treatment mentioned in the above para shall apply mutatis mutandis for getting reimbursement of initial deposit borne by the accounting units for opening bank account of Pension & Gratuity Trust.

The above instructions shall be followed scrupulously.

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No. FA (A&R)/C (A&FR)/AAO II/CYS. 52

Dated: 29th October 2003

Sub: Providing a separate Head Of Account for the charges collected by BESCOM and payable to KPTCL towards cost of installation of switchgear.

Ref: Lr.No.CEE/PS/12/03-04 dated 25-7-2003 from CEE-Transmission, Bangalore to this office.

This office letter No. FA(A&R)/ C(A&FR) / AAO-II/CYS.41 dated 23-8-2003.

Further to this office letter dated 23-8-2003 wherein it has been clarified that the ESCOMs have to send a demand draft to KPTCL for the amount collected by them from consumers in respect of works relating to 66/11 KV or any other work which has to be executed by KPTCL, it has been hereby specifically clarified that the ESCOMs have to follow the same procedure for the amount collected by them from consumers before 1-8-2003 but after 1-6-2002 also. In view of this clarification, the ESCOMs shall immediately send Demand Drafts for any such amounts collected from consumers by them during the period from 1-6-2002 to 1-8-2003 without further delay; since the amounts pertaining to KPTCL are recovered from consumers in cash by ESCOMs. If such deposits and supervision charges collected from consumers are not transferred to KPTCL immediately, KPTCL would not be obliged to execute or allow execution of works

relating to amount collected by ESCOMs in the KPTCL's stations, which may be specifically noted.

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FA (A&R)/CA (A&FR)/AO/AAO.I/CYS/ 71

Dated: 04 -02- 2004

Sub: Transactions between units of KPTCL & ESCOMs

Ref: Letter No KPTCL / B5B / 22 / 2003-04 Dated 25/07/2003 of the General Manager (A & HRD), KPTCL.

In letter No FA (A/Cs)/DCA (A/Cs)/AO (A/Cs)/Sn.14/2002-2003/CYS/14 dated 14/06/2002 of this office, accounting procedure was issued regarding treatment of transactions between KPTCL & ESCOMs and among units of ESCOMs, by issuing specific account codes to account such transactions. In the letter under reference, instructions are issued to dispense with issuance of Transfer Document for accounting inter company transactions and to carry out transactions strictly on CASH BASIS only with effect from 01/08/2003. It is further directed to reconcile differences in receivable / Payable account Codes so as to arrive at net Payable / receivable amount by each company.

In this connection, Nodal Officer for each Transmission Zone of KPTCL, has been nominated by the Director (Finance), KPTCL, to hasten the process of reconciliation of differences in receivable / Payable account Codes. The AOs, DCAs and CAs of all accounting units of ESCOMS also shall take personal interest and interact with units of KPTCL to reconcile any difference in receivable / Payable account Codes so that well before 31/03/2004 net payable / receivable by each Company is firmed up and correctly depicted in accounts of each Company.

Inevitably inter company transactions would have taken place after 31/07/2003 and TDs sent / received. In respect of transaction that has taken place before 31/07/2003 issuance of TD would be in order. But for transactions occurring from 1/8/2003 no TD should be sent or accepted by units of either KPTCL or ESCOMs.

In order to make it convenient to account inter-company transactions done on cash basis only from 1/8/2003 and onwards, a new set of account codes are issued as noted below. The accounting units shall keep track of all transactions between Companies till payment is received from other Companies' unit. For any transaction done on cash basis from 1/8/2003 and onwards, no Transfer Document (TD) shall be issued or accepted. In case TDs have been sent for transactions made on or after 1/8/2003, the same shall be recalled and

accounted against the account codes now issued. Payment in cash only shall be insisted upon and balance cleared on receiving payment.

A/C Code	Account Head
28.918	Cash Recoverable from BESCOM for Materials sent to BESCOM Units by KPTCL Units.
28.919	Cash Recoverable from MESCOM for Materials sent to MESCOM Units by KPTCL Units.
28.920	Cash Recoverable from HESCOM for Materials sent to HESCOM Units by KPTCL Units.
28.921	Cash Recoverable from GESCOM for Materials sent to GESCOM Units by KPTCL Units.
28.922	Personnel related amount recoverable in cash from BESCOM units.
28.923	Personnel related amount recoverable in cash from MESCOM units.
28.924)	Personnel related amount recoverable in cash from HESCOM units.
28.925	Personnel related amount recoverable in cash from GESCOM units.
28.926	Amount recoverable in cash from BESCOM units in respect of other Transactions.
28.927	Amount recoverable in cash from MESCOM units in respect of other Transactions.
28.928	Amount recoverable in cash from HESCOM units in respect of other Transactions.
28.929	Amount recoverable in cash from GESCOM units in respect of other Transactions.
42.262	Cash Payable to BESCOM for Materials received from BESCOM Units by KPTCL Units.
42.263	Cash Payable to MESCOM for Materials received from MESCOM Units by KPTCL Units.
42.264	Cash Payable to HESCOM for Materials received from HESCOM Units by KPTCL Units.
42.265	Cash Payable to GESCOM for Materials received from GESCOM Units by KPTCL Units.
42.266	Personnel related amount Payable in cash to BESCOM units
42.267	Personnel related amount Payable in cash to MESCOM units
42.268	Personnel related amount Payable in cash to HESCOM units
42.269	Personnel related amount Payable in cash to GESCOM units
42.270	Amount payable in cash to BESCOM units in respect of other Transactions.
42.271	Amount payable in cash to MESCOM units in respect of other Transactions.
42.272	Amount payable in cash to HESCOM units in respect of other

	Transactions.
42.273	Amount payable in cash to GESCOM units in respect of other Transactions.

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No. FA (A&R)/C(A&FR)/CYS-72

Dated: 3-02-2004

Sub: Procedure for “Pairing off of items in IUA-Clearance Account Codes” — New system evolved.

In the existing system, accounting units are responsible for maintaining item-wise, location code-wise details of transactions in IUA accounts viz., 31.1, 31.2, 32.1, 32.2, 32.4, 32.5, 36.1, 36.2, 37.1 and 37.2, and ensuring clearance of balance under these account codes by transferring contra debits/credits to respective clearance account codes, 31.3, 32.3, 36.3 and 37.3. The accounting units shall continue to maintain ‘T’ type ledger accounts in respect of each location code for transactions under all IUA account codes stated above except clearance account codes. It is also the responsibility of the AO/AAO of the unit to closely monitor and ensure clearance of entire balance in the said IUA account codes without fail.

However, the accounting units are not held responsible for clearance of balance in IUA clearance account codes, viz., 31.3, 32.3, 36.3 and 37.3, in as much as the balance remaining in these account codes is the net result of two different types of unconnected transactions and the contra debits or credits for clearing the balance is available in another accounting unit which is interacting with it in respect of these transactions. The debit or credit balance continued in these IUA clearance account codes should have perfectly matched at Head Office when the trial balances of all units are consolidated, with exception in respect of transactions in transit. In the consolidated trial balance of Head Office, there exists an unmatched difference of 21.99 crores as on 31/03/2003 which clearly indicates that matching debits or credits are not afforded to IUA clearance account codes in the respective accounting units which are transacting with each other. The statutory auditors also have taken serious objection to the continuance of unmatched figure in IUA clearance account codes in the accounts of KPTCL. Though the Government of Karnataka had cleared all the IUA balances as on 31/05/2002 while notifying the opening balances of KPTCL and 4 ESCOMs, it is unfortunate that the unmatched difference has again cropped up in respect of in-transit transactions for the period from 01/06/2002 to 31/03/2003 and reached an alarming figure of 22 crores in a short period of 10 months.

In the background of these facts, a new system has to be ushered in to ensure matching of contra debits / credits afforded to IUA clearance accounts in different units and ensure permanent clearance of matched items. Further, unmatched items in respective clearance accounts are to be reconciled for permanent clearance. In the new system, the Head Office, will be acting as a clearing unit and clearing all matched debits and credits booked under respective IUA clearance accounts and also pursue matching of unmatched debits and credits in these account codes.

The following guidelines are evolved for ensuring conducting of clearance activity at Head Office and all the Controllers / Deputy Controllers / Account Officers / Assistant Accounts Officers shall carefully go through the guideline, understand the procedure and send required details to Head Office without fail.

- I All the accounting units shall send the following **statements separately for each “clearance account code” for the period from 01/06/2002 to 31/12/2003.**

Details for debit items booked in IUA clearance account codes in Format – I.
(Separate statements for Account codes 31.3, 32.3, 36.3 and 37.3)

FORMAT – 1

Sl No	Format 1-A Debits booked in respect of ATs sent.											
	Loca- tion code of unit to which sent	Name of Unit to which sent	Details of ATs sent			Details of Acceptance Received			Details of amount Debited to _____			
			AT No.	Date	Amou nt Rs. Ps	Accep tance No.	Dat e	Am oun t s. Ps	JV No.	Dat e	Am oun t Rs. Ps	Month in which incorpor ated
<u>1</u>	<u>2</u>	<u>3</u>	4	5	6	7	8	9	10	11	12	13

Sl No.	Format 1-B Debits booked in respect of ATs received.											
	Loca- tion code of unit from which received	Name of Unit from which received	Details of ATs received			Details of Acceptance sent			Details of amount Debited to _____			
			AT No.	Dat e	Amou nt Rs. Ps	Accep tance No.	Dat e	Am oun t s.Ps	J V N o.	Dat e	Am oun t Rs. Ps	Month in which incorpor ated

<u>1</u>	<u>2</u>	<u>3</u>	4	5	6	7	8	9	10	11	12	13

Format 1-C:

Total debits booked in Account Code _____ during _____

= Total as per col.12 in Format 1-A + Total as per col.12 in Format 1-B

- i. Details for credit items booked in IUA clearance account codes in Format - 2. (Separate statements for Account codes 31.3, 32.3, 36.3 and 37.3)

FORMAT - 2

Sl. No.	Format 2-A Credits booked in respect of ATs sent.											
	Location code of unit to which sent	Name of Unit to which sent	Details of ATs sent			Details of Acceptance Received			Details of amount Credited to _____			
			AT No.	Date	Amount Rs. Ps	Acceptance No.	Date	Amount s.Ps	JV No.	Date	Amount Rs.Ps	Month in which incorporated
<u>1</u>	<u>2</u>	<u>3</u>	4	5	6	7	8	9	10	11	12	13

Sl. No.	Format 2-B Credits booked in respect of ATs received.											
	Location code of unit from which received	Name of Unit from which received	Details of ATs received			Details of Acceptance sent			Details of amount Credited to _____			
			AT No.	Date	Amount Rs. Ps	Acceptance No.	Date	Amount s.Ps	JV No.	Date	Amount Rs.Ps	Month in which incorporated
<u>1</u>	<u>2</u>	<u>3</u>	4	5	6	7	8	9	10	11	12	13

Format 2 - C:

Total Credits booked in Account Code _____ during _____

= Total as per col.12 in Format 2-A + Total as per col.12 in Format 2-B

Format 3 — Abstract of both debits and credit items booked in IUA clearance account codes (Separate statements for Account codes 31.3, 32.3, 36.3 and 37.3) in the following format

Particulars	Debits	Credits
Total Debits booked during 1-6-02 to 31-12-03 Format 1	XXXX	
Total Credits booked during 1-6-02 to 31-12-03 Format 2		XXXX
Net Balance as on 31-12-03 (To Tally to TB Balance. The balance may be debit or credit)		

The information in respect of IUA clearance account codes in the above three formats for the period from 01/06/2002 to 31/12/2003 shall be sent in a floppy by opening formats and entering data in MS-Excel and creating a separate file for the data under each Account code for the said period. In addition to sending details in a floppy all the statements shall be sent in hard copy also.

It shall be ensured that the net balance shown as on 31/12/2003 tallies to balance shown in trial balance for December 2003 invariably. **The floppy and statements in hard copy shall be sent to FA (A&R) or Controller (A/cs & FRS) latest by 10th February 2004 without fail. If the returns are not received before the prescribed date it will be treated as a prima-facie evidence for dereliction of duty on the part of the officer responsible for the same and disciplinary action taken on them, besides intimating their names to the Managing Director, KPTCL, as desired by him.**

In addition to sending these details for the period up to 31/12/2003, the accounting units shall also send the monthly statements from January 2004 and onwards in the proforma prescribed above along with the monthly abstract in the following proforma.

Monthly Abstract

Sl. No.	Particulars	Debits	Credits
1	Opening Balance at the beginning of the month: (May be debit or credit. The balance shall Tally to the figure shown in TB for the previous Month)		
2	Debits booked during the month as per statement in format –1 above	XXXXX	
3	Credits booked during the month as per statement in format –2 above		XXXX
4	Less amount transferred to “Permanently Cleared Account” as per Head offices’ instructions: (May		

	be Debit or Credit)		
5	Net balance outstanding as at the end of the month (May be Debit or Credit. The balance shall Tally to the figure shown in TB for the month)		

- II The following new heads of accounts are opened for transferring permanently cleared items from existing IUA clearance account codes to permanently cleared IUA accounts. **The accounting units shall transfer permanently cleared items to the following account codes ONLY after specific instructions from H.O. in each month. The units have no authority to operate these account codes independently.**

- 31.6 – IUA – Materials – Permanently cleared Debit items.
- 31.7 – IUA – Materials – Permanently cleared Credit items.
- 32.6 – IUA – Capital Expenditure & Fixed Assets – Permanently cleared Debit items.
- 32.7 – IUA – Capital Expenditure & Fixed Assets – Permanently cleared Credit items.
- 36.6 – IUA – Personnel – Permanently cleared Debit items.
- 36.7 – IUA – Personnel – Permanently cleared Credit items.
- 37.6 – IUA – Other transactions – Permanently cleared Debit items.
- 37.7 – IUA – Other transactions – Permanently cleared Credit items.

- III The H.O. will do the clearing activity and arrive at the amount of debits/credits to be transferred from existing IUA clearance accounts to Permanently cleared Debit items / Credit items account in respect of each accounting unit for each account code and intimate the same to each unit every month for passing necessary entries and incorporating the same in the Unit's accounts.

18. Unless and otherwise a specific direction in the form of a statement comes to each unit no entry shall be passed to Permanently cleared Debit items / Credit items accounts.
19. The amount transferred to these Permanently cleared Debit items / Credit items account shall not be changed by the units. The units are also not authorised to change the balance in Permanently cleared Debit items / Credit items account.
20. Each and every operation relating to Permanently cleared Debit items / Credit items account shall be done only after getting specific approval or instruction from the Head Office.
21. Full control of balance under Permanently cleared Debit items / Credit items account will be exercised by Head Office only to ensure that the total debits and credits available in consolidated Trial Balance of H.O. match perfectly without any difference.

22. With the details obtained from statements, the Head Office will address each accounting unit regarding unmatched items found during clearing activity for the purpose of reconciliation at respective units. The units shall ensure contra debits / credits are properly accounted in another unit and perfectly matched so that such items can be transferred to Permanently cleared Debit items / Credit items account at Head office and intimated to concerned unit.

As the new system is evolved to have 100% control over IUA transactions and clear all IUA balances in the accounts of KPTCL, the Controllers / Deputy Controllers / Account Officers / Assistant Accounts Officers shall understand the concept and scrupulously implement the guidelines and send the statements prescribed above within the time prescribed.

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FA (A&R)/CA(A&FR)/AAO-II/CYS. 75

Dated:13/2/2004.

Sub: Depiction of balance under Account Codes 37.820 & 37.821 in March 2004 Final Trial Balance.

In the course of reforms taking place in power sector, it may become necessary in future for each Accounting Unit to prepare its Balance Sheet and Profit & Loss Account. The Units must anticipate radical changes in accounting their transactions and gear up to meet any challenge. To prepare units to face such an eventuality, following modifications in depiction of balance under Account codes **37.820** (Net of Income & Expenditure of the unit) and **37.821** (Net of Funds, Liabilities and Provisions transferred to Head Office) are made which shall be kept in mind in preparation of Trial Balance for March Final 2004 and onwards.

23. Depiction of Balance under Account code 37.820.

The units are aware that balance under Account Code 37.820 depicts the cumulative total of net of Income & Expenditure of that Accounting Unit as at the beginning of the year. In the existing system, Net of Income & Expenditure for the year is added / deducted as the case may be, from the Opening Balance under Account code 37.820 in Part 'E' of March Final Trial Balance to arrive at the closing balance at the end of year. The balance so arrived at under Account Code 37.820 in Part E is taken as the Opening Balance for the next year and the balance is not changed through out the year till OB is arrived for the next year. **Following changes are made in the system, which is to be taken note of for depiction of net of Income & Expenditure:**

24. Balance under Account Code 37.820 as at 1-4-2003 shall be shifted to Account Code 58.2 – Net Revenue & Appropriation Account. There should not be any balance under Account Code 37.820 in March 2004 Final Trial Balance and onwards.
25. The shifted Balance under Account Code 58.2 should be depicted under Part A of March Final 2004 T.B.
26. Part B shall be continued to be prepared as at present. **At the end of Part B,** difference between income & expenditure shall be taken as a distinct item under Account Code **58.3 - Net of Income & Expenditure for the year** and shown on lesser side of the total of Debit or Credit as the case may be. The **Debit & Credit totals in Part B shall be tallied.**
27. Difference so arrived at under Account Code 58.3 in part B, as detailed above shall be shown in Part A of the Trial Balance (in the next row of Account Code 58.200) against **Account Code 58.4 – Part B difference to be transferred to Net Revenue and Appropriation Account** (as contra balance to the balance against Account Code 58.300 in part B). For Example, if the difference is shown on credit side in part B, the same amount shall be shown under Account Code 58.4 on debit side of the Trial balance in part A and vice versa. The Opening Balance for the next year under Account Code 58.200 shall be the net of closing balance for the year under Account Codes 58.200 & 58.400.
28. After inclusion of balance under Account Codes 58.400 and 37.826 in part A, the totals of Debit and Credit should tally.
29. A typical example of opening Trial Balance is enclosed to this letter, which may be studied thoroughly to understand the concept.

II Similarly the following procedure is prescribed for Depiction of Balance under Account code 37.821.

Balance under Account Code 37.821 depicts the cumulative total of net of Funds Transferred / Received, Provisions and Liabilities transferred to Head office by the Accounting Unit as at the beginning of the year. In the existing system, Net of Funds Transferred / Received, Provisions and Liabilities transferred to Head office for the year are added / deducted as the case may be, from the Opening Balance under Account code 37.821 in the Part E of March Final Trial Balance to arrive at the balance at the end of year. The balance so arrived at under Account Code 37.821 in Part E is taken as the Opening Balance for the next year and the balance is not changed through out the year till OB is arrived for the next year. **Following changes are made in the system, which is to be taken note of for depiction of net of Funds Transferred / Received, Provisions and Liabilities transferred to Head office.**

Balance under Account Code 37.821 as at 1-4-2003 should be depicted under Part A of March Final 2004 T.B as Part D & E are dispensed with, with effect from March Final 2004 Accounts.

Part C shall be continued to be prepared as at present. **At the end of Part C**, difference between debits and Credits of Funds Transferred / Received, Provisions and Liabilities transferred to Head office shall be taken as a distinct item under Account Code **37.825 - Net of Funds Transferred / Received, Provisions and Liabilities transferred to Head office** and shown on lesser side of the total of Debit or Credit as the case may be. **The Debit & Credit totals in Part C shall be tallied.**

Difference so arrived at under Account Code 37.825 in part C, as detailed above shall be shown in Part A of the Trial Balance (in the next row of Account Code 37.821) against Account Code **37.826 – Part C difference for the year to be transferred to cumulative total of Part C.** (as contra balance to the balance against Account Code 37.825 in Part C). For Example, if the difference is shown on debit side in part C, the same amount shall be shown under Account Code 37.826 on Credit side of the Trial Balance in Part A and vice versa. The Opening Balance for the next year under Account Code 37.821 shall be the net of closing balance for the year under Account Codes 37.821 & 37.826

After inclusion of balance under Account Codes 58.400 and 37.826 in part A, the totals of Debit and Credit should tally.

A typical example of opening Trial Balance is enclosed to this letter, which may be studied thoroughly to understand the concept.

It shall be noted by all the Accounting Units that Trial Balance for the year i.e.

March Final 2004 and onwards should be given in **Part A, B & C only, as Part D & E are dispensed with.**

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No. FA (A&R)/A/Cs/AAO.I /CYS/ 78

Dated: 21 February, 2004

Sub: Payment of Terminal benefits by accounting units on behalf of Pension & Gratuity Trust

Ref: T O Letter No CYS 48 dated 26/09/2003.

Instructions were issued to all accounting units in the letter under reference that payment made by accounting units of KPTCL in respect of Gratuity, Commutation etc on behalf of Pension & Gratuity Trust and initial

deposit for opening exclusive Bank account in the name of P&G Trust are to be debited to newly issued account code 28.907(ANC) – Receivable from Pension & Gratuity Trust and a bill preferred on Pension & Gratuity Trust giving all relevant details for reimbursement of the amount paid and on receipt of reimbursement to afford credit and clear the balance.

In this office OM No CYS 53 dated 20/10/2003 Account Code 28.907(ANC) was allotted prescribing the procedure of sending AT to the Controller (Finance), KPTCL by all units for putting up claim to Pension & Gratuity Trust. Units of KPTCL after making payments in respect of Gratuity, Commutation etc shall debit account code 28.907 (ANC) and send an AT to the Accounts officer (Resource) attached to the Controller (Finance), KPTCL and obtain acceptance. In the Resource Section ATs received from all KPTCL's accounting units shall be consolidated and a bill preferred on Pension & Gratuity Trust for reimbursement. Similarly, In respect of Initial deposit for opening of exclusive Bank account in the name of the Pension & Gratuity Trust, accounting units of KPTCL shall send an AT to the Accounts officer (Resource) for putting up a consolidated claim on the Pension & Gratuity Trust for reimbursement.

Modified instructions issued under "Description" column of this office OM dated 20/10/2003 appears to have been lost sight of by the units of KPTCL whereby no claims for reimbursement of payments made in respect of Gratuity, Commutation etc on behalf of Pension & Gratuity Trust have been preferred. All the Accounting units of KPTCL shall take immediate action as indicated above with out fail in respect of payments made on behalf of Pension & Gratuity Trust and follow the same procedure in future also.

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FA(A&R)DC(B&R)/AO(B&S)/Cys:5

Dated:29.04.2004.

CIRCULAR

Sub: Budgetary Control over Revenue Expenditure for the FY 2004-05.

As you are aware KPTCL is facing severe financial crunch. Hence, the available resources are to be spent very carefully to carryout the Transmission business well and in economical way. Strict austerity measures are to be observed in spending the scare resources.

One of the major contributory factors regarding measures to enforce economy in expenditure is preparation of Budget and proper exercise of budgetary control. In this connection the following important points have to be kept in mind while incurring the expenditure.

1. The heads of Offices along with finance and accounts personnel should programme their expenditure in such a way that the total expenditure incurred during the year should not exceed the budget allocation provided to them. While doing so expenditure to be incurred be spread over evenly in all the months and avoid incurring of large expenditure at the close of the financial year with the intention that the money will lapse.

2. The allocation shown against each head of account in the budget need not be taken as an authority to spend. The procedures as required to be followed under rules have to be followed. Due diligence and care have to be exercised. The avoidable expenditure should be curtailed by exercising proper controls especially under R&M expenses and Administration and General expenses.

3. Whenever an estimate, which is planned for execution in more than one year, has to be sanctioned, the estimate shall be sanctioned exclusively indicating the year wise work planned for execution. **The cost of the estimate, which is planned for execution in the current year, shall only be charged off to the budget grant of the year, though the estimate has to be sanctioned for the total cost.** The cost estimated for remaining years shall be charged to the budget grant of respective year only in future years. Before charging of the cost of estimates to the budget grant in future years, the relevant portion of the estimate shall be revised if the Schedule of Rates are changed by that time and competent sanction also obtained for the revised estimates.

4. The release of funds is linked to the allocation made in the Budget, which shall be strictly adhered to. The Budget provision, Budget utilized & Budget remaining should be indicated in the funds requisition.

5. Funds requisition shall be certified by the Internal Audit with reference to Budget allocated.

6. Reallocation of Budget provision between different heads of account under the same account group of the same office can be made by Zonal Controllers under intimation to this office.

7. No appropriation is permitted from Account Group 75 i.e. Employees Cost to other Account Group i.e. 74 & 76.

8. The Controllers of each zone has to furnish the month-wise expenditure details of all the Accounting Units of their Zones to this Office during the 1st week of the succeeding month.

9. The proposals for any additional allocation so required over and above the

ನಮ್ಮ ಕಚೇರಿಯ ಸಿವೈಎಸ್ ಸಂಖ್ಯೆ ೭೫ ದಿನಾಂಕ ೧೩.೨.೨೦೦೪ ರಲ್ಲಿ ಏಪ್ರಿಲ್ ತಿಂಗಳ ತಾಳೆಪಟ್ಟಿಯಲ್ಲಿ ಹಿಂದಿನ ವರ್ಷದ ಅಂತಿಮ ತಾಳೆಪಟ್ಟಿಯಲ್ಲಿನ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೩೭.೮೨೧ ಹಾಗೂ ೩೭.೮೨೬ ಇವೆರಡರ ಮೊತ್ತವನ್ನೂ ಒಟ್ಟುಗೂಡಿಸಿ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೩೭.೮೨೧ ರಲ್ಲಿಯೇ ದಾಖಲಿಸುವುದು ಎಂದು ತಿಳಿಸಲಾಗಿದೆ. ಇದೇ ಕ್ರಮವನ್ನು ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೫೮.೨೦೦ ಮತ್ತು ೫೮.೪೦೦ ಕ್ಕೂ ಅನುಸರಿಸಲು ತಿಳಿಸಲಾಗಿದೆ. ಆದ್ದರಿಂದ, ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೫೮.೨೦೦ ಮತ್ತು ೩೭.೮೨೧ ರಲ್ಲಿನ ಶಿಲ್ಕಿನಲ್ಲಿ ಪ್ರತಿ ವರ್ಷದ ಮೇ ತಿಂಗಳಿನಿಂದ ಮುಂದಿನ ವರ್ಷದ ಮಾರ್ಚ್ ಅಂತಿಮ ಲೆಕ್ಕ ಸಲ್ಲಿಸುವರೆಗೂ ಯಾವ ತಿಂಗಳೂ ತಾಳೆಪಟ್ಟಿಯಲ್ಲಿ ಬದಲಾವಣೆ ಬರುವ ಸಾಧ್ಯತೆ ಇರುವುದಿಲ್ಲ, ಬದಲಾವಣೆ ಏಪ್ರಿಲ್ ತಿಂಗಳಿನಲ್ಲಿ ಮಾತ್ರ ಇರುವುದು. ಪ್ರತಿ ತಿಂಗಳ ತಾಳೆಪಟ್ಟಿಯಲ್ಲಿ ಮಾರ್ಚ್ ಅಂತಿಮ ತಾಳೆಪಟ್ಟಿಯಂತೆ ಎ,ಬಿ,ಸಿ ಎಂಬ ವಿಭಾಗಗಳನ್ನು ಪ್ರತ್ಯೇಕವಾಗಿ ತೋರಿಸುವುದು ಬೇಡ. ಈ ರೀತಿಯ ವಿಭಾಗಗಳನ್ನು ಮಾರ್ಚ್ ಅಂತಿಮ ತಾಳೆಪಟ್ಟಿಯಲ್ಲಿ ಮಾತ್ರ ತೋರಿಸಬೇಕು.

೧೪ ರ ಗುಂಪಿನ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳು ಪ್ರಗತಿಪರ ಬಂಡವಾಳ ಕಾಮಗಾರಿಗೆ ಸೇರಿವೆ. ಇವು ಆಸ್ತಿಗೆ ಸಂಬಂಧಿಸಿದ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳು. ಈ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳಲ್ಲಿ ಡೆಬಿಟ್ ಶಿಲ್ಕು ಮಾತ್ರವೇ ಇರಬೇಕು. ಕೆಲಸ ಪೂರ್ಣಗೊಂಡ ಬಂಡವಾಳ ಕಾಮಗಾರಿಗಳ ಲೆಕ್ಕಗಳನ್ನು ಪರಿಶೀಲಿಸಿ, ಇದರಲ್ಲಿನ ಡೆಬಿಟ್ ಶಿಲ್ಕನ್ನು ಸ್ಥಿರಾಸ್ತಿ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗೆ (೧೦ ರ ಗುಂಪಿನ ಲೆಕ್ಕಶೀರ್ಷಿಕೆಗಳಿಗೆ) ವರ್ಗಾವಣೆಮಾಡಲು ಕ್ರಮ ತೆಗೆದುಕೊಳ್ಳಬೇಕು.

೧೨ ರ ಗುಂಪಿನ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳು ಸವಕಳಿ ಲೆಕ್ಕಕ್ಕೆ ಸಂಬಂಧಿಸಿದವು. ಇವು ಹೊಣೆ ಲೆಕ್ಕಕ್ಕೆ ಸಂಬಂಧಿಸಿದ ಶೀರ್ಷಿಕೆಗಳು. ವರ್ಷದ ಅಂತ್ಯದಲ್ಲೇ ಸ್ಥಿರಾಸ್ತಿಗಳ ಮೇಲೆ ಸವಕಳಿಯನ್ನು ಲೆಕ್ಕ ಹಾಕಿ ಅದಕ್ಕೆ ಸೂಕ್ತ ಜರ್ನಲ್ ಬರಹದ ಮೂಲಕ ರೆವಿನ್ಯೂ ವೆಚ್ಚದ ೭೭ ರ ಗುಂಪಿನ ಶೀರ್ಷಿಕೆಗಳಲ್ಲಿ ಡೆಬಿಟ್ ಮೊತ್ತವನ್ನೂ ಹಾಗೂ ೧೨ ರ ಗುಂಪಿನ ಆಯಾ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳಲ್ಲಿ ಕ್ರೆಡಿಟ್ ಮೊತ್ತವನ್ನೂ ದಾಖಲಿಸಬೇಕು. ಆದ್ದರಿಂದ ೧೨ ರ ಗುಂಪಿನ ಲೆಕ್ಕಶೀರ್ಷಿಕೆಗಳಲ್ಲಿ ಕ್ರೆಡಿಟ್ ಶಿಲ್ಕು ಮಾತ್ರವೇ ಇರುತ್ತದೆ. ಹಲವು ಲೆಕ್ಕಘಟಕದ ತಾಳೆಪಟ್ಟಿಯಲ್ಲಿ ೭೭ ರ ಗುಂಪಿನ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳಲ್ಲಿ ಮೊತ್ತವನ್ನು ದಾಖಲಿಸದಿರುವುದು ಕಂಡುಬಂದಿದೆ. ಆದ್ದರಿಂದ, ಸೂಚಿಸಿರುವ ನಿಯಮದಂತೆ ಸವಕಳಿಯನ್ನು ಲೆಕ್ಕಹಾಕಿ ವಿಭಾಗ/ಕಚೇರಿಯ ಲೆಕ್ಕಗಳಲ್ಲಿ ತಕ್ಷಣ ದಾಖಲಿಸಬೇಕು.

ಬ್ಯಾಂಕ್ ಮತ್ತು ನಗದು ಹಣಕ್ಕೆ ಸಂಬಂಧಪಟ್ಟ ೨೪ ರ ಗುಂಪಿನ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳು ಆಸ್ತಿಗೆ ಸಂಬಂಧಿಸಿದ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳು. ಇದರಲ್ಲಿ ಡೆಬಿಟ್ ಶಿಲ್ಕು ಮಾತ್ರವೇ ಇರಬೇಕು.

ನೌಕರರಿಗೆ ನೀಡುವ ಸಾಲದ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳಾದ ೨೭.೧ ರ ಗುಂಪಿನ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳಲ್ಲಿ ದಾಖಲಿಸಿದ ಮೊತ್ತವನ್ನು ಮುಂಗಡ ಶಾಖೆಗೆ ಪ್ರತಿತಿಂಗಳೂ ವರ್ಗಾವಣೆಯ ಆದೇಶದ ಮೂಲಕ ಆಯಾ ತಿಂಗಳೇ ವರ್ಗಾಯಿಸಬೇಕಾಗಿರುವುದರಿಂದ ಇದರಲ್ಲಿ ಯಾವ ಮೊತ್ತವೂ ಉಳಿಯಬಾರದು.

ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳಾದ ೨೭.೨೦೧ ರಿಂದ ೨೭.೨೦೪ ಮತ್ತು ೨೭.೨೦೬ ಸಾಲ ಮತ್ತು ವಸೂಲಾತಿಯ ಮೊತ್ತವನ್ನು ದಾಖಲಿಸುವ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳು. ಇದರಲ್ಲಿ ಡೆಬಿಟ್ ಶಿಲ್ಕು ಮಾತ್ರವೇ ಇರಬೇಕು ಹಾಗೂ ಪ್ರತಿ ತಿಂಗಳೂ

ಕಂತುಗಳನ್ನು ಮುಂದುವರಿಸಲು ಈ ಲೆಕ್ಕಶೀರ್ಷಿಕೆಗೆ ಕ್ರೆಡಿಟ್ ಮಾಡಲಾಗುತ್ತಿದೆಯೇ ಎಂದು ಧೃಢಪಡಿಸಿಕೊಳ್ಳಬೇಕು. ಒಂದುವೇಳೆ ಕ್ರೆಡಿಟ್ ಶಿಲ್ಕು ಉಳಿದಿದ್ದರೆ ಸಂಬಂಧಪಟ್ಟ ಕಚೇರಿಯಿಂದ ಡೆಬಿಟ್ ವರ್ಗಾವಣೆ ಆದೇಶಗಳನ್ನು ಪಡೆದು, ವ್ಯತಿರಿಕ್ತ ಶಿಲ್ಕನ್ನು ಚುಕ್ಕೆಪಡಿಸಬೇಕು.

ಲೆಕ್ಕಶೀರ್ಷಿಕೆ ೨೭.೨೦೫ ನೌಕರರಿಗೆ ಪ್ರೋಫಾರ್ಮಾ ಬಿಲ್ಲುಗಳ ಮೇಲೆ ನೀಡಿರುವ ಮೊಬಲಗನ್ನು ಲೆಕ್ಕ ಇಡುವ ಶೀರ್ಷಿಕೆ. ಇದರಲ್ಲಿ ನೌಕರರಿಗೆ ವಾಹನ ರಿಪೇರಿ, ಡೆಮ್ಯುರೇಜ್, ವಾರ್‌ಫೇಜ್, ಸರಕು/ ಸೇವೆಗಾಗಿ ಮಾಡುವ ಹಣಪಾವತಿಗಳಿಗಾಗಿ ಅವರಿಂದ ಪ್ರೋಫಾರ್ಮಾ ಬಿಲ್ಲುಗಳನ್ನು ಪಡೆದು ೨೭.೨೦೫ ಶೀರ್ಷಿಕೆಗೆ ಡೆಬಿಟ್ ಮಾಡಿ ಹಣ ಕೊಡಲಾಗುತ್ತದೆ. ಒಂದು ನಿಗದಿತ ವೇಳೆಯೊಳಗೆ ಸೂಕ್ತ ಪ್ರೋಚರ್ ಹಾಗೂ ಮೇಲಧಿಕಾರಿಗಳ ಸಹಿ ಪಡೆದು ಸಂಬಂಧಿತರು ಅವರು ಪಡೆದ ಹಣದ ಲೆಕ್ಕ ಚುಕ್ಕೆ ಮಾಡಬೇಕಾಗುತ್ತದೆ. ಲೆಕ್ಕ ಶಾಖೆಯಲ್ಲಿ ಅನಂತರ ೨೭.೨೦೫ ಕ್ಕೆ ಜಮಾ ಮಾಡಿ ಶಿಲ್ಕನ್ನು ಕಡಿಮೆಗೊಳಿಸಬೇಕು. ಒಂದು ವೇಳೆ ನಿಗದಿತ ಸಮಯದಲ್ಲಿ ನೌಕರರು/ ಅಧಿಕಾರಿಗಳು ಪ್ರೋಫಾರ್ಮಾ ಬಿಲ್ಲಿನ ಮೇಲೆ ಪಡೆದ ಹಣ ವ್ಯಯಿಸಿರುವುದಕ್ಕೆ ಸೂಕ್ತ ಪ್ರೋಚರ್, ಬಿಲ್ ಇತ್ಯಾದಿ ಕೊಟ್ಟು ಲೆಕ್ಕ ಚುಕ್ಕೆ ಮಾಡದಿದ್ದಲ್ಲಿ ಅವರಿಗೆ ನೋಟೀಸ್ ನೀಡಿ ಅವರು ಸಕ್ರಮಿಸಲು ಏನು ಕ್ರಮ ತೆಗೆದುಕೊಳ್ಳದಿದ್ದರೆ ನಂತರ ಅವರು ಪಡೆದ ಹಣದ ಮೊಬಲಗನ್ನು ೨೮.೪೦೧- ನೌಕರರಿಂದ ವಸೂಲಿ ಮಾಡಬೇಕಾದ ಹಣ-ಖಾತೆಗೆ ವರ್ಗಾಯಿಸಿ ಅವರ ಸಂಬಳದಲ್ಲಿ ಮುಂದುವರಿಸಬೇಕು.

ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೨೭.೨೦೬ ಹಬ್ಬದ ಮುಂಗಡಕ್ಕೆ ಸಂಬಂಧಿಸಿದ ಶೀರ್ಷಿಕೆ. ಪ್ರತಿಯೊಬ್ಬ ನೌಕರನಿಗೂ ಪ್ರಸ್ತುತ ೨೦೦೦/- ರೂಗಳನ್ನು ಹಬ್ಬದ ಮುಂಗಡವಾಗಿ ನೀಡಲಾಗುವುದು. ಹಾಗೂ ಈ ಹಣವನ್ನು ೧೦ ಸಮನಾದ ಕಂತುಗಳಲ್ಲಿ ಪ್ರತಿ ತಿಂಗಳ ಸಂಬಳದಲ್ಲಿ ಮುಂದುವರಿಸಲಾಗುವುದರಿಂದ ಇದರಲ್ಲಿನ ಶಿಲ್ಕು ರೂ ೨೦೦/- ರ ಗಣಕದಲ್ಲಿಯೇ ಇರಬೇಕು. ಕೆಲವು ವಿಭಾಗಗಳಲ್ಲಿ ಶಿಲ್ಕು ೨೦೦/-ರ ಗಣಕದಲ್ಲಿಲ್ಲದಿರುವುದು ಕಂಡುಬಂದಿದೆ. ಇದನ್ನು ಪರಿಶೀಲಿಸಿ ಸರಿಪಡಿಸುವುದು. ಇನ್ನು ಮುಂದೆ ಇದಕ್ಕೆ ಸಂಬಂಧಪಟ್ಟ ನೌಕರರ ವಿವರಗಳನ್ನೊಳಗೊಂಡ ಷೆಡ್ಯೂಲನ್ನು ತಪ್ಪದೆ ಬರೆದು ನಿರ್ವಹಿಸಬೇಕು.

೩೦. ೨೮ ರ ಗುಂಪಿನ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳು ಆಸ್ತಿಗೆ ಸಂಬಂಧಿಸಿದ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳು. ಇದರಲ್ಲಿ ಡೆಬಿಟ್ ಶಿಲ್ಕು ಮಾತ್ರವೇ ಇರಬೇಕು. ಕೆಲವು ವಿಭಾಗಗಳಲ್ಲಿ/ ಕಚೇರಿಗಳಲ್ಲಿ ೨೮.೪೦೧, ೨೮.೧೦೫, ೨೮.೧೦೬ ಇವುಗಳಲ್ಲಿ

ಕ್ರೆಡಿಟ್ ಮೊತ್ತವು ಉಳಿದಿದೆ. ಸೂಕ್ತ ಡಿಮ್ಯಾಂಡ್ ಎಂಟ್ರಿಗಳನ್ನು ಹಾಕದಿರುವುದೂ ಕ್ರೆಡಿಟ್ ಶಿಲ್ಕಿಗೆ ಕಾರಣವಾಗಿರಬಹುದು. ಇದನ್ನು ಪರಿಶೀಲಿಸಿ ಸರಿಪಡಿಸಲು ಕ್ರಮ ತೆಗೆದುಕೊಳ್ಳುವುದು.

೩೧. ಕೆಲವು ವಿಭಾಗಗಳಲ್ಲಿ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೨೮.೯೩೫ ರಲ್ಲಿ ಹೆಚ್ಚಿನ ಶಿಲ್ಕು ಕಂಡು ಬರುತ್ತಿದೆ. ಇದು ನಾವು ಇತರರಲ್ಲಿ ಇಡುವ ರೇವಣಿ ಹಣದ ಮೊಬಲಗನ್ನು ಸೂಚಿಸುತ್ತದೆ. ಇದನ್ನು ಯಾವ ಕಾರಣಕ್ಕೆ ಸಂದಾಯಿಸಿದೆ? ನಾವು ಅದನ್ನು ಹಿಂಪಡೆಯಬಹುದೇ? ಎಂಬುದನ್ನು ಪರಿಶೀಲಿಸುವುದು.

೩೨. ಹಲವಾರು ಲೆಕ್ಕ ಘಟಕಗಳ ತಾಳೆಪಟ್ಟಿಯಲ್ಲಿ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೪೪.೧೧೦ ಮತ್ತು ೪೪.೧೨೦ ರಲ್ಲಿ ಶಿಲ್ಕು ಕಂಡುಬರುತ್ತಿದೆ. ಇದು ಸರಿಯಲ್ಲ. ಕಾರಣ, ದಿನಾಂಕ ೧.೮.೨೦೦೩ ರಿಂದ ಪಿಂಚಣಿ ಮತ್ತು ಗ್ರಾಚ್ಯುಟಿ ಟ್ರಸ್ಟ್, ಪಿಂಚಣಿ ಮತ್ತು ಗ್ರಾಚ್ಯುಟಿ ಮೊತ್ತವನ್ನು ಬಟವಾಡೆ ಮಾಡಲು ಎಲ್ಲಾ ವಿಭಾಗಗಳಿಗೆ ಹಣ ಕಳುಹಿಸುತ್ತಿದೆ. ಕವಿಪ್ರನಿನಿಯು ಮುಖ್ಯ ಕಚೇರಿ ಹಂತದಲ್ಲಿ ಪಿಂಚಣಿ ಮತ್ತು ಗ್ರಾಚ್ಯುಟಿ ಟ್ರಸ್ಟ್ ಗೆ ಪ್ರತಿತಿಂಗಳೂ ನಿಗದಿತ ಪ್ರಮಾಣದಲ್ಲಿ ದೇಣಿಗೆ ಕೊಡುವುದು. ಆದಕಾರಣ ಈ ಲೆಕ್ಕಶೀರ್ಷಿಕೆಗಳಲ್ಲಿ ಯಾವ ಮೊತ್ತವನ್ನೂ ದಾಖಲಿಸುವ ಪ್ರಮೇಯ ಬರುವುದಿಲ್ಲ. ಒಂದುವೇಳೆ ನಿವೃತ್ತರಾದ ಅಧಿಕಾರಿ/ ನೌಕರರಿಗೆ ಕವಿಪ್ರನಿನಿಯ ಹಣದಿಂದ ವಿತರಣೆ ಮಾಡಿದರೆ ಆ ಮೊತ್ತವನ್ನು ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೨೮.೯೦೭ ರಲ್ಲಿ ದಾಖಲಿಸಿ ವರ್ಗಾವಣೆ ಆದೇಶದ ಮೂಲಕ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೩೬.೧ ರ ಅಡಿಯಲ್ಲಿ ಲೆಕ್ಕಾಧಿಕಾರಿ (ಸಂಪನ್ಮೂಲ), ೬ನೇ ಮಹಡಿ, ಕಾವೇರಿಭವನ ರವರಿಗೆ ಕಳುಹಿಸಬೇಕು.

ಪಿಂಚಣಿ ಮತ್ತು ಗ್ರಾಚ್ಯುಟಿ ಟ್ರಸ್ಟ್ ರವರು ನಿವೃತ್ತರಾಗಿರುವ ಅಧಿಕಾರಿ/ ನೌಕರರಿಗೆ ಪಿಂಚಣಿ ಮತ್ತು ಗ್ರಾಚ್ಯುಟಿ ಹಣವನ್ನು ಬಟವಾಡೆ ಮಾಡಲು ಕಳುಹಿಸಿದ ಹಣದಲ್ಲಿ ಅದನ್ನು ವಿತರಿಸಿದಲ್ಲಿ, ಕವಿಪ್ರನಿನಿಯ ಲೆಕ್ಕಪತ್ರದಲ್ಲಿ ಯಾವ ಕಾರಣಕ್ಕೂ ಅಳವಡಿಸುವಂತಿಲ್ಲ. ಇದಕ್ಕಾಗಿಯೇ ಮೀಸಲಾಗಿರುವ ಪ್ರತ್ಯೇಕ ನಗದು ಪುಸ್ತಕದಲ್ಲಿ ದಾಖಲಿಸುವುದು. ಪ್ರಸ್ತುತ ಲೆಕ್ಕಶೀರ್ಷಿಕೆ ೪೪.೧೧೦ ಮತ್ತು ೪೪.೧೨೦ ಗಳಲ್ಲಿ ಇರುವ ಶಿಲ್ಕುಗಳು ಕವಿಪ್ರನಿನಿಯ ಹಣದಿಂದಲೇ ನಿವೃತ್ತರಾಗಿರುವವರಿಗೆ ವಿತರಿಸಿದ್ದ ಪಕ್ಷದಲ್ಲಿ ಅದನ್ನು ತಕ್ಷಣವೇ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೨೮.೯೦೭ ಕ್ಕೆ ವರ್ಗಾಯಿಸುವ ಮೂಲಕ ಚುಕ್ಕೆಗೊಳಿಸುವುದು ಮತ್ತು ವರ್ಗಾವಣೆ ಆದೇಶವನ್ನು ಲೆಕ್ಕಾಧಿಕಾರಿ (ಸಂಪನ್ಮೂಲ) ೬ನೇ ಮಹಡಿ (ಎಲ್.ಸಿ.ನಂ-೭೨೭) ರವರಿಗೆ ಕಳುಹಿಸುವುದು.

೩೩. ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೨೮.೯೦೭ ರಲ್ಲಿ ಯಾವ ಶಿಲ್ಕು ಉಳಿಯುವಂತಿಲ್ಲ. ಪಿಂಚಣಿ ಮತ್ತು ಗ್ರಾಚ್ಯುಟಿ ಟ್ರಸ್ಟ್ ಹೆಸರಿನಲ್ಲಿ ಬ್ಯಾಂಕ್ ಖಾತೆಯನ್ನು ತೆರೆಯುವಾಗ ಬ್ಯಾಂಕ್ ಗೆ ಜಮಾ ಮಾಡಿದ ಹಣವನ್ನು ಮತ್ತು ಕವಿಪ್ರನಿನಿ ಯ ಲೆಕ್ಕ ಘಟಕಗಳು ಗ್ರಾಚ್ಯುಟಿ, ಪಿಂಚಣಿ ಮತ್ತು ಕಮ್ಯುಟೇಷನ್ ಗೆ ಸಂಬಂಧಪಟ್ಟ ಹಣವನ್ನು ಕವಿಪ್ರನಿನಿ ನಿಧಿಯಿಂದ ನಿವೃತ್ತ ನೌಕರರಿಗೆ ಬಟವಾಡೆ ಮಾಡಿದರೆ ಈ ಶೀರ್ಷಿಕೆಗೆ ಡೆಬಿಟ್ ಮಾಡಬೇಕು. ಅನಂತರ ಇದರಲ್ಲಿನ ಶಿಲ್ಕನ್ನು ನಿಯಂತ್ರಣಾಧಿಕಾರಿ (ಹಣಕಾಸು) ಶಾಖೆಗೆ (ಎಲ್.ಸಿ.ನಂ-೭೨೭) ವರ್ಗಾವಣೆ ಮಾಡುವಂತೆ ನಮ್ಮ ಕಚೇರಿಯ ಪತ್ರ ಸಂ. ಸಿವೈಎಸ್-೪೮ ದಿನಾಂಕ ೨೬.೯.೨೦೦೩ ಮತ್ತು ಸಿ.ವೈ.ಎಸ್.

೩೪ ದಿನಾಂಕ ೩೦.೧೦.೦೩ ರಲ್ಲಿ ತಿಳಿಸಲಾಗಿದೆ ವರ್ಗಾವಣೆ ಆದೇಶದ ಮೂಲಕ ಅಲ್ಲಿಗೆ ಕಳುಹಿಸುವಾಗ ಈ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಯು ಕ್ರೆಡಿಟ್ ಆಗಿ ಶಿಲ್ಕು ಚುಕ್ಕೆವಾಗುತ್ತದೆ. ಆದರೆ, ನೀಡಿರುವ ನಿರ್ದೇಶನವನ್ನು ಹಲವಾರು

ಲೆಕ್ಕ ಘಟಕಗಳು ಗಮನಿಸಿದಂತೆ ಕಂಡುಬರುತ್ತಿಲ್ಲ. ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೨೮.೯೦೭ ರಲ್ಲಿ ಶಿಲ್ಕು ಕಂಡುಬರುತ್ತಿದೆ. ತಕ್ಷಣ ನಿರ್ದೇಶಿಸಿದಂತೆ ಕ್ರಮ ತೆಗೆದುಕೊಂಡು ಶಿಲ್ಕು ಇಲ್ಲದಂತೆ ನೋಡಿಕೊಳ್ಳುವುದು.

೩೪. ಅಂತರಘಟಕ ಲೆಕ್ಕಶೀರ್ಷಿಕೆಗಳಾದ ೩೧.೧, ೩೧.೨, ೩೨.೧, ೩೨.೨, ೩೨.೪, ೩೨.೫, ೩೬.೧, ೩೬.೨, ೩೭.೧, ೩೭.೨ ಇವುಗಳಲ್ಲಿ ಅಧಿಕ ಶಿಲ್ಕು ಉಳಿಯದಂತೆ ಸೂಕ್ತ ಕ್ರಮ ತೆಗೆದುಕೊಳ್ಳಬೇಕು. ಒಂದು ತಿಂಗಳಿಗಿಂತ ಹಿಂದೆ ನಡೆದ ಯಾವ ವ್ಯವಹಾರಗಳಿಗೂ ಸಂಬಂಧಿಸಿದ ಶಿಲ್ಕು ಬಾಕಿ ಉಳಿದಿರದಂತೆ ಈ ಲೆಕ್ಕಶೀರ್ಷಿಕೆಗಳಲ್ಲಿನ ಬಾಬುಗಳನ್ನು ನಿರ್ವಹಿಸಬೇಕು.

೩೫. ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೪೪.೨೦೦, ೪೪.೨೨೦ ಇವುಗಳಲ್ಲಿ ಪಾವತಿಸಿದೇ ಉಳಿದಿರುವ ಶಿಲ್ಕು ೩ ವರ್ಷಗಳಿಗಿಂತಲೂ ಹೆಚ್ಚಾಗಿ ಮುಂದುವರೆಯುತ್ತಿದ್ದಲ್ಲಿ, ಪರಿಶೀಲಿಸಿ, ಇತರೆ ಆದಾಯದ ಲೆಕ್ಕಶೀರ್ಷಿಕೆಗೆ ಜರ್ನಲ್ ಬರಹದ ಮೂಲಕ ವರ್ಗಾಯಿಸಬೇಕು.

೩೬. ೪೧ ರಿಂದ ೪೬ರ ವರೆಗಿನ ಗುಂಪಿನ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳು ಹೊಣೆ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳು. ಇವುಗಳಲ್ಲಿ ಕ್ರೆಡಿಟ್ ಶಿಲ್ಕು ಮಾತ್ರವೇ ಇರಬೇಕು.

೩೭. ಪ್ರಸರಣಾ ವಿಭಾಗಗಳಲ್ಲಿ/ ಕಚೇರಿಗಳಲ್ಲಿ ವಿತರಣಾ ಕಂಪನಿಗಳಿಗೆ ಸಂಬಂಧಿಸಿದ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳನ್ನು ಬಳಸುತ್ತಿರುವುದು ಕಂಡುಬಂದಿದೆ. ಉದಾಹರಣೆಗೆ ೬೧.೯ ರ ಗುಂಪಿನ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳು ಗ್ರಾಹಕರಿಂದ ಸಂದಾಯವಾಗುವ ಶುಲ್ಕ ಇತ್ಯಾದಿಗೆ ಸೇರಿರುತ್ತದೆ. ಕವಿಪ್ರನಿನಿಯು ವಿದ್ಯುತ್ ವಿತರಣೆ ಕಾರ್ಯ ನಿರ್ವಹಿಸದಕಾರಣ (ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೬೧.೯೦೪ ನ್ನು ಹೊರತುಪಡಿಸಿ) ಈ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳನ್ನು ಬಳಸುವ ಅಗತ್ಯವಿರುವುದಿಲ್ಲ. ಇವುಗಳು ಸಾಮಾನ್ಯವಾಗಿ ವಿತರಣಾ ಕಂಪನಿಗಳಿಗೆ ಸಂಬಂಧಿಸಿದ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳು. ಆದ ಕಾರಣ ಈ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳನ್ನು ಪ್ರಸರಣಾ ವಿಭಾಗಗಳಲ್ಲಿ ಬಳಸಬಾರದು. ಲೆಕ್ಕಶೀರ್ಷಿಕೆಗಳಲ್ಲಿ ಮೊತ್ತವನ್ನು ದಾಖಲಿಸುವಾಗ ಪ್ರಸರಣಾ ಕಂಪನಿಗೆ ಸಂಬಂಧಿಸಿದ್ದೇ ಎಂಬುದನ್ನು ಪರಿಶೀಲಿಸಿ ಬಳಸಬೇಕು .

೩೮. ರೆವಿನ್ಯೂ ವೆಚ್ಚಕ್ಕೆ ಸಂಬಂಧಿಸಿದ ಎಲ್ಲಾ ಲೆಕ್ಕಶೀರ್ಷಿಕೆಗಳಲ್ಲಿ (೭೦ ಹಾಗೂ ನಂತರದ ಗುಂಪಿನ ಲೆಕ್ಕಶೀರ್ಷಿಕೆ ಗಳಲ್ಲಿ) ಡೆಬಿಟ್ ಶಿಲ್ಕು ಮಾತ್ರವೇ ಇರಬೇಕು. ಮಾರ್ಚ್ ಅಂತಿಮ ಲೆಕ್ಕಪತ್ರದಲ್ಲಿ ಒ.ಎಸ್.ಎಲ್.ಇತ್ಯಾದಿಗಳ ಪ್ರಾವಿಶನ್ ಮಾಡಿ ಅದನ್ನು ಏಪ್ರಿಲ್ ತಿಂಗಳಿನಲ್ಲಿ ರಿವರ್ಸ್ ಮಾಡಿದಾಗ ಮಾತ್ರ ಏಪ್ರಿಲ್ ಅಥವಾ ಮೇ ತಾಳೆಪಟ್ಟಿಗಳಲ್ಲಿ ಸಂಬಂಧಿತ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳಲ್ಲಿ ಕ್ರೆಡಿಟ್ ಶಿಲ್ಕು ಬರುವ ಸಾಧ್ಯತೆ ಇರುತ್ತದೆ. ಆ ನಂತರದ ತಾಳೆಪಟ್ಟಿಗಳಲ್ಲಿ ಬರುವ ಲೆಕ್ಕಶೀರ್ಷಿಕೆಗಳಲ್ಲಿ (ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೭೫.೫೩೦ನ್ನು

ಹೊರತುಪಡಿಸಿ) ಕ್ರೆಡಿಟ್ ಶಿಲ್ಕು ಬರುವ ಸಾಧ್ಯತೆ ಇರುವುದಿಲ್ಲ. ಒಂದುವೇಳೆ ಏಪ್ರಿಲ್ ನಂತರದ ತಾಳೆಪಟ್ಟಿಗಳಲ್ಲಿ ಕ್ರೆಡಿಟ್ ಶಿಲ್ಕು ಉಳಿದರೆ, ಅದಕ್ಕೆ ಕಾರಣವನ್ನು ಪರಿಶೀಲಿಸಿ ಸರಿಪಡಿಸಬೇಕು.

೩೯.

೪೦. ಕವಿಪ್ರನಿನಿ ಮತ್ತು ವಿತರಣಾ ಕಂಪನಿಗಳ ನಡುವೆ ೧೮.೨೦೦೩ ರ ನಂತರ ನಡೆಯುವ ವ್ಯವಹಾರಗಳು ೨೮.೯೧೮ ರಿಂದ ೨೮.೯೨೯ (ನಗದು ಸ್ವೀಕೃತಿ) ಮತ್ತು ೪೨.೨೬೩ ರಿಂದ ೪೨.೨೭೩ (ನಗದು ಪಾವತಿ) ಲೆಕ್ಕಶೀರ್ಷಿಕೆಗಳಲ್ಲಿ ದಾಖಲಾಗಬೇಕು. ಕವಿಪ್ರನಿನಿಯ ಲೆಕ್ಕ ಘಟಕಗಳ ತಾಳೆಪಟ್ಟಿಯಲ್ಲಿ ಈ

Sub: Observations of Branch Auditors on audit of Accounts of Units of KPTCL.

Ref: This office letter No DF/PS/51 03-04 dated 20-01-2004.

This office letter No. FA (A&R)/C (A&FR)/ AAO-II/Cys.17/22-06-2004.

You are aware that a meeting of all officers borne on Accounts cadre was convened on 21st Jan 2004 at KPTCL Auditorium, Kaveri Bhavan, which was chaired by the Director (Finance), KPTCL. The main agenda of the said meeting was to discuss issues related to Audit Observations on Accounts of Financial Year 2003, preparation of 2003-04 Annual Accounts, reconciliation of differences in receivable and payable accounts between KPTCL and ESCOMS and pairing off of items in IUA clearance accounts. A folder containing General Observations of audit, Official Memorandum regarding formation of Monitoring Teams for preparedness of KPTCL's Accounting Units for timely submission of March 2004 Final Accounts, etc. was given to each Controller, Deputy Controller and Accounts Officer of the unit. The team formed for visiting the units under each Transmission Zone was given a checklist to send the feedback to this office. Vide this office letter dated 31.01.04, detailed instructions for preparation and submission of March '04 Final Accounts were given. Besides reiterating points given in the checklist, it was instructed that Controllers, Deputy Controllers and Accounts Officers should ensure that all records are maintained properly and posted up-to-date so as to minimise Audit Observations.

Even though prior action was taken well in time to forewarn and impress upon the Accounting Units to exercise due diligence in maintenance of Registers and Schedules and improving the quality of Accounts, it is highly regretted to note that Branch Auditors, while auditing Accounts of Units of KPTCL for the Financial Year 2004, have once again observed the very same discrepancies in accounting the transactions and non-maintenance of Registers, Schedules, etc., by some of the units. Therefore, it is felt that firstly the very purpose of constituting the teams has not yielded expected results and quality of Accounts rendered has not improved remarkably. Secondly, it is a reflection on the Controlling officers like the Controllers of the Zones and Deputy Controllers of the Circles who will be inspecting the Accounting Units under their jurisdiction, as the Registers/Schedules are found to be not posted up-to-date and in the manner prescribed.

It is to be stated in this connection that the officers in the field should make it a point to inspect the Accounting Units under their jurisdiction at periodic intervals, verify in-depth functioning of the Accounts Section, give guidance/ proper instructions. No improvement can be expected if the present trend continues.

Issuing instructions from Corporate level will have no meaning if the Controlling Officers and Heads of Accounting Units – Accounts Officers/ Deputy Controllers do not involve themselves in day-to-day activities and carry out their work in the manner expected of them.

It is therefore hereby instructed that Controlling Officers like Transmission Zonal **Controllers and Deputy Controllers of Transmission Circles shall here afterwards visit all the Accounting Units under their jurisdiction at least once in a month and monitor working of the Accounting Sections in person.** Their focus should be to ensure maintenance and posting of prescribed Registers and Schedules, categorization of Assets of all completed works and proper accounting of all transactions under correct head of Accounts. They may also make use of the checklist provided to each of them earlier, for their guidance. It is made clear in this connection that there is absolutely no necessity of sending a copy of their routine inspection reports of the Accounting Units. But, if a specific issue is to be examined by this office or guidance/ clarification on any matter is required, a separate letter shall be addressed to the undersigned raising the issue specifically.

It shall be noted that their efforts to improve the quality of the Accounts rendered by the Accounting Units will be reflected ultimately when Branch Auditors take up Audit of Accounts of the Units for the current year (2004-05). Since adequate time is at their disposal prior to closing of Accounts of Financial Year on 31-03-2005, they shall take immediate action in this regard.

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No. FA (A&R)/A/Cs/AAO.I /CYS/-35

**Dated: 10 September,
2004**

Sub: Payment of Electricity Charges to ESCOMs in respect of installations of KPTCL

Ref: Corporate Office letter No.KPTCL/B-28/1133/2003-04 dated 07/01/2004 issued in the matter of carrying on transactions between KPTC & ESCOMS and among ESCOMs themselves on “Cash basis”

In spite of clear instructions issued in the letter under reference to pay charges towards electricity consumed by installations of KPTCL like Offices & colonies, it is observed in TBs submitted to this office that except in Five units, none of the other KPTCL's units have booked expenditure against account code 76.158 – Electricity charges. Reasons for the same are not known. Statutory auditors have commented on this aspect and are insisting necessary provision in this regard be made in the accounts for FY 2004.

Being in the Power sector and KPTCL till recently carrying on the activity of 'Distribution', it would appear to be incorrect to state that bills towards electricity charges were not received from revenue sections of ESCOMs even if that were to be the case. We were telling the consumers that non-receipt of bill is not a valid excuse for non-payment. That being the stand taken, there is no justification for KPTCL's units to keep silent about this issue.

It is therefore instructed that concerned accounting units hereafterwards demand issuance of bills by jurisdictional O&M Sub-divisions / Sections of ESCOMs towards electricity consumed by installations of KPTCL every month and pay the same without fail. In the month of March for electricity charges payment not made during the year before 31st for whatever reason, provision towards OSL shall be made in March Final accounts invariably. By endorsing a copy of this letter, Financial Advisers of ESCOMs are being requested to issue suitable instructions to all the O&M Sub-divisions / Sections to ensure that bills towards electricity charges of KPTCL's installations are sent to the concerned officer of KPTCL for arranging payment.

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No.FA(A&R)/Acs/AAOI/CYS-40

Dated 07.10.2004

Sub: Deputation of officers / employees in connection with Submission of March Final Accounts etc.

It has come to the notice of this office that some of the Accounts officers while submitting March Final Accounts to this office have brought with them employees of other Companies or Data entry operators in the absence of regular KPTCL employees and obtained journey approval in the name of the employees of KPTCL who had not come over to this office in person. This is a very serious issue having legal connotations. For any complications legal or otherwise, that may arise due to obtaining journey approval by this office in proxy for the employees who were not physically present in this office, the concerned officer of the accounting unit accompanying the team for submission of the March Final Accounts etc. is solely responsible. Journey approvals are accorded by this office for the reason that this has no means of verifying personal identification of the employees of the accounting unit. Taking under advantage of system, obtaining wrong journey approval is not only un-ethical but has grave implications if some untoward things were to happen.

It is hereby instructed that in future any officer /employee deputed to this office by the Accounting unit in connection with submission of March Final Accounts or sent to this office on other occasions as per instructions of this office should be

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Dated: 7th October 2004.

For the purposes of this section, where any sum referred to above is credited to any account, whether called "Suspense account" or by any other name, in the books of account of the person liable to pay such income, such

crediting shall be deemed to be credit of such income to the account of the payee and the provisions of this section shall apply accordingly”.

In addition to the tax at the above percentage, Surcharge and Education Cess at the rates shown in the following table shall also be deducted.

Payable to Contractors	Tax rate	Surcharge Charges	Educational Cess	Net tax to be deducted
Payee is an individual / HUF. Where total payment up to Rs. 8.5 lakhs	2%	0	2%	2.04%
Payee is an individual / HUF. Where total payment exceeds Rs. 8.5 lakhs	2%	10%	2%	2.244%
Other cases (Company/ firm / Local authorities)	2%	2.50%	2%	2.091%

The extract of Rule 30 of Income Tax Rules as it stands at present is also reproduced below. As and when the rule is amended in any assessment year; the amended provisions only should be followed during the year.

“ All sums deducted in accordance with the provisions of sections 192 to 194 C shall be paid to the credit of the Central Government within one week from the last day of the month in which the deduction is made”.

From the above statutory provisions, it is clear that the Income Tax Deducted at source should have been remitted to Income Tax Department by all the Drawing Officers within One week from the last date of the month in which tax deduction is made. Here, the phrase “Tax Deduction is made” shall be construed as creating liability in favour of the Contractor and also crediting tax deducted at source to Account Code. 46.924. In other words, it shall be specifically understood that the Income Tax is deemed to have been deducted at Source immediately after the liability in favour of the contractor is created, and the tax deducted at source shall be remitted to the Income Tax Department with in One Week from the last day of the month in which tax deduction is made.

In view of the above provisions, it is not understood how the Drawing Officers are keeping balances in Account Code 46.924 for months together without remitting the same to Income Tax Department. It shall be noted that non-remittance of tax attracts severe penal measures for which the Drawing Officers are solely held responsible. All the Drawing Officers shall immediately verify the

correctness of balance under Account Code 46.924 and remit the actual Income Tax Deducted at Source outstanding in this Account Code to the Income Tax Department without further delay. For this purpose they should send separate requisition for funds to the Controller (Finance) immediately and arrange remittance of Tax.

Apart from immediately remitting the balance outstanding in Account Code 46,924 as detailed above to the Income Tax Department, all the Drawing Officers shall specifically note that they will arrange remittance of Income Tax Deducted at Source strictly in accordance with statutory provisions in future. To enable the Drawing Officers to remit tax in time, they shall from October 2004 and onwards make a statement of Tax Deducted at Source up-to the last day of the month and send the statement along with a separate requisition for funds positively on the first day of the succeeding month to the Controller (Finance), Kaveri Bhavan, Bangalore. Arrangements have been made to transfer the funds required for this purpose from Head Office to reach respective units before 5th day of the same month. The remittance to Income Tax Department shall be positively made within the date prescribed by statute, irrespective of the fact whether the payment is made to the contractor or not for want of funds. This procedure applies to all types of bills passed by units and payments to be arranged by unit office / Head Office / PFC / REZ / any other Financial Institutions.

The same procedure of obtaining funds and making remittance of tax deducted at source to the respective department shall be followed in respect of Works Contract Tax / Sales Tax etc, also.

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ರಂ: ಅಸ(ಲೆಮತ್ತುಸಂ) /ಲೆಶಾ/ಸಲೆರಿ/ಸಿವೈಎಸ್- ೪೬

ದಿನಾಂಕ: ೧೯-೧೦-೨೦೦೪

ವಿಷಯ: ಖಾಯಂ ನೌಕರರ ಸಂಖ್ಯೆ, ಮೂಲವೇತನ ಮತ್ತು ತುಟ್ಟಿಭತ್ಯೆಯ ವಿವರಗಳನ್ನು ನೀಡುವ ಬಗ್ಗೆ.

ಉಲ್ಲೇಖ: ೧)ನಮ್ಮ ಕಚೇರಿ ಪತ್ರಸಂ:ಸಿವೈಎಸ್.೮೪ ದಿನಾಂಕ ೧೮.೯.೨೦೦೪

೨)ನಮ್ಮ ಕಚೇರಿ ಪತ್ರಸಂ:ಸಿವೈಎಸ್.೩೨ ದಿನಾಂಕ ೨೮.೮.೨೦೦೪

೩)ನಮ್ಮ ಕಚೇರಿ ಪತ್ರಸಂ:ಸಿವೈಎಸ್.೩೪ ದಿನಾಂಕ ೩೦.೮.೨೦೦೪

ಈ ಕಚೇರಿ ದಿನಾಂಕ ೧೮.೯.೨೦೦೪ ರ (ಉಲ್ಲೇಖ) ಪತ್ರದಲ್ಲಿ ಪಿಂಚಣಿ ಮತ್ತು ಉಪದಾನ ಟ್ರಸ್ಟಿಗೆ ದೇಣಿಗೆ ನೀಡುವ ಸಲುವಾಗಿ ಲೆಕ್ಕ ಹಾಕಲು ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೭೫.೧ ಮತ್ತು ೭೫.೩ ಕ್ಕೆ ಪ್ರತಿಯಿಂಗಲೂ ದಾಖಲಿಸಿರುವ ಮೊಬಲಗನ್ನು ನಿಗದಿತ ನಮೂನೆಯಲ್ಲಿ ನಂತರದ ತಿಂಗಳಿನ ಜನೇ ದಿನಾಂಕದೊಳಗೆ ಲೆಕ್ಕಾಧಿಕಾರಿ (ಲೆಕ್ಕಗಳು) ರವರಿಗೆ ಕಳುಹಿಸಲು ನಿರ್ದೇಶಿಸಲಾಗಿತ್ತು.

ಈ ಸಂಬಂಧದಲ್ಲಿಯೇ ಈ ಕಚೇರಿ ದಿನಾಂಕ ೩೦.೮.೨೦೦೪ ರ (ಉಲ್ಲೇಖ ೩) ಪತ್ರದಲ್ಲಿ ಖಾಯಂ ನೌಕರರ ಸಂಖ್ಯೆ, ಮೂಲವೇತನ ಮತ್ತು ತುಟ್ಟಿಭತ್ಯೆಯ ವಿವರಗಳನ್ನು ನಿಗದಿತ ನಮೂನೆಯಲ್ಲಿ ನೀಡುವ ಬಗ್ಗೆ ನಿರ್ದೇಶನ ನೀಡಲಾಗಿದೆ. ದಿನಾಂಕ ೧೮.೩.೨೦೦೪ ರ (ಉಲ್ಲೇಖ ೨) ಪತ್ರದ ಹಾಗೂ ೩೦.೮.೨೦೦೪ ರ (ಉಲ್ಲೇಖ ೧) ಪತ್ರದ ಉದ್ದೇಶವು ಒಂದೇ ಆಗಿರುತ್ತದೆ. ಆದಕಾರಣ ೧೮.೩.೨೦೦೪ ರ ಪತ್ರದಲ್ಲಿ ನೀಡಿರುವ ನಿರ್ದೇಶನವನ್ನು ಹಿಂದೆ ತೆಗೆದುಕೊಳ್ಳಲಾಗಿದೆ. ಇನ್ನುಮುಂದೆ ಆ ಪತ್ರದ ಪ್ರಕಾರ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೭೫.೧ ಮತ್ತು ೭೫.೩ ರ ವಿವರವನ್ನು ಲೆಕ್ಕಾಧಿಕಾರಿ (ಲೆಕ್ಕಗಳು) ಇವರಿಗೆ ಕಳುಹಿಸುವ ಅಗತ್ಯವಿಲ್ಲ. ದಿನಾಂಕ ೩೦.೮.೨೦೦೪ ರ ಪತ್ರದಲ್ಲಿ ಸೂಚಿಸಿರುವ ನಿಗದಿತ ನಮೂನೆಯಲ್ಲಿ ಖಾಯಂ ನೌಕರರ ಸಂಖ್ಯೆ, ಮೂಲವೇತನ, ಮತ್ತು ತುಟ್ಟಿಭತ್ಯೆಯ ವಿವರಗಳನ್ನು ನಿರ್ದೇಶಿಸಿರುವಂತೆ ೧.೬.೨೦೦೨ ರಿಂದ ೩೧.೬.೨೦೦೪ ರ ವರೆಗೆ ಹಾಗೂ ೧.೮.೨೦೦೪ ರಿಂದ ಆಯಾ ತಿಂಗಳ ವಿವರವನ್ನು ಪ್ರತಿತಿಂಗಳೂ ಉಪಲೆಕ್ಕ ನಿಯಂತ್ರಣಾಧಿಕಾರಿ (ಆಯವ್ಯಯ) ೬ನೇ ಮಹಡಿ, ಕಾವೇರಿಭವನ, ಬೆಂಗಳೂರು ೫೬೦ ೦೦೯ ಇವರಿಗೆ ತಪ್ಪದೇ ನಂತರದ ತಿಂಗಳಿನ ೫ನೇ ದಿನಾಂಕದೊಳಗೆ ಕಳುಹಿಸಬೇಕು.

ಈ ಮಾರ್ಪಾಡಿನಿಂದ ದಿನಾಂಕ ೨೮.೮.೨೦೦೪ ರ ಪತ್ರದಲ್ಲಿ(ಉಲ್ಲೇಖ ೨) ಪ್ರತಿ ತಿಂಗಳೂ ನಿಗದಿತ ವರದಿಗಳನ್ನು ಕಳುಹಿಸುವ ಬಗ್ಗೆ ನೀಡಿರುವ ನಿರ್ದೇಶನದಲ್ಲಿ ಲೆಕ್ಕಾಧಿಕಾರಿ (ಲೆಕ್ಕಗಳು), ೬ನೇಮಹಡಿ, ಇವರಿಗೆ ಕಳುಹಿಸಬೇಕಾದ ವರದಿಯಲ್ಲಿ “ಕಳುಹಿಸಬೇಕಾದ ವರದಿ” ಕ್ರಮಸಂ (೮)-ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೭೫.೧ ಮತ್ತು ೭೫.೩ ರಲ್ಲಿ ದಾಖಲಿಸುವ ವೆಚ್ಚದ ವಿವರಣಾಪಟ್ಟಿ ತೆಗೆದುಹಾಕುವುದರ ಜೊತೆಗೆ ಕ್ರಮಸಂ.(೪)-ಉಪಲೆಕ್ಕನಿಯಂತ್ರಣಾಧಿಕಾರಿ (ಆಯವ್ಯಯ ಮತ್ತು ಸಂಪನ್ಮೂಲ), ೬ನೇಮಹಡಿ, ಕಾವೇರಿಭವನ, ಇವರಿಗೆ “ಕಳುಹಿಸಬೇಕಾದ ವರದಿಯ” ಕಾಲದಲ್ಲಿ ಖಾಯಂ ನೌಕರರ ಸಂಖ್ಯೆ, ಮೂಲವೇತನ ಮತ್ತು ತುಟ್ಟಿಭತ್ಯೆಯ ಪಟ್ಟಿ ಎಂದು ಸೇರಿಸಲಾಗಿದೆ.

ಮುಂದುವರೆದು ತಿಳಿಸುವುದೇನೆಂದರೆ ಪ್ರತಿ ತಿಂಗಳೂ ಈ ಕಚೇರಿಗೆ ನಿಗದಿತ ವರದಿಗಳನ್ನು ಯಾವ ಯಾವ ಅಧಿಕಾರಿಗಳಿಗೆ ಕಳುಹಿಸಬೇಕೆಂದು ಸ್ಪಷ್ಟವಾಗಿ ನಿರ್ದೇಶನ ನೀಡಲಾಗಿದ್ದರೂ, ಹಲವು ಲೆಕ್ಕ ಘಟಕಗಳ ಅಧಿಕಾರಿಗಳು ಅದನ್ನು ಗಮನಿಸಿದಂತೆ ಕಂಡುಬರುತ್ತಿಲ್ಲ. ಕೆಲವರು ನಿಗದಿತ ವರದಿಗಳನ್ನು ಸೂಚಿಸಿರುವ ಅಧಿಕಾರಿಗಳ ಹೆಸರಿಗೆ ಬರೆದು, ಅದರ ಪ್ರತಿಗಳನ್ನು ಆರ್ಥಿಕ ಸಲಹೆಗಾರರು (ಲೆ ಮತ್ತು ಸಂ) ಇವರ ಗಮನಕ್ಕಾಗಿ ಎಂದು ಕಳುಹಿಸುತ್ತಿದ್ದಾರೆ. ನೀಡಿರುವ ನಿರ್ದೇಶನಗಳನ್ನು ಸರಿಯಾಗಿ ಅರ್ಥಮಾಡಿಕೊಳ್ಳದೆ, ಅಧಿಕಾರಿಗಳಾದವರು ಕೆಲಸ ಮಾಡುವುದು ಅವಹೇಳನ. ಇನ್ನು ಮುಂದೆ ಈ ರೀತಿ ಮಾಡದಿರಲು ಮತ್ತು ಈ ಕಚೇರಿಯ ಯಾವ ಅಧಿಕಾರಿಗೆ ಯಾವ ವರದಿಗಳನ್ನು ಕಳುಹಿಸಬೇಕೆಂದು ಸೂಚಿಸಲಾಗಿದೆಯೋ ಅವರಿಗೆ ನಿಗದಿತ ನಮೂನೆಯಲ್ಲಿ ಗೊತ್ತು ಪಡಿಸಿದ ದಿನಾಂಕ ಅಥವಾ ಅದಕ್ಕೆ ಮುಂಚೆ ತಪ್ಪದೆ ಮೇಲೆ ತಿಳಿಸಿರುವುದನ್ನು ಗಮನದಲ್ಲಿ ಇಟ್ಟುಕೊಂಡು ಕಳುಹಿಸಲು ಇನ್ನೊಮ್ಮೆ ಸೂಚಿಸುತ್ತಿದ್ದೇನೆ.

ಈ ಸಂಬಂಧದಲ್ಲಿಯೇ ಈ ಕಚೇರಿ ದಿನಾಂಕ ೩೦.೮.೨೦೦೪ ರ (ಉಲ್ಲೇಖ ೩) ಪತ್ರದಲ್ಲಿ ಖಾಯಂ ನೌಕರರ ಸಂಖ್ಯೆ, ಮೂಲವೇತನ ಮತ್ತು ತುಟ್ಟಿಭತ್ಯೆಯ ವಿವರಗಳನ್ನು ನಿಗದಿತ ನಮೂನೆಯಲ್ಲಿ ನೀಡುವ ಬಗ್ಗೆ ನಿರ್ದೇಶನ ನೀಡಲಾಗಿದೆ. ದಿನಾಂಕ ೧೮.೩.೨೦೦೪ ರ (ಉಲ್ಲೇಖ ೨) ಪತ್ರದ ಹಾಗೂ ೩೦.೮.೨೦೦೪ ರ (ಉಲ್ಲೇಖ ೧) ಪತ್ರದ ಉದ್ದೇಶವು ಒಂದೇ ಆಗಿರುತ್ತದೆ. ಆದಕಾರಣ ೧೮.೩.೨೦೦೪ ರ ಪತ್ರದಲ್ಲಿ ನೀಡಿರುವ ನಿರ್ದೇಶನವನ್ನು ಹಿಂದೆ

ತೆಗೆದುಕೊಳ್ಳಲಾಗಿದೆ. ಇನ್ನುಮುಂದೆ ಆ ಪತ್ರದ ಪ್ರಕಾರ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೭೫.೧ ಮತ್ತು ೭೫.೨ ರ ವಿವರವನ್ನು ಲೆಕ್ಕಾಧಿಕಾರಿ (ಲೆಕ್ಕಗಳು) ಇವರಿಗೆ ಕಳುಹಿಸುವ ಅಗತ್ಯವಿಲ್ಲ. ದಿನಾಂಕ ೩೦.೮.೨೦೦೪ ರ ಪತ್ರದಲ್ಲಿ ಸೂಚಿಸಿರುವ ನಿಗದಿತ ನಮೂನೆಯಲ್ಲಿ ಖಾಯಂ ನೌಕರರ ಸಂಖ್ಯೆ, ಮೂಲವೇತನ, ಮತ್ತು ತುಟ್ಟಿಭತ್ಯೆಯ ವಿವರಗಳನ್ನು ನಿರ್ದೇಶಿಸಿರುವಂತೆ ೧.೬.೨೦೦೨ ರಿಂದ ೩೧.೭.೨೦೦೪ ರ ವರೆಗೆ ಹಾಗೂ ೧.೮.೨೦೦೪ ರಿಂದ ಆಯಾ ತಿಂಗಳ ವಿವರವನ್ನು ಪ್ರತಿತಿಂಗಳೂ ಉಪಲೆಕ್ಕ ನಿಯಂತ್ರಣಾಧಿಕಾರಿ (ಆಯವ್ಯಯ) ೬ನೇ ಮಹಡಿ, ಕಾವೇರಿಭವನ, ಬೆಂಗಳೂರು ೫೬೦ ೦೦೯ ಇವರಿಗೆ ತಪ್ಪದೇ ನಂತರದ ತಿಂಗಳಿನ ೫ನೇ ದಿನಾಂಕದೊಳಗೆ ಕಳುಹಿಸಬೇಕು.

ಈ ಮಾರ್ಪಾಡಿನಿಂದ ದಿನಾಂಕ ೨೮.೮.೨೦೦೪ ರ ಪತ್ರದಲ್ಲಿ(ಉಲ್ಲೇಖ೨) ಪ್ರತಿ ತಿಂಗಳೂ ನಿಗದಿತ ವರದಿಗಳನ್ನು ಕಳುಹಿಸುವ ಬಗ್ಗೆ ನೀಡಿರುವ ನಿರ್ದೇಶನದಲ್ಲಿ ಲೆಕ್ಕಾಧಿಕಾರಿ (ಲೆಕ್ಕಗಳು), ೭ನೇಮಹಡಿ, ಇವರಿಗೆ ಕಳುಹಿಸಬೇಕಾದ ವರದಿಯಲ್ಲಿ “ಕಳುಹಿಸಬೇಕಾದ ವರದಿ” ಕ್ರಮಸಂ (೮)-ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ ೭೫.೧ ಮತ್ತು ೭೫.೨ ರಲ್ಲಿ ದಾಖಲಿಸುವ ವೆಚ್ಚದ ವಿವರಣಾಪಟ್ಟಿ ತೆಗೆದುಹಾಕುವುದರ ಜೊತೆಗೆ ಕ್ರಮಸಂ.(೪)-ಉಪಲೆಕ್ಕನಿಯಂತ್ರಣಾಧಿಕಾರಿ (ಆಯವ್ಯಯ ಮತ್ತು ಸಂಪನ್ಮೂಲ), ೬ನೇಮಹಡಿ, ಕಾವೇರಿಭವನ, ಇವರಿಗೆ “ಕಳುಹಿಸಬೇಕಾದ ವರದಿಯ” ಕಾಲದಲ್ಲಿ ಖಾಯಂ ನೌಕರರ ಸಂಖ್ಯೆ, ಮೂಲವೇತನ ಮತ್ತು ತುಟ್ಟಿಭತ್ಯೆಯ ಪಟ್ಟಿ ಎಂದು ಸೇರಿಸಲಾಗಿದೆ.

ಮುಂದುವರೆದು ತಿಳಿಸುವುದೇನೆಂದರೆ ಪ್ರತಿ ತಿಂಗಳೂ ಈ ಕಚೇರಿಗೆ ನಿಗದಿತ ವರದಿಗಳನ್ನು ಯಾವ ಯಾವ ಅಧಿಕಾರಿಗಳಿಗೆ ಕಳುಹಿಸಬೇಕೆಂದು ಸ್ಪಷ್ಟವಾಗಿ ನಿರ್ದೇಶನ ನೀಡಲಾಗಿದ್ದರೂ, ಹಲವು ಲೆಕ್ಕ ಘಟಕಗಳ ಅಧಿಕಾರಿಗಳು ಅದನ್ನು ಗಮನಿಸಿದಂತೆ ಕಂಡುಬರುತ್ತಿಲ್ಲ. ಕೆಲವರು ನಿಗದಿತ ವರದಿಗಳನ್ನು ಸೂಚಿಸಿರುವ ಅಧಿಕಾರಿಗಳ ಹೆಸರಿಗೆ ಬರೆದು, ಅದರ ಪ್ರತಿಗಳನ್ನು ಆರ್ಥಿಕ ಸಲಹೆಗಾರರು (ಲೆ ಮತ್ತು ಸಂ) ಇವರ ಗಮನಕ್ಕಾಗಿ ಎಂದು ಕಳುಹಿಸುತ್ತಿದ್ದಾರೆ. ನೀಡಿರುವ ನಿರ್ದೇಶನಗಳನ್ನು ಸರಿಯಾಗಿ ಅರ್ಥಮಾಡಿಕೊಳ್ಳದೆ, ಅಧಿಕಾರಿಗಳಾದವರು ಕೆಲಸ ಮಾಡುವುದು ಅವಹೇಳನ. ಇನ್ನು ಮುಂದೆ ಈ ರೀತಿ ಮಾಡದಿರಲು ಮತ್ತು ಈ ಕಚೇರಿಯ ಯಾವ ಅಧಿಕಾರಿಗೆ ಯಾವ ವರದಿಗಳನ್ನು ಕಳುಹಿಸಬೇಕೆಂದು ಸೂಚಿಸಲಾಗಿದೆಯೋ ಅವರಿಗೆ ನಿಗದಿತ ನಮೂನೆಯಲ್ಲಿ ಗೊತ್ತು ಪಡಿಸಿದ ದಿನಾಂಕ ಅಥವಾ ಅದಕ್ಕೆ ಮುಂಚೆ ತಪ್ಪದೆ ಮೇಲೆ ತಿಳಿಸಿರುವುದನ್ನು ಗಮನದಲ್ಲಿ ಇಟ್ಟುಕೊಂಡು ಕಳುಹಿಸಲು ಇನ್ನೊಮ್ಮೆ ಸೂಚಿಸುತ್ತಿದ್ದೇನೆ.ಮುಂದುವರೆದು ತಿಳಿಸುವುದೇನೆಂದರೆ ಪ್ರತಿ ತಿಂಗಳೂ ಈ ಕಚೇರಿಗೆ ನಿಗದಿತ ವರದಿಗಳನ್ನು ಯಾವ ಯಾವ ಅಧಿಕಾರಿಗಳಿಗೆ ಕಳುಹಿಸಬೇಕೆಂದು ಸ್ಪಷ್ಟವಾಗಿ ನಿರ್ದೇಶನ ನೀಡಲಾಗಿದ್ದರೂ, ಹಲವು ಲೆಕ್ಕ ಘಟಕಗಳ ಅಧಿಕಾರಿಗಳು ಅದನ್ನು ಗಮನಿಸಿದಂತೆ ಕಂಡುಬರುತ್ತಿಲ್ಲ. ಕೆಲವರು ನಿಗದಿತ ವರದಿಗಳನ್ನು ಸೂಚಿಸಿರುವ ಅಧಿಕಾರಿಗಳ ಹೆಸರಿಗೆ ಬರೆದು, ಅದರ ಪ್ರತಿಗಳನ್ನು ಆರ್ಥಿಕ ಸಲಹೆಗಾರರು (ಲೆ ಮತ್ತು ಸಂ) ಇವರ ಗಮನಕ್ಕಾಗಿ ಎಂದು ಕಳುಹಿಸುತ್ತಿದ್ದಾರೆ. ನೀಡಿರುವ ನಿರ್ದೇಶನಗಳನ್ನು ಸರಿಯಾಗಿ ಅರ್ಥಮಾಡಿಕೊಳ್ಳದೆ, ಅಧಿಕಾರಿಗಳಾದವರು ಕೆಲಸ ಮಾಡುವುದು ಅವಹೇಳನ. ಇನ್ನು ಮುಂದೆ ಈ ರೀತಿ ಮಾಡದಿರಲು ಮತ್ತು ಈ ಕಚೇರಿಯ ಯಾವ ಅಧಿಕಾರಿಗೆ ಯಾವ ವರದಿಗಳನ್ನು ಕಳುಹಿಸಬೇಕೆಂದು ಸೂಚಿಸಲಾಗಿದೆಯೋ ಅವರಿಗೆ ನಿಗದಿತ ನಮೂನೆಯಲ್ಲಿ ಗೊತ್ತು ಪಡಿಸಿದ ದಿನಾಂಕ ಅಥವಾ ಅದಕ್ಕೆ ಮುಂಚೆ ತಪ್ಪದೆ ಮೇಲೆ ತಿಳಿಸಿರುವುದನ್ನು ಗಮನದಲ್ಲಿ ಇಟ್ಟುಕೊಂಡು ಕಳುಹಿಸಲು ಇನ್ನೊಮ್ಮೆ ಸೂಚಿಸುತ್ತಿದ್ದೇನೆ.

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Sub: Prohibiting Sale or Purchase of Materials among five companies (i.e. KPTCL & ESCOMS).

Ref: 1 Letter No KPTCL/B5B/22/2003-04 dated 25th October 2004 of the Corporate Office for carrying out all transactions between KPTCL & ESCOMs on cash basis only.

2 Letter No FA (A&R) / CA (A&FR) / AO (A/Cs) / AAO I / CYS 71 dated 4th February 2004 of the Financial Adviser (A&R), KPTCL in the matter of accounting inter-company transactions done in cash.

In letter dated 25th October 2004 of the Managing Director KPTCL & Chairman of all ESCOMs, sale or purchase of materials among five companies (i.e. KPTCL & ESCOMS) is strictly prohibited from 1/11/2004. It is also directed that balance against account codes under 28 and 42 series for accounting inter-Company transactions in cash issued by this office is to **be frozen as at 31/10/2004** and action taken to clear the balance either by recovering cash from the accounting unit of concerned ESCOM or by paying cash to the concerned ESCOM unit duly obtaining funds. Further, this office is directed to report names of the Head of the office and other officers to Corporate office in case any increase in balance is observed against Receivable / Payable account codes in the Trial Balance for November 2004 and onwards or non-clearance of entire balance before 31/12/2004 is observed in the trial balance for January 2005 and onwards, submitted to this office.

This office will be verifying TB submitted by all the accounting units of KPTCL for the month of November 2004 and onwards with specific reference to said directions of the MD, KPTCL, in addition to usual checks exercised. It is to be borne in mind by all the concerned that figures appearing in Trial Balance of the accounting units is the result of transactions that have already taken place in the month. In material related transactions especially, the **Executives have to follow instructions issued both in letter and spirit, as they are primarily responsible for all such transactions.** For any increase in balance in respect of material related transactions, names of the concerned Executive/s will be furnished to the Corporate Office. In respect of all other transactions, it is the responsibility of accounts staff to comply with instructions scrupulously. Any increase in balance in TB of November 2004 or non-clearance of entire balance in TB of January 2005 if any observed against receivables / payable account codes in cash (Ref.2) will make the concerned liable for any action that the Corporate office may initiate, as their names will be furnished immediately on verification of TB of the accounting unit.

In this connection, Deputy Controller (Accounts) of Works Circle, and/or Maintenance Circle are nominated as Nodal Officers in respect of all accounting units under their jurisdiction. They have to visit immediately all the accounting units and hold discussions with officers borne on both Technical and Accounts Cadres, impress upon them consequences of not following instructions issued by the MD, KPTCL. Following action is to be taken by them thereafter:

Obtain TB of all accounting units for the month of October '04 and make a note of balances exhibited under receivable / payable account codes in cash (Refer letter dated 4th February 2004). Balance shown against those account codes should not change at any cost as they are to be frozen.

They shall closely monitor clearance of item-wise balances under Receivable/Payable account codes in cash in all the units and personally ensure clearance of items by either payment of amount in cash (i.e., by D.D.) or recover the amount in cash (i.e., through D.D.) from concerned ESCOMs unit. If any ESCOM unit is not adhering to the instructions issued by Chairman of ESCOMs, the head of the ESCOM unit may be finally cautioned in writing by giving 15 days time. In spite of this, the amounts are not cleared, the names of the heads of the ESCOM unit including the name of the Accounts Officer may be intimated to this office along with a copy of the caution letter sent to them, for taking further action on them by the Chairman of all ESCOMs.

They shall obtain a copy of TB for the month of November 2004 and onwards every month and verify whether there is any increase in balances exhibited under Receivable/ Payable account codes in cash. If yes, make thorough enquiries and analysis as to who is responsible for initiating transaction resulting in increase in balance and furnish name/s of concerned responsible, to this office.

In respect of transactions carried out by sending Transfer Documents, confirmation was to be obtained from concerned accounting units of ESCOMs, by all accounting units of KPTCL during submission of March 2004 Final Accounts. Subsequently, instructions were issued in one or two instances to account certain transactions under Receivable / Payable account codes as exceptions by sending Transfer Documents. Therefore, confirmation for those TDs has to be obtained. Nodal officers shall also review balance being exhibited under Other Receivable / payable account codes other than in cash and ensure that Unit obtains confirmation for all TDs for which confirmation is / are yet to be obtained. They shall set dead line of 31/12/2004 for the said purpose. It will be their personal responsibility for ensuring that the accounting units comply with the instructions issued not only as Nodal Officers but also as controlling Officers of those units.

In respect of Administrative Offices, the concerned Controller / Deputy Controller / Accounts Officer will be personally responsible for implementation of

instructions issued as above to the Nodal Officers and they should follow the guidelines given scrupulously. It is to be noted that as at 31st March 2005, no balance should exist against Receivable /Payable account codes in respect of transactions carried out either under TDs or under cash. To achieve this goal, efforts have to be made by field units well in time to enable this office to take necessary action and give adjustment entries to be incorporated in the accounts of the units. Nodal Officers have to play a pivotal role in hastening the process failing which they will become liable for serious action.

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No.FA(A&R)/563

dated : 02.11.2004

Sub : Budgetary Control – Capital Budgeting process – reg.

It is observed that planning of Capital Budget of the Corporation is done without subjecting proposed specific projects to financial viability criteria strictly. The Detailed Project Reports (DPR) which form basis for our Capital Budget Program contain a ‘ Benefit to Cost Ratio ‘ as a sole financial evaluation parameter which is not scrutinized before approval of the project and seldom verified after the project is completed. Many times, *the financially unviable projects are taken up leading to increase in financial burden of the Corporation rather than improving efficiency and revenue returns.* The basic principle all of us have to keep in mind is that “ **business on commercial principles** “. In fact, the Cash Flow Projections and Debt Service Coverage Ratio(DSCR) for the current year ie., 2004-05 which is at present less than one, doesn’t permit us to spend anything on Capex since PBIT (Profit Before Interest and Tax) is insufficient to meet existing debt servicing obligations itself. That doesn’t mean that financial viability is the one and only criteria to be reckoned for spending on capex. To expand our business and to meet future growth besides improving our existing system, we have to invariably invest on capital works. The point being stressed here is that any capital investment we intend to make should result in either additional revenue or savings in cost or improving efficiency. Though the Capital Budgeting exercise is more complex in power utility like ours, certain prudent financial principles, if followed scrupulously would definitely yield good results. In view of this, it is expected that the Finance personnel have to be involved in the Capital Budgeting exercise right from formulation stage and they have to play a key role as far as determining the financial viability of the project and sourcing funds for the project are considered. The broad principles in formulating our Capital Budgeting Program are listed below; and from here afterwards these principles shall be strictly adopted and followed as procedure without any lapse.

Constitution of Budget Committees:

There shall be dedicated Committees constituted at both field and Corporate level to thoroughly scrutinize and examine each proposed project in a prescribed and specified systematic manner. Unless the Committee consciously considers all the aspects and convincingly records its recommendations on the feasibility of a project duly factoring in the parameters prescribed, it shall not be included in the Budget. The constitution of Committee shall be as shown below. The Committee at each Unit level (ie., MW Division / TL &SS Division / MW Circle / Zonal Office) shall be formed by Zonal Chief Engineer and Controller of Zone and necessary OM issued immediately. Necessary Orders shall be issued by GM(Technical) regarding formation of Committee at Corporate Office level.

Further the systematic approach for evolving the Capex Budget for a particular year should be on the following lines.

- Necessity of taking up future projects.
- Evaluation of proposed Capital Program
- Sourcing of proposed Capital Works
- Execution of Works
- Monitoring of Works
- Post Project Appraisal.

The parameters to be considered under each step are detailed below :

Necessity of taking up future projects.

The Technical Officer proposing a capital work has to clearly lay down the necessity for the project duly identifying the same under any of the following category.

- a. **Growth** / Expansion / Building up additional market
- b. **Improvement** / Strengthening of network.
- c. Reduction of losses / toning up **efficiency**
- d. Capacity to source / **affordability**
- e. **Social-economic programs** of the State Government

In each of the category, *the economies are to be worked out specifically to elicit that they are worth taking up before decisions are made on capex program.*

41. Evaluation of proposed Capital Program

a) Responsibility of proposed Capital Program

It is the *primary responsibility of the Technical Officer proposing a capital work to evaluate the viability of the same on financial, technical and other parameters.* The project so proposed shall be *scrutinized by the Finance Officer of the Unit as far as the financial viability is concerned with particular reference to the benefits and costs quantified.* He should record his observations on the DPR itself in clear terms. The evaluation of proposed capex program shall be based on following parameters:

Selection of appropriate **Criteria** for approving the project on financial parameter

DPRs (Detailed Project Report) of each project needs to be evaluated using the financial parameters like **BCR (Benefit to Cost Ratio)**, **PBP (Pay Back {Period})**, **NPV (Net Present Value)**, **IRR (Internal Rate of Return)**, etc., choosing an appropriate yardstick on case-to-case basis.

The DPR after *scrutiny by Finance Officer* shall be submitted to Corporate Office after observing the usual formalities.

At Corporate Office, the DPR shall again be subjected to scrutiny by Planning Section in respect of technical viability. As far as financial viability is concerned, FA will scrutiny.

The Projects cleared by the Planning Section shall figure in the List of Capital Works to be put for clearance by the Budget Committee.

Along with the proposed Capital Program, the **projected Cash Flow Statement and DSCR** for the ensuing year (for which the Capital Program is being formulated) shall also be worked out and put up for review by Budget Committee.

While deciding the Capital program, the Budget Committee shall also take in to account the targets in FRP, directions from State Government if any, Social Programmes of the State Government (if any), Planning Commission (GoI) targets if any, expected capacity addition and consequential schemes for evacuation of additional capacity proposed, etc.,

In case of paucity of funds or the expected Cash Flows and affordable External Borrowings are insufficient to meet the proposed capital program, the Budget Committee shall **prioritize the works (or shall direct Planning Section to do so)** duly pruning the size of the capital program of the year to the extent required.

42. Sourcing of proposed Capital Works:

The Budget Committee (at HO) while finalizing the Capital Works Program shall also consider the different sources from which the funds can be tied up. It shall be ensured that **no capital work be approved without proper tying up**

of required funds. The D(F) and FA(A&R) shall indicate the available sources of funds for capital works with all supporting details. The flow of funds / availability of resources from following sources shall be assessed and pre-determined clearly and specifically.

a. Internal Resources

- b. Net Profit (ROR or ROE)

Depreciation (being non-cash expenditure, in excess of debt servicing of existing loans)

- c. **Deposits** from Consumers (if any)
- d. Collection of Augmentation Charges (if any)
- e. Any other Capital Receipts
- f. Tying up of funds (ie., External Borrowings)
 - i. Rate of Interest
 - ii. Moratorium Period
 - iii. Tenure of Loan
 - iv. Financial Institution
 - v. Security / Guarantee required to be given

All Capital Works, which figure in Capital Budget Program of the Corporation for the year, should indicate the sourcing of funds like PFC, REC or any other Financial Institution.

The capex bills shall be discharged only out of specifically tied up funds strictly avoiding diversion of funds. One to one correlation to the source and expenditure is a must.

43. planning Execution of Works:

The procedural aspects relating to execution of works are to be followed scrupulously. The works are to be commenced only after ensuring proper sanction for the same, tying up of funds for the same, etc.,. The relevant points connected with execution are :

Sanctioning authorities – All the Technical Authorities according sanctions to capital works shall ensure before hand that :

The works put up for sanction are included in the Capital Budget Program for the year.

- i. The funds are tied up for that specific work.
- ii. Required clearances are obtained / will be obtained at right time.

The timing of drawal of funds from Financial Institutions, purchase of materials, payment to Contractors, etc., are synchronized properly to ensure least cost on idle funds.

Self-execution vs **Turn Key works** – Technical Officers have to organize and co-ordinate the work properly to avoid cost and time overrun.

- b. *Avoid diversion* of materials

B) The Planning and execution Officers, CEE(P&C), CEE(Tr.Zones) and the SEE (Tr.) shall ensure that adequate planning (P) / identification of all steps are under taken. The Programme (p) of each step shall be detailed indicating step details, responsibility for each Officer, timing of each activity synchronization with various authorities, etc.

The detailed steps with physical, financial targets shall be set on the following lines:

Stage	Stations	Estimated Time Required	Stage	Lines	Estimated Time Required
Stage (-III)	Identification of Project, Statutory clearances such as TCCM, TAC	2 Months	Stage (-III)	Survey	2 months
Stage (-II)	Land Identification and acquisition	4 Months	Stage (-II)	Statutory Clearance such as Forest Clearance, PTCC	4 months
Stage (-I)	Geotech Survey Layout drawing Earth Mat Design & Estimate Preparation	2 Months	Stage (-I)	Estimate Preparation	2 months
Stage (-I)	DPR & funding	1 Months	Stage (-I)	SPR & funding	1 months
Stage (-II)	Tendering & work award	3 Months	Stage (-II)	Tendering & work Award	3 months
Stage(-III)	Earth laying from Stage – 2	4 Months	Stage(-III)	Tower Erection from stage-2	6 months
Stage(-IV)	Erection of equipments from stage – 3	4 Months	Stage(-IV)	Stringing from stage –3	2 months
Stage(-V)	Control room from stage-2	8 Months	Stage (-V)	PC test & Commissioning from stage – 4	1 months
Stage(-VI)	PC Test & Commissioning from stage-5	1 Month			

18 to 20 Months if Forest & Wild Life Sanctuary clearance is required

The work implementation (I) shall proceed strictly as per the Programme.

Monitoring of Works :

The review of capital program in its totality is not being done at present. Only the review of specific projects carried out in a period is being reviewed at the Meeting. At times it is difficult to know the progressive amount spent on our Capital Works easily. Hence **proper MIS and review by the Budget Committee at Corporate office is essential.** The periodical review of progress in Capital Program shall be done on the following lines :

Monthly Capex Review Meeting (Finance Officers shall invariably be involved) – The Zonal CEEs and Controllers shall make a presentation to the Corporate body on the progress made in their respective Zones duly making comparison to approved Capital Program.

Physical and Financial Progress should match without much variation. Before presenting the progress in the Review Meeting, this shall be ensured.

Regular feedback shall be given to Planning Section of the Corporate Office about the progress of works (ie., **MIS**).

In case of *variations* in project cost, the Authorities empowered to approve the same have to exercise due diligence and ensure proper checks are done and convince themselves about the necessity for revision of the cost.

Post Project Appraisal / Review (R) :

In the present system there is no post project appraisal at all. Unless such an exercise is done, there is no sanctity for the parameters prescribed for deriving the benefits envisaged in the DPR when the project is proposed. The appraisal shall be done in the following manner.

The Technical Officer who initiated the project has to prepare and submit the **post project scenario** with particular reference to comparison of **expected savings** in energy / increased revenue / increased supply conditions, etc., projected in the DPR and the actual.

The post project analysis made by the Technical Officer shall be seen by the Finance Officer of the Unit for his remarks / observations before the same is forwarded to the Corporate Office.

The Planning Section at Corporate Office shall consolidate and submit a Monthly “ **Post Project Analysis Report** “ in respect of all completed works in previous month(s) to Budget Committee / Management duly comparing the DPR and Actuals as far as savings / benefits envisaged

A separate **Cost and Time overrun** analysis in respect of each completed project analyzing the reasons shall also be submitted by the Planning Section at Corporate Office.

The **Budget Committee** at Head Office shall **thoroughly review** the above reports and initiate appropriate corrective action to avoid cost and time over run in future. As far as post project analysis is considered, the Committee shall analyse and report to the Management on the reasons for not achieving targets in DPRs besides suggesting changes if any required for evaluation of the Projects in future.

At Unit level the Finance Officer shall ensure submission of **Completion Report** (CR) by the Technical Officer in charge of execution of Work. The Finance Officer shall watch the pendency of CRs at regular intervals and report any inordinate delay besides taking action as laid down in the Accounts Manual.

The above guidelines / instructions shall be followed strictly without any lapse at any level. Any deviation from the laid procedure and norms will be specifically taken note of and the concerned Officers personally held responsible.

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No. FA(A&R)/ 565

Dated : 02.11.2004

Sub : Revenue Budgeting and Budgetary Control – Procedure

The Revenue Budgeting and control of revenue expenditure vis-à-vis budgetary provision requires to be streamlined. Earlier to corporatisation of erstwhile Board into Company and before regulatory regime came into force in the State, revenue expenditure projected by each Accounting Unit for next year on the basis of actual requirement was the basis for determining and finalising Revenue Expenditure Budget. Subsequently, that system has been discontinued and concept of incremental budgeting at Corporate Office level is introduced. Finally the revenue expenditure requirement of the Company for the year under various heads are pruned and capped at the level approved by the KER Commission.

This ***Top-to-Down approach*** is fraught with many drawbacks. On one hand the requirements of the Units are not taken into cognizance properly and on the other hand, Company is found to be in wanting while putting up an effective case before the Commission for getting the proposed revenue expenditure approved in the absence of basic data. By adding certain percentage of increase on the base number to the existing level of expenditure and arriving at the Budget requirement, the Company is drifting away from adopting the concepts of ZBB (Zero Base Budgeting). In this connection, the following systematic steps are prescribed for formulating the Revenue Expenditure Budget and monitoring the expenditure in a scientific manner.

The **Revenue Expenditure budget shall be based on ‘ Bottom-Up ‘ approach** wherein the actual requirement of revenue expenditure budget is assessed based on the estimates made by each accounting Unit well before the ensuing financial year.

The estimate of revenue expenditure requirement by the Accounting Units (which are Cost Centers) shall be based on the **concepts of ‘ ZBB ‘**. Under this approach, in the case of regular recurring revenue expenditure, the head of the Unit shall justify the existing level of expenditure i.e, revenue expenditure actually spent during last financial year at the first instance. Any increase sought over and above the existing level should be justified with supporting data / information.

In the case of other revenue expenditure, the head of the unit shall actually estimate the requirement for the next year duly giving details of proposed expenditure.

Each Accounting Unit shall prepare the Revenue Expenditure budget of the Unit for the ensuing year positively before October of the current year. The Units have to furnish working details / supporting papers for the numbers so worked out.

The six months data from April to September of the current year has to be taken into cognizance by the Units while projecting or estimating the revenue expenditure requirement for ensuing year.

The estimated figures of the Units has to be thoroughly scrutinized / verified by the Budget / Planning Section of the Corporate Office to identify the unnecessary expenditure proposed.

The Budget Section shall put the consolidated revenue expenditure requirement of the Units under various heads for the ensuing year for **approval of the Management** before 15th November of the current year.

After in-principle approval of the Management is accorded, the **ERC will be finalised** for the ensuing year based on the approved revenue expenditure budget and submitted to the KERC before the end of November of current year (ie., the date fixed for filing ERC for ensuing year).

After validation, the KERC would approve ERC or pass **Tariff Order** in all probability before the end of March of the current year.

The revenue expenditure figures as approved by KERC would form the basis for pruning or capping the revenue expenditure in case the entire revenue expenditure sought for in ERC is not approved.

In case the Commission disallows certain revenue expenditure, but Management decides to incur such expenditure (like payment of Bonus / Ex-gratia, Cost of subsidised power supply) a definite decision will be conveyed from Corporate Office on incurring of such expenditure to all Units in advance.

In case, the *Commission as a measure of efficiency or any other reason reduces the revenue expenditure size*, it shall be proportionately reduced across the revenue expenditure requirement of all the Accounting Units and intimated accordingly.

Whether or not, there is change in revenue expenditure level approved in the ERC, a **Revenue Expenditure Budget comprising of Accounting Unit-wise,**

Accounting Head-wise figures approved in ERC shall be prepared by the Budget Section matching the aggregate number to the figures in relevant Tariff Order and got approved by the Board. The approved Budget should be circulated among all Units positively by the end of March.

The actual revenue expenditure has to be **monitored** by the Budget Section comparing the same with approved budget at regular intervals, preferably every month and once in three months compulsorily. A feedback report on such comparison be put up to Management once in three months for review.

The **Budget Section** while circulating the Revenue Budget for the ensuing year shall **lay down the procedure and Authority** for the following:

- a. Re-appropriation among different Accounting Units
- b. Re-appropriation among main Heads of Account
- c. Re-appropriation within one main Head of Account
- d. Approving excess over the approved level of expenditure

Allocation of budget for account heads not operated so far / newly operated revenue expenditure head.

In case of **unforeseen additional revenue expenditure** which was not prevailing at the time of filing ERC or at the time of passing Tariff Order by the KERC, the same has to be brought to the notice of the Commission as early as possible seeking pass through as an escalation or additional tariff charge. The Budget Section shall inform the Regulatory Office about such expenditure at the earliest.

As the role of Budget Section and Regulatory Office at Corporate Office are vital in formulation and regulating revenue expenditure budget, these two Sections shall take timely action by planning the work well in advance.

The above guidelines / instructions shall be followed strictly without any lapse at any level. Any additional working instructions required to implement the above guidelines and procedure will be issued by FA(A&R).

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No. FA (A&R)/A/Cs/AAOI/Cys -55

Dated:03 JAN 2005.

Sub: Prohibiting Sale or Purchase of Materials among five companies (i.e. KPTCL & ESCOMS).

- Ref: 1 Letter No KPTCL/B5B/22/2003-04 dated 25th October 2004 of the Corporate Office for carrying out all transactions between KPTCL & ESCOMs on cash basis only.
- 2 Letter No FA (A&R) / CA (A&FR) / AO (A/Cs) / AAO I / CYS 71 dated 4th February 2004 of the Financial Adviser (A&R), KPTCL in the matter of accounting inter-company transactions done in cash.
- 3 Letter No. FA (A&R)/A/Cs/AAOI/Cys 49 dated 29.10.2004 of the Financial Adviser (A&R), KPTCL.

Consequent to issuance of instructions to freeze the balances exhibited against Receivable and payable Account Codes and to clear the entire balance in the said Account Codes before 31.12.2004, clarifications are sought by Accounting Units on the following specific issues.

Clearance of balance in Payable/ Receivable account codes relating to transaction done upto 31.7.2003 by sending/ obtaining Transfer Documents (TDs).

Accountal of amount recoverable from ESCOMs in respect of 33 KV on going works and Assets commissioned on or after 1.6.2002 and already handed over to ESCOMs.

Procedure in respect of 33 KV ongoing works the assets of which are yet to be handed over to ESCOMs after commissioning of the same.

The issues have been examined in detail and the following guidelines are prescribed.

As regards the transactions accounted by sending/ receiving TDs upto 31.7.2003 and subsequently as per **specific instructions as one time exception**, all the Accounting Units of KPTCL shall obtain/ give confirmation for balances from/ to respective ESCOM Units if not already done for all TDs received/ sent and submit the same to this office. The Accounting Units will be intimated to pass necessary entries to clear the balance in these Account Codes after getting approval of the KPTCL Corporate Office for adjustment of net of Receivables/ Payables among the Companies.

From 1.8.2003 inter company transactions ought to have been done against **payment of cash only**. Balance exhibited against Account Codes issued for the specific purpose of keeping track of all such transactions between Companies till payment in cash is received should reflect transactions made after 1.8.2003 only. These balances shall be cleared immediately through cash Receipts/ Payments.

Detailed instructions regarding transfer of assets related to 33 KV works from units of KPTCL to ESCOM units were issued in this office letter No. Cys.104 dated 27.3.2003. Accounting procedure for new works i.e., works taken up for execution after 1.6.2002 and for ongoing works i.e., works that had commenced prior to unbundling of KPTCL was also issued. Mode of transfer of 33 KV lines and works to ESCOM units was also indicated. In accordance with these instructions the 33 KV lines and works should not be categorised under 10 series but transferred to ESCOMs directly from Account Group 14 debiting appropriate receivable Account code or obtaining cash as the case may be. 33 KV related assets would have been transferred to ESCOM units under Transfer Document before 1.8.2003. After 1.8.2003, the assets transferred may have been accounted as amount recoverable in cash under Account codes **28.926 to 28.929**, as applicable.

Considering the complexity in clearing the balance relating to 33 KV assets accounted against 28.926 to 28.929, before 31.12.2004 in certain cases, the following instructions are issued for compliance. It shall be borne in mind by all the concerned that instructions issued by the Managing Director, KPTCL and Chairman of all ESCOMs in letter dated 25.10.2004 prohibiting sale or purchase of materials among five companies has to be observed strictly both in letter and spirit. **Instructions issued hereunder are very specific to the transactions indicated only and not to any other kind of transactions.**

33 KV Station and Lines, etc., commissioned and handed over to ESCOM Units.

- (a) Assets handed over before 1.8.2003 will have been covered under item 1 above.
 (b) Details pertaining to the asset transferred on or after 1.8.2003 but before 31.10.2004 shall be furnished to this office in the proforma prescribed hereunder

Sl. No	Nature of work	Date of commencement	Date of commissioning	Date of handing over the asset	Amount to be recovered towards cost of asset	Account code under which amount to be recovered is accounted	Remarks
1	2	3	4	5	6	7	8

33 KV Station and Lines, etc. work commenced prior to 1.6.2002 and under progress and which are to be handed over on or after 1.11.2004 on completion/ commissioning.

As works related to 33 KV Stations, lines, installation of Micro controllers etc., are of capital nature, they are to be accounted under relevant Account code of 14 Series. If any such works are completed and commissioned, they are to be handed over to the concerned unit of ESCOM only on receipt of cash. In Corporation Order No. B8/3351/ .4-05 dated 18 December 2004, it is ordered for replacing faulty CTs/ PTs/ and Metering Equipment above 33 KV at interface metering points and at the EHT Installation by KPTCL and claim reimbursement of expenditure incurred from respective ESCOMs after replacement. For accounting the amount received from ESCOM and assets handed over to ESCOMs, following new Account codes are issued separately.

28.948(ANC)	Cash Receivable from BESCO towards all 33 KV assets handed over and towards replacement cost of faulty CTs/ PTs/ and Metering Equipment (above 33 KV).
28.949(ANC)	Cash Receivable from MESCOM towards all 33 KV assets

	handed over and towards replacement cost of faulty CTs/ PTs/ and Metering Equipment (above 33 KV).
28.950(ANC)	Cash Receivable from HESCOM towards all 33 KV assets handed over and towards replacement cost of faulty CTs/ PTs/ and Metering Equipment (above 33 KV).
28.951(ANC)	Cash Receivable from GESCO towards all 33 KV assets handed over and towards replacement cost of faulty CTs/ PTs/ and Metering Equipment (above 33 KV).

Note: Installation of Micro Controllers in 33 KV Stations and replacement of faulty CTs/ PTs and Metering equipments even though taken up after 1.6.2002 is to be accounted against the above account codes.

Execution of new works of 33 KV Lines and Stations after 1.6.2002 by KPTCL.

In letter No. B19/ 2639/ 2002-03 dated 12.12.2002 of the General Manager (Technical), KPTCL and in this Office letter No. Cys.104 dated 27.3.2003, procedure for taking up new works related to 33 KV Lines/ Stations etc. has been intimated. As per the same, if KPTCL is entrusted by any ESCOM, work of execution of new 33 KV Lines and Stations etc., the procedure in vogue in respect of Deposit Contribution works has to be followed. In other words, the concerned ESCOM has to deposit cost of the project and 10% of the DPR cost towards processing and execution charges. Therefore, after 1.6.2002 any new work taken up as per request of concerned ESCOM is to be carried out only against the deposit made by the concerned ESCOM. Expenditure incurred in this connection shall not be accounted under Receivable account codes.

Above instructions shall be followed scrupulously by all the concerned.

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No. FA (A&R)/CA/AO/AAO-II/CYS - 58

Dated: 6 January 2005.

Sub: Payment of rent for residential buildings occupied by employees of other Company where employees are eligible for rent-free quarters.

Ref: Circular No.B9/3802/2003-04 dated 2-9-2004.of KPTCL Corporate Office

Detailed instructions are issued vide circular under reference regarding 'Arms length arrangement between KPTCL and ESCOMs' and payment / recovery of rent in respect of residential buildings occupied by the employees of other Companies. It

has been specified in the circular that actual house rent recovered by the Company from the occupant of the residential accommodation be paid to the Company that owns the residential building. The principle behind this condition is that the Company whose employee is residing in the quarters is responsible for paying the rent to the Company to which the residential building belongs. It has come to the notice of this office that this principle is not properly understood in respect of employees who are drawing basic pay of Rs.5525/- or below. **In Board order No. KEB/B16/2814/1999-00 dated 20.09.1999, sub para (i) of paragraph 36.02 of KEB Accounts Manual Volume I (Third Edition) which reads as “Workmen drawing basic pay of Rs 5525/- and below per month are exempted from payment of rent in respect of residential quarters provided to them by the Board. They are not entitled to any House Rent Allowance” is deleted.**

Therefore, house rent is to be recovered from employees irrespective of their basic pay, if they are provided with Company’s quarters and they are entitled to house rent allowance at prescribed percentage. In the Establishment Register (Scale Audit Register) HRA at prescribed percentage shall be claimed for arriving at Gross salary payable and shown as recovered and net amount paid to the employees, as similar to the case of Officer and other Employees occupying Companies Quarters. In case of employees of the same Company that owns the quarters, HRA admissible to the employees should be booked as expenditure under Account Code: 75.416 to 75.420 and the same accounted as income under account code: 62.901. Similarly, in case of employees who are residing in other Company’s quarters the HRA shall be booked as Revenue Expenditure (Under Account Codes 75.416 to 75.420) and HR (House Rent) recovered shall not be credited to miscellaneous Revenue (i.e 62.901) but paid by the Employer Company to the other Company that owns the quarters. It is the primary responsibility of the employer Company to invariably pay the house rent to the Company, which owns the quarters.

The Company, which owns the quarters, shall also demand house rent in such cases where House Rent was earlier not recovered from employees by the Employer Company and obtain the same without fail. For example, if an ESCOM employee drawing Basic Pay of Rs.5525/- or below is residing in KPTCL’s quarters, the accounting unit of KPTCL shall demand and recover the rent from the concerned ESCOM unit without fail, and the house rent payable in such cases will be the HRA admissible to the employee. The same is applicable to the quarters belonging to ESCOMs but occupied by other Company’s employees.

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Sub: Procedure for withdrawal of erroneous demand made on supply of power.

Ref: Your Lr.No.CEE/LDC/EBC/CA/F32/3850-54 dated: 17.01.2005

While finalizing the annual accounts of KPTCL for 2003-04, the issue of treating whether an expenditure is for the current year or for previous years has been discussed in detail with Statutory Auditors as well as A.G's auditors in the light of Accounting Standard – 5. as per AS-5, the term “prior Period Items refers only to income or expenses which arise in the current period as a result of errors or omissions in the preparation of financial statements in one or more prior periods. Errors in preparation of accounts in previous years may be discovered in the current year. Errors may occur as a result of mathematical mistakes, mistakes in applying accounting policies, misinterpretation of facts or oversight. The term does not include other adjustments necessitated by circumstances, which though related to prior, are determined in the current year”. From the above it can be inferred that any mistakes in earlier years should be accounted as prior period item and any policy decision taken during the year in respect of prior period transactions should be accounted as for the current year. From the year 2004-05 and onwards, suitable decision shall be taken by LDC in the light of AS-5 explained above in respect of items arising out of power purchase and sale of power.

The following procedure is prescribed for withdrawal of erroneous demand made in respect of Sale of Power to Distribution Companies.

A withdrawal statement shall be prepared and got pre-audited by Internal Audit. If the amount to be withdrawn is less than Rs. One Crore, then the withdrawal statement shall be audited and certified by Accounts officer (Internal Audit) of LDC. If the withdrawal statement shall be certified by Deputy Controller (Internal Audit) or Financial Adviser (I/A), KPTCL, Bangalore.

As per pre-audit and certification on by audit, a separate O.M. shall be issued by CEE-LDC for withdrawal of Revenue demand. The EBC shall pass and incorporate the withdrawal entries in the accounts on the basis of pre-audited certified statement and the O.M. according approval for withdrawal.

New Account codes for withdrawal of revenue Demand of Previous years are issued separately.

45.The entry to be passed for withdrawal of Revenue demand is as follows:

- a. For withdrawal of Revenue Demand for the current year:

The journal entry passed to raise the demand during the year shall be reversed in the same year to the extent of amount to be withdrawn.

b. For withdrawal of Revenue Demand for previous year:-

83.830	Withdrawal of Revenue Demand of Previous Years –BESCOM	XX	
83.831	Withdrawal of Revenue Demand of Previous Years –MESCOM	XX	
83.832	Withdrawal of Revenue Demand of Previous Years –HESCOM	XX	
83.833	Withdrawal of Revenue Demand of Previous Years –GESCOM	XX	
83.835	Withdrawal of Revenue Demand of Previous Years –Hukkeri Society	XX	
To			
23.201	Sundry Debtors for Sale of Power - BESCOM		XX
23.202	Sundry Debtors for Sale of Power - MESCOM		XX
23.203	Sundry Debtors for Sale of Power - HESCOM		XX
23.204	Sundry Debtors for Sale of Power - GESCOM		XX
23.205	Sundry Debtors for Sale of Power - Hukkeri Society		XX

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No.FA (A&R) ACS/AAO-II/17519

Dated: 08.02.2005

Sub: Procedure for accounting Banked Energy remaining unutilized as on 31st March.

Ref: Your Lr.No.CEE/LDC/EBC/CA/F4/3240-41 Dated 29.11.2004

The issue of depiction of banked energy in the accounts of KPTCL has been subjected to lot of debate because of the complications involved in the subject. Statutory Auditors of KPTCL for different years and A’G’s Auditors have aired their opinions from different angles. Taking into consideration, all the opinions, a detailed procedure has been laid down in the following paragraphs regarding accounting of Banked Energy.

At present, the unutilized balance of banked energy as on 31st March every year is accounted as sold to ESCOMS and demand raised by debiting relevant account code under 23.1 series and crediting 61 series in the accounts of LDC. The same practice shall be continued to be followed in future also.

As we are accounting the quantum of unutilized banked energy as on 31st March as sold to ESCOMs, it is necessary to show such quantum of energy in Sources of Energy” statement under the head “Unutilized balance of Banked Energy” and the total of energy available during the year shall be arrived at.

For the purpose of accounting the unutilized balance of banked energy as at 31st March, an exclusive Account Code 29.101 (ANC) – Balance of banked Energy as at 31st March shall be debited by corresponding credit to 41.600 – Provision for Liability for unutilized balance of banked energy as on 31st March. The above account codes are issued separately.

The rate at which the balance of banked energy to be accounted is:-

- c. If the energy banked is by the regular power generator, the rate as per PPA applicable to regular power supply to KPTCL shall be applied.
- d. If the energy banked is by any new power generator with whom no PPA is entered into, the average cost of power purchase by KPTCL during the year shall be applied.

Details of banked energy shall be maintained in an exclusive register.

The journal entry indicated in para 3 above shall be reversed on 1st of April every year.

As the unutilized balance of banked energy as on 31st march has to be supplied to the respective ESCOM without cost to enable the ESCOM to pass on the same to identified consumer during next financial year, the quantum of energy so supplied shall be figured exclusively in the statement showing the details of power purchased, power available for sale, power sold and Transmission Loss of the next financial year.

Depiction of banked energy in different scenario is illustrated below with examples. The figures are assumed for the purpose of illustration.

Illustration 1

Assumptions 1. Banked Energy as on 31.03.2003 is 17 Mus

2. Banked Energy as on 31.03.2004 is 50 Mus

	2003-04	(Energy in Mus)
1	Total Energy handled including banked energy utilized by KPTCL (For Ex.50Mus)	32000.00
2	Transmission Loss iro wheeled / imported / exported energy	4.00
3	Total Energy Purchased	31200.00
4	ADD: Unutilized Banked Energy treated as sale to ESCOM	50.00
5	LESS: Previous year Banked energy supplied during this year	17.00
6	Total Energy available for sale (3+4-5)	31233.00
7	Transmission Loss iro Energy sold	1500.00
8	MUSS consumption	15.00
9	Net sales to ESCOMs and Hukkeri Society including unutilized banked energy of 50 Mus	29718.00

10	Total Transmission loss (2+7+8)	1519.00
11	Percentage of Tr. Loss on energy handled.	4.74

Illustration 2

Assumptions 1. Banked Energy as on 31.03.2003 is 38 Mus

2. Banked Energy as on 31.03.2004 is 25 Mus

	2003-04	(Energy in Mus)
1	Total Energy handled including banked energy utilized by KPTCL (For Ex.25Mus)	32000.00
2	Transmission Loss iro wheeled / imported / exported energy	4.00
3	Total Energy Purchased	31200.00
4	ADD: Unutilized Banked Energy treated as sale to ESCOM	25.00
5	LESS: Previous year Banked energy supplied during this year	38.00
6	Total Energy available for sale (3+4-5)	31187.00
7	Transmission Loss iro Energy sold	1500.00
8	MUSS consumption	15.00
9	Net sales to ESCOMs and Hukkeri Society including unutilized banked energy of 50 Mus	29672.00
10	Total Transmission loss (2+7+8)	1519.00
11	Percentage of Tr. Loss on energy handled.	4.74

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No. FA (A&R)/(A/cs)/AAO-I/ CYS: 70

Dated: 16 February 2005

Sub: Treatment of Auxiliary Consumption of Sub-stations of KPTCL.

Ref: 46.Letter No. KPTCL/ B28/ 1133/ 2003-04 dated 07-01-2004 of the General Manager (Technical), KPTCL.

47.U O Note No. FA (I/A)/ 157 dated 18-11-2004 of The Financial Adviser (I/A), KPTCL, Bangalore requesting for issue of guidelines in the matter of accounting Auxiliary Consumption of Sub-stations of KPTCL.

48.Letter No. CEE/ SEE/ EBC/ 4205 dated 04-02-2005 of the Chief Engineer, Elecl, LDC, KPTCL.

In the letter dated 7.11.2004 of the General Manager (Technical), KPTCL (reference-1), instructions have been issued to deduct from the bills issued to concerned ESCOMs energy drawn by the auxiliaries of Sub-stations of KPTCL. In UO note dated 18.11.2004 (reference-2) the Financial Adviser (I/A), KPTCL while enclosing a copy of letter of AO (I/A), Transmission Zone, Mysore has requested to examine the points raised therein and issue guidelines for proper accounting of the

auxiliary consumption of Sub-stations of KPTCL and for payment of electricity tax thereon to Government of Karnataka. In reply to clarification sought on the procedure in vogue related to treatment of auxiliary consumption, the Chief Engineer, Load Dispatch Centre, in his letter dated 5.2.2005 (reference 3) has intimated that though auxiliary consumption of Sub-stations of KPTCL is deducted from energy supplied to concerned ESCOM, cost of auxiliary consumption is not being quantified. Quantum of auxiliary consumption is available as exclusive meters are fixed to record auxiliary consumption of Sub-stations and in case meter is not recording, consumption is assessed as per Regulation 27.04 of KERC Code. Further, in his letter, the AO, I/A, Transmission Zone, Mysore, has stated that for the units consumed by KPTCL Stations, bills are being preferred by ESCOM Units in revenue ledgers leading to increase in balance as no payments are being made by KPTCL in view of auxiliary consumption of Sub-stations of KPTCL being deducted from energy supplied to concerned ESCOMs.

Considering all the aspects involved, the following guidelines are issued to be followed scrupulously by all the concerned.

Action to be taken at EBC, Office of Chief Engineer, Elec., Load Dispatch Centre.

- a) As all KPTCL Stations are metered exclusively to record station auxiliary consumption, total consumption in a month shall be computed from the readings furnished and auxiliary consumption for the month arrived at.
- b) Total cost of auxiliary consumption for the month shall be arrived at by applying the rate per unit of pooled cost of power purchased during the previous month and amount of Electricity charges utilised for station's auxiliary consumption calculated for the purpose of further calculation of electricity tax payable to Government of Karnataka on one hand and charging of electricity tax as revenue expenditure of KPTCL, on the other.
- c) On the cost of electricity charges calculated in respect of auxiliary consumption of Sub-stations of KPTCL as above, electricity tax shall be calculated at the percentage notified by Government of Karnataka ad valorem (**presently 5%**) and electricity tax payable computed.
- d) Liability for Payment of tax on cost of electricity charges on auxiliary consumption and charging the electricity tax on auxiliary consumption to Revenue expenditure of KPTCL shall be accounted by passing the following journal entry.

76.158(ANC) – Tax on Electricity Charges of Auxiliary Consumption. Dr.

To 46.300(ANC) – Electricity tax and other levies payable to Government of Karnataka.

- e) The amount credited to 46.300 (ANC) every month shall be paid during the next month to the Chief Electrical Inspector to Government of Karnataka along with statements prescribed under Karnataka (Consumption of Electricity) Tax Act, 1957 by Chief Engineer Elect., Load Dispatch Centre (Energy Billing Centre Section). Energy Billing Centre, Load Dispatch Centre, KPTCL shall follow the above procedure for **accounting auxiliary consumption with retrospective effect from 1-6-2002.**

Guidelines for ESCOM Units.

Prior to unbundling of KPTCL, auxiliary consumption of all Sub-stations was assessed by the office of the then Chief Engineer, Elec. (Gen.) and intimated to the office of the then Chief Controller of Accounts, KEB. Payment of Electricity tax on the assessed consumption was being arranged and amount in terms of cost quantified in relation to assessed energy debited to revenue expenditure. In the revenue ledgers maintained at Sub-divisions no demand was raised in respect of auxiliary consumption of Sub-stations prior to 1.6.2002. Consequent to unbundling of KPTCL and formation of ESCOMs and instructions issued by General Manager (Technical), KPTCL in letter dated 7.1.2004, Energy Billing Centre, Office of Chief Engineer Elect., Load Dispatch Centre is deducting auxiliary consumption of Sub-stations of KPTCL from energy supplied to concerned ESCOMs. Therefore, there is no necessity of O & M Sub-divisions / Sections of any ESCOM to raise demand either for revenue or for tax in revenue ledger against auxiliary consumption of Sub-stations of KPTCL. If any demand has already been raised, the same shall be withdrawn immediately as the auxiliary consumption is deducted from energy supplied to ESCOMs. R.R.No. if assigned to KPTCL's Stations shall be cancelled and not renewed in Revenue Ledgers in future.

Executive Engineers of O & M Divisions of ESCOMs shall issue instructions as above immediately to the heads of Sub-divisions / Sections under their control and ensure compliance.

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No. KPTCL / FA (A&R)/A/Cs/AAO I/CYS-73

Dated: 24 -2-2005.

Sub: Procedure for accounting of IT deducted at source on rent received from ESCOMs owing to "Arms length arrangement".

Ref: 1. Circular No. B9 / 3802 / 2003-04 dated 02/09/2004 of the General Manager (Tech.), KPTCL.

2 Letter No AO(I/A)/SA/Trans/Mys/657-661 dated 21/02/2005 of the Accounts Officer (I/A), Transmission Zone Mysore, addressed to the Financial Adviser (IA) with a copy to this office.

Owing to 'Arms Length' arrangement made vide Circular dated 2/9/2004 (Ref.1), KPTCL is receiving rent from ESCOMs and vice-versa. Clarifications are sought on Income Tax deducted at source (TDS) from the rent payable by one company to another company among ESCOMs and KPTCL, and also the accounting procedure to be followed thereon. The following guidelines are issued for recovery of IT at source and payment / receipt of rent.

1. As already prescribed in Circular dated 2/9/2004, rent payable from ESCOMs shall be accounted on accrual basis by raising demand for the same duly passing the following entry as and when rent becomes due

28.908 Rent recoverable from BESCO	Dr.
28.909 Rent recoverable from MESCOM	Dr.
28.910 Rent recoverable from HESCO	Dr.
28.911 Rent recoverable from GESCOM	Dr.

To

62.917 Miscellaneous Recoveries

2. Income Tax deducted at source (TDS) as per statutory requirement out of rent payable to KPTCL by ESCOMs is in order and shall be allowed. However, for the portion of tax deducted at source TDS certificate shall be invariably obtained along with rent payment received.
3. The accounting section of ESCOM / KPTCL, which is paying rent duly deducting Income Tax at source shall note that the TDS certificate for the portion of tax deducted is **given immediately** to the accounting section of KPTCL / ESCOM to which rent payment is made. **PAN Number of KPTCL "AABCK 7281.M" shall be mentioned without fail in the Tax Deducted at Source certificates by the ESCOM's accounting units**
4. For the portion of IT deducted at source and TDS certificated obtained, the following entry shall be passed in the unit of KPTCL where the rent is demanded and received by Debiting new account code 28.943 - Income-tax paid in Advance through TDS at accounting units of KPTCL, allotted separately and Crediting A/c Code 28.908 / 28.909 / 28.910 / 28.911 as the case may be.
5. The TDS certificates shall be sent to the Accounts Officer (A/cs), o/o Financial Adviser (A&R), KPTCL, 7th floor, Kaveri Bhavan, Bangalore-560 009, immediately after they are obtained, by all the units of KPTCL by Registered Post Acknowledgement Due, to ensure receipt of the same at H.O.
6. The Unit of KPTCL should ensure that balance shown in TB against Advance Tax account code 28.943 tallies to the total amount of all TDS Certificates sent to H.O. To ensure tallying of this aspect, the units shall send a statement of all TDS certificates sent to H.O. in the following proforma **along with TB every month.**

**Statement showing the details of income Tax Deducted at Source (TDS)
Certificates received in respect of transactions related to receipt of rent from
ESCOMs**

Sl. No.	J.V. No.& Date of debiting A/c Code 28.943	Details of TDS made at ESCOM units and Certificates obtained			TDS Certificate sent to H.O. vide letter No. & date
		From which unit obtained	Certificate No. & date	Amount	
1	2	3	4	5	6
			TOTAL	xxx	

7. The balance outstanding at the end of year under Income-Tax paid in Advance account code 28.943 shall be **transferred to H.O. under Part-C by Debiting A/c Code 37.826 and Crediting A/c Code 37.825**
8. If any rent pertaining to previous years is demanded and received, prior period account code '65.900 – Other income related to prior period' shall be operated instead of 62.917. Similarly, if rent pertaining to previous years is paid, account code '83.850 – Other expenses related to prior period' shall be operated instead of 76. 190 – Miscellaneous Expenses.

The above principle in recovery of TDS out of rent payable / receivable and accounting procedure apply to transactions in ESCOMs also. The Financial Advisers of ESCOMs may issue suitably modified instructions to all the accounting units under their Company in this regard.

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No.FA(A & R)/A/Cs./AAO-I/ Cys:85

Dated: 4th April 2005.

OFFICIAL MEMORANDUM

Ref: Corporate Office Order No. KPTCL/B5A/1712/2004-05 dated 14.3.2005.

Consequent to Restructuring the Office of Superintending Engineer (El.), Transmission (Works) Circle, Mysore and renaming the same as Office of Superintending Engineer (El.), Transmission (Works and Maintenance) Circle, Hassan, the Location Code 505 of Office of Superintending Engineer (El.), Transmission (Works) Circle, Mysore will continue to be applicable to Office of

Superintending Engineer (El.), Transmission (Works and Maintenance) Circle, Hassan.

Similarly on Restructuring and renaming of Office of Superintending Engineer (El.), Transmission (Maintenance) Circle, Mysore as Office of Superintending Engineer (El.), Transmission (Works and Maintenance) Circle, Mysore, the Location Code 907 of Superintending Engineer (El.), Transmission (Maintenance) Circle, Mysore will continue to be applicable to Office of Superintending Engineer (El.), Transmission (Works and Maintenance) Circle, Mysore.

Other consequential accounting procedure to be followed by the above two Circle Offices owing to Restructuring will be given separately.

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No. FA (A&R)/A/cs.Sn./AAO-I/Cys:06

Dated:19 April 2005.

Sub: Endorsing copies of letters, etc. to this Office.

In spite of several instructions issued to all Circle and Divisional heads of KPTCL, copies of correspondence on the following matters and other inconsequential issues are being sent regularly to the undersigned.

Bills for payment of rent for KPTCL Buildings occupied by ESCOM Units.

Appointment of Officers for Store Counting and final orders on Store Counting.

Letters addressed to O & M Circle heads for filling up of posts.

OMs for recovery of excess payments or sanction of travelling allowance etc., to employees, deputing employees to other offices of KPTCL or ESCOMs.

Statement of obsolete and unserviceable materials and unoperated materials.

It is highly regrettable to note that heads of offices are simply signing letters put up by their subordinates without examining necessity or otherwise of marking copies to higher authorities. This habit has led to dumping of papers at other offices without serving any purpose whatsoever. Marking of copies of action taken in their sphere of activity or routine work devolved on them only leads to wastage of stationery and incurring of unnecessary postal expenditure.

Two specific instances are narrated hereunder to stress upon the fact of wasteful expenditure being incurred.

A) Rent bill for the month of March 2005 of KPTCL Buildings occupied by HESCOM Units is addressed to the Executive Engineer (El.), O & M Division, HESCOM, Bailhongal, by the Executive Engineer (El.), TL & SS Division, Belgaum, marking copies of the letter to;

- 1) Chief Engineer Elect. Transmission, Bagalkot,
- 2) F A (A & R), KPTCL,
- 3) SEE Transmission (Works and Maintenance) Circle, Belgaum,
- 4) SEE, O & M Circle, HESCOM, Belgaum,
- 5) AEE Civil, Major Works Division, KPTCL, Belgaum.

The issue pertains to recovery of rent in terms of instructions issued by Corporate Office, KPTCL vide Circular Cys. No. B9/ 3802/2003-04 dated 2nd September 2004. As per the circular, it is the responsibility of the EEs of TL & SS Divisions to collect the rent from the concerned ESCOM Units. Such being the case, there is absolutely no necessity of marking a copy of a letter addressed to his counterpart in the ESCOM Unit for payment of rent to so many officers mentioned for information. It is the primary responsibility of the concerned TL & SS Division to collect the rent by raising demand on concerned ESCOM Unit, which will automatically get incorporated in the accounts. As such, there is no necessity of marking copy of such letters. This is not an isolated instance as EEs of other TL & SS Divisions are also acting in a similar manner.

B) Annual Store Counting is a routine act to be carried out for which Store Counting Officers are appointed. Copies of such OMs are being marked in a similar fashion as narrated above. There is a definite procedure in vogue relating to Store Counting and passing of final orders. In case of excess or shortage found on Store Counting also, specific procedure is laid down. Therefore, there is absolutely no necessity of marking of OMs issued appointing officers for store counting or copies of final orders to all higher authorities.

Whenever a specific issue is to be examined by a particular office / officer of higher rank, a letter needs to be addressed to that particular office/ officer seeking direction/ clarification/ necessary action etc. The habit of marking copies of letters in the fashion narrated above needs to be stopped forthwith to avoid unnecessary accumulation of papers on which no action is required and which results in wasteful expenditure by way of Postage and Stationery.

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No FA (A&R)/A/Cs/AAO II / CYS:7

Dated:19.04.2005

Sub: Payment of salary relating to prior periods to Officers / Employees transferred from one Company to the other – Computation of Income Tax.

Ref: Letter No KPTCL/B/1053/2004-05 dated 31st March 2005 of the General Manager (Tech), KPTCL.

Inviting attention to the letter under reference wherein detailed instructions are issued in the matter of Payment of advance and salary relating to prior periods to Officers / Employees transferred from one Company to the other, it is hereby informed that in respect of arrears of pay and other payments made to such Officer / employee which is to be reckoned for computation of Income Tax, details of arrears payment made shall be recorded in the Establishment Register (Scale audit register) of the concerned establishment in which the Officer / employee is working at the time payment is arranged. The Company which bears the payment liability shall send a detailed statement along with demand draft to enable the concerned establishment to record necessary entries and consider the amount of arrears for computation of income tax relating to the Officer / employee and arrange payment of income tax to the IT Department without fail.

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No. FA (A&R)/(A/cs)/AAO-I/ CYS:10

Dated: 21st April 2005

Sub: Treatment of Auxiliary Consumption of Sub-stations of KPTCL.

Ref: Cys.70 of this office dated 16th February 2005.

2) Letter No. CEE/ LDC/ CA/ EBC/ F4/ 04 dated 20-04-2005 of the Controller, EBC.

Guidelines issued under Para I b in this office letter Cys.70 dated 16.2.05 is modified as hereunder.

As existing	As modified
Total cost of auxiliary consumption for the month shall be arrived at by applying the rate per unit of pooled cost of power purchased during the previous month and ...	Total cost of auxiliary consumption for the month shall be arrived at by applying the rate per unit of pooled cost of power purchased during the relevant month and ...

There is no change in so far as other instructions/ guidelines issued.

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No. FA (A&R)/(A/Cs)/AAO-I/ CYS: 15

Dated: 7th May 2005

Sub: Payment of Tax on sale of scrap and tender forms – Change in procedure under VAT regime.

Ref: This office letter No. Cys.32 dated 28th August 2004 regarding submission of monthly returns to various officers of this office.

This office letter No. Cys.85 dated 22nd March 2004 in the matter of sending details of monthly sales tax collected on sale of scrap, etc.

You are all aware that as per instructions issued by this office details pertaining to sales tax collected on sale of scrap and tender forms are being sent to this office every month in prescribed proforma. With effect from 1.4.2005, the Karnataka Value Added Tax Act 2003 has come into force. Procedural aspects related to the said Act have been framed under Karnataka Value Added Tax Rules 2005. Under VAT Act, on goods mentioned in the schedule to the Act, tax has to be levied and collected at prescribed percentages and monthly returns filed by the VAT registration holders in the prescribed Form within the stipulated time prescribed.

The Corporate Office is issuing shortly a detailed circular relating to compliance with provisions of VAT Act and Rules. All the concerned have to scrupulously follow the same and take timely action. Therefore, accounting units are directed not to send details of sales tax collected to this office every month on sale of scrap etc., as in the changed scenario, this office will have no role in consolidating and arranging payment of Sales Tax to Commercial Tax Department every month as was being done hitherto.

The accounting units shall take note of the same and not send the statement showing details of Sales Tax collected every month from April 2005 and onwards as instructed in this office letter dated 28.8.2004 to the Accounts Officer (Accounts) of this office.

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No. FA (A&R)/(A/cs)/AAO-II/ CYS.32

Dated: 28th July 2005

Sub: Revised procedure for Accounting Materials under Turn-Key works – Taking to KPTCL stock account and issuing M.A.S. dispensed with

Ref: Corporate office Circular No. KPTCL/B-28/B8/2243/97-98 dated 30-6-2005

Refer Corporate Circular Letter under reference wherein Broad guidelines for application of Karnataka Sales Tax / Value Added Tax / Special Entry Tax / Works Contract Tax / Service Tax have been issued. Under Para 6.2 (iii) of the circular, taking turnkey project materials to KPTCL Stock account and issue of MAS is dispensed with. As a result, no Material Acknowledgement Statement

shall be insisted upon for passing supply bills of turnkey materials from hereafterwards.

The bills for materials under Turnkey works shall be passed on the basis of following certificates.

1	Certificate recorded by the Turnkey contractor that materials are received as per the Terms and Conditions of the P.O. placed for materials and Turnkey works agreement entered into by him with KPTCL.
2	Certificate recorded by the J.E / A.E. designated as site engineer or engineer in charge of work to the effect that the materials are actually received in the store of turnkey contractor or at site and they are as per the Terms & Conditions of P.O. and turnkey contract agreement.
3	Certificate to the effect of receipt of material by the AEE (El) who is the sub-divisional officer in charge of turnkey work
4	Countersignature of the Executive Engineer (El) in charge of the work and who is the Divisional officer under whose jurisdiction the turnkey work is being executed.

As turnkey materials are not to be taken into KPTCL Stock account as stated above, the present practice of accounting materials under turnkey transactions requires slight modifications. Model Journal entries and effect of the entries in cashbook that was in practice and Journal entries to be passed in the revised procedure are given below. All the Accounting Units shall thoroughly understand the revised procedure and implement the same duly taking necessary action to record all the transactions correctly.

Existing procedure			New Procedure		
Journal Entries passed at present			Journal Entries to be passed in future		
On receipt of Materials meant for Turn-key Works			On receipt of Materials meant for Turn-key Works		
22.210	Material Purchases Dr.	xx	As per Board Circular dated 30-6-2005 taking turn-key project materials to KPTCL's stock account is prohibited. Hence this entry is not required to be passed.		
To					

42.101	Liability for supply of materials		xx				
				J.V. TO BE PASSED ON RECEIPT OF BILLS AFTER SUPPLY OF TURN KEY MATERIALS			
42.101	Liability for supply of materials Dr.	xx		26.605	Turn key contractors Material Control Account. (100% of the bill)	Xx	
To				To			
42.201	S.Crs. Control A/c (50% of the bill)		xx	42.201	S.Crs. Control A/c (50% of the bill)		xx
46.104	Retention Money (50% of the bill)		xx	46.104	Retention Money (50% of the bill)		xx
Stages of Payment				Stages of Payment			
50%	On supply			50%	On supply		
30%	On Erection			30%	On Erection		
10%	On Completion			10%	On Completion		
10%	On Commission			10%	On Commission		
Effect of Entry in cash book (No J.V. is required)				Effect of Entry in cash book (No J.V. is required)			
42.201				42.201			
To	Bank Account			To	Bank Account		
(Payment of 50% of the bill on supply of materials)				(Payment of 50% of the bill on supply of materials)			
As and when 30%, 10% & 10% bills are to be passed				As and when 30%, 10% & 10% bills are to be passed			
46.104 Dr		xx		46.104 Dr		Xx	
To	42.201		xx	To	42.201		xx
(J.V. for passing of 30%, 10% & 10% of the bill)				(J.V. for payment of 30%, 10% & 10% of the bill)			
42.201				42.201			

To	Bank Account			To	Bank Account		
(Actual Payment of 30%, 10% & 10% of the bill) (No JV required)				(Actual Payment of 30%, 10% & 10% of the bill) (No JV required)			
On issue of Materials meant for Turn-key Works							
26.603	Contractors Material control account	xx		As per Board Circular dated 30-6-2005 taking turn-key project materials to KPTCL's stock account and Issues from Corporation's stocks are prohibited. Hence this entry is not required to be passed.			
To							
22.310	Material Issues		xx				
(100% of the bill value to be debited to 26.603)							
				On use of Materials for Turn-key Works by Contractor as certified in the bill			
On Erection of equipment				On Erection of equipment			
14	CWIP Dr.	xx		14	CWIP Dr.	Xx	
To				To			
26.603	Contractors Material control account		xx	26.605	Turn key contractors Material Control Account. (100% of the bill)		xx
(to the extent of materials used for construction)				(to the extent of materials used for construction)			
ERECTION & CIVIL WORK COST				ERECTION & CIVIL WORK COST AS & WHEN BILLS ARE PASSED			
90 %	On Erection			90 %	On Erection		
10%	On Commissioning			10%	On Commissioning		
14	CWIP Dr. (100%	xx		14	CWIP Dr. (100%	Xx	

	Value)				Value)		
To 42.401	Contractors Control Account (90% of the bill)		xx	To 42.401	Contractors Control Account (90% of the bill)		xx
To 46.104	Retention Money (10% of the bill)		xx	To 46.104	Retention Money (10% of the bill)		xx
42.401				42.401			
To	Bank Account			To	Bank Account		
(Payment of 90% of the bill on Erection of asset) (No J.V. is required)				(Payment of 90% of the bill on Erection of asset) (No J.V. is required)			
On Commissioning of the asset				On Commissioning of the asset			
46.104	Retention Money Dr. (10% Value)	xx		46.104	Retention Money Dr. (10% Value)	Xx	
To				To			
42.401	Contractors Control Account (10% of the bill)		xx	42.401	Contractors Control Account (10% of the bill)		xx
42.401				42.401			
To	Bank Account			To	Bank Account		
(Actual Payment of 10% of the bill) (No J.V. is required)				(Actual Payment of 10% of the bill)(No J.V. is required)			

Some of the Accounting units have sought clarifications in respect of amount to be reckoned for furnishing total Financial outlay booked for a specific turnkey work. It shall be calculated as follows:-

1	Balance under Account Code 26.605- Turnkey Contractors Material control Account of that specific work	Xxx
2	Add : Balance in relevant Account code under 14 series of that specific work	Xxx
3	Deduct: Balance under Account code 46.104 – Retention money of that specific work	(-) xxx
	Total Financial Outlay booked for the specific Turnkey work	Xxx

(Total Financial outlay of earlier works i.e. prior to 30-6-2005 may be calculated in the similar manner as shown above, by replacing Account code 26.605 by 26.603)

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No. FA (A&R)/(A/cs)/AAO-II/ CYS.35

Dated: 5th August 2005

Sub: Procedure for Accounting Reactive capacitor charges collected from IPPs.

In accordance with Terms & Conditions of Power Purchase Agreement entered by KPTCL with IPPs, latter has to pay Rs.37,000/- per M.W. of installed capacity and for fractions thereof on a pro rata basis as a one time lump sum payment for the sole purpose of providing the required MVAR capacity at the sub-station of the Corporation to which project is interconnected to supply the requisite reactive power to the grid system.

As the amount is collected as deposit for specific work, the same shall be credited to new Account Code **47.320 – Deposits received from IPPs for providing MVAR capacitors at sub-stations of KPTCL** and the relevant work should be executed under Deposit Contribution Work. All the related expenditure shall be booked against this account code till the work is completed. On completion of the entire work for which deposit is collected, the amount remaining in this account code, shall be credited to miscellaneous revenue. The deposit collected shall be treated as non-refundable. The work shall be categorised by debit to relevant account code under 10 series and by credit to Account code 55.112 – Capital receipts collected from independent IPPs towards reactive power compensation works.

The amount of contribution received towards creation of asset will be initially shown as credit balance under Account code 47.320 and then subsequently transferred to Account Code 55.112 to the extent of assets created, in the books of accounts of the division, by exhibiting debit balance against asset created out of contribution. As such, all the accounting units which have collected / will collect Deposits from IPPs for providing MVAR capacitors at sub-stations of KPTCL shall transfer the balance to the concerned TL&SS Division through Advice of Transfer. TL&SS Division shall take necessary action to depict the balance as stated above.

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Sub: Procedure for Accounting theft of Corporation asset and replacement of the same.

It is reported by some of the Accounting units of KPTCL that part / whole of the assets already commissioned / yet to be commissioned are stolen and hence the same has to be replaced by similar material. The units have sought the procedure to be followed for accounting theft of materials and for replacement of such materials. The procedure to be followed and Journal entries to be passed are detailed in the foregoing paras.

On Noticing of theft of asset, a police complaint shall be lodged immediately with jurisdictional police authorities and the investigation pursued. Accounting entries to be passed in different situations are as follows:-

	<u>If the asset stolen is insured: -</u>		
	<u>28.744 - Claims for loss to capital asset - Insurance companies Dr. (WDV of the asset)</u>	<u>xx</u>	
	<u>12 - Accumulated depreciation Dr.</u>	<u>xx</u>	
	<u>To 10 - Fixed Assets.</u>		<u>xx</u>
	<u>(if the value of the asset stolen cannot be ascertained / arrived at for any reason, the present value of such part of the asset can be depreciated over life of the original asset and Written Down Value arrived at)</u>		
	<u>If the asset stolen is not insured, Account code 28.744 stated above shall be replaced by Account code 28.749 - Claims for loss to capital assets - Others.</u>		
	<u>For replacing the stolen asset, work order shall be issued under appropriate account in 14 Series.</u>		
	<u>On the completion of the work, the same shall be categorized by debit to Account code under 10 series and credit to account code under 14 series and necessary entries made in separate folio of the Fixed Asset Register.</u>		
	<u>On recovery of stolen materials by Police authorities and handed over to KPTCL.</u>		
	<u>9. If it is treated as scrap, the same shall be</u>		

	<u>debited to the Account Code under 16.1 series by credit to Account Code 28.744 or 28.749 as the case may be.</u>		
	<u>0. If it is not treated as scrap, the same shall be debited to the Account Code under 16.2 series by credit to Account Code 28.744 or 28.749 as the case may be.</u>		
	<u>On getting cash from Insurance companies, Account code 28.744 shall be credited. The difference between WDV and actual receipt of cash shall be accounted as follows:-</u>		
	<u>1. When cash received is in excess of the WDV of the stolen asset – the difference shall be credited to Account code 62.917 - Miscellaneous recoveries.</u> <u>2. When cash received is in short of the WDV of the stolen asset – the difference shall be debited to Account code 79.571 – Sundry debit balance written off, after taking approval from competent authorities.</u>		
	<u>If the stolen assets are not covered by insurance and also not recovered by the police authorities, the balance under Account code 28.749 shall be cleared by debit to Account code 79.571 – Sundry debit balance written off duly obtaining “B” Report from police authorities and obtaining necessary approval for write off from competent authorities.</u>		

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No. FA (A&R)/A/Cs/AAOII /CYS - 48

Dated: 3rd November, 2005

**Sub: Procedure for Pairing off items in IUA – clearance account codes-
Arranging of Demonstration about usage of Web enabled Software**

- Ref: 1 This office letter No FA (A&R)/ A/Cs /AAOII / CYS-72 Dated 3/2/2004, prescribing procedure for Pairing off items in IUA – clearance account codes.
- 2 No. FA (A&R)/A/Cs/AAOII /CYS - 48 Dated 27th October, 2004
Issuing instructions regarding inputting data for pairing off balances under IUA clearance account codes.

All the accounting units are aware of the background of evolving new system for ensuring matching contra debits/credits afforded to clearance accounts in different units and ensuring permanent clearance of matched items that has been detailed in the letter dated 3/2/2004 (Ref 1). The procedure laid down for pairing off of items in IUA clearance account codes is in vogue for quite sometime now. Statement of Debits & Credits booked in respect of IUA clearance accounts as on 31/03/2005, were submitted by the Units to this office in the Formats prescribed therein.

For pairing activities at H.O in respect of IUA clearance account codes, exclusive software is developed. Data submitted by accounting units of KPTCL as on 31/03/2005, has been processed and following details have been sent to the concerned accounting unit.

IUA clearance matched statement as on 31/03/2005
Abstract showing permanently cleared (matched) items
Statement of unmatched items as on 31/03/2005

Even though the procedure is in practice for more than a year and detailed instructions are given regarding the manner in which the Formats are to be entered, many items still appear in the Statement of unmatched items. The reasons have been analysed and it is found out that in a majority of the cases, data keyed in to the Excel Format is not as per instructions issued. MS Excel is generally available and usable software over which we cannot exercise control. It was because of this reason strict instructions were issued regarding the manner of inputting data so as to enable import of data to the Software developed for pairing balances in IUA account codes without any problem. To overcome this recurring problem in importing the data, a web enabled software has now been developed in house and demonstration given / is being given in all the KPTCL Circle Offices to all accounting units, by a Team deputed by this office.

In this connection, detailed instructions are given in the following paras for strict compliance by all the concerned.

Action to be taken by the accounting units

Statement of unmatched items as on 31/03/2005 has been sent to enable accounting units to verify data with original records of the unit. Main reasons for unmatched items are:

Mentioning of wrong Location Codes of the counterpart accounting unit
Mentioning of wrong A.T number / Acceptance No.
Mentioning of wrong A.T date / Acceptance date
Mentioning of wrong A.T amount / Acceptance amount

Affording of debit or credit to wrong IUA Clearance account code For E.g.: Acceptance sent by one accounting unit under account code 31.3 being accounted in the other accounting unit under 32.3

Entering of wrong data in the Formats prescribed. For E.g. Entering of debits booked in respect of A.T sent in Format-1B instead of Format-1A. Since details of Format-1A are matched with that of Format-2B, and in respect of Format-2A with that of Format-1B, mistakes in entering data against incorrect Format will result in unmatched items.

Multiple acceptance to a single AT

Entering Alphanumeric characters in AT No / Acceptance No in A.T
(A.T. Numbers to be in numerals only)

Consequent to acceptance of AT or receipt of acceptance for AT sent, not passing JV by one of the involved Unit by either crediting or debiting as the case may be, the clearance account code (31.3,32.3,36.3 or 37.3)

Therefore, the accounting units shall verify unmatched statement sent keeping the above points in view and correct the same manually first. With reference to corrected data, items as on 31/03/2005 be set right. It shall be specifically noted that if correction of data warrants transferring of amount from one IUA account code to another IUA account code (For e.g. from 31.3 to 32.3, 32.3 to 36.3, 36.3 to 37.3 etc) **such correction has to be done by passing necessary corrective journal entry only to ensure proper depiction of balances against respective account codes in the TB.** After correcting the data, data for the months from April 05 to Sept 05 shall be keyed in, in the data entry screen duly tallying balance with monthly trial balance figures.

As mentioned above, the Software for pairing off balance in IUA clearance account codes is WEB ENABLED. Accounting Units of KPTCL can access Internet site duly following instructions given in the “USER MANUAL”, which has been / will be handed over during demonstration given / being given.

For accessing the site, a USER ID will be given for each accounting unit along with a PASS WORD. Provision is made in the software to change PASS WORD. It is advised to change PASS WORD before the Unit starts using the software. It will be personal responsibility of the Head of the accounting unit for ensuring sanctity of data of the Unit and no unauthorised person can access the Unit's data for whatever reasons.

For purpose of pairing, the software considers data of Format-1A with that of Format-2B and data of Format-2A with that of Format-1B. Therefore, the accounting units have **to take maximum care in entering data pertaining to the concerned Format only without mixing up data of one Format with that of other.**

Immediately after an accounting unit is given the USER ID & Password, unmatched data up to 31/3/2005 shall be edited and corrected and monthly data for the months from April to September 2005 be keyed in duly tallying figures with monthly TB and keeping in mind instructions given in Para 2 ante and also avoiding common mistakes mentioned above.

From October 2005 and onwards, data every month shall be uploaded as soon as the TB for the month is sent to HO but not later than 20th of the succeeding month.

If Internet facility does not exist in the accounting unit, data be uploaded using facilities available at nearest ‘Internet browsing centers / Cyber cafes’ and expenditure met out of Imprest.

Until further instructions soft copy and hard copy of Formats 1A, 1B and 2A, 2B shall be sent every month duly tallying balances to the TB for the month with out fail.

Further instructions regarding action to be taken by the accounting units will be issued after pairing matched items by the Head Office. The accounting units shall follow scrupulously all the instructions issued above failing which the head of the accounts section will be held personally responsible for dereliction of duty and action initiated with out any notice.

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No.FA(A&R)/Acs/AAO.II/CYS-49

Dated: 07.11.2005

Sub: Amendment to revised procedure for Accounting Materials under Turnkey works – taking to KPTCL stock account and issuing M.A.S dispensed with.

Ref: This office CYS No.FA(A&R)/ACS/AAO-II/CYS-32 dated 28th July 2005.

While prescribing revised procedure for Accounting materials under Turnkey works, some entries debiting A/c code 46.104 and crediting 42.201 or 42.401 were shown under “New procedure”. As it is not necessary to pass entry from one liability account to another liability account for the purpose of making payment, the said entries are amended and the amended entries are shown below against each such entry. The amended procedure may be followed in future.

Existing Entries under ‘New Procedure’				Amended Procedure			
As and when 30%, 10%, & 10% bills are to be passed		Dr	CR			Dr	Cr
46.104		XX		Deleted			
To	42.201		XX				

(J.V for payment of 30%, 10%, & 10% of the bill)						
42.201				46.104		
To	Bank account			To	Bank account	
(Actual payment of 30%, 10% & 10% of the bill) (No JV required)				(Actual payment of 30%, 10% & 10% of the bill) (No JV required)		

On Commissioning of the asset				On commissioning of the asset			
46.104	Retention money Dr (10% value)	XX		Deleted			
To							
42.401			XX	46.104			
42.401				To	Bank account		
To	Bank account						
(Actual payment of 10% of the bill) (No JV required)				(Actual payment of 10% of the bill) (No JV required)			

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No. FA(A&R)/PS/CYS.50

Dated: 11th November 2005.

Sub: Payment of UI charges and Reimbursement of all the expenses of SPPCC by ESCOMs-Accounting Procedure.

- Ref: 1). Proceedings of meeting held on 04-06-05 sent vide No.KPTCL/ B-28 /3232/ 2004-05/27-06-2005.
- 2). Proceedings of SPPCC meeting held on 21-06-05 sent vide No. KPTCL/ B-28 /3232/ 2004-05/27-06-05.
- 3) Proceedings of SPPCC meeting held on 19-07-05 sent vide No.SPPCC/A1 /4/2005-06/28-07-2005
- 4). Proceedings of SPPCC meeting held on 02-08-05 sent vide No.SPPCC/A1 /4/2005-06/09-08-2005.
- 5). G.O. No.EN 131 PSR 2003 dated 10th May 2005.
- 6). G.O of Even number dated 2nd August 2005.
- 7). Proceedings of SPPCC Meeting held on 10.10.2005.

Your attention is invited to the above references. As per the G.O. dated 2-8-2005 all the expenses of the State Power Procurement Co-ordination Centre (SPPCC) shall be borne and reimbursed by ESCOMs. In the SPPCC meeting held on 21st

June'05, it has been decided that the ESCOMs shall contribute regularly towards the revolving fund administered by SPPCC to meet UI charges and to settle SREB bills in time. The ESCOMs have already made their contribution towards UI charges to the extent of Rs.50 Cr and SPPCC is maintaining each ESCOM wise account of contributions and payments made to SREB periodically. Out of this fund, the SPPCC has drafted Rs.10 Lakhs from each ESCOM's account for its administration charges and the same has already been intimated to all the ESCOMs vide their letter No. 780-84/05-06 dated 20.10.05. Proper account of the amounts paid to SPPCC by ESCOMs has to be maintained at SPPCC and each ESCOM. Each ESCOM's corporate office has to maintain account of Contributions made towards revolving fund by it and debit their respective revenue expenditure account as and when the amounts are spent by SPPCC and related intimations are sent to concerned ESCOMs. Detailed procedure laid down for accounting these transactions is given below.

Unscheduled Interchange charges (UI Charges) –

The amount contributed by ESCOMs towards UI charges shall be initially treated as “Advance paid to SPPCC towards UI charges” in the ESCOMs Corporate Office. The amount received shall be treated as “Advance received” in SPPCC. The ESCOMs shall open a new account code under 28.9 series named as “28.9...-- Advance paid to SPPCC towards UI charges”. Whenever any advance payments are made by ESCOMs to SPPCC, the amount shall be debited to this relevant account code under 28.9 series. As and when the payments are made to SREB, the SPPCC will intimate each ESCOM regarding the payments of UI charges in respect of that ESCOM and the ESCOM shall account the same by debit to Power Purchase expenditure under Account code 70 series and credit to this account code under 28.9 series to reduce the advance.

In the event of Advance paid towards UI charges is drafted for Administrative Expenses, the SPPCC will intimate the quantum so drafted and the ESCOMs shall transfer the advance from UI charges advance account to Administrative charges advance account. The details regarding clearance of balance in Administrative charges advance account are given in succeeding para.

SPPCC Administrative charges.

The ESCOMs shall open a separate new Account code under 28.9 series named as “28.9... Advance paid towards SPPCC Administrative charges” as similar to UI charges. As and when the advance from UI charges is drafted by SPPCC towards Administrative expenses, the ESCOM shall debit Advance paid towards SPPCC Administrative charges and credit “Advance paid to SPPCC towards UI charges” on receipt of intimation from SPPCC. Similarly, when exclusive contributions are made towards SPPCC Administrative charges, by ESCOMs, the same shall be debited to Advance paid towards SPPCC Administrative charges. As and when

expenditure is incurred by SPPCC towards administrative charges, the same will be intimated to respective ESCOMs with specific nature of expenditure incurred. The ESCOMs shall debit a separate Account code under 70 series named as “SPPCC Administrative Expenses” and credit Advance paid towards SPPCC Administrative charges.

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No. FA (A&R)/(A/cs)/AAO-II/ CYS.52

Dated: 16th November 2005

Sub: Amendment to Revised procedure for Accounting Materials under Turn-key works – Taking to KPTCL stock account and issuing M.A.S. dispensed with.

Ref: This office Circular No. FA(A&R)/(A/cs)/AAO-II/ CYS.32 dated 28-7-2005.
This office Circular No. FA (A&R)/(A/cs)/AAO-II/ CYS.49 dated 7-11-2005
This office O.M. No. CYS. 51 dated 15-11-2005.

Please refer to this office circular under reference (1), wherein revised procedure for accounting materials under turnkey works has been prescribed. While prescribing the new procedure to be followed, the existing Account code 42.201- Sundry Creditors control account was used for creating liability for payment. As the Revised procedure prescribed is exclusively for accounting materials under turnkey works, it is felt that utilizing an exclusive account code for creating liability for payment in respect of turnkey works would be more appropriate. Hence, a new account code 42.701- Sundry Creditors / Control Account – Turnkey Projects has been issued vide O.M. under reference 3. The journal entry to be passed under revised procedure prescribed under reference 1 is modified as follows.

<u>Existing Entries under ‘New Procedure’</u>			<u>Amended Entries</u>		
<u>JV to be passed on receipt of bills after supply of turnkey materials.</u>			<u>JV to be passed on receipt of bills after supply of turnkey materials.</u>		
<u>Turnkey contractors</u>			<u>Turnkey contractors</u>		
<u>Material control Account</u>			<u>Material control</u>		
<u>(100% of the bill).</u>			<u>Account (100% of the</u>		
<u>Dr</u>			<u>bill). Dr</u>		
<u>S.Crs. Control A/cs (50%</u>			<u>Sundry Creditors /</u>		

<u>of the bill)</u>				<u>Control A/cs –</u> <u>Turnkey projects.</u> <u>(50% of the bill)</u>		
<u>Retention Money</u> <u>(50% of the bill)</u>				<u>Retention Money</u> <u>(50% of the bill)</u>		
<u>On Payment –Effect of Entry in</u> <u>Cash Book (No JV is required)</u>				<u>On Payment –Effect of Entry</u> <u>in Cash Book</u> <u>(No JV is required)</u>		
<u>S.Crs. Control A/cs</u>				<u>Sundry Creditors / Control</u> <u>A/cs – Turnkey projects.</u>		
<u>Bank Account</u>				<u>Bank Account</u>		

It shall also be noted that amended procedure for accounting retention money has been issued vide letter under reference (2). All the accounting units shall take note of both the amendments and follow the amended procedure only for accounting materials under turnkey works.

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No. FA (A&R)/(A/cs)/AAO-II/ CYS. 55

Dated: 28 November 2005

Sub: Guidelines for accounting transactions in Transmission Billing Centre (TBC) & State Load Despatch Centre (SLDC)

- Ref:
1. G.O. No. EN 131 PSR 2003 dated 10th May 2005
 2. G.O. of even number dated 2nd August 2005.
 3. KPTCL order No.KPTCL/SA.3/3927/05-06 dated 16-11-05

As per G.O. dated 10-5-2005, KPTCL will not trade in power with effect from 10-6-2005. In G.O. dated 2-8-2005, it is ordered that State Load Despatch Centre (SLDC) should work under KPTCL and the State Power Procurement Co-ordination Committee (SPPCC) will be attached to KPTCL instead of BESCO. Further it is directed therein to open separate head of account for booking

expenditure of SPPCC and to obtain reimbursement from all ESCOMS. The TBC and SLDC have been formed and administrative control of TCD has been shifted to O/O the SEE-Transmission (Maintenance), BMAZ – Location code 901 vide order under reference 3. In the above background, accounting procedure to be followed by Transmission Billing Centre (TBC) & State Load Despatch Centre (SLDC) and Resource Section of KPTCL are detailed below.

**Accounting procedure to be followed in
Transmission Billing Centre (TBC)**

1. The existing Energy Billing Centre (EBC) stands changed as **Transmission Billing Centre (TBC)**
- 2 Location Code of EBC i.e. 728 is continued as Location code of Transmission Billing Centre (TBC)
- 3 TBC shall render monthly Trial Balance, March Final Accounts and all other monthly returns prescribed, to this office.
- 4 TBC shall send Transmission Charges bill to all the ESCOMS, periodically and ensure recovery of the same. Separate Account Codes to account the Transmission charges have already been issued.
- 5 All the transactions like cash receipts & payments, Establishment and General expenses, Imprest related transactions and any other expenditure pertaining to TBC are to be initially accounted in SLDC, separately. The above stated transactions so accounted at SLDC shall be transferred to TBC through Advice of Transfer at periodical intervals and TBC shall give acceptance for such Advise of Transfer and account the balance transferred in its books under appropriate account code.
- 6 if any Fixed assets like Furniture & Fixture, Tools & Tackles etc of SLDC are being used in EBC at present shall be taken to Account, in the books of TBC duly obtaining Original value and Accumulated depreciation through advice of transfer from SLDC. The assets and accumulated depreciation so obtained shall be properly recorded in a separate Fixed Asset Register.

**Accounting procedure to be followed in
State Load Despatch Centre (SLDC)**

- 1 A new Accounting Unit of KPTCL by name **State Load Despatch Centre (SLDC)** is formed w.e.f. 10-6-2005.
- 2 Location Code of LDC i.e. 710 is continued as Location code of **State Load Despatch Centre (SLDC)**
- 3 The balances of erstwhile LDC shall be continued to be depicted in the accounts of SLDC, till such time such balances are cleared.
- 4 **Entire expenses of SLDC are to be borne by all ESCOMS.** As such, expenses incurred by SLDC shall be accounted as receivable from all ESCOMS. Separate Account Codes under Receivable Account Group

have already been issued.

SLDC is also required to initially account all the transactions like cash receipts & payments, Establishment and General expenses, Imprest related transactions and any other expenditure pertaining to **TBC**, separately. The above stated transactions of TBC, so accounted at SLDC shall be transferred to TBC through Advice of Transfer at periodical intervals and acceptance for such Advice of Transfers obtained. SLDC should avoid depiction of balance under any account code pertaining to TBC, in its Trial Balance. If for any reason, the balances of TBC are inevitably depicted in the Trial Balance of SLDC, the same shall be transferred in the immediately succeeding month. However, there should not be any balance pertaining to TBC, in the March Final Accounts of SLDC.

- 5 Fixed assets like Furniture & Fixture, Tools & Tackles etc that are to be used in SLDC and balance outstanding under Account codes like Cash & Bank, Advances, Recoverable from employees etc. shall be taken to Account, in the books of SLDC duly writing advice of transfer from LDC to SLDC.

Original value and Accumulated depreciation pertaining to Fixed assets like Furniture & Fixture, Tools & Tackles etc if any that are being used in TBC at present, but outstanding in the books of SLDC shall be immediately transferred to TBC through advice of transfer from SLDC and acceptance obtained from TBC.

- 6 The administrative control of TCD along with staff, hitherto attached to LDC has now been shifted to O/O the SEE-Transmission (Maintenance), BMAZ – Location code 901 with effect from 10-6-2005, vide order under reference 3. As such, all the relevant records like service registers, scale registers etc along with the balances under relevant account codes and all expenditure booked in respect of TCD from 10-6-2005 and onwards shall be immediately transferred to O/O the SEE-Transmission (Maintenance), BMAZ – Location code 901 through advice of transfer and acceptance obtained. Similarly Original value of assets along with accumulated depreciation and value of stock held pertaining to TCD in the books of SLDC shall also be transferred. For detailed guidelines circular no. CCA/Sn.IV/2000-01/CYS 07 dated 6-7-2000 vide page No. 73 of Compendium of circulars, Volume III shall be referred to.
- 7 SLDC Trial Balance shall contain Assets and Liabilities only. Assets shall include Cash & Bank Balances, Advances recoverable from Staff, Income earned and Receivable from ESCOMS etc. Liabilities shall include amount Payable to KPTCL and other utilities.

- 8 SLDC shall meet all the expenditure of State Power Procurement Co-ordination Committee (SPPCC) also and account the same as receivable from all ESCOMS towards maintenance charges of SPPCC. Separate Account Codes are given below.
- 9 SLDC shall maintain required registers, schedules and books of accounts and prepare monthly / March Final Trial Balance and submit the same to Head Office.
- 10 SLDC shall forward separate fund requisitions to KPTCL in respect of expenditure for TBC, SLDC and SPPCC from 1-12-2005 and onwards. In respect of expenditure for the period from 10-6-2005 to 30-11-2005, SLDC shall furnish the details of Receivables from ESCOMS towards SLDC and SPPCC to Resource Section, KPTCL, Bangalore.
- 11 Funds transferred from KPTCL to SLDC shall be accounted under Account Code 46.105 – Funds transferred from Resource Section of KPTCL, as payable to KPTCL. The balance in this account shall be cleared by making payment to KPTCL after obtaining reimbursement of expenses / charges from all ESCOMS.
- 12 Funds transferred from KPTCL to LDC for discharging old liabilities shall be accounted as funds transfer from KPTCL under IUA 34 to LDC (L.C. 710) and balance under liability account codes cleared by making payment.

Procedure to be followed in Resource Section of KPTCL

- 1 Funds transferred to SLDC shall be accounted under new Account Code 28.906 – Funds transferred to SLDC – Receivable / adjustable. On receipt of payment from SLDC the same account code shall be credited.
- 2 Funds transferred to SLDC for discharging old liabilities of erstwhile LDC like power purchase payments pertaining to the period prior to 10-6-2005 etc. shall be accounted under IUA-34 as being done at present.
- 3 SPPCC is required to intimate Resource section of KPTCL & all ESCOMS about the amount of PGCIL transmission charges. On receipt of intimation from SPPCC, the Resource Section of KPTCL shall arrange for payment of Transmission Charges to PGCIL from KPTCL duly obtaining funds from concerned ESCOMS through ESCROW arrangement. However, SPPCC in its meeting held on 10-10-2005 has decided that the ESCOMS have to pay the transmission charges of PGCIL directly to them through LC and accordingly the ESCOMS have been addressed to do with effect from December 2005.

The concerned accounting units shall follow the above accounting procedure scrupulously.

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No. FA (A&R)/(A/cs)/AAO-II/ CYS. 56

Dated: 03 -December 2005

Sub: Amendments to Guidelines for accounting transactions in Transmission Billing Centre (TBC) & State Load Despatch Centre (SLDC)

Ref: 4. G.O. No. EN 131 PSR 2003 dated 10th May 2005
5. G.O. of even number dated 2nd August 2005.
6. KPTCL order No.KPTCL/SA.3/3927/05-06 dated 16-11-05
7. This office circular No. FA(A&R)/C(A&FR)/AAO-II/CYS.55 dated 28-11-2005.

Detailed instructions with regard to Accounting procedure to be followed in Transmission Billing Centre (TBC), State Load Despatch Centre (SLDC) and Resource Section of KPTCL have been issued vide this office circular under reference 4, above. In the said circular, vide para No. 4 under the heading Accounting Procedure to be followed in State Load Despatch Centre (SLDC), it is stated, "Entire expenses of SLDC are to be borne by all ESCOMs" and suitable accounting instructions have been given therein.

As per Chapter III of KERC (Levy and collection of Fee and Charges by State Load Despatch Centre) Regulations, 2004, expenses incurred by the SLDC shall be recovered from the Generating stations monitored and despatched by the SLDC and the Transmission Licensees. As per para 3.05 of chapter III of said regulations, the SLDC charges to be recovered from the Generating Stations monitored and despatched by SLDC and Transmission Licensees shall be determined taking into account the following expenses:

- a Employee Cost
- b Administration and General Charges
- c Repairs and Maintenance Expenses
- d Depreciation
- e Interest & Finance charges
- f Interest on working capital, if any
- g Return on Equity / Investments
- h Any other expenses incidental to discharging the functions of SLDC.

As per para 3.06 of chapter III of said regulations, the annual SLDC charges shall be arrived at, as per Annexure 1 of the regulations and shall be allocated equally between the Generating Stations monitored and despatched by SLDC and Transmission Licensees. Thereafter, the allocation of charges to the individual

Generating Stations monitored and despatched by SLDC shall be on the basis of installed generation capacity. The allocation of charges to individual transmission licensees shall be on the basis of M.W. kilo Meters of the transmission network. These regulations shall not be applicable to generating stations upto and inclusive of installed capacity of 5 MW.

Chapter V of the said regulations deals with Billing and Collection of SLDC Charges. Relevant provisions relating to billing of SLDC charges are listed below:

a	The SLDC shall furnish necessary monthly bills at the rate of one twelfth of the annual charges as approved by the commission, to the Generating stations monitored and despatched by SLDC and the Transmission Licensee for each billing month within SEVEN DAYS after the last day of the preceding month.
b	The Generating Companies and the Transmission Licensees shall make payment to the SLDC of the amounts due within FIFTEEN DAYS of the date of receipt of the bill.
c	In case of any dispute, 90% of the bill amount shall be paid under protest within the due date.

In the above background, the revised Accounting procedure to be followed in State Load Despatch Centre (SLDC) and Resource Section, KPTCL are as follows:

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- 1 A new Accounting Unit of KPTCL by name **State Load Despatch Centre (SLDC)** is formed w.e.f. 10-6-2005.
- 2 Location Code of LDC i.e. 710 is continued as Location code of **State Load Despatch Centre (SLDC)**
- 3 The balances of erstwhile LDC shall be continued to be depicted in the accounts of SLDC, till such time such balances are cleared.
- 4 **Entire expenses of SLDC are to be equally borne by Generating Stations monitored and despatched by SLDC and Transmission Licensees.** As such, 50% of the expenses incurred by SLDC, which is to be borne by KPTCL shall be accounted under appropriate Account Codes meant for booking expenditure under natural head of expenditure The balance 50% of expenditure of SLDC to be borne by Generating companies shall be accounted as receivable from Generating stations through ESCOMS. Account Codes under Receivable Account Group already issued are modified as follows:-

As Existing		As Amended	
A/c Code	Account Head	A/c Code	Account Head

	28.953	Receivable from BESCOM towards share of O&M expenses of SLDC	28.953	Share of O&M expenses of SLDC Receivable from Generating Companies through BESCOM
	28.954	Receivable from MESCOM towards share of O&M expenses of SLDC	28.954	Share of O&M expenses of SLDC Receivable from Generating Companies through MESCOM
	28.955	Receivable from HESCOM towards share of O&M expenses of SLDC	28.955	Share of O&M expenses of SLDC Receivable from Generating Companies through HESCOM
	28.956	Receivable from GESCOM towards share of O&M expenses of SLDC	28.956	Share of O&M expenses of SLDC Receivable from Generating Companies through GESCOM
	28.957	Receivable from CESCO towards share of O&M expenses of SLDC	28.957	Share of O&M expenses of SLDC Receivable from Generating Companies through CESCO

- 5 SLDC is also required to initially account all the transactions like cash receipts & payments, Establishment and General expenses, Imprest related transactions and any other expenditure pertaining to **TBC**, separately. The above stated transactions of TBC, so accounted at SLDC shall be transferred to TBC through Advice of Transfer at periodical intervals and acceptance for such Advice of Transfers obtained. SLDC should avoid depiction of

balance under any account code pertaining to TBC, in its Trial Balance. If for any reason, the balances of TBC are inevitably depicted in the Trial Balance of SLDC, the same shall be transferred in the immediately succeeding month. However, there should not be any balance pertaining to TBC, in the March Final Accounts of SLDC.

- 6 Fixed assets like Furniture & Fixture, Tools & Tackles etc that are to be used in SLDC and balance outstanding under Account codes like Cash & Bank, Advances, Recoverable from employees etc of erstwhile LDC shall be taken to Account, in the books of SLDC duly writing advice of transfer from LDC to SLDC.
Original value and Accumulated depreciation pertaining to Fixed assets like Furniture & Fixture, Tools & Tackles etc if any that are being used in TBC at present, but outstanding in the books of SLDC shall be immediately transferred to TBC through advice of transfer from SLDC and acceptance obtained from TBC.
- 7 The administrative control of TCD along with staff, hitherto attached to LDC has now been shifted to O/O the SEE-Transmission (Maintenance), BMAZ – Location code 901 with effect from 10-6-2005, vide order under reference 3. As such, all the relevant records like service registers, scale registers etc along with the balances under relevant account codes and all expenditure booked in respect of TCD from 10-6-2005 and onwards shall be immediately transferred to O/O the SEE-Transmission (Maintenance), BMAZ – Location code 901 through advice of transfer and acceptance obtained. Similarly Original value of assets along with accumulated depreciation and value of stock held pertaining to TCD in the books of SLDC shall also be transferred. For detailed guidelines circular no. CCA/Sn.IV/2000-01/CYS 07 dated 6-7-2000 vide page No. 73 of Compendium of circulars, Volume III shall be referred to.
- 8 SLDC Trial Balance shall contain Assets, which include Cash & Bank Balances, Advances recoverable from Staff etc. Liabilities shall include amount Payable to KPTCL and other utilities. Expenditure shall include expenses of SLDC to be borne by KPTCL and Income shall include income earned by SLDC.
- 9 SLDC shall meet all the expenditure of State Power Procurement Co-ordination Committee (SPPCC) also and account the same as receivable from all ESCOMS towards maintenance charges of SPPCC under the following New Account Codes.
28.958(ANC) Receivable from BESCO towards maintenance

- charges of SPPCC
- 28.959(ANC) Receivable from MESCOM towards maintenance charges of SPPCC
- 28.960(ANC) Receivable from HESCOM towards maintenance charges of SPPCC
- 28.961(ANC) Receivable from GESCOM towards maintenance charges of SPPCC
- 28.962(ANC) Receivable from CESCO towards maintenance charges of SPPCC
- 10 SLDC shall maintain required registers, schedules and books of accounts and prepare monthly / March Final Trial Balance and submit the same to Head Office.
- 11 SLDC shall forward separate fund requisitions to KPTCL in respect of expenditure for TBC, SLDC and SPPCC from 1-12-2005 and onwards. SLDC shall open separate bank accounts for TBC, SLDC & SPPCC. Funds so transferred has to be accounted separately under exclusive Account codes given for this purpose:

A/c Code	Account Head	Description
46.107	Funds Received from Resource Section, KPTCL to SPPCC	This Account code is to be operated by SLDC only. The balance under this account code represents the amount transferred by KPTCL to SPPCC. The balance shall be cleared by debiting this account code as and when amount is repaid to KPTCL.
46.108	Funds Received from Resource Section, KPTCL to SLDC	This Account code is to be operated by SLDC only. SLDC shall initially account the total amount of funds transferred by KPTCL to SLDC in this Account Code. As 50% of the expenditure of SLDC has to be borne by KPTCL, the Funds equivalent to the KPTCL's share of expenditure shall be transferred to Account code IUA 34 duly intimating the amount to Resource Section also. The amount so transferred to IUA 34 by SLDC

shall be reconciled with Resource Section, every month and at the end of every financial year. On receipt of intimation from SLDC, Resource Section shall also pass necessary entries to debit IUA 34. SLDC shall clear the balance under this account code by debiting this account code as and when amount is repaid to KPTCL.

Funds transferred to meet the expenses of TBC.: - Funds transferred by KPTCL to SLDC to meet the expenses of TBC shall be accounted by SLDC under IUA 34.

In respect of expenditure for the period from 10-6-2005 to 30-11-2005, SLDC shall pass necessary entries as explained in above paras. The amount worked out shall be intimated to Resource Section, KPTCL, Bangalore.

- 12 Funds transferred from KPTCL to LDC for discharging old liabilities shall be accounted as funds transfer from KPTCL under IUA 34 to LDC (L.C. 710) and balance under liability account codes cleared by making payment.

Procedure to be followed in Resource Section of KPTCL

- 1 Funds transferred from KPTCL to SLDC pertaining to SPPCC shall be accounted under new Account Code 28.906 – Funds transferred to SPPCC – Receivable / adjustable. On receipt of payment from SPPCC the same account code shall be credited.
- 2 Funds transferred from KPTCL to SLDC pertaining to SLDC shall be accounted under new Account Code 28.907 – Funds transferred to SPPCC – Receivable / adjustable. As 50% of the expenditure of SLDC has to be borne by KPTCL, the amount equivalent to the KPTCL's share of expenditure shall be transferred to Account code IUA 34 duly ascertaining the amount from SLDC. SLDC is also passing necessary entries to credit IUA 34 to the extent of expenditure to be borne by KPTCL. As such, the amount so transferred to IUA 34 by SLDC & Resource Section shall be reconciled every month and at the end of every financial year. On receipt of payment from SLDC, this account code shall be credited.

- 3 Funds transferred to SLDC for discharging old liabilities of erstwhile LDC like power purchase payments pertaining to the period prior to 10-6-2005 etc. shall be accounted under IUA-34 as being done at present.
- 4 SPPCC is required to intimate Resource section of KPTCL & all ESCOMS about the amount of PGCIL transmission charges. On receipt of intimation from SPPCC, the Resource Section of KPTCL shall arrange for payment of Transmission Charges to PGCIL from KPTCL duly obtaining funds from concerned ESCOMS through ESCROW arrangement. However, SPPCC in its meeting held on 10-10-2005 has decided that the ESCOMS have to pay the transmission charges of PGCIL directly to them through LC and accordingly the ESCOMS have been addressed to do with effect from December 2005.

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SUB: Provision for liability for Property Tax of in respect of KPTCL buildings

In the above background, all the Accounting Units of KPTCL are hereby intimated to ascertain the quantum of property tax from jurisdictional local

and then transfer the value of Conductor to account code 10.606 (ANC). After transferring the value of Conductor to account code 10.606 (ANC), the balance remaining under account code 10.601 (ANC) shall be transferred to account code 10.605 (ANC) and balance made nil in account code 10.601 (ANC). If for any reason, the value of Conductor could not be arrived at /ascertained, the balance as on 31-12-2005 as per Asset Register (which should tally to the TB for the month) shall be segregated at the Ratio of 75:25 towards cost of Towers and Conductors respectively.

Cost of Towers shall be transferred to account code 10.605 (ANC) and cost of Conductors transferred to account code 10.606 (ANC). Accumulated depreciation under account code 12.601 (ANC) shall be segregated in the same manner or proportion as noted above in respect of Towers and Conductors and transferred to new account codes 12.605 (ANC) in respect of Towers and 12.606 (ANC) in respect of Conductors. It is to be noted that no balance is to be shown against account code 10.601 (ANC) & 12.601 (ANC) in Trial Balance for the month of January 2006 and onwards.

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No. FA (A&R)/A/Cs/AAO.I/CYS: 81

Dated: 3rd February, 2006

Sub: Effecting TDS by Outside agencies from charges payable to KPTCL

Ref: This office circular No. FA(A&R)/C(A,P&A)/PA/Cys.76 dated 28-1-2006

Attention is invited to this office circular under reference, wherein the accounting methodology to be followed in respect of deduction of tax at source (TDS) by outside agencies while making payment of supervision charges to KPTCL in respect of works undertaken by them has been prescribed.

In addition to supervision charges, KPTCL is providing various services like inspection of materials / equipments / and any other technical services to outside agencies and preferring bills for the same. The methodology enumerated hereunder shall be followed by all the Accounting Units with regard to TDS from payments to KPTCL: -

The Outside agency may be allowed to deduct Tax at Source (TDS) at the time of collection of charges for the service provided. A receipt may be issued for the amount received in cash. A TDS certificate **in original** shall be obtained from the agency, which shall bear the PAN No. of KPTCL in the TDS Certificate as "AABCK 7281 M. For the TDS certificate so obtained, an entry debiting

While issuing clarification regarding TDS from Supervision charges Payable to KPTCL vide letter under ref 1 & 2, wherever Account code 28.821(ANC) – Income Tax paid in Advance is referred to, shall be replaced with Account code 28.943(ANC) – Income Tax paid in Advance through TDS at KPTCL Accounting units. Description of Account code 28.943 is modified as under

Account Code	Existing Description	Amended Description
28.943	Income Tax deducted at source (TDS) by Accounting units of ESCOMs, out of rent paid for KPTCL's buildings occupied by them shall be debited to this account. Balance outstanding at the end of the year shall be transferred to HO under Part 'C' by operating A/C codes 37.825 and 37.826.	Income Tax deducted at source (TDS) by Accounting units of ESCOMs and outside agencies, from any payment to KPTCL shall be debited to this account. Balance outstanding at the end of the year shall be transferred to HO under Part 'C' by operating A/C codes 37.825 and 37.826.

Sub: Annual Accounts for 2005-06 – Preparation and submission of March 2006 Final Accounts.

Ref: This office CYS No. FA (A&R)/A/Cs/AAO-I/CYS.73 dated 21st January 2006

Para No.	Existing	Amended
10	No balance shall be exhibited under Account code 28.907 in March Final Trial Balance as amount recoverable from P&G Trust is to be transferred to AO(Resources)-LC 727 for preferring claim on P&G Trust. Similarly balance under Account code 44.274 – Pension and leave contribution collected from employees for counting their past service in other department and payable to P&G Trust shall be transferred to AO(Resources)-LC 727 for remitting the same	No balance shall be exhibited under Account code 28.907 in March Final Trial Balance as amount recoverable from P&G Trust is to be transferred to AO(Resources)-LC 727 for preferring claim on P&G Trust. Similarly balance under Account code 44.274 – Pension and leave contribution collected from employees for counting their past service in other department and payable to P&G Trust shall be transferred to Manager(Est-II)-LC 702 for remitting the same

Memo No. FA(A&R)/PS/CYS-97

dated 14.03.2006

All the accounting Units in KPTCL to strictly implement the above instructions from GOK without fail.

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ವಿಷಯ : ಸೇವಾ ತೆರಿಗೆ ಪಾವತಿಸುವ/ವಸೂಲಿ ಬಗ್ಗೆ ಕೇಂದ್ರ ಸರ್ಕಾರದ ಸೂಚನೆಗಳನ್ನು ಅನುಷ್ಠಾನಗೊಳಿಸುವ ಬಗ್ಗೆ.

ಸೇವಾ ತೆರಿಗೆ ಪಾವತಿಸುವ / ವಸೂಲಿ ಬಗ್ಗೆ ಭಾರತ ಸರ್ಕಾರದ ಡೈರೆಕ್ಟರೇಟ್ ಜನರಲ್ ಆಫ್ ಸರ್ವಿಸ್‌ಟ್ಯಾಕ್ಸ್ ಡೈರೆಕ್ಟರ್ ಜನರಲ್ ರವರು ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಮುಖ್ಯಕಾರ್ಯದರ್ಶಿಯವರಿಗೆ ಬರೆದ ಪತ್ರದಲ್ಲಿ ಸೇವಾ ತೆರಿಗೆಯ ವಸೂಲಾತಿ/ಪಾವತಿಯನ್ನು ಪರಿಣಾಮಕಾರಿಯಾಗಿ ಮಾಡುವ ದಿಶೆಯಲ್ಲಿ ಈ ಕೆಳಕಂಡ ಸೂಚನೆಗಳನ್ನು ರಾಜ್ಯ ಸರ್ಕಾರದ ಎಲ್ಲಾ ಇಲಾಖೆಗಳಿಗೆ, ಪ್ರಾಧಿಕಾರಗಳಿಗೆ ನೀಡುವಂತೆ ಕೋರಿಡುತ್ತಾರೆ:-

1. There is lot more that the State Government van do for improving the compliance of service tax laws.
2. It is advised that when taxable services are received by the state government departments, bodies or its undertaking, proper service tax registration number/service tax code must be insisted upon in the invoices/ receipts from the service providers. This should be mandatory either while placing orders/entering into any contract or before releasing the payments.
3. When the State Government bodies/undertaking are rendering any taxable services, they should immediately get themselves registered with jurisdictional Service Tax/Central Excise Commissionerates and start paying service tax due.
4. With effect from 16.06.2005, 9 more services have become taxable. Now 81 services are taxable at present @10.2% (10%Service Tax+2% Education Cess on S.T) The list of taxable services is enclosed for ready reference. The details about service tax also available on the website: WWW.cbec.gov.in.

ಆದ್ದರಿಂದ, ಕೇಂದ್ರ ಸರ್ಕಾರದ ಮೇಲ್ಕಂಡ ಸೂಚನೆಗಳನ್ನು ಕಟ್ಟುನಿಟ್ಟಾಗಿ ಪಾಲಿಸಬೇಕೆಂದು ಎಲ್ಲಾ ಇಲಾಖಾ ಮುಖ್ಯಸ್ಥರಿಗೆ / ನಿಗಮ / ಮಂಡಳಿಗಳಿಗೆ ಈ ಮೂಲಕ ನಿರ್ದೇಶಿಸಿದೆ.

The 81 Services on which Service Tax is levied

53.Advertising Agency services

54.airport services

55.air agent's services

- 56.architects services
- 57.authorized service station services
- 58.banking and other financial services
- 59.beauty treatment services
- 60.broadcasting services
- 61.business auxiliary services
- 62.business exhibition services
- 63.cable services
- 64.cargo handling services
- 65.chartered accountant services
- 66.cleaning activity services
- 67.clearing and forwarding agents services
- 68.club or association services
- 69.commercial or industrial construction services
- 70.commercial training or coaching services
- 71.company secretary's services
- 72.online information and data base access or retrieval services
- 73.construction of complex services
- 74.consulting engineer's services
- 75.convention services
- 76.cost and works account's services
- 77.courier services
- 78.credit rating agency's services
- 79.custom house agent's services
- 80.dredging services
- 81.dry cleaning services
- 82.erection commissioning or installation services
- 83.event management services
- 84.facsimile services
- 85.fashion designing services
- 86.forward contract service
- 87.franchise services
- 88.general insurance services
- 89.health and fitness services
- 90.insurance auxiliary services
- 91.intellectual property services
- 92.interior decorator's services
- 93.internet café services
- 94.leased circuit services
- 95.life insurance services
- 96.mailing list compilation and mailing service
- 97.maintenance or repair services
- 98.management consultant's services

99. mandap keeper's services
100. manpower recruitment (or supply) agency's services
101. market research agency's services.
102. opinion poll services
103. other port services
104. outdoor caterer's services
105. packing activity services
106. pandal or shamiana contractor's services
107. photography services
108. port services
109. programme producer's services
110. rail travel agent's services
111. real estate agent's services
112. rent-A-cab scheme operator's services
113. scientific or technical consultancy services
114. security agency's services
115. site formation and clearance excavation and earthmoving and
demolition services
116. sound recording services
117. steamer agent's services
118. stock broker's services
119. storage and warehousing services
120. survey and exploration of mineral oil and gas services
121. survey and map making services
122. technical inspection and certification services
123. technical testing and certification services
124. telegraph services
125. telephone services
126. telex services
127. tour operator's services
128. transport of goods by air services
129. goods transport agency services
130. transport of goods other than water through pipe line or other conduit
service
131. travel agents service
132. underwriter's service
133. video production agency's service

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No. FA (A&R)/A/Cs/AAO.I/CYS:98

Dated: 17th March, 2006

Sub: Recovery of Employees' Provident Fund (EPF) Contribution in respect of Contract Junior Engineers & Gang men engaged in KPTCL.

Ref: 1. Corporate Office Lr. No. KPTCL/M(IR)/B 14/2801-02/03-04 / Vol.II dated 5-1-2006.

While auditing the Annual Accounts of KPTCL for the year 2004-05, Resident Audit Officer, KPTCL, Bangalore had pointed out that Employees' & Employers' contribution towards Provident Fund to be made in respect of casual labour / contract labour has not been made as required under P.F. Act, 1952. The issue was referred to Manager (industrial Relations), KPTCL, Bangalore. In reply to the observation, it was stated that an amount of Rs.24, 10,236 towards contribution of JEEs and Gang men and Rs.24, 10,236 towards KPTCL contribution shall be provided for 2004-05 in the accounts. Accordingly, necessary provision was made in Head Office on behalf of the Accounting units and incorporated in the Accounts of KPTCL for 2004-05 so as to comply with observation of A.G's audit. While making provision in the accounts for 2004-05, employees portion of P.F. contribution was accounted as recoverable from concerned casual labourer / contract labourer. The entry so passed in Head Office during 2004-05 has to be reversed during 05-06 after ensuring that the Accounting units where contract JEEs and Gang men are working, makes the provision and passes the entry for 2004-05 during 2005-06. In addition to this, the accounting units have to make provision during 2005-06 for employers and employees' portion of P.F. contribution similarly for the period from 1-4-2005 to 31-12-2005 also. In view of the above, the concerned Accounting Units of KPTCL shall pass entries in respect of the following in their accounts for 2005-2006 and bring copies of JV along with March 2006 Final Accounts.

1	<p>To make provision for employers portion and employees portion of Provident Fund for the year 2004-05. The Journal entries to be passed are as follows: -</p> <p>Employers portion of PF Contribution, ELIS etc.</p> <p>75.767 – Corporation's portion of EPF contribution in respect of contract JEEs & Gangmen Dr.</p> <p>To</p> <p>46.931- KPTCL portion of PF Contribution, ELIS etc in respect of contract JEEs & Gangmen payable to P.F. authorities.</p>
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	Employees' portion of PF Contribution. 28.401 – Amount recoverable from employees Dr. To 46.930 – Amount recovered from salary of Contract JEEs & Gangmen towards Employees' portion of EPF contribution.
2	To make provision for employers portion and employees portion of Provident Fund for the period from April 2005 To December 2005. To pass entries as stated in Sl. No.1 above
3	As the Accounting Units are recovering the employees' portion of P.F. Contribution with effect from January 2006 as per Corporate office letter under reference, the amount so recovered from the specified employees shall be remitted to concerned P.F. authorities along with the KPTCL contribution.

A separate note is sent to Corporate office to give instructions to all the filed units of KPTCL on the following issues: -

Instructions on recovery of employees portion of Provident Fund for the period 2004-05 and from April 2005 to December 2005 and remittance of the same. The Accounting Units of KPTCL shall strictly follow instructions of Corporate office in this regard.

It is reiterated that necessary provisions in the accounts as stated in the above table shall be made in March 2006 Final Accounts and the same submitted within due date.

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No.FA(A&R)/A/cs/AAO.II/Cys:-19

Dated 26.06.2006

Sub: confirmation of date of remittance of EPF contribution to EPF dept.

Ref : T.O. Cys FA(A&R)/A/cs/AAO-I/Cys-98 dated 17.03.2006

It was intimated by this office vide Cys 98 dated 17.03.2006 to make provisions for employers and employees' portion of P.F. contribution in respect of contract JEEs and Gang men for the period from 2004-05 and upto 31-12-2005 in March Final 2006 accounts and to recover and remit the employees' portion of P.F. contribution from January 2006 along with the KPTCL contribution. Provisions so made in respect of employees' portion and employees' portion of EPF along with amount recovered as employees' portion of EPF and KPTCL contribution has to be remitted to P.F authorities.

Statutory Auditors desire to know the dates on which the said amounts are remitted to P.F. authorities. Hence the information pertaining to remittance to P.F. authorities shall be furnished in the following proforma before 5-7-2006 without fail, so as to finalise the annual accounts of KPTCL for 2005-06 as per schedule.

Amount booked under 46.930 upto 31.03.2006	Dates on which amount remitted to PF Dept	Amount
Total		

Amount booked under 46.931 upto 31.03.2006	Dates on which amount remitted to PF Dept	Amount
Total		

The matter may be treated as most urgent and immediate action taken to furnish the above details within the date prescribed.

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No. FA (A&R)/A/Cs/AAO.I/CYS 21

Dated: 30th June, 2006

Sub: Recovery of EPF contribution in respect of Contract Junior Engineer (Elecl) & Gangmen- Clarification Reg.

Ref: This office Inter Office Note No. 59 dated 15-5-2006 to Corporate Office.

**134. Corporate Office Lr. No. KPTCL / M(IR)/b 14/4976 / 2005-06
Dated 17-6-2006**

Many of the Accounting units were seeking clarification from this office regarding Recovery of EPF contribution in respect of Contract Junior Engineer (Elecl) & Gangmen. As the issue involves policy decision, the doubts raised by the Accounting units were referred to Corporate Office vide this office letter under

reference 1 for suitable clarifications. Corporate Office vide letter under reference has issued item-wise clarifications, which are reproduced below. The Accounting units shall take action accordingly.

Sl.No.	Issues referred to Corporate Office	Clarifications issued by Corporate Office
1	To comply with the observations of A.G's audit, necessary provision has been made for both the KPTCL portion of PF contribution and employees' contribution duly accounting employees' contribution as recoverable from employees in the Annual Accounts of KPTCL for 2004-05. This entry is reversed at Head Office during 2005-06 ensuring that all the Accounting units pass the entry pertaining to the year 2004-05 during 2005-06. Therefore the accounting units have accounted the employees' contribution for 2004-05 as recoverable from employees and the same is outstanding in the units. <u>The policy decision regarding recovery of employees' portion of PF contribution for the year 2004-05 from employees or the corporation to bear the amount has to be taken and intimated to units</u>	It is clarified that, we can contend that non recovery of employees portion of contribution or non coverage of EPF Act is only <u>"ACCIDENTAL"</u> for the reason presuming that the exemption obtained by KEB from the application of EPF Act, to all the monthly rated employees was also applicable to these contract workers, and also under the impression that they were entitled to Pensionary benefits under the pension scheme in force in case they are absorbed at later date etc. On this contention it is advised to recover the employees portion of contribution for the past period ineasy monthly installments in addition to the recovery of employees contribution for the current

2	<p>The Accounting units have started monthly recovery of P.F contribution from employees from January 2006 as per the directions of corporate office vide Lr. No. KPTCL/M(IR)/B14/ 2801-02/ 2003-04 /Vol.II dated 5-1-2006. Hence the employees portion of PF to be paid for the period from April 2005 to December 2005 is provided for in the accounts for 2005-06 duly accounting the same as recoverable from employees in the accounts of units. Similar to sub-para 1 above, <u>decision regarding recovery of employees' portion of PF from April 2005 To December 2005 from employees or the corporation to bear the amount has to be taken and intimated to units.</u></p>	<p>period, every month regularly.</p> <p>Clarification to para 1 above holds good.</p>
3	<p>Whether, employees' and employers share of PF contribution are to be paid to PF department right from the date of engagement of employees on contract basis by KPTCL. If yes, employees share of PF contribution has to be borne by KPTCL only as recovery of arrears of PF contribution is prohibited as per Asst. PF commissioner letter dated 17-3-206. Suitable instructions are to be issued to units.</p>	<p>It is agreed to arrange both the portion of EPF contribution initially borne by KPTCL but subject to subsequently to be recovered from the employees as suggested in Para-1 supra, right from the date of their engagement.</p>
4	<p>If any contract employee had joined KPTCL before and left the work after serving KPTCL for some period, whether PF contribution (both employees and employers' contribution) are to be calculated and paid by Accounting units.</p>	<p>Payment of contribution in respect of employees who have joined and left KPTCL already need not be made for the time being.</p>
5	<p>It is intimated by Accounting Units, that regional PF authorities are not accepting the payment of PF contribution on general Number of KPTCL, for the reason that each</p>	<p>Action is being taken to provide all the required copies of documents to the Accounting units for obtaining sub-code Nos. and</p>

	accounting unit has to obtain fresh registration number from jurisdictional PF office. It is also learnt that the PF authorities are insisting on NOC from KPTCL Corporate Office, copy of Memorandum of Association, Articles of Association and List of Board of Directors etc for registration. Action to be taken by Accounting Units needs to be clarified from corporate office.	also deputing an officer for the liasoning work.
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Accounting units may correspond with General Manager (A&HRD), KPTCL, Bangalore for any further clarifications regarding EPF contribution.

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No. FA (A&R) / A/Cs / AAO-I/CYS-30

Dated: 28th July , 2006

Sub: Recovery of water supply and sanitary charges from the occupants of KPTCL/ESCOM buildings (residential and non residential buildings)

Ref: Circular B9/2471/2005-06 dated 12/07/2006 of the DGM (Tech), KPTCL.

In the circular under reference, procedure for computation of water supply charges and sanitary charges to be recovered from occupants of KPTCL/ESCOM residential / non –residential buildings are clearly laid down. The same shall be followed for computation and a demand entry debiting Account code 62.917 – Miscellaneous recoveries’ be passed. On recovery of the charges from the concerned, account code 28.105 shall be credited and balance cleared.

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No.FA(A&R)CA(APA)/A/cs/CYS:-31

Dated 28.07.2006

Sub: payment of rent for KPTCL buildings, which are under occupation of ESCOMs’ offices.

Ref: 1. D.O. letter addressed by MD, KPTCL to all the Chief Engineers, Transmission Zones, KPTCL vide No.B9/3802(A)/03-04 dated 24th July 2006.
2. KPTCL/B9/3802/03-04/29.05.2003.

The instructions given by MD and Chairman of ESCOMs to MDs of ESCOMs vide letter No B9/ 3802(A)/03-04 dated 24th July 2006 regarding payment of rent for KPTCL buildings is reproduced overleaf. You are requested to pursue recovery of rent from ESCOMs duly quoting the directions of MD, KPTCL and Chairman ESCOMs, and ensure collection of rent without any delay.

D.O. N.B9/3802(A)/03-04

24.07.2006

Sub: Payment of rent for KPTCL buildings which are under occupation of ESCOMs offices.

Ref: 1) KPTCL/B9/3802/03-04/29.05.2003.
2) KPTCL/B9/3802/03-04/30.11.2004.
3) KPTCL/B9/3802/03-04/24.11.2005.
4) KPTCL/B9/3802(A)/03-04/17.01.2006.

As per the arrangement ordered in Corporate order dated 29.05.2003, ESCOMs have to pay rent to KPTCL buildings occupied by them from 01.06.2003. it is learnt that in spite of several letters, rent has not been paid to KPTCL so for one or the other reason. Directions have already been issued to concerned Chief Engineers of KPTCL and ESCOMs to mutually negotiate and fix fair rent to buildings where there is difference of opinion. As such, non payment of rent is noted with displeasure. Therefore, you are requested to bestow your personal attention to sort out all issues pertaining to payment of rent to KPTCL buildings from 01.06.2003 and ensure that up to date payments are made on or before 16th August 2006.

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No. FA (A&R)/A/Cs/AAO.I/CYS: 58

Dated: 6th November, 2006

Sub: Separate Account code for operating Revenue Cash

Ref: This office circular No. FA(A&R)/C(A,P&A)/AAO-I/Cys.52 dated 18-10-2006

Attention is invited to this office circular under reference, wherein an exclusive **“Account code 24.109 – Revenue Cash on Hand”** has been issued to depict the Revenue cash on receipt, on remittance to non-operative account and balance cash on hand. As and when Cash Receipt is drawn and necessary entries are made under Revenue Receipts column on Receipt side of the Cashbook, this Account is debited by corresponding credit to source of revenue. As and when Revenue cash so collected is remitted to non-operative Bank Account of the unit by making necessary entries on payment side of the

cashbook, this Account code is credited by corresponding debit to relevant non-operative bank account. The balance in this account code indicates the amount of un-remitted Revenue to non-operative account.

With installation of software for compilation of Accounts (COMPACT), all the Accounting units are required to keying into the computer, the opening balance under Account codes, relevant to each Accounting Unit as on 1-4-2006. While doing so, the balance of cash on hand hitherto depicted under Account code 24.110 – Cash on hand shall be split between Account codes 24.109 & 24.110 after analyzing each and every transactions involving receipt / payment of cash. The balance of un-remitted revenue shall be depicted under Account code 24.109. This exercise shall be done from 1-4-2006 and onwards.

The above instructions shall be scrupulously followed.

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No. FA (A&R)/A/cs/AAO.II/Cys:67

Dated. 11/12/2006

Sub : Disposal of Scrap – Obsolete Materials/ Equipments/ Machineries/ Vehicles etc through selling agents M/s MSTC Ltd. (A Govt. of India Enterprise) – Guidelines and accounting procedure including procedure on Income Tax Collection at Source (TCS).

Ref:

- 1) CEE (T&P) DWA No. P/ T&P/ 471/ 2006-07 dated 26.6.2006 – Appointing M/s MSTC as selling agents.
- 2) CEE (T&P) letter No. CEE/ T&P/ SEE/ EE (P2)/ P4/ 1056-63/ 2006-07 dated 26-4-2006.
- 3) Selling Agency Agreement entered into between KPTCL and M/s MSTC Ltd on 17.4.2006.

I The Chief Engineer Elect (T&P) has sent all the references noted above relating to disposal of scrap – Obsolete materials through selling agents M/s MSTC Ltd, to all the Chief Engineers, Electy., Transmission Zones, KPTCL, vide letter No. 1056-63 dated 26-4-2006. As the guidelines and accounting procedure prescribed hereunder are to be followed in all the accounting units wherever such transactions take place, the entire document sent by CEE (T&P) to all the Chief Engineers shall be obtained by the units for their reference and guidance.

II The following guidelines and accounting procedure are prescribed for booking the transactions relating to disposal of scrap/ obsolete materials through selling agents M/s MSTC Ltd.

(A) The terms and conditions under which DWA/ P/ T&P/ 471/ 2006-07 dated 26.4.06 has been issued shall be followed strictly without fail.

(B) The committee constituted at Transmission Zones for disposal of surplus, obsolete and scrap materials shall take decision regarding the approval of recommendations made by M/s MSTC Ltd. and initiate actions on disposal of scrap materials, as prescribed in CEE (T&P) letter under reference.2.

(C) The terms and conditions from 1.0 to 10.0 entered into between KPTCL and M/s MSTC Ltd in the Selling Agency Agreement shall be scrupulously followed without fail.

(D) For collection of Sales Tax/ VAT, the terms in clause 5.8 of the agreement shall be followed. Wherever M/s MSTC Ltd has collected Sales Tax/ VAT along with Sales Tax Declaration Forms from the buyer and forwarded the same to KPTCL, the regular procedure already in vogue for collection and remittance of Sales Tax shall be followed duly utilizing account code 46.927.

(E) The payment of Service Charges to M/s MSTC is dealt in para 6.1 of the Agreement and 10.2% (i.e., service tax of 10% and education cess of 2% on service tax) as service charges to be borne by KPTCL is dealt in para 5.10. The collection of IT at source and payment of the same to the appropriate authority is prescribed in para 5.9 of the Agreement. The accounting procedure for this is given below:

i. The Scrap/ Obsolete material will be outstanding as debit in account code series 16.1 or in account codes in 22 series respectively. When the material is issued to the buyer as per approved rates, the scrap/ obsolete material will be invoiced in the name of the buyer. In the stock accounts, this invoice should be debited to 28 series by credit to respective 16.1/ 22 series including the difference in value arising out of loss/profit.

ii. The details of payment received from M/s MSTC Ltd in respect of a transaction in Workshop Division are shown below for guidance along with accounting entries.

iii.

Sale value of the Material	12450.00
Sales Tax/ VAT at 12.5%	1557.00
Total value of the Material	14007.00
Income Tax @ 1.1% on total value and Education Cess @ 2% on IT collected from buyer and payable to KPTCL for onward transmission to IT Authority	
1.1% on Rs.14007.00 =	154.08
2% on Rs.154.08 =	3.08
Rounded off Rs.158.00	158.00
Total amount collected by M/s MSTC from buyer	14165.00

Less:

Service charges at 2.5% on sale value of Rs.12450.00	311.25	
Service tax @ 10% on Service charges of Rs.311.25	<u>31.13</u>	
	<u>342.38</u>	
Education Cess @ 2% on Rs.342.38	6.85	
	<u>349.23</u>	
Rounded off to	350.00	
Amount of Service Charges deducted by M/s MSTC for which signed bill and receipt to be forwarded within 7 days from receipt of payment from buyer, by M/s MSTC as per clause 6.2 of the Agreement.....	
...		<u>(-)350.00</u>
The amount payable to KPTCL by M/s MSTC Ltd.....	13815.00

Entries to be passed.

28.103 Dr.	12450.0	
To 16.1 / 22.760		12450.00
(On issue of material to the buyer through stock invoice)		

Entries for cheque of Rs.13815.00 received from M/s MSTC and also for accounting service charges deducted.

Operating Bank A/c Dr.	13815.00	
76.129 Dr.	350.00	
To 46.927		1557.00
To 46.940		158.00

IT collected at source & payable to IT Dept.

To 28.103	12450.00
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(Being sales tax payable, income tax payable to respective Departments and receivable from buyer on sale of scrap along with Service charges paid to Selling Agent accounted on receipt of sale proceeds.)

The Sales Tax collected above shall be paid to Commercial Taxes Department as per the procedure in vogue.

The Income Tax collected at source (TCS) i.e., Rs.158.00 shall be paid to Income Tax Department duly observing the following procedure.

Extract of Income Tax Procedure

Rule 37 D. Certificate for collection of tax at source under section 206c (5)

The Certificate of collection of tax at source under sub-section (5) of section 206c to be furnished by any person collecting tax at source under sub-section (1) [or sub-section (1C)] of that section shall be in Form No.27D. The certificate referred to in sub-rule (1) shall be furnished within a period of one month from the end of the month during which the amount is debited to the account of the buyer or licensee or payment is received from the buyer or licensee or lessee as the case may be:

Provided that where more than one certificate is required to be furnished to a buyer or licensee or lessee for tax collected at source in respect of the period ending on the 30th September and the 31st March in each financial year, the person collecting the tax, may on request from such buyer or licensee or lessee, issue within one month from the end of such period, a consolidated certificate in Form No.27D for tax collected during whole of such period.

Where in a case, the certificate for tax collected at source issued under this rule is lost, the person collecting tax at source may issue a duplicate certificate of collection of tax at source on a plain paper giving necessary details as contained in Form No.27D.

Rule 37 E, Prescribed returns regarding tax collected at source under section 206c (5A).

Every person collecting tax in accordance with the provisions of section 206 C shall, in respect of a financial year, deliver or cause to be delivered to the Director General of Income-Tax (systems) or the person or agency authorized by the Director General of Income-Tax (Systems) referred to in rule 37F, the return for collection of tax in Form No.27E by the end of June following the financial year.

Xerox copy of Form 27D is enclosed herewith.

(V) Xerox copy of Form 27EQ for filing Quarterly Returns to IT Department is also enclosed.

Duties of Tax deductor / Collector

To apply for Tax Deduction Account Number (TAN) in Form 49B, in duplicate at the designated TIN facilitation centers of NSDL (please see/Visit WWW.incometaxindia.gov.in), within one month from the end of the month in which tax was deducted. (if the TAN is not obtained)

To quote TAN (10 digit reformatted TAN) in all TDS /TCS challans, certificates, statements and other correspondence.

To deduct / collect tax at the prescribed rates at the time of every credit or payment, whichever is earlier, in respect of all liable transactions.

To remit the tax deducted collected within the prescribed due dates by using challan No.ITNS 281 by quoting the TAN, jurisdiction AO Code and relevant section of the Income Tax Act.

To issue TDS/TCS certificate, complete in all respects, within the prescribed time in Form No.16 (TDS) on salaries), 16A (other TDS) 27D (TCS).

To file TDS/TCS quarterly statements within the due date. To mention PAN of all deductees in the TDS/TCS quarterly statements.

Consequences of Default

Failure to deduct or remit TDS/TCS (full or part)

Interest at the rates in force (12% p.a) from the date on which tax was deductible / collectible to the date of payment to Government Account is chargeable.

Penalty equal to the tax that failed to be deducted/collected and /or remitted is leviable.

In case of failure to remit the tax deducted/ collected, rigorous punishment ranging from 3 months to 7 years and fine can be levied.

Failure to apply for TAN in time or failure to quote allotted TAN.

Penalty of Rs.10,000.00 is leviable u/s 272BB (for each failure)

Failure to issue TDS/TCS certificate in time or failure to submit form 15H (senior citizens) / 15G(other than senior citizens) in time or failure to furnish statement of perquisites in time or failure to file quarterly statements in time.

- For each type of failure, penalty of Rs.100.00 per day for the period of default is leviable. Maximum penalty for each failure can be upto the amount of TDS/TCS.

General Information

- Deduction at lower or nil rate requires certificate u/s 197, which will take effect from the day it is issued. It can not be used retrospectively.
- If TDS/TCS certificate is lost, duplicate may be issued on a plain paper giving necessary details marking it as duplicate.
- Refund can be claimed by the deductee on filing of return of Income.
- Even if the recipient of payment has shown it in his income-tax return and paid the taxes thereon, the deductor / collector who has failed to deduct/ collect tax will be liable to pay interest and penalty.

Facilities available on website WWW.incometaxindia.gov.in

- List of TIN facilitation centers of NSDL.

- Know your pan and know your TAN.
- Quarterly Statement Forms.
- FAQs on TDS /TCS.
- Online application for PAN/TAN.
- Detailed procedure for filing e-TDS/e-TCS Statement.

The above procedure shall be followed without fail by all the accounting units whenever such transactions are booked.

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No. FA (A&R)/A/cs/AAO.II/Cys: 68

Dated. 18/12/2006

Sub : Assigning Predominant Activity Code – Further instructions.

Ref: This office circular No. Cys. 99 dated 18.3.2006.

In the circular referred above, a list of Account Codes which should be depicted under **ANC 3** in the accounts duly treating them as account codes having 'predominant activity code only' as activity code are given.

Further, following account codes are also identified as account codes pertaining to predominant activity only and classified as such in the Chart of Accounts Master issued from Head Office. Therefore **ANC-3** only shall be depicted against these account codes in future.

Account Codes	Account Codes	Account Codes	Account Codes	Account Codes
10.575	10.581	10.584	10.585	10.710
10.720	10.730	10.740	10.901	10.902
10.903	10.904	26.6 Series	16.1 Series	16.2 Series
17 Series				

Some of the Asset account codes are connected with both general activity and specific voltage related activity (i.e., 400 KVA, 220 KVA, 110 KVA and 66 KVA). The assets in such of the account codes, when used for general purpose only and not in connection with any of the specific four activities shall be treated as pertaining to predominant activity 3 only and classified as such in the accounts also. If the assets in such account codes are used in connection with any of the four activities, then the specific activity code (1, 2, 3 or 4) shall be attached to the account code and depicted in the accounts. The accounting units shall assign the predominant activity code or the specific activity number code to the asset account codes depending on the situation and activity and depict the

balances correctly. The asset account codes to which such treatment has to be given in the unit are specified below.

Account Codes	Account Codes	Account Codes	Account Codes	Account Codes
10.572	10.573	10.576	10.578	10.580
10.583	10.800			

The assignment of predominant activity code or voltage wise activity code shall be done to each asset account mentioned above depending on the requirement in each accounting unit.

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No. FA (A&R)/A/cs/AAO.II/Cys:-69

Dated. 18/12/2006

Sub : Disposal of Scrap - Obsolete Materials/ Equipments/ Machineries/ Vehicles etc through selling agents M/s MSTC Ltd. (A Govt. of India Enterprise) - Guidelines and accounting procedure including procedure on Income Tax Collection at Source (TCS).

Ref: This office circular No. FA (A&R)/ A/Cs/ AAO.II/Cys:67 dated 11/12/2006.

I Some of the Accounting Units are seeking clarification on the accounting entries indicated in Para II (E) (b) of this office circular No. Cys 67 dated 11/10/2006. It may be noted that the entries indicated in the para includes journal entry to be passed and also transactions to be accounted in the cash book and not the actual journal entry to be passed in the JV Book, since cash transactions are also involved. In order to avoid any confusion, the entries to be passed in JV Book and transactions to be accounted directly in cash book are shown below.

Entry to be passed in stock accounts through JV when the material is invoiced to the buyer.

28.103- Sundry Drs. For sale of Stores

Dr.

12,450.00

To 16.1 - W.D.V. of obsolete/ scrapped
assets or 22.760 - Obsolete Materials Stock

12,450.00

2) Entry to be passed through a JV, to account for the service charges deducted by M/S MSTC Ltd. when the sale proceeds are handed over to KPTCL by the selling agent through a cheque/ DD.

76.129 – Remuneration paid to contract agencies / services obtained. 350.00

Dr.

To 28.103 – Sundry debtors for sale of stores. 350.00

M/s MSTC has to pass on sale proceeds along with tax collected from buyer amounting to Rs.13,815.00 to KPTCL through a cheque or DD. If separate cheques are passed on for tax amounts collected and amount payable to KPTCL, then the account of cheque in the cash book shall be as follows.

- a. DD/ Cheque for Rs.1,557.00 received in respect of sales tax payable.

This cheque shall be accounted in the receipt side of the cash book under Operative Bank account column duly giving allocation 46.927 and remitting the cheque to operative bank account. The sales tax shall be remitted to commercial tax department as per the procedure in vogue.

- b. DD/ Cheque for Rs.158.00 received in respect of Income-tax collected at source.

This cheque shall be accounted in the receipt side of the cash book under operative bank account column duly giving allocation 46.941 and remitting the cheque to Operative Bank account.. The Income-tax collected at source shall be remitted to the department as explained in detail in the circular dated 11/12/2006.

- c. DD/ Cheque for Rs.12,100.00 received towards value of material after deducting service charges.

This shall be accounted as revenue receipt on the receipt side of the cash book under Revenue Receipt column (account code 24.109) duly giving allocation 28.103. Immediately the cheque/ DD shall be remitted to non operative account as per the procedure in vogue.

If a single cheque for Rs.13,815.00 is received from M/s MSTC Ltd., then the accounting in cash book shall be as follows.

- d. Initially account the entire cheque under operative bank column on receipt side of the cash book duly giving allocation as below.

46.927 –
1,557.00
46.941 –
158.00
28.103 –
12,100.00

Total	-
13,815.00	

- e. For the revenue amount of Rs.12,100.00 collected, a self cheque from Operative Bank account shall be written and cash brought from the Bank taken to revenue column on the receipt side. For this purpose, on payment side of the cash book under operative bank account column Rs.12,100.00 will be charged off with allocation 24.111 (contra) and simultaneously amount shall be taken on the receipt side of the cash book under Revenue Receipts column (24.109) with allocation 24.111 (contra). This amount taken on the Revenue column shall be remitted to non-operative account in the usual manner.
- f. The amount of Rs.1,557.00 and Rs.158.00 left in the operative bank account shall be utilized for remittance of sales tax and Income-tax collected at source to the respective departments as already explained above.

The above procedure may be followed scrupulously.

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No. FA (A&R)/A/cs/AAO.II/Cys: 73

Dated. 22/12/2006

CORRIGENDUM

Sub : Assigning Predominant Activity Code – Further instructions.

Ref: This office circular No. Cys. 68 dated 18.12.2006.

Following correction is made in the circular cited under reference, which may please be taken note of.

As Existing	To be read as
Some of the Asset account codes are connected with both general activity and specific voltage related activity (i.e., 400 KVA, 220 KVA, 110 KVA and 66 KVA).	Some of the Asset account codes are connected with both general activity and specific voltage related activity (i.e., 400 KV, 220 KV, 110 KV and 66 KV).

Other contents of the circular remain unaltered.

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**Sub : Revised procedure for accounting Materials under Turnkey Works
– Restoration of procedure of taking materials into KPTCL Stock
account and issuing Material Acknowledgement Statement (MAS)**

Ref: 135. Corporate Office Order No. KPTCL/ B7/ 4441/ 2005-06/1.10.06.

136. This office Circular No. Cys 32 dated 28th July 2005.

137. This office Circular No. Cys 49 dated 7th November 2005.

I In the Corporate Order dated 1-10-06 (copy enclosed to this circular as Annexure 'A'), the procedure of taking materials used in turnkey works initially into Stock of KPTCL has been restored and stages of payment have also been revised to 70% on supply of materials, 10% on erection of equipment / materials, 10% on successful completion of trial operation and 10% on submission of all required documents. In the light of the above order the entire procedure laid down for accounting materials under Turnkey Works vide this office circular numbers FA (A&R)/A/Cs/AAO II/Cys – 32 dated 28/07/05 and FA (A&R)/A/Cs/AAO II/Cys – 49 dated 07/11/05 has been revised and revised procedure is prescribed below.

II Revised Procedure

On production of the bill for payment of the cost of either owner manufactured materials (direct transaction materials) or bought out items by the turnkey contractor, the authorized executive subordinate should verify whether these materials have come to the store of turnkey contractor or not and if the materials have come to the store of turnkey contractor, certify on the bill to the effect that materials have actually come to the store of the turnkey contractor duly mentioning the quantities clearly. Along with such certified bill he has to prepare an indent to draw the material for the specific work and give the same to the respective store of KPTCL.

On receipt of certified bill and indent, the materials shall be accounted as received in KPTCL stores duly drawing receipt vouchers and simultaneously as issued the materials on the basis of indent duly preparing necessary invoice. An MAS shall also be prepared for such materials and sent to the respective accounting unit for passing the bill.

In the accounting unit the following entries are to be passed for accounting the material, paying the bills of contractor and booking the expenditure into CWIP.

- a. On receipt of certified bill with MAS and invoice for having issued materials, the following entries are to be passed.

i. For having received MAS, Bill and Receipt Voucher.

22.210 - Materials Purchase	Dr.
To	42.101 – Liability for supply of Materials
(For the full value of materials)	

b) For having simultaneously received invoice issuing materials.

26.605 - Turnkey Contractors Control Account	Dr.
To	22.310 - Materials Issues (Capital)

For clearing the liability under 42.101, as and when payments are made to turnkey contractor.

ii. 70% on receipt of First certified bill as stated above.

42.101 - Liability for supply of Materials	Dr.
To	42.701 - Sundry Creditors / Control Account - Turnkey Projects.
(70% of the bill)	
To	46.104 – Retention Money – Bill amount retained as per terms of Purchase Order/ Turnkey Contract (30% of the Bill)
(For the full cost of the materials by passing a Journal Voucher)	
To	42.701 - Sundry Creditors / Control Account - Turnkey Projects. Dr.
To	Bank A/c
(On payment of 70% of the cost of the material – This is a cash book entry. No JV is required)	

10% payment on erection of the equipment / materials after obtaining necessary certified bill by authorized executive subordinate.

46.104 – Retention Money – Bill amount retained as per terms of Purchase Order/ Turnkey Contract	Dr.
To	Bank A/c
(On payment of 10% of the cost of the materials – This is a cash book entry. No JV is required)	

10% payment on completion of trial operation after obtaining necessary certified bill by authorized executive subordinate.

46.104 – Retention Money – Bill amount retained as per terms of Purchase Order/ Turnkey Contract	Dr.
To	Bank A/c
(On payment of 10% of the cost of the materials – This is a cash book entry. No JV is required)	

JV is required)

- iii. 10% payment on submission of all documents as specified in item 4 of Corporate Order No. KPTCL/ B7/ 4441/ 2005-06 dated 1/10/06 duly obtaining certified bill by authorized executive subordinate.

46.104 – Retention Money – Bill amount retained as per terms of Purchase Order/ Turnkey Contract	Dr.
To	Bank A/c
(On payment of 10% of the cost of the materials – This is a cash book entry. No JV is required)	

The payment of taxes, duties, freight and insurance charges at different stage of payment shall be strictly according to the guidelines prescribed in Corporate Order dated 1/10/06. Further, the conditions prescribed in Corporate Order dated 1/10/06 under items 4 (a), (b), (c) shall also be strictly followed.

3) For booking the cost of the materials as expenditure under respective CWIP and for clearing the balance under 26.605 following entries are to be passed.

As and when the materials are used for turnkey works by the contractor and certified by the authorized executive subordinate and such relevant erection bills are passed at different stages, the following entry has to be passed **for the full cost of such materials used in the turnkey works.**

14. – Capital Works In Progress	Dr.
To	26.605 – Turnkey Contractors Control Account
(To the extent of the materials used for construction.	

- a) In respect of Civil Works cost, the following entries are to be passed as and when the bills are admitted i.e., 90% on erection and 10% on commissioning.

14. – Capital Works In Progress	Dr.
To	42.401 – Contractors Control Account – (90% Value)
To	46.104 – Retention Money – Bill amount retained as per Terms of Purchase Order/ Turnkey Contract - (10% Value)

42.401 – Sundry Creditors / Control Account	Dr.
To	Bank A/c
(Payment of 90% of the bill on erection of the asset. No JV is required)	

b) On commissioning of the asset.

46.104 - Retention Money – Bill amount retained as per Terms of Purchase Order/ Turnkey Contract	Dr.
To	Bank A/c
(Actual payment of 10% of the bill. No JV is required)	

The accounting Units shall reckon following amounts for furnishing total financial outlay booked in respect of a specific turnkey work. It shall be calculated as follows:-

1	Balance under Account Code 26.605 – Turnkey Contractors Material Control Account of that specific work.	XXX
2	Add: Balance in relevant account code under 14 series of that specific work.	XXX
3	Deduct: Balance under Account Code 46.104 – Retention Money of that specific work.	(-) XXX
	Total Financial Outlay booked for the specific Turnkey Work	XXX

(Total Financial Outlay of earlier works may be calculated as prescribed in Cys 32 and Cys 49)

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No. FA (A&R)C(AP&A)/AAO.I/CYS: 94

Dated: 27th February, 2007

Sub: Break-up for the amount booked under Account code 76.133 & 75.611 for the year 2006-07

To comply with the provisions of Income Tax Act, KPTCL is paying Fringe Benefit Tax at the prescribed rates on some items of expenditure incurred by KPTCL. Among such items of expenditure, FBT is paid on T.A. and Medical Reimbursement to employees.

Even though separate Account Code 76.132 is already in existence to book 'actual traveling expenses' other than 'traveling allowance', it is observed that the total amount of the T.A. bill is being booked to Account Code 76.133 - T.A. to employees, which is not in order. As different rates of FBT are prescribed for actual traveling expenses (i.e. Fare or Meterage charges) and payment of Daily Allowance during travel, it is necessary to split the total expenditure during 2006-07 as actual traveling expenses and Daily Allowance on traveling to avail the benefit of

differential rate of FBT. Therefore, all the Accounting Units, which have booked expenditure under 76.133 during 2006-07 shall review each T.A. bill of all the staff of their division so as to bifurcate the amount as stated above. The amount of actual traveling expenses such as To & Fro Journey fare and amount spent on short distance journey during tour or Road Meterage charges for using own / hired conveyance or actual fare on transfer shall be correctly booked against Account code 76.132 and 'traveling allowance' under Account code 76.133. This procedure shall be followed scrupulously, here afterwards.

In respect of reimbursement of medical expenses, the amount of reimbursement exceeding Rs.15,000/- per employee in a financial year is being taxed in the hands of respective employee. As FBT is being paid at present on the total amount booked under 75.611 – Medical expenses reimbursement, including the amount exceeding Rs.15,000/-, has resulted in double taxation. To rectify this, an Annexure is prescribed in March 07 Final Accounts, wherein all the Accounting units are required to give a list of employees / officers whose medical reimbursement has exceeded Rs.15,000/- during the financial year.

The above instructions shall be followed scrupulously. Any observations of Auditors on this issue during the audit of accounts of the unit for 2006-07 will be viewed very seriously.

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No.FA(A&R)/DC(B&R)/AO(Plan)/PS/CSY-98

Dated : 03.03.2007

Sub: Guidelines for preparation of Revenue Budget for Financial Year 2007-08

The Revenue Budget for the year 2007-08 is to be finalized quickly to incur the expenditure from April 2007. The Accounting Units have to prepare revenue Budget required for the financial year 2007-08 and same shall be sent to this Office in the Annexure whichever is earlier positively for consolidation and placing before the Corporation for approval. While preparing the Revenue Budget for 2007-08 utmost care should be taken to ensure it should be realistic so as to avoid comments from KERC.

Basis/ Methodology to be adopted for arriving Revenue Budget for FY2007-08.

I Repairs and Maintenance

Account Head 74.1

1) Account Code 74.116 – Repairs Maintenance to Power Transformers:

Revenue Budget for Repairs and Maintenance to Power Transformers may be prepared on realistic basis considering the following:

- a) The expenditure in respect of Repairs to Power Transformers for FY 2007-08 may be assessed duly considering the failed transformers to be repaired in 2007-08.
- b) The Revenue Budget for Transformer Oil and SF6 Gas for maintenance of Transformer and Circuit Breakers shall be maintained at the level of expenditure of FY 2006-07. If the additional Revenue Budget is required, work wise details shall be furnished.

In respect of Repairs and Maintenance to other plant and machinery under Account Code 74.1 may be computed considering an increase of 5% over previous FY 2006-07 or actually assessed whichever is less.

Account Code 74.2 and 74.3 The Revenue Budget Required, shall be computed on need basis.

Account Code 74.5 – Repairs and Maintenance to Lines Cable Net Work etc.: the Revenue Budget in respect of Account Code 74.5 may be assessed by considering an increase of 5% over expenditure incurred during 2006-07 or actual assessment of expenditure whichever is less.

Account Code 74.6 Repairs and Maintenance to Vehicles :

Revenue Budget for Repairs and Maintenance to vehicles may be maintained at the level of expenditure of 2006-07 or actually assessed expenditure whichever is less.

Guarantee Period for new vehicles may also be considered.

The vehicles are proposed to be purchased during 2007-08 shall also be considered.

- 2) Account Code 74.7 and 74.8 – Repairs and Maintenance to Furniture and Fixture and Office equipments shall be maintained at the level of expenditure of 2006-07

II Employee Cost:

- 1. Account Code 75.156 – Salaries to Contract AE/JE:

a. On the existing contract employees the Revenue Budget for 2007-08 may be arrived based on the number of contracted employees and contracted amount of salary per month.

b. Further, salaries in respect of contract employees appointed during 2006-07 and anticipated during 2007-08 should also be factored in.

Account Code 75.110, 75.114 and 75.115 – Basic Pay Regular Employees:

For arriving at Basic Pay for 2007-08 the following methodology may be adopted:

a. Basic Pay for FY 2007-08 of all the Regular employees of the Accounting Unit as on 31-03-2007 including Basic Pay of the Regular employees who are appointed during 2006-07 (i.e., in respect of AEEs/ Linemen / Station Attendant Grade II etc., appointed on permanent basis.

b.

c. Add: Annual Increments due during 2007-08 in respect of existing Regular Employees as on 31.03.2007.

d. Add: Basic pay in respect of the proposed appointments in respect of AEEs/ AAOs/ Lineman/ Station Attendant Grade II etc., on permanent basis during 2007-08.

e. Less: The Basic Pay in respect of Regular Employees retiring during 2007-08 included in II 2a.

Account Code 75.3 – Dearness Allowance – Regular Employees:

Dearness allowance is a function of Basic Pay. Hence DA may be computed considering 8% Per Annum of Basic Pay so arrived above (item II 2)

Other Allowances :

a. Account Code 75.416, 75.419 and 75.420 – House Rent Allowance – Regular Employees:

HRA may be computed considering prescribed % (in the place of working) of Basic pay arrived above (item II 2).

b. Account Code 75.421, 75.424 75.425 – City Compensatory Allowance Regular Employees.

c.

5. Other Allowances (other than HRA and CCA) to the Regular Employees may be computed by increase of 5% over expenditure of 2006-07.

6.

7. Bonus and Ex-Gratia –(75.510 & 75.530): Bonus and Ex-Gratia to be paid during 2007-08 is to be based on the number of employees as on 31.03.2007 at the rate of Rs.2500/Month/employee.

8.

9. Other Staff Costs

a. Medical Reimbursement (account Code 75.611): This may be computed by considering an increase of 5% over 2006-07.

b.

c. Earned Leave Encashment (A/c Code 75.617): This may be computed by considering an increase of 5% over expenditure of 2006-07.

d.

Earned Leave Encashment –Retired Employees (A/c Code 75.618): This may be computed based on the Earned Leave that may be accumulated on the date of retirement in respect of employees who are going to retire during FY 2007-08.

e. Payment to Helpers / Monsoon Gang (A/c Code 75.630): This may be computed by considering an increase of 5% over 2006-07.

f. Expenditure other than stated above under other Staff Cost (A/c Code 75.6) may be computed by considering an increase of 5% over 2006-07.

10. Staff Welfare Expenses: This may be computed by considering an increase of 5% over 2006-07.

Revenue Budget under Account Codes other than mentioned above under Employee Cost (A/c Code 75) shall be computed considering 4% increase over the expenditure of FY 2006-07.

III Administration and General Expenses

Account Code 76.101: Rent respect of Building Occupied by the Corporation.

Rent to be paid during 2007-08 shall be limited to the actual expenditure incurred during 2006-07 and details of expenditure for 2006-07 and requirement for 2007-08 shall be furnished in the format enclosed. The increase in rent to be paid during 2007-08 this should be supported by the details / reasons for such increase. The arrears of rent pertaining to previous years paid/to be paid during 2006-07 / 2007-08 shall be shown separately.

Account Code 76.102: Rates and Taxes

Rates and Taxes to be paid during 2007-08 shall be limited to the actual expenditure incurred during 2006-07. The increase in Rates and Taxes to be paid during 2007-08 should be supported by the details/reasons for such increase.

Account Code 76.104: Insurance on Fixed Assets

The insurance Premium required to be paid during 2007-08 shall be limited to the actual expenditure incurred during 2006-07. The increase in Insurance Premium to be paid during 2007-08 should be supported by the details / reasons for such increase.

Account Code 76.111, 76.112, 76.113 and 76.114: The Revenue Budget under the above Account Codes shall be maintained at the level of expenditure in FY 2006-07. The Additional Budget if required the details / Reasons shall be furnished.

Account Code 76.116 Air Net, Inter Net and Broad Band Charges:

The Revenue Budget for 2007-08 in respect of Air Net, Internet and Broad Band Charges shall be computed based on the Monthly/Quarterly Bills agreed with Service Providers.

Account Code 76.127: Remuneration to Private Contractors for maintenance of Station / MUSS

Remuneration to Private Contractors for maintenance of Stations / MUSS required to be paid during 2007-08 shall be limited to the actual expenditure incurred during 2006-07. The increase in the expenditure required during 2007-08 due to additional / New stations may be given to contractors for maintenance during 2007-08 shall be supported by the details / reasons in the format enclosed.

Account Code 76.138 – Vehicle license fee, Registration fee, Taxes and Insurance : The Revenue Budget for 2007-08 under this Account Code may be arrived based on the Vehicles existing as on 31.03.2007. For increase in the Revenue Budget required for 2007-08 the details should be furnished for such increase. The new vehicles proposed to be purchased during 2007-08 may also be considered (details to be furnished)

Account Code 76.151- Fees and Subscriptions: Revenue Budget for FY 2007-08 under this Account Code may be computed by considering 5% increase over expenditure incurred in FY 2006-07.

Account Code 76.151- Transmission License Fees to KERC: The Revenue Budget for the expenditure under this A/c Code shall be maintained at the level of actuals of FY 2006-07.

Account Code 76.157: Contribution for specific purpose: The revenue Budget for expenditure under this Account Code during 2007-08 may be requested as and when it necessitates.

Account Code 76.158: Electricity Charges – Tax on auxiliary consumption of KPTCL stations

The Electricity Tax to be paid to Govt. on Auxiliary Consumption for FY 2007-08 may be projected based on the auxiliary consumption assessed for 2007-08.

The Electricity charges on Office / MUSS/ Station Consumption for FY 2007-08 may be projected based on the consumption assessed for 2007-08 and applicable Tariff Rate.

Revenue Budget for 2007-08 for expenditure under other Account codes other than mentioned above under A/c Code 76 may be arrived by considering 10% increase over the expenditure incurred in 2006-07.

Before sending the Revenue Budget for 2007-08 the Accounting Units have to look in to the following:

Arrears in respect of previous years is to be paid during 2007-08 shall be shown separately with reasons and details.

The Audit should scrutinize and certify the Budget requested by the Accounting Unit.

The Accounting Units shall obtain the approval of Zonal Controllers before sending it to this Office.

The above guidelines are not exhaustive. If any different Ideas / Methodology which helps in preparing more Realistic Revenue Budget may also be adopted by intimating to this Office.

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Dated: 6th March, 2007

Sub: Inspection of Accounting Units by Controllers of Transmission Zones and Deputy Controllers of W / W&M Circles of KPTCL.

One of the primary duties of Controllers of Transmission Zones and Deputy Controllers of Works / W&M Circles of KPTCL is to inspect all the Accounting Units in their jurisdiction at regular intervals. The inspection of Accounting units by Controllers & Deputy Controllers is intended to ensure that all the instructions, Rules & Regulations are strictly followed in accounting day-to-day transactions at the unit. Further, the inspecting officers are also required to guide the Accounting Units, wherever necessary. This process not only minimizes the observations of both Statutory Auditors and Accountant General's

Auditors but also facilitates but also facilitates improving the housekeeping exercise.

At present, such inspection by Controllers & Deputy Controllers is not being conducted systematically. Therefore, it is felt necessary to remind all the Controllers of Transmission Zones and Deputy Controllers of Works / Works & Maintenance Circles to inspect all the Accounting Units of their jurisdiction at least once in every quarter & month respectively, commencing from April 2007. During their inspection of Accounting units, the Controllers and Deputy Controllers shall look into the following items specifically.

Terms of reference of Controllers of Transmission Zones, during their Inspection of Accounting units: -	
1	Position of Submission of Monthly Accounts
2	Position of bills, pending payment. Reasons for pendency may also be reviewed and problems if any shall be sorted out.
3	Position of payment of amount deducted at source and payable to concerned departments (Example; Income Tax & Sales Tax / VAT) within due date
4	General review of Position of posting of Cost Registers, Schedules.
5	Position of cost reconciliation
6	General review of Capital Work in Progress with particular reference to physical and financial progress.
7	To conduct a A.T. clearance workshop at the end of each quarter and ensure A.T. of Accounting units of all the circles of the Zone are cleared. If the A.T.s pertain to Accounting units of other zones, the controller shall pursue the same. If acceptance cannot be obtained, refer such cases to the undersigned.
8	Any other key issue which the Controller like to review

Terms of reference of Deputy Controllers of Transmission (Works) / (Works & Maintenance) Circles, during their Inspection of Accounting units: -	
1	Position of Submission of Monthly Accounts – The T.B. for the previous month shall be reviewed and guide the Units to clear adverse / huge balance if any.
2	Position of bills, pending payment. Reasons for pendency may also be reviewed and problems if any shall be sorted out. Further, the correct accountal of payments shall be ensured.
3	Position of submission of monthly returns like CWIP statement, stock inventory statement, IUA statement, Bank Reconciliation statement, Cash Balance Report
4	Ensure remittance of TDS amount to concerned authorities, within due date

In the above background, it is thought appropriate to pursue recovery of amounts from ESCOMS at Corporate Office level. It is also decided to arrange payment to ESCOMS duly furnishing details to them. For this purpose, details for each and every transaction booked under Receivable and Payable Account codes are very essential. All the Accounting Units of KPTCL shall furnish the details in the enclosed format and bring the same along with March 07 Final Accounts. Separate statement shall be prepared for each Account Code operated by the Unit. The total of all the transactions listed under each Account Code shall tally to balance under the same Account code in March 07 Final Trial balance. It shall be noted that March 07 Final Accounts will not be accepted at Head Office without the above details in complete manner.

(Separate statement for Account codes 28.125, 28.126, 28.127, 28.128, 28.129, 28.912, 28.916, 28.918, 28.920, 28.921, 28.922, 28.923, 28.924, 28.925, 28.926, 28.927, 28.928, 28.929, 28.949, 28.950, 28.951, 28.952, 28.967 – If operated only in the unit)

Sl No.	Corresponding Accounting Unit of ESCOM	Date of Transaction	Brief description of the transaction	Amount billed on ESCOM Unit	Reference to Bill No & Date	Remarks
	TOTAL					

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**STATEMENT SHOWING THE DETAILS FOR THE BALANCE UNDER
ACCOUNT CODE.....**

(Separate statement for Account codes 42.262, 42.263, 42.264, 42.265, 42.266, 42.268, 42.269, 42.270, 42.271, 42.272, 42.273, 42.281, 42.283, – If operated only in the unit)

Sl. No.	Corresponding Accounting Unit of ESCOM	Date of Transaction	Brief description of the transaction	Amount billed by ESCOM Unit	Reference to Bill No. & Date	Remarks
	TOTAL					

AAO / AO
AO / DCA

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No.FA (A&R)C(AP&A)/DC(A&C)/AAO.I/CYS: 104 Dated: 15th March, 2007

Sub: Creation of Regulatory Asset in respect of additional fixed cost of TBPCL to be recovered from consumers through ESCOMS – Accounting procedure to be followed by KPTCL & ESCOMS.

Ref: This office Note No. FA(A&R)/DC(A&C)/AO(Spl)/480 dated 8-2-2007, wherein Accounting procedure has been approved by MD, KPTCL & Chairman of all ESCOMS.

* * * * *

The payment of additional fixed cost to TBPCL was disputed and the issue was referred to Arbitral Tribunal as per the directions of KERC. It was held by the Arbitral Tribunal that TBPCL is entitled for payment of fixed charges. Accordingly, TBPCL has invoked the ESCROW and realized the full fixed cost including the disputed amount. The disallowance of this cost in the Bulk Supply Tariff & Retail Tariff by KERC was contested by KPTCL before

Appellate Tribunal for Electricity (ATE). It was held by ATE that inclusion of additional fixed cost in ERC may be allowed by KERC and the additional fixed cost of TBPCL shall be passed on to the consumers through tariff over a period of five years or any other earlier period. It is also directed by ATE that KPTCL should create a Regulatory Asset to the extent of additional fixed cost paid by KPTCL to TBPCL, which has to be recovered from the consumers through ESCOMS. The Transmission Billing Centre (TBC), KPTCL has to distribute the additional fixed cost of TBPCL among ESCOMS by raising a bill on them. The ESCOMS shall include this additional fixed cost in their ERC and to seek for pass through in the retail tariff. The component of additional fixed cost of TBPCL included in the tariff shall be collected and passed on to KPTCL by ESCOMS. The Accounting procedure to be followed at different stages by KPTCL and ESCOMS are prescribed below:-

Action to be taken by Transmission Billing Centre (TBC), KPTCL

For the total amount of additional Fixed Charges of TBPCL distributed among ESCOMS, the Journal entry to be passed is

(for the period from 2001-02 To 9-6-2005)

28.968	Regulatory Asset - Receivable towards additional fixed cost of TBPCL from BESCOM Dr	XX	
28.969	Regulatory Asset - Receivable towards additional fixed cost of TBPCL from MESCOM Dr	XX	
28.970	Regulatory Asset - Receivable towards additional fixed cost of TBPCL from HESCOM Dr	XX	
28.971	Regulatory Asset - Receivable towards additional fixed cost of TBPCL from GESCOM Dr	XX	
28.972	Regulatory Asset - Receivable towards additional fixed cost of TBPCL from CESC Dr	XX	
28.973	Regulatory Asset - Receivable towards additional fixed cost of TBPCL from Hukkeri Society Dr	XX	
To			
46.983	Additional Fixed cost of TBPCL recoverable from ESCOMS to be adjusted against Subsidy receivable from GOK.		XX

As and when the amount of additional Fixed cost of TBPCL are recovered by ESCOMS and remitted to KPTCL, the effect of the entry in the cashbook would be as follows. (It may be noted that no journal entry is required as it is cashbook entry. The Account codes involved in the instant transaction are only given for better understanding purpose)

24.109	Revenue Cash on Hand Dr	XX	
To			
28.968	Regulatory Asset - Receivable towards additional fixed cost of TBPCL from BESCO		XX
28.969	Regulatory Asset - Receivable towards additional fixed cost of TBPCL from MESCOM		XX
28.970	Regulatory Asset - Receivable towards additional fixed cost of TBPCL from HESCO		XX
28.971	Regulatory Asset - Receivable towards additional fixed cost of TBPCL from GESCOM		XX
28.972	Regulatory Asset - Receivable towards additional fixed cost of TBPCL from CESC		XX
28.973	Regulatory Asset - Receivable towards additional fixed cost of TBPCL from Hukkeri Society		XX

Though the KERC did not allowed the amount of additional fixed cost of TBPCL in BST as well as in retail tariff, in the respective years, KPTCL created liability and paid the amount to TBPCL. The revenue gap on this account was indirectly met by GOK in the form of Revenue subsidy. In other words, GOK has borne the additional expenditure not passed on to consumers by KERC. In this background, any expenditure of previous years, which is now considered for passing on to consumers has to be inevitably given credit to past dues of Subsidy Receivable from GOK. As such, on receipt of amount of additional fixed cost of TBPCL from ESCOMS, the same should be credited to subsidy Account of GOK by the following Journal entry.

46.983	Additional Fixed cost of TBPCL recoverable from ESCOMS to be adjusted against Subsidy receivable from GOK Dr	XX	
To			
28.620	R.E. subsidy / Grant Receivable from GOK.		XX

Action to be taken by ESCOMS

On creation of 'Regulatory Asset' by KPTCL and passing on the amount to ESCOMS, for inclusion in their ERC and to seek for pass through in the retail tariff and bills sent to concerned ESCOMS by Transmission Billing Centre, KPTCL, the Journal entry to be passed at ESCOMS are as follows

Relevant Account code under 28 series	Amount to be adjusted out of Revenue Demand towards additional fixed cost of TBPCL Dr.	XX	
To			
Relevant Account code under 41 series	Amount payable to KPTCL towards additional fixed cost of TBPCL.		XX

After allowance of this cost in Retail Tariff by KERC the component of additional fixed cost of TBPCL is also included in the retail tariff of ESCOMS. The following journal entry has to be passed to bifurcate the amount demanded in respect of TBPCL, as it does not form revenue of ESCOMS.

Relevant Account code under 61 series	Revenue from Sale of power Dr.	XX	
To			
Relevant Account code under 28 series	Amount to be adjusted out of Revenue Demand towards additional fixed cost of TBPCL.		XX

III As and when the amount of additional Fixed cost of TBPCL are recovered by ESCOMS and remitted to KPTCL, the effect of the entry in the cashbook would be as follows. (It may be noted that no journal entry is required as it is cashbook entry)

Relevant Account code under 41 series	Amount payable to KPTCL towards additional fixed cost of TBPCL Dr	XX	
To			
Relevant Account code under 24.4 series	Operative Bank Account.		XX

A. As ESCOMS are directly accounting power purchase transactions with effect from 10-6-2006 and onwards, the additional fixed cost of TBPCL from 10-6-2006 and onwards has to be accounted as Regulatory Asset by passing the following Journal entry at each ESCOM itself to the extent of amount pertaining to ESCOM.

Relevant Account code under 28 series	Regulatory Asset - Receivable towards additional fixed cost of TBPCL from Consumers Dr	XX	
To			
Relevant Account code under 46 series	Additional Fixed cost of TBPCL recoverable from Consumers to be adjusted against Subsidy receivable from GOK.		XX

As and when the amount of additional Fixed cost of TBPCL are recovered by ESCOMS from consumers, the Journal entry to be passed is as follows:

Relevant Account code under 46 series	Additional Fixed cost of TBPCL recoverable from Consumers to be adjusted against Subsidy receivable from GOK Dr.	XX	
To			
Relevant Account code under 28.6 series	R.E. Subsidy / Grant Receivable from GOK		XX

It may please be noted that the above Accounting Procedure and entries may undergo change if, in case the orders of the Commission contravenes the methodology adopted for accounting Regulatory Asset and clearance of the same.

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INTER OFFICE NOTE

(difference between Original Value & Accumulated Depreciation)
12.572- Accumulated Depreciation. Communication eqmt. Dr. XX
To

10.573 – Mobile Telephones XX

- 4 In case the present Mobile Telephone is to be replaced with a new Mobile Telephone and the present Mobile Telephone is in good condition and can be issued to others, No Asset withdrawal entry is required to be passed. The old Mobile Telephone may be issued to others by issuing necessary Official Memorandum and making relevant entries in T&P Register. The cost of new mobile purchased and issued may be categorized in the normal course
5. In case the present Mobile Telephone is to be replaced with a new Mobile Telephone and the present Mobile Telephone is in scrap condition and cannot be issued to others, the following Asset withdrawal entry to be passed after observing required formalities.

77.710 – WDV of Asset Scrapped Dr XX
(difference between Original Value & Accumulated Depreciation)
12.572- Accumulated Depn. Communication eqmt. Dr. XX
To
10.573 – Mobile Telephones XX

For purchasing a new mobile telephone, the procedure prescribed in this office circular under reference may be followed.

- 6 The action taken shall be suitably recorded against the item in relevant folio of T&P register.

The above Accounting procedure shall be followed scrupulously.

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No.FA(A&R)/C(AP&A)/DC(A&C)/AAO.I/CYS:13

Dated: 24th May 2007

Sub: Earnest Money Deposit - Returning Demand Drafts to the unsuccessful Contractors.

Ref: Approved Note of MD, KPTCL dated 11-5-2007

As per Para 35 of Accounts Manual – Vol. II Para A, Earnest Money Deposit confers the right to participate in the tender and also serves as a guarantee of the tenderer to deposit the required security. As per sub-para 3 of Note 3 of Para 35, Earnest Money paid is **refundable to an unsuccessful tenderer, after finalization of tenders.**

The Karnataka Electrical Maintenance Contractors' Association in their representation dated 25-04-2007 have stated that the Electrical contractors who are participating in the Tenders for maintenance works of various number of 220/66/11 KV sub-stations are finding it difficult to mobilize the funds from their own source and they have to borrow funds from private lenders at high rates of interest for payment of EMD. As the finalization of tenders of sub-station maintenance work takes long time resulting in delay for the unsuccessful bidders to get the refund of EMD amount for which period they have to unnecessary pay interest on borrowed funds. As such, they have requested for returning of Demand Drafts submitted towards EMD for unsuccessful bidders which will avoid obtaining approval / grant for refund of EMD amount already paid.

The issue has been examined in detail and approval is accorded for returning of Demand Draft of EMD to unsuccessful bidders after opening of the tenders, without accounting the same. The details of Demand Draft received from the bidders shall be entered in a Register of Demand Drafts and the same shall be returned to the un-successful bidders on the same day itself duly obtaining the acknowledgement in the said register. **It may be noted that this relaxation of returning Demand Draft is applicable to Electrical contractors who are bidding for maintenance of sub-stations only**

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No. FA(A&R)/DC(A&R)/AO(Spl.)Cys:-20

Date:-13/06/2007.

Sub: - Maintenance of separate Numerical and Pricing ledgers for materials procured for Turkey project prefixing specific number to existing 7 digits Inventory code.

Several Units are seeking clarification in respect of posting materials procured for Turnkey Projects into Numerical and Pricing ledgers. Some of the units are already maintaining separate ledgers for Turkey project materials procured. In other few units all the materials are posted in a single folio for the purpose of accounting, which is not correct.

The following guidelines are prescribed in this regard.

Separate Numerical and Pricing ledgers shall be maintained for posting materials procured for the purpose of turkey projects. These materials shall not be combined with regular materials held in stock.

There should not be any quantity or cost balance in the folios maintained for Turnkey projects materials both in numerical and pricing ledgers in as much

as the materials are taken into stock and also issued simultaneously without any difference in quantity and value.

In order to enable identification of these materials and also other materials a specific number is prescribed to be prefixed to the existing seven digits Inventory Item code being used. Such specific numbers are shown below with identification of material.

Number of be prefixed to Seven digit code	Indication of the Prefixed Number	In which ledger the stock items are to be maintained.
1	Indicates New materials only	Existing Numerical and Pricing ledger to continue
2	Indicates released Materials	To be continued in the Existing numerical and Pricing ledger.
3	Indicates Turnkey Project Materials	Separate numerical and Pricing Ledger to be maintained.
4	Indicates Scraps Materials	To be continued in the Existing Numerical and Pricing Ledger.

In the Numerical and Pricing ledgers separately maintained for Turnkey project material the folios shall contain seven digits Inventory item code already issued by the CEE, T&P, with prefix “3” as indicated in the above table.

The aspect of prefixing specific number to Inventory item code has been taken into consideration in this office, while verifying the Inventory master sent by all Accounting Units and the **“specific number 1” has been prefixed to all the new materials in the Inventory master depending on the description of the material available in the master.** Where ever the released materials were able to be identified from the description of the material, the specific number “2” has also been prefixed to the item code in the Inventory masters imported in to the database of the units by the office. However the accounting Units shall go through all items in the Inventory master after installation of the same at the units along with the revised version of Compact 3.3.4 and ensure that the item code in the Inventory master will contain the correct prefix as prescribed in the table above.

The specific number to be prefixed to each Inventory Item code shall be the responsibility of the Accounting Units and wherever or changes are to be made depending on the description of the material in the folio, the same shall be done by the unit only in future.

The above instructions shall be carefully studied and followed in maintaining Numerical ledger, Pricing ledger and Inventory master, to ensure proper accounting of materials both manually and in Compact.

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No.FA(A&R)C(AP&A)/DC(A&C)/AAO.I/CYS:25

Dated 16.06.2007

Sub: Change in rates of Tax Deducted at Source (TDS) with effect from 01.06.2007

M/s A.R.. Viswanathan & Co, Chartered Accountants & Statutory Auditors of KPTCL for 2006-07 have intimated that rates of Tax Deducted at source (TDS) have been revised with effect from 01.06.2007. They have forwarded a table showing the list of revised rates of TDS.

In enclosing herewith the list showing the revised rate of TDS, you are requested to make note of change in the rates of TDS and effect recovery accordingly. It may be noted that the disbursing officer solely responsible for ensuring compliance of I.T. provisions.

Sub: Tax Deducted at Source (TDS) and filing Statements/return I.T. Assessment year 2008-2009.

(Financial year 01/04/2007 to 31.03.2008)

The TDS rates as per the latest Amendment in Income Tax Act, 1961, for the financial year 2007-2008 is specified in the table given below.

Checklist for deduction of tax at sources (TDS) for the assessment year 2008-2009(ye 31/03/2008)

(A) At the time of Credit / Payment (which ever is earlier) made to payees i.e. Companies/Firms (i.e. other than individuals)

Nature of Payment	Sec	Inco me Tax	S.C. on IT	Educ ation Cess	Total TDS, SC & EC to be deducted and Remitted to Central Govt Account	Due date of filing of Quarterly Returns
(1) Interest payment Exceeding Rs.5000/-***	194A	20%	10%	3%	22.660%	1 st 3Qs within 15days of from the date of every Qtr end IVQ 15 th June

(2) (a) Each payments to any Contractors exceeding Rs.20000/- (b) If each payment is below Rs.20,000/- aggregate of such amounts paid/payable exceeds Rs.50,000/- to any single person during the financial year. Contractors Sub-Contractors Advertisement Contractors	194C	2% 1% 1%	10% 10% 10%	3% 3% 3%	2.266% 1.133% 1.133%	-do-
(3) Rent >Rs.120000/- pa (4) rent on lease equipment>Rs .120000pa	194I	20% 10%	10% 10%	3% 3%	22.660% 11.330%	-do-
(5) Professional fees exceeding Rs.20,000/-	194J	10%	10%	3%	11.330%	-do-
(6) Commission other than professional service exceeding Rs.2,500/-	194H	10%	10%	3%	11.330%	-do-

Checklist for deduction of tax at sources (TDS) for the assessment year 2008-2009(ye 31/03/2008)

(B) At the time of Credit / Payment (which ever is earlier) made to payees i.e. INDIVIDUALS/HUF'S"

Nature of Payment	Sec	Inco me Tax	S.C. on IT	Educ ation Cess	Total TDS, to be deducted and Remitted to Central Govt Account	Due date of filing of Annual Returns
(1) Interest payment Exceeding Rs.5000/-***	194A	10%	NIL	3%	10.300%	1 st 3Qs within 15days of from the date of every Qtr end IVQ 15 th June
(2) (a) Each payments to any Contractors exceeding Rs.20000/- (b) If each payment is below Rs.20,000/- aggregate of such amounts paid/payable exceeds Rs.50,000/- to any single person during the financial year. Contractors Sub-Contractors Advertisement Contractors	194C	2% 1% 1%	NIL	3% 3% 3%	2.060% 1.030% 1.030%	-do-
(3) Rent >Rs.120000/- pa (4) rent on	1941	15% 10%	NIL	3% 3%	15.450% 10.300%	-do-

lease equipment>Rs .120000pa						
(5) Professional fees exceeding Rs.20,000/-	194J	10%	NIL	3%	10.300%	-do-
(6) Commission other than professional service exceeding Rs.2,500/-	194H	10%	NIL	3%	10.300%	-do-

(C) salary Exceeding Rs.110,000/- per annum to any individual(male), Rs145000/- pa to any individual (female) and Rs195000/- to senior citizen. Tax to be calculated at the Normal Income tax rates after allowable deductions and rebates. From the tax so arrived deduct 1/12th and remit every month. Due date for filing salary annual return is 08/06/2008. Standard Deduction is removed. 10% SC to be considered on salary > 10-00 lakhs.

Note:

- (1) Please do not fail to obtain payee's PAN which is must to mention in his/their certificate. In case payee is not an Income Tax assessee, get a letter from him/them to this effect that they are not assessed to Income tax and not obtained or applied for PAN. Please note that quoting of wrong PAN will attract Penalty upto Rs.10,000/- (Rupees ten thousand only)
- (2) *** In case payee do not require you to deduct the tax from payment of interest exceeding Rs.5,000/-, in such case you have to obtain declaration from payee in form No.15G/15H and file the same before CIT immediately (for further details contact us).
- (3) Due date for remittance of TDS to Central Government account is within 1 week from the last day of the month in which the deduction / payment is made. Eg. Date of deduction / payment is between 01/04/2004 to 30/04/2004 Due date of remittance is before 07th of next month (i.e. 07/05/2004).
- (4) From the financial year 2002-03 (Assessment year 2003-2004) with effect from 01/06/2002, TDS has to be made by Individual's and HUF's, provided they had turnover exceeding Rs.40-00 Lakhs (for Business) and Rs.10-00 Lakhs (for Profession) for which tax audit was conducted in the earlier previous year i.e. for eg. Financial Year 2002-2003 tax audit was done, then TDS has to be deducted and

remitted by both Individuals and HUF's for the financial year 2003-2004.

We request you to get back to us for any further clarification on Tax Deducted At Source (TDS) Thanking you.

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No. FA (A&R)C(AP&A)/AAO.I/CYS: 29

Dated: 21st June, 2007

Sub: Categorization of Assets during 2006-07

After the audit of accounts of Accounting Units of KPTCL, M/s. A.R. Viswanathan & Co., Chartered Accountants and Statutory Auditors of KPTCL for 2006-07 have intimated that many of the Accounting Units are not categorizing the assets from the date of commissioning. Instead they are categorizing whenever they feel like doing so. As per the provisions of Income Tax Act, depreciation can be claimed for one whole year for the assets categorized upto September (i.e. within 180 days from 1st of April) and for half year for the assets categorized after September (i.e. after 180 from the beginning of the year).

If the assets are correctly categorized and if the date of categorization falls within 180 days from the beginning of the year, KPTCL can claim depreciation for the entire year on such assets, which is very beneficial to KPTCL as it reduces the income tax liability.

If the assets, which are actually put to use before 180 days from the beginning of the year but categorized after 180 days from the beginning of the year owing to reasons whatsoever, KPTCL will lose the benefit of depreciation to that extent. Many of the Accounting Units are categorizing the assets at the end of the year irrespective of the date of commissioning, as a result of which KPTCL is deprived of the benefit of depreciation

In view of the above facts, all the Accounting Units are hereby instructed to review the actual date of commissioning of the asset vis-à-vis the date of categorization of such assets during 2006-07 and intimate the correct date to this office in the following format before 30th June, 2007, positively.

**STATEMENT SHOWING THE ACTUAL DATE OF COMMISSIONING OF
THE ASSETS DURING 2006-07**

Name of the Accounting Unit:

Location Code

Sl. No	Name of the Asset	Account Code	Amount	Actual date of Commissioning	Asset categorized during the month of (Indicate JVNO & Date)
1					
2					
3					
4....					

AAO/AO

DCA

The above information shall be prepared on TOP PRIORITY and furnished to this office within the date prescribed above. Any delay in furnishing the required information will be viewed very seriously.

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No. FA

Dated: 12th July, 2007

(A&R)C(AP&A)/DC(A&C)/AAO.I/CYS:35

Sub: Collection of CESS at the rate of One percent of cost of the construction incurred by KPTCL / ESCOMS under Building & Other Construction Workers Welfare Cess Act, 1996.

Ref: Corporate Office Circular No KPTCL/B 9/2013/07-08, Bangalore dated 25-6-2007.

Attention is invited to Corporate Office Circular dated 25-6-07 under reference, wherein it is stated that KPTCL & ESCOMS carrying out any building or other constructions works which are covered under Section 2(d) of the main Act shall in case, the work is carried out through a contractor shall deduct 1% of the amount of the cost approved as per tender notification from the bill at the time of making payment to the contractors and such amount so deducted from the contractors' bill shall be remitted by way of Account Payee cheque in favour of "Karnataka State Building & Other Construction Workers Welfare Board, within 30 days of making such payment along with a forwarding letter addressed to the Secretary cum Chief

Executive Officer, Karnataka State Building & Other Construction Workers Welfare Board, 3rd Stage, Karmika Bhavan, Bannerghatta Road, Bangalore-29.

In case, the aforesaid work is carried out internally or departmentally without engaging contractors, 1% of the total cost shall be remitted by the concerned division of KPTCL by Account Payee Cheque drawn in favour of Karnataka State Building & Other Construction Workers Welfare Board.

To facilitate proper accounting of payment of Cess to Karnataka State Building & Other Construction Workers Welfare Board, as stated above, following Accounting entries are to be passed.

I. In case, the building or other constructions are carried out by KPTCL internally or departmentally without engaging Contractors

76.166 (ANC)	Karnataka State Building & Other Construction Workers Welfare Board CESS Dr.	XX	
To			
46.942 (ANC)	CESS payable to Karnataka State Building & Other Construction Workers Welfare Board		X X

II. In case, the building or other constructions are carried out through Contractors

Credit Account Code 46.942 on recovery from Contractors Bill

Debit Account Code 46.942 on payment of amount to Karnataka State Building & Other Construction Workers Welfare Board in both the cases **I & II** stated above.

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No. FA (A&R)C(AP&A)/DC(A&C)/AAO.I/CYS:41

**Dated: 24th July,
2007**

Sub: Implementation of new defined Contributory Pension Scheme w.e.f. 1-4-2006 for new entrants of KPTCL/ESCOMs Services

Ref: Corporate Office Order No KPTCL/B 16/B.14/4977/2005-06, Bangalore dated 5-7-2007.

Government of Karnataka vide Order No. FD(SPL) 04 PET 2005 dated 31-3-2006 has implemented new defined Contributory Pension Scheme

w.e.f. 1-4-2006 for new entrants to civil service. On the same lines, KPTCL is also implementing new defined Contributory Pension Scheme w.e.f. 1-4-2006 for new entrants to KPTCL/ ESCOMs service vide order under reference. According to the new defined Contributory Pension Scheme, the new pension scheme is mandatory to all new recruits to KPTCL / ESCOMs service joining on or after 1-4-2006. The monthly contribution shall be 10% of the Basic Pay & Dearness Allowance thereon, to be paid by the employee and matched by KPTCL / ESCOMs in equal proportion. It is also stated in the KPTCL order dated 5-7-2007 that separate orders will be issued for appointing the Central Record Keeping Agency and Pension Fund Managers

Pending appointment of the Central Record Keeping Agency and Fund Managers, the specified contribution shall be collected from the month of July 2007 and onwards along with the arrears of contribution from 1-4-2006 to 30-6-2007 in 15 equal instalments. Each Accounting Unit of KPTCL shall recover the above mentioned contribution from the employees joined on or after 1-4-2006 and along with matching contribution of KPTCL send the same to Manager (Est-II), KPTCL, 4th Floor, Corporate Office, Kaveri Bhavan, Bangalore through Demand Draft supported by Employee-wise statement. The charges for obtaining Demand Draft if any shall be borne by the Corporation, which shall be charged off to Account Code 78.883- Other Bank Charges at the Accounting Unit. Further the amount equivalent to KPTCL contribution to new defined Contributory Pension Scheme shall be included in the funds requisition for disbursement of salary, sent to Resource Section of Head Office.

Manager (Est-II), on receipt of Demand Draft from the Accounting Units shall arrange to remit the same to Operative Account of his office and on realization of the amount, shall issue a single cheque to KPTCL & ESCOMs Pension & Gratuity Trust along with consolidated Employee-wise statement. The amount of cheque to be issued by him to the P&G Trust should be equal to the consolidated total of Employee-wise statement received from all the Accounting Units.

On remitting the Demand Drafts received by the Manager (Est-II) Section, to Operative Bank Account as stated above, the amount shall be taken under Operative Bank column on Receipt side of the cash book duly assigning Account Code 46.953 – Contributory Pension Scheme Contribution Payable to P&G Trust. On payment of amount to P&G Trust, the amount shall be charged off under Operative Bank column on Payment side of the cash book duly assigning Account Code 46.953. The balance in this Account Code in Manager (Est-II) section indicates the amount payable to P&G Trust.

During the recovery of the first instalment, the Accounting Units shall obtain the required information from the employees concerned in the format prescribed by P&G Trust. Further, any Register / Books/ Records to be maintained for this purpose shall also be as per the format prescribed by the Trust from time to time. In case of any new addition to the list or deletion from the existing list of employees covered under the new defined Contributory Pension Scheme, the same shall be specifically noted in the list sent to Manager (Est-II)

To ensure proper accounting of recovery and payment of Employees' / Employer's Contribution to the new defined Contributory Pension Scheme with effect from 1-4-06, following Accounting entries are to be passed at the Accounting Units of KPTCL.

For Accounting KPTCL portion of matching contribution to new defined Contributory Pension Scheme w.e.f. 1-4-2006

75.831 (ANC)	Terminal Benefits – KPTCL Contribution to new defined Contributory Pension Scheme with effect from 1-4-2006	XX	
To			
44.150 (ANC)	Provision for KPTCL Contribution to new defined Contributory Pension Scheme with effect from 1-4-2006.		XX

II. For effecting recovery from the salary of employees recruited on or after 1-4-2006

Credit Account Code 46.952 on recovery from employees salary bill

Debit Account Codes 44.150 & 46.952 on payment of amount of Employers and Employees portion of Contribution through Demand Draft in favour of Manager (Est-II), KPTCL, Kaveri Bhavan, Bangalore – 560 009.

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ಆ.ಸ (ಲೆ ಸ)/ಕೆಸಿಒ – 19/6877/07-08 13 ನೇ ನವೆಂಬರ್, 2007

ಸಿ.ವೈ.ಎಸ್. ಸಂಖ್ಯೆ. 58

ವಿಷಯ	2007-08 ನೆ ಸಾಲಿನಿಂದ ಕವಿಪ್ರನಿನಿ ಯ ಸವಕಳಿ ಲೆಕ್ಕ ನೀತಿಯಲ್ಲಿ ಆಗಿರುವ ಬದಲಾವಣೆ ಬಗ್ಗೆ.
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ಕರ್ನಾಟಕ ವಿದ್ಯುಚ್ಛಕ್ತಿ ಪ್ರಸರಣ ನಿಗಮ ನಿಯಮಿತವು, ಕೇಂದ್ರ ಸರ್ಕಾರದ ದಿನಾಂಕ 27-3-1994 ರ ಪ್ರಕಟಣೆಯಲ್ಲಿ ಕೇಂದ್ರೀಯ ವಿದ್ಯುತ್ ಪ್ರಾಧಿಕಾರವು ನಿಗದಿ ಪಡಿಸಿರುವ ಸ್ಥಿರಾಸ್ತಿಗಳ ಸವಕಳಿ ದರಗಳನ್ನು 2006-07ನೇ ವರ್ಷದ ವರೆಗೂ ಅಳವಡಿಸಿಕೊಳ್ಳಲಾಗಿತ್ತು. ಕೇಂದ್ರ ಸರ್ಕಾರದ ವಿದ್ಯುತ್ ಸಚಿವಾಲಯವು ಪ್ರಕಟಿಸಿರುವ ದರ ನಿಗದಿ ನೀತಿಗೆ ಅನುಗುಣವಾಗಿ ಕರ್ನಾಟಕ ವಿದ್ಯುಚ್ಛಕ್ತಿ ನಿಯಂತ್ರಣ ಆಯೋಗವು ಕವಿನಿಆ (ದರ ನಿಗದಿ) ನಿಯಮಾವಳಿಗಳು, 2006 ಕ್ಕೆ ಪ್ರಕಟಣೆ ಸಂಖ್ಯೆ ಬಿ/ 12/01/ ದಿನಾಂಕ 29-3-2006 ರಲ್ಲಿ ತಿದ್ದುಪಡಿಗಳನ್ನು ಹೊರಡಿಸಿದ್ದು ಸವಕಳಿ ಲೆಕ್ಕ ನೀತಿಯಲ್ಲಿ ಈ ಕೆಳಕಂಡಂತೆ ಮಾರ್ಪಾಡು ಮಾಡಲಾಗಿದೆ.

ಕೇಂದ್ರೀಯ ವಿದ್ಯುಚ್ಛಕ್ತಿ ನಿಯಂತ್ರಣ ಆಯೋಗವು ಪ್ರಕಟಣೆ ಸಂಖ್ಯೆ ಎಲ್-7/25(5)/2003-ಕೇವಿನಿಆ ದಿನಾಂಕ 26-3-2004 ರಲ್ಲಿ ಪ್ರಕಟಿಸಿರುವ ಸವಕಳಿ ದರಗಳು ಪ್ರಸರಣ ಸ್ಥಿರಾಸ್ತಿಗಳಿಗೆ ಅನ್ವಯವಾಗುತ್ತದೆ.

ಸ್ಥಿರಾಸ್ತಿಯು ಕಾರ್ಯಾರಂಭ ಮಾಡಿದ ಮೊದಲನೇ ವರ್ಷದಿಂದಲೇ ಸವಕಳಿಯನ್ನು ಲೆಕ್ಕ ಹಾಕಬೇಕಾಗಿರುತ್ತದೆ. ವರ್ಷದ ಕೆಲವು ಅವಧಿಯಲ್ಲಿ ಮಾತ್ರ ಆಸ್ತಿಯು ಕಾರ್ಯ ನಿರ್ವಹಿಸಿದ್ದರೆ, ಸವಕಳಿಯನ್ನು ದಾಮಾಷಾ ಮೇರೆಗೆ (ಪ್ರೊರೆಟಾ ಬೇಸಿಸ್) ಲೆಕ್ಕ ಹಾಕಬೇಕಾಗಿರುತ್ತದೆ.

೧೩೮. ಮೇಲೆ ತಿಳಿಸಿದ ಸವಕಳಿ ದರಗಳು, ವಿದ್ಯುತ್ ದರ ನಿಗದಿ ಹಾಗೂ ಲೆಕ್ಕ ನಿರ್ವಹಣೆಗೆ ಅನ್ವಯವಾಗುತ್ತದೆ.

ಕರ್ನಾಟಕ ವಿದ್ಯುಚ್ಛಕ್ತಿ ನಿಯಂತ್ರಣ ಆಯೋಗವು ಸವಕಳಿ ನೀತಿಗೆ ಮೇಲೆ ತಿಳಿಸಲಾದ ತಿದ್ದುಪಡಿಗಳನ್ನು ಮಾಡಿದ ಹಿನ್ನೆಲೆಯಲ್ಲಿ ಕರ್ನಾಟಕ ವಿದ್ಯುಚ್ಛಕ್ತಿ ಪ್ರಸರಣ ನಿಗಮ ನಿಯಮಿತದ ಆಡಳಿತ ವರ್ಗವು ಈ ಕೆಳಕಂಡ ಸವಕಳಿ ಲೆಕ್ಕ ನೀತಿಯನ್ನು ಅಳವಡಿಸಿಕೊಳ್ಳಲು ಅನುಮೋದನೆ ನೀಡಿದೆ. ಪರಿಷ್ಕೃತಗೊಂಡ ಸವಕಳಿ ಲೆಕ್ಕ ನೀತಿಯು 2007-08 ರಿಂದ ಮುಂದಕ್ಕೆ ಮುಂದಿನ ಆದೇಶದವರೆಗೂ ಜಾರಿಯಲ್ಲಿರುತ್ತದೆ.

1. ಕರ್ನಾಟಕ ವಿದ್ಯುಚ್ಛಕ್ತಿ ನಿಯಂತ್ರಣ ಆಯೋಗವು ತನ್ನ ಪ್ರಕಟಣೆ ಸಂಖ್ಯೆ ಬಿ/ 12/01/ ದಿನಾಂಕ 29-3-2006 ರಲ್ಲಿ ಅಂಗೀಕರಿಸಿರುವ ಕೇಂದ್ರೀಯ ವಿದ್ಯುಚ್ಛಕ್ತಿ ನಿಯಂತ್ರಣ ಆಯೋಗದ ಪ್ರಕಟಣೆ ಸಂಖ್ಯೆ ಎಲ್-7/25(5)/2003-ಕೇವಿನಿಆ ದಿನಾಂಕ 26-3-2004 ರಲ್ಲಿ ಪ್ರಕಟಿಸಿರುವ ಸವಕಳಿ ದರಗಳ ಅನುಸಾರ ಎಲ್ಲಾ

ಸ್ಥಿರ ಆಸ್ತಿಗಳ ಮೇಲೆ ನೇರ ಲೆಕ್ಕಾಚಾರದಲ್ಲಿ(Straight Line Method) ಸವಕಳಿಯನ್ನು ಲೆಕ್ಕ ಹಾಕುವುದು.

2. ಕೇಂದ್ರಿಯ ವಿದ್ಯುಚ್ಛಕ್ತಿ ನಿಯಂತ್ರಣ ಆಯೋಗದ ಪ್ರಕಟಣೆ ಸಂಖ್ಯೆ ಎಲ್-7/25(5)/2003-ಕೇವಿನಿಆ ದಿನಾಂಕ 26-3-2004 ರಲ್ಲಿ ಪ್ರಕಟಿಸಿರುವ ಸವಕಳಿ ದರಗಳ ಅನುಸಾರ ದಾಸ್ತಾನಿನಲ್ಲಿರುವ ಬಿಡುಗಡೆಗೊಂಡ ಆಸ್ತಿಗಳ ಮೇಲೆ ಸವಕಳಿಯನ್ನು ಲೆಕ್ಕ ಹಾಕುವುದು.

3. ಬಿಡುಗಡೆಗೊಳಿಸಿದ ಆಸ್ತಿಗಳನ್ನು ಪುನಃ ಕೆಲಸಗಳಿಗೆ ವಿತರಿಸಿ ಆಸ್ತಿಗಳೆಂದು ಪ್ರವರ್ಗೀಕರಿಸಿದವುಗಳ ಮೇಲೆ, ಕೇಂದ್ರಿಯ ವಿದ್ಯುಚ್ಛಕ್ತಿ ನಿಯಂತ್ರಣ ಆಯೋಗದ ಪ್ರಕಟಣೆ ಸಂಖ್ಯೆ ಎಲ್-7/25(5)/2003-ಕೇವಿನಿಆ ದಿನಾಂಕ 26-3-2004 ರಲ್ಲಿ ಪ್ರಕಟಿಸಿರುವ ಸವಕಳಿ ದರಗಳ ಅನುಸಾರ, ಇಳಿಸಿದ ಮೌಲ್ಯವನ್ನು (Written Down Value) ಮೂಲ ಮೌಲ್ಯವನ್ನಾಗಿ ಪರಿಗಣಿಸಿ ಸವಕಳಿಯನ್ನು ಲೆಕ್ಕ ಹಾಕುವುದು.

4. ಭೋಗ್ಯದ ಮೇಲೆ ಹೊಂದಿರುವ ಭೂಮಿಯ ಮೇಲಿನ ಸವಕಳಿಯನ್ನು ಭೋಗ್ಯದ ಅವಧಿಯ ಆಧಾರದಂತೆ ಒಟ್ಟಾರೆ ವರ್ಷಗಳ ಸಾಲಮುಕ್ತ ದರದಲ್ಲಿ ಲೆಕ್ಕ ಹಾಕುವುದು.

5. ಎಲ್ಲಾ ಆಸ್ತಿಗಳ ಮೂಲ ಬೆಲೆಯ ಮೇಲೆ ಶೇಕಡ 90 ರ ವರೆಗೆ ಮಾತ್ರ ಸವಕಳಿಯನ್ನು ಲೆಕ್ಕ ಹಾಕುವುದು.

6. ಆಸ್ತಿಯು ಕಾರ್ಯಾರಂಭ ಮಾಡಿದ ಮೊದಲನೇ ವರ್ಷದಿಂದಲೇ ದಾಮಾಷಾ ಮೇರೆಗೆ (ಪ್ರೊರೆಟಾ ಬೇಸಿಸ್) ಸವಕಳಿಯನ್ನು ಲೆಕ್ಕ ಹಾಕಬೇಕಾಗಿರುತ್ತದೆ. ಆಸ್ತಿಯು ಕಾರ್ಯಾರಂಭ ಮಾಡಿದಾಗ ಮತ್ತು ಬಿಡುಗಡೆಗೊಂಡಾಗ ಈ ಕೆಳಕಂಡಂತೆ ಸವಕಳಿಯನ್ನು ಲೆಕ್ಕ ಹಾಕಬೇಕಾಗಿರುತ್ತದೆ.

ಎ) ಆಸ್ತಿಯು ಕಾರ್ಯಾರಂಭ ಮಾಡಿದ ವರ್ಷದಲ್ಲಿ, ವರ್ಷದ ಕೆಲ ಅವಧಿಗೆ ಮಾತ್ರ ಕಾರ್ಯ ನಿರ್ವಹಿಸಿದ್ದರೆ, ಕಾರ್ಯಾರಂಭ ಮಾಡಿದ ದಿನಾಂಕವನ್ನು ಗಣನೆಗೆ ತೆಗೆದುಕೊಳ್ಳದೆ ಕಾರ್ಯಾರಂಭ ಮಾಡಿದ ತಿಂಗಳ ಪೂರ್ಣ ಅವಧಿಯಿಂದ ಪ್ರಾರಂಭಿಸಿ ಸವಕಳಿಯನ್ನು ಲೆಕ್ಕ ಹಾಕಬೇಕಾಗಿರುತ್ತದೆ.

ಬಿ) ಆಸ್ತಿಯು ಬಿಡುಗಡೆಗೊಂಡ ವರ್ಷದಲ್ಲಿ, ವರ್ಷದ ಕೆಲ ಅವಧಿಗೆ ಮಾತ್ರ ಕಾರ್ಯ ನಿರ್ವಹಿಸಿದ್ದರೆ, ಬಿಡುಗಡೆಗೊಂಡ ದಿನಾಂಕವನ್ನು ಗಣನೆಗೆ ತೆಗೆದುಕೊಳ್ಳದೇ, ಬಿಡುಗಡೆಗೊಂಡ ತಿಂಗಳ ಹಿಂದಿನ ಪೂರ್ಣ ತಿಂಗಳ ಅಂತ್ಯದವರೆಗೆ ಸವಕಳಿಯನ್ನು ಲೆಕ್ಕ ಹಾಕಬೇಕಾಗಿರುತ್ತದೆ.

7. ಮೇಲಿನ ಪ್ಯಾರಾ 6 (ಎ) ಮತ್ತು (ಬಿ) ರಲ್ಲಿ ತಿಳಿಸಿರುವ ನಿಯಮಗಳು ಕಳಚಿದ ಆಸ್ತಿಯ ಮೇಲೆ ಸವಕಳಿಯನ್ನು ಲೆಕ್ಕ ಹಾಕಲು ಸಹ ಅನ್ವಯಿಸುತ್ತದೆ. ಅಂದರೆ, ಬಿಡುಗಡೆಗೊಂಡ ಆಸ್ತಿಯು ಲೆಕ್ಕ ಸಂಕೇತ 16.2 ಗೆ ಬಂದ ತಿಂಗಳಿನಿಂದ ಆ ಆಸ್ತಿಯನ್ನು ಪುನಃ ಕೆಲಸಗಳಿಗೆ ವಿತರಿಸುವ ತಿಂಗಳ ಹಿಂದಿನ ಪೂರ್ಣ ತಿಂಗಳ ಅಂತ್ಯದವರೆಗೆ **ದಾಮಾಷಾ ಮೇರೆಗೆ (ಪ್ರೊರೆಟಾ ಬೇಸಿಸ್) ಪ್ರಕಟಣೆ ಸಂಖ್ಯೆ ಎಲ್-7/25(5)/2003-ಕೇವಿನಿಆ ದಿನಾಂಕ 26-3-2004 ರಲ್ಲಿ ನಿಗದಿಪಡಿಸಿರುವ ದರದಂತೆ** ಸವಕಳಿಯನ್ನು ಲೆಕ್ಕ ಹಾಕಬೇಕಾಗಿರುತ್ತದೆ.

8. 500 ರೂಪಾಯಿ ಹಾಗೂ ಕಡಿಮೆ ಬೆಲೆಯ ಪ್ರತಿಯೊಂದು ಸ್ಥಾವರ ಮತ್ತು ಯಂತ್ರೋಪಕರಣಗಳನ್ನು (Small & Low value items) ಸ್ಥಾಪಿಸಿ, ಉಪಯೋಗಿಸಲು ತೊಡಗಿದ ವರ್ಷದಲ್ಲೇ ಶೇಕಡಾ 100 ರಷ್ಟು ಸವಕಳಿಯನ್ನು ಲೆಕ್ಕ ಹಾಕಬೇಕಾಗಿರುತ್ತದೆ.

9. ಆಸ್ತಿಗಳ ಮೇಲೆ ಮತ್ತು ಬಿಡುಗಡೆಗೊಂಡ ಆಸ್ತಿಗಳ ಮೇಲೆ ಸವಕಳಿಯನ್ನು ಲೆಕ್ಕ ಹಾಕಲು ಈ ಹಿಂದೆ ಬಳಸುತ್ತಿದ್ದ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳನ್ನೇ ಈಗಲೂ ಬಳಸಬೇಕಾಗಿರುತ್ತದೆ.

2007-08 ನೇ ವರ್ಷದಿಂದ “compact software” ಕವಿಪ್ರನಿನಿ ಯ ಎಲ್ಲಾ ಲೆಕ್ಕ ಘಟಕಗಳಲ್ಲಿ ಪೂರ್ಣ ಪ್ರಮಾಣದಲ್ಲಿ ಜಾರಿಗೊಳ್ಳಲಿದ್ದು, ಸವಕಳಿಯನ್ನು ಗಣಕ ಯಂತ್ರವೇ ಲೆಕ್ಕ ಹಾಕಿ ಜರ್ನಲ್ ದಾಖಲೆಯನ್ನು ಸಹ ಗಣಕ ಯಂತ್ರವೇ ತಯಾರಿಸುತ್ತದೆ. ಆದ್ದರಿಂದ ಲೆಕ್ಕ ಘಟಕಗಳು 2007-08 ನೇ ಸಾಲಿಗೆ ಸವಕಳಿ ಹಾಕುವ ಸಂಬಂಧ ಯಾವುದೇ ಜರ್ನಲ್ ದಾಖಲೆಯನ್ನು ಪ್ರತ್ಯೇಕವಾಗಿ ಹಾಕುವ ಅವಶ್ಯಕತೆ ಇರುವುದಿಲ್ಲ. 2007-08 ನೇ ಸಾಲಿಗೆ ಲೆಕ್ಕ ಘಟಕಗಳು ಸವಕಳಿಯ ಜರ್ನಲ್ ದಾಖಲೆಯನ್ನು ಹಾಕಿದ್ದರೆ, ಅದನ್ನು ಹಿಂತೆಗೆಯುವ (Reversal) ಜರ್ನಲ್ ದಾಖಲೆಯನ್ನು ಹಾಕಿ, ಮೊದಲು ಹಾಗೂ ನಂತರ ಹಾಕಿದ ಎರಡೂ ಜರ್ನಲ್ ದಾಖಲೆಯನ್ನು ಕಾಂಪಾಕ್ಟ್ ತಂತ್ರಾಂಶದಲ್ಲಿ ಅಳವಡಿಸಬಾರದು ಎನ್ನುವುದನ್ನು ಲೆಕ್ಕ ಘಟಕಗಳು ಗಮನಿಸಬೇಕು. ಈ ರೀತಿ ಮಾಡುವುದರಿಂದ ಎರಡೂ ಜರ್ನಲ್ ದಾಖಲೆಗಳ ಪರಿಣಾಮವು ಶೂನ್ಯವಾಗಿ ಕಾಂಪಾಕ್ಟ್ ತಂತ್ರಾಂಶದಲ್ಲಿ ಉತ್ಪಾದನೆಗೊಂಡ ಜರ್ನಲ್ ದಾಖಲೆಯು ಮಾತ್ರ ಲೆಕ್ಕಕ್ಕೆ ಪರಿಗಣಿಸಿದಂತಾಗುತ್ತದೆ.

ಈ ಮೇಲೆ ತಿಳಿಸಿರುವ ಮಾಪಾಡುಗೊಂಡ ಸವಕಳಿ ಲೆಕ್ಕ ನೀತಿಯನ್ನು ಎಲ್ಲಾ ಲೆಕ್ಕ ಘಟಕದವರೂ ಸರಿಯಾಗಿ ಓದಿ, ಅರ್ಥ ಮಾಡಿಕೊಂಡು ಪೂರ್ಣವಾಗಿ” ಜಾರಿಗೊಳಿಸಬೇಕಾಗಿರುತ್ತದೆ. “ಲೆಕ್ಕ ಘಟಕಗಳ ತಪ್ಪು ಗ್ರಹಿಕೆಯಿಂದಾಗಿ ಈ ನಿಟ್ಟಿನಲ್ಲಿ ಬರಬಹುದಾದ ಲೆಕ್ಕ ಪರಿಶೋಧಕರ ಆಕ್ಷೇಪಣೆಗಳಿಗೆ “ಲೆಕ್ಕ ಘಟಕಗಳನ್ನೇ ಜವಾಬ್ದಾರಿ ಮಾಡಲಾಗುವುದು.

ಸವಕಳಿ ದರಗಳನ್ನು ನಿಗದಿ ಮಾಡಿರುವ ಕೇಂದ್ರೀಯ ವಿದ್ಯುಚ್ಛಕ್ತಿ ನಿಯಂತ್ರಣ ಆಯೋಗದ ಪ್ರಕಟಣೆ ಸಂಖ್ಯೆ ಎಲ್-7/25(5)/2003-ಕೇವಿನಿಆ ದಿನಾಂಕ 26-3-2004 ರ ಪ್ರತಿಯನ್ನು ಮಾಹಿತಿಗಾಗಿ ಈ ಪತ್ರದೊಂದಿಗೆ ಲಗತ್ತಿಸಲಾಗಿದೆ.

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FA(A&R)KCO-19/6882/07-08

Dated: 17th December, 2007

CYS.64

Sub: Furnishing details of Tax Deducted At Source (TDS) from payment to outside agencies during Financial Year 2004-05

Ref: Lr dated 6-12-2007 from Income Tax Officer, Ward 11(2), Bangalore to KPTCL.

KPTCL Accounting Units are availing the services from different outside agencies and making payment in respect of Security charges, Legal charges, Audit fees, Consultancy charges, Professional charges, Various Fees & Advertisement charges. While arranging payment, KPTCL Accounting Units are deducting tax at source (TDS) and remitting the same to Income Tax Department, as per rules. The Income Tax Department has taken up the assessment of KPTCL for the Financial Year 2004-05 (Assessment Year 2005-06). The Income Tax Department has sought the details of TDS made in respect of payment of Security charges, Legal charges, Audit fees, Consultancy charges, Professional charges, Various Fees & Advertisement charges. You are requested to furnish the said details in the following format for the year 2004-05.

Statement showing the details of TDS made for the year 2004-05 in respect of Security charges, Legal charges, Audit fees, Consultancy charges, professional charges. Various Fees & Advertisement charges Services

(Each type of payment shall be shown separately)

Name of the Accounting Unit

Location Code:

S l . N o .	Name & PAN no. of the Recipien t	Am ou nt Pai d	TDS made	Date of deduct ion	Amo unt of dedu ction	Date of remitt ance	Delat y if any in remit tance	Reasons for delay

Further, It may also be noted that details furnished by the Accounting units will be directly handed over to the Income Tax authorities. As such, the Accounting Units shall only be held responsible for any discrepancy in the details furnished in the above statement. Hence, due care shall be taken while furnishing the above details without giving room for any discrepancy.

The above details shall be furnished to this office before 24-12-2007 positively. Any delay in this regard will be viewed very seriously.

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FA(A&R)KCO-19/6894/07-08

Dated: 17th December, 2007

CYS. 65

Sub: Furnishing details of Services obtained from outside agencies to Service Tax Department

Ref: Lr. No. IV/6/Misc/2007 ST AE II dated 3-12-2007 from O/O The Commissioner of Service Tax, Bangalore to M.D. KPTCL.

KPTCL Accounting Units are availing the services from different outside agencies towards Repairs & Maintenance to Plant & Machinery, Buildings, Civil works, Lines, cables net work, office equipments & other professional and technical services. KPTCL is also paying service tax for the services obtained, as claimed by the service provider. The service tax department of Government of India is examining whether the service tax collected by the service providers has been paid to Central Government. As such, Service tax department has sought for the details of services obtained, service tax paid, name & address of the service provider etc. You are requested to provide the details in the following format for the years 2003-

Statement showing the details of Services obtained for the year

Name of the Accounting Unit

S l . N o .	Nature of Service Obtain ed	Accou nt Code	Date of payme nt of Service charge s	Amount of Service Tax paid	Name & Address of the Service provider	Telepho ne No of the Service provider	Rem arks

The above details shall be furnished to this office before 20-12-2007 positively. Any delay in this regard will be viewed very seriously.

FA(A&R)KCO-21/6936/07-08

Sub: Deduction of Works Contract Tax at source as per KVAT Act, 2003
– Clarification – Reg

As per Sec. 9-A of Karnataka Value Added Tax Act, 2003, Work Contract Tax is to be deducted at source while making payment to Contractors executing the work. Attention is invited to Corporate Office Circular No. KPTCL/B-28/B-8/2243/97-98 dated 21-1-2006, wherein,

amount of Works Contract Tax to be deducted is specified. The same is reproduced below for information of the Accounting Units.

Works Contract Tax – Deduction at Source C/S 9-A KVAT Act, 2003)

a. **Composite Contracts: -**

1	In case Composition is opted (Composition Certificate is produced)	4% of the bill amount of the contract including labour component or service components.
2	If a declaration is furnished by the contractor in writing	As declared
3	In other cases	VAT @ 4% or 12.5% depending upon the rate of tax under VAT Act on goods involved in the Works Contract excluding the labour portion (Tax Invoice to be furnished by the Contractor /firm)

It is brought to the notice of the Corporate Office that in some Accounting Units of KPTCL, Works Contract Tax at 12.5% is being deducted at source even though the contractor has opted for Composition duly producing COMPOSITION TAX REGISTRATION CERTIFICATE, which is not in order.

Hence, it is instructed that in case the composition is opted, prevailing rate of 4% shall only be deducted at source duly obtaining self attested copy of COMPOSITION TAX REGISTRATION CERTIFICATE. The difference of Work Contract Tax if any already deducted (12.5% - 4%) shall be refunded in cash or adjusted against the future bills.

The above instructions shall be followed scrupulously without giving room for any complaints from contractors / firms, as to non-compliance of rules.

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FA(A&R)KCO-21/6936/07-08

Dated: 14th February, 2008

CYS. 74

Sub: Categorization of Assets immediately on commissioning of the work – Incorporation of Asset categorization entry in the Accounts-Reg.

FA(A&R)KCO-21/6936/07-08

Dated: 18 February, 2008

Sub: Deduction of Works Contract Tax at source as per KVAT Act,
2003 – Clarification – Reg

Please refer to this office circular No. FA(A&R)KCO-21/6936/07-08 dated 2-2-2008 on the above mentioned subject. It is stated in the last but one para of this office circular that the difference of Work Contract Tax if any already deducted (12.5% - 4%) shall be refunded in cash or adjusted against the future bills. In this connection, it is hereby clarified that the difference of Work Contract Tax (12.5% - 4%) due for refund shall be refunded in CASH provided the amount deducted at source has not yet been remitted to concerned authorities. If the Work Contract Tax deducted at source has already been remitted to concerned authorities, the contractor may be advised to get refund from the concerned authorities duly following the required procedure.

The other contents of the circular under reference remain unaltered.

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FA(A&R)KCO-21/6936/07-08

Dated: 19th February, 2008

CYS -76

Sub: Remittance of Tax Deducted at Source (TDS) and Furnishing of
WCT TDS Certificate – reg.

Ref: This Office Circular No. FA(A&R)/PS/CYS. 41 dated 7-10-2004

You are aware that as prescribed under Rule 30 of Income Tax Rules, 1962, the TDS has to be remitted “Within one week from the last day of the month in which the tax is deducted”. The Accounting Units render the details of TDS in the Appendix prescribed for the purpose in March Final Accounts. Based on this, the Tax Returns of the Corporation are being filed with the Income Tax Department.

While carrying out assessment of Income Tax for F.Y. 2004-05, the Income Tax Department has pointed out many instances of late remittance of TDS and issued **Notice calling for explanation as to why penalty should not be levied for delay in remittance of TDS** besides disallowing the expenditure (i.e. payments) relating to such instances.

In this connection, it is to mention here that instructions have already been issued to the Accounting Units vide circular under reference that they are solely responsible for remittance of Tax Deducted at Source (TDS) within the time limit prescribed under the Income Tax Rules. In spite of this, if there is any delay in remittance of TDS, it is constrained to pass on any penalty and impact of disallowance of expenditure to the concerned Officers.

As such, all the Officers concerned are hereby instructed to adhere to the statutory time limit for remittance of TDS, failing which the consequential monetary impact on KPTCL levied by IT Department will be ordered to be recovered from them without any further notice.

Secondly, as per Rule 31 of Income Tax Rules, 1962, the TDS certificate in Form No. 16A (TDS out of payment other than salary) shall be furnished to the payee within a period of "One month from the end of the month during which the credit has been given or the sums have been paid, as the case may be.

It is brought to the notice of Corporate Office that in many Accounting Units, there is inordinate delay in issuing I T and WCT TDS Certificates to the Turn Key Contractors. This has caused inconvenience to the contractors and service providers from whom Tax has been deducted at source. The concerned officers of all the Accounting Units are hereby instructed to issue I T and WCT TDS certificates within One month, without giving room for any complaint from the Contractors.

The above instructions shall be followed scrupulously.

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ಆ.ಸ (ಲೆ ಸ)/ಕೆಸಿಬಿ 21 / 6936/08-09

22ನೇ ಎಪ್ರಿಲ್, 2008

ವಿಷಯ	ದಿನಾಂಕ 01-04-2003 ರಿಂದ ಅನ್ವಯವಾಗುವಂತೆ ಪರಿಷ್ಕರಿಸಿರುವ ವೇತನ ವ್ಯತ್ಯಾಸದ ಬಾಕಿ ಮೊತ್ತವನ್ನು ಪಾವತಿ ಮಾಡುವ ಬಗ್ಗೆ.
ಉಲ್ಲೇಖ	ನಿಗಮದ ಆದೇಶದ ಸಂಖ್ಯೆ: ಕವಿಪ್ರನಿ / ಬಿ.16/4678/2006-07 (ಬಿ) ದಿನಾಂಕ 24-03-2009

ಉಲ್ಲೇಖದಲ್ಲಿರುವ ನಿಗಮದ ಆದೇಶದಲ್ಲಿ ದಿನಾಂಕ 01-04-2003 ರಿಂದ ಅನ್ವಯವಾಗುವಂತೆ ನಿಗಮದ ನೌಕರರು ಹಾಗೂ ಅಧಿಕಾರಿಗಳ ಮೂಲ ವೇತನವನ್ನು ಶೇಕಡ 10 ರಿಂದ 12 ರಷ್ಟು ಪರಿಷ್ಕರಿಸಿದ ಪರಿಣಾಮ ದಿನಾಂಕ 01-04-2003 ರಿಂದ 31-10-2007 ರ ಅವಧಿಯ ವೇತನ ಪರಿಷ್ಕೃತ ಬಾಕಿಯ ಶೇಕಡ 10 ರಷ್ಟನ್ನು ಟ್ರಸ್ಟಿಗೆ

ಈ ಹಿನ್ನೆಲೆಯಲ್ಲಿ, ವೇತನ ವ್ಯತ್ಯಾಸದ ಬಾಕಿ ಮೊತ್ತವನ್ನು ಪಾವತಿ ಮಾಡುವಾಗ ದಾಖಲಿಸಬೇಕಾದ ಜರ್ನಲ್ ಎಂಟ್ರಿಯ ಬಗ್ಗೆ ಕವಿಪ್ರನಿನಿಯ ಹಲವಾರು ಲೆಕ್ಕ ಘಟಕಗಳು ಈ ಕಛೇರಿಯಿಂದ ಸ್ಪಷ್ಟೀಕರಣವನ್ನು ಕೋರುತ್ತಿರುತ್ತಾರೆ. ದಿನಾಂಕ 01-04-2003 ರಿಂದ 31-10-2007 ರ ಅವಧಿಗೆ ಆಧಿಕಾರಿ / ನೌಕರರಿಗೆ ಪಾವತಿಸಬೇಕಾದ ಒಟ್ಟು ವೇತನ ಪರಿಷ್ಕೃತ ಬಾಕಿಯನ್ನು ಲೆಕ್ಕ ಹಾಕಿ ಅದರಲ್ಲಿ ಶೇಕಡ 10 ರಷ್ಟನ್ನು ಟ್ರಸ್ಟಿಗೂ ಮತ್ತು ಉಳಿದ ಬಾಕಿ ಮೊತ್ತದ 1/3 ನೇ ಭಾಗವನ್ನು ಈಗ ಪಾವತಿ ಮಾಡಬೇಕಾಗಿರುವುದರಿಂದ ಈ ಕೆಳಕಂಡಂತೆ ಜರ್ನಲ್ ಎಂಟ್ರಿಯನ್ನು ದಾಖಲಿಸುವುದು.

<p>.ದಿನಾಂಕ 01-04-2003 ರಿಂದ 31-10-2007 ವರೆಗೆ ಒಟ್ಟು ಬಾಕಿ</p>		<p>ಒಟ್ಟು ಬಾಕಿಯಲ್ಲಿ ಟ್ರಸ್ಟಿಗೆ ತೊಡಗಿಸ ಬೇಕಾದ ಶೇಕಡ 10</p>	<p>ಶೇಕಡ 10 ನ್ನು ಕಳೆದು ಪಾವತಿಸ ಬೇಕಾದ ಒಟ್ಟು ಬಾಕಿ</p>	<p>ಈಗ ಪಾವತಿಸಬೇಕಾದ 1/3 ನೇ ಭಾಗ</p>	<p>ಟ್ರಸ್ಟಿಗೆ ತೊಡಗಿಸ ಬೇಕಾದ ಮೊತ್ತವೂ ಸೇರಿದಂತೆ 1/3 ಭಾಗದ ಬಾಕಿ ಪಾವತಿಗೆ ದಾಖಲಿಸಬೇಕಾದ ಜರ್ನಲ್ ಎಂಟ್ರಿ ಮೊತ್ತ (3+5)</p>
ಲೆಕ್ಕ ಸಂಕೇತ	ಮೊತ್ತ	ಮೊತ್ತ	ಮೊತ್ತ	ಮೊತ್ತ	ಮೊತ್ತ
1	2	3	4	5	6
75.115	20401	2040	18361	6120	8160
75.315	14934	1493	13441	4480	5973
75.415	3584	358	3226	1076	1434
Total	38919	3891	35028	11676	15567

ಲೆಕ್ಕ ಸಂಕೇತ	ಲೆಕ್ಕ ವಿವರಣೆ	ಡೆಬಿಟ್	ಕ್ರೆಡಿಟ್
75.115	Salaries – RE-Others	8160	
75.315	DA-RE- Others	5973	
75.415	Other Allowances – RE- Others	1434	
To			
46.954	Amount Recovered from the employees payable to Employees Welfare Trust		3891
44.310	Salary Payable		11676
	ಮೊತ್ತ	15567	15567

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Sub: Collection of Cess at the rate of one percent of cost of the construction incurred by KPTCL/ESCOMs under Building & Other Construction Works Welfare Cess Act. 1996.

- Ref: 1) Government Order No.LD300LET 2006 dated 18.01.2007 issued by DGM(Tech)., KPTCL
2) Corporate order No.B19/2013/07-08 dated 25.06.2007 issued by DGM(Tech), KPTCL.

You are aware that the Government of Karnataka has issued Government order vide reference No.1, above to collect and pay the 1% Cess from the Contractors Bill and remit this amount to the Karnataka State Construction Works Welfare Board. Accordingly, Corporate Order was issued vide reference No.2., to implement the same by deducting one percent of the amount of the cost approved as per Tender Notification from the bills at the time of making payment to the Contractors and the amount so deducted shall be remitted to the Karnataka State Construction Works Welfare Board within 30 days of making such payments.

Several clarification letters are received from the field officers in this regard which are mainly on the following issues.

- 1) Applicability of cess to the works completed and finalized before 01.11.2006.
- 2) Deduction of cess in case of Divisible Contracts issued for supply of materials, Erection and civil portion.
- 3) Collection of cess in case of Deposit Contribution works, Labour Award, self execution works.

Further, these issues were raised in the Majow Works Review meetings held on 16.07.2008 and officers meeting held on 21.07.2008. The Managing Director, KPTCL, has instructed, to issue clarification informing that a letter has already been addressed to the Government, seeking clarification on the above issues and reply is awaited. As such, it is requested to continue the collection of one percent cess on the total cost of the works awarded as already indicated vide Corporate Order under reference (2).

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Sub: Disallowance of SET component from the bills of Turnkey Contractors.

Ref: 1) Government Order No.LD 300 LET 2006 dated 18.01.2007.
2) Corporate order No.KPTCL/B28/B8/2243/97-98 dated 29-05-2007 by Deputy General Manager (technical), KPTCL.

In the Corporate Order cited under reference, guidelines have been issued for disallowance of S.E.T from future Turnkey Contractors/ Purchase Orders and Turnkey Contractors/ purchase Orders under process and no Special Entry Tax shall be deducted from the Contractors bill and remitted to Tax Authorities in future including pending bills for which the works has already been completed. In case Special Entry Tax claimed in the Contractors, the same has to be disallowed.

Further a clarification letter No.CEE(T&P)AO/8518-19/2007-08 Dated: 17-07-2007, was also issued by the Chief Engineer Electricity (tender & Procurement), stating that, incase the special entry tax component is shown separately entry tax component shall be disallowed from the FORD Price and incase, the special entry tax is not shown separately in the DWA but awarded as inclusive of special entry tax, then the applicable special entry tax shall be calculated of FORD Price equal to VAT rate applicable to the equipment / material duly adjusted the CST component (if any shown in the Tax invoice) or as indicated by supplier in writing whichever is more.

The above issue was raised in the Major Works Review meetings held on 16/07/2008 and officers meeting held on 21/07/2008, and the Managing Director, KPTCL, has instructed to issue clarification in this regard. In this connection, it is to reiterate once **again in case special entry tax included in the contract already awarded, then the Special Entry Tax shall be calculated on FORD Price and the same shall have to be deducted from the supply bills.**

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Sub: Inter-company transactions; Mode of payment of arrears of salary and allowances – reg

After unbundling of KPTCL, ESCOMs are functioning independently from 1st June, 2002, and various circulars have been issued from time to time in respect of inter-company transactions.

The mode of settlement of pay and allowances relating to the service rendered in a Company payable after the officer / employee is transferred to another Company is not prescribed specifically in the circulars issued for accounting of inter-company transactions. Each Company is following a different method of settlement of payments in such cases.

At present, the Accounting Units of Companies are following two methods in such cases via.,

1. Issuing Demand Draft in the name of the officer / employee transferred to another Company and sending the same directly to the officer / employee.
2. Sending Demand Draft in the name of the Head of the Office of the Accounting Unit of another Company to which the officer / employee is transferred. In turn, the Unit account the cheque as a receipt and arrange for payment of the amount.

In both the above cases, the settlement of amount due to be paid to the employee, providing of information required for Income Tax calculation, etc., are regulated through action taken by the Units at their convenience. But, in the absence of any specific laid down procedure, there is scope for unnecessary correspondence and debate over the correct method to be adopted in such cases.

In this connection, certain guidelines have been issued vide this Office Circular No. FA(A&R)/A/Cs/AAOII/CYS-7 dated 19-04-02005 prescribing that *‘the Company which bears the payments liability shall send a detailed statement along with demand draft to enable the concerned establishment to record necessary entries and consider the amount of arrears for computation of income tax relating to the Officer / Employee and arrange payment of Income Tax to the IT Department without fail.’* However, the understanding and interpretation of the circular instructions is not uniform across the KPTCL and other Companies. Further, the specific issue ie., whether the payment to be made to the employee or to the transferee Company is not clear from reading of the circular.

In view of the above, the following procedure is prescribed for regulating payment in such cases superseding all the instructions issued earlier:

- The Accounting Unit of a Company from where the Officer / Employee is transferred shall arrange payment through a Demand Draft drawn

in favour of the Head of the Office of the Accounting Unit of other Company to which he/she is transferred.

- Along with the DD, full details of the amount to be disbursed , Income Tax computation, etc., shall also be furnished.
- The Accounting Unit of the Other Company where the Officer/Employee is presently working shall acknowledge the receipt of DD along with full details and remit the DD to its operative Bank Account.
- An Account Payee cheque shall be drawn by the Unit treating “the covering letter and a photo copy of the DD received and remitted” as a voucher for arranging payment.
- For both the remittance of DD amount into Operative Bank Account and issue of fresh cheque to the Officer / Employee, allocation shall be given as 46.966 – Miscellaneous Deposits on Receipt and Payment side of the Cash Book.
- Full details of payment made and Income Tax computation shall be recorded in the Scale Register under the folio of the Officer / Employee for considering the same for regulating Tax.

The above procedure will clear the ambiguity prevailing at the Unit level besides ensuring authenticated payment to the Officer / Employee and recording of Income Tax details in the Scale Register properly.

All the Accounting Units of KPTCL shall follow the above procedure henceforth without any deviation.

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FA(A&R)KCO-21/6932

Dated: 22nd January, 2009

Sub: Changing the Technical Control of Telecommunication Division, Bangalore to State Load Despatch Centre – Guidelines for transfer of balances from O/o The SEE-El, Transmission (Maintenance) Circle, BMAZ, KPTCL, Bangalore to O/O The CEE- SLDC, KPTCL, Bangalore.

Ref: 1. KPTCL Corporate Order No.KPTCL/B5A/2709/2002-03, Bangalore dated 10-12-2008

Corporate Office vide Order under reference has ordered that the Telecommunication Division (TCD), Bangalore and Hubli shall work under the Technical control of the Chief Engineer, (Elecl), State Load Despatch Centre (SLDC), KPTCL, Bangalore. It is also ordered therein that the pay & allowances and other related issues of TCD, Bangalore hitherto dealt by O/o The SEE-El, Transmission (Maintenance) Circle, BMAZ, KPTCL, Bangalore shall be dealt by O/O CEE-SLDC, KPTCL with immediate effect.

The following guidelines are issued for transfer of balances and relevant records from O/o The SEE-El, Transmission (Maintenance) Circle, BMAZ, KPTCL, Bangalore to O/O CEE-SLDC, KPTCL, Bangalore:

1. Transfer of Establishment Registers and connected Service Records: -

Salary of the Employees of TCD, Bangalore shall be claimed by SLDC, Bangalore from **January 2009** and onwards. For this purpose, existing Establishment Registers of such employees with completed entries shall be handed over to SLDC, Bangalore by Transmission (Maintenance) Circle, BMAZ, KPTCL, Bangalore and acknowledgement obtained. For the purpose of Income Tax Returns to be filed, Transmission (Maintenance) Circle, BMAZ, KPTCL, shall provide full details of payments made to Income Tax Department in respect of recoveries made for the period from April to December 2008 and file the Returns to I.T. Department.

Service Registers of the TCD employees shall be handed over to SLDC by Transmission (Maintenance) Circle, BMAZ, KPTCL, with entries regarding all service matters made in full, up-to the end of December 2008 under acknowledgement. The connected service records, registers and correspondence files shall also be transferred.

2. Compilation of Accounts: -

All balances under relevant Account Codes (other than Revenue Expenditure) pertaining to TCD shall be transferred to SLDC, KPTCL, Bangalore by the Transmission (Maintenance) Circle, BMAZ, KPTCL, Bangalore by an Advice of Transfer with full supporting details along with photocopy of relevant documents. Revenue Expenditure pertaining to TCD, incurred by Transmission (Maintenance) Circle, BMAZ, KPTCL, Bangalore shall not be transferred to SLDC. Any Revenue Expenditure payments made by Transmission (Maintenance) Circle, BMAZ, on behalf of SLDC after effective date of transfer shall be transferred to SLDC by an Advice of Transfer.

The balance of Unremitted Revenue, Imprest, Postage Stamps and Revenue Receipt Stamps pertaining to TCD maintained in Transmission (Maintenance) Circle, BMAZ shall be transferred to SLDC by an A.T. However, suspense amount in respect of salary etc, up to the date of transfer shall be cleared at the Transmission (Maintenance) Circle, BMAZ only by obtaining paid vouchers.

3. Schedule Balances: -

Debit Schedules (Recoverables)

Balances remaining under Account Codes 28.401 and 27.205 shall be transferred to SLDC with full particulars of amounts to be recovered. Specific clarification from this office shall be obtained in case of disputes and doubts at the time of transfer of balances.

Balance outstanding under Account codes 27.201 and 27.203 as on the last day of the month before the effective date of transfer shall be transferred to SLDC by the Transmission (Maintenance) Circle, BMAZ through an Advice of Transfer. Advances paid towards T.A. under Account code 27.202 shall also be transferred to SLDC in respect of T.A. bills required to be passed at SLDC, KPTCL, Bangalore, duly furnishing relevant details of advance drawn by concerned employees.

Advance paid to suppliers, if any, before the effective date of transfer shall also be transferred to SLDC by an Advice of Transfer duly furnishing all the relevant details of Advance paid.

The balance outstanding under any other Account code under Receivable Account (i.e. Debit Schedules) shall be transferred to SLDC by an Advice of Transfer duly furnishing all the relevant details of amount recoverable.

Credit Schedules

Balances outstanding under Account Codes of Account Group 42, 44 & 46 shall be transferred to SLDC by an Advice of Transfer duly furnishing all the relevant details for the balance under respective Account codes.

The balance outstanding under any other Account code under Liability Account (i.e. Credit Schedules) shall be transferred to SLDC by an Advice of Transfer duly furnishing all the relevant details of liability.

4. Capital Works in Progress : -

The outlay in respect of works completed but not categorized and ongoing works pertaining to TCD shall be transferred to SLDC duly booking expenditure up-to the end of preceding month of the effective date of transfer along with relevant Cost Registers and records, duly posted up to date.

5. Fixed Assets: -

All the Assets pertaining to TCD along with Accumulated Depreciation shall be transferred to SLDC by a separate Debit & Credit Advice of Transfer. The

connected Asset Registers duly posted up-to-date shall be handed over under acknowledgement. A statement showing the Account code-wise list of Assets with all the relevant details shall be prepared and enclosed to Advice of Transfer.

6. General: -

In case of doubt regarding transfer of balances to SLDC, specific guidance from this office may be obtained.

All Records, Registers and Schedules to be transferred to SLDC shall be posted up-to-date before handing over them to SLDC.

Above procedure shall be followed scrupulously and action taken report sent to the undersigned by both the Accounting Units viz O/o The SEE-El, Transmission (Maintenance) Circle, BMAZ &O/O The CEE-SLDC, KPTCL, Bangalore.

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FA(A&R)KCO-21/6936/07-08

Dated: 23rd January, 2009

Sub: Revised Procedure for Accounting of Penalty recovered from Suppliers / Contractors of KPTCL.

Hitherto, the penalty recovered from suppliers / Contractors for delay in supply of materials / delay in completion of work as per time schedule respectively is being accounted under Account code **“62.917 – Miscellaneous Recoveries”**. In cases where the delay is condoned by competent Authorities on valid grounds, the penalty recovered earlier is being refunded to the concerned supplier / contractor by debiting Account code **“83.834 – Withdrawal of Miscellaneous Income accounted in previous years”** duly following the prescribed formalities of the Corporation.

During the year 2007-08, KPTCL took up a huge Capital Expenditure Programme of around Rupees 2000 Crores to strengthen the Transmission network of the State. Owing to huge volume of capital works, there were inevitable delays in completing the works according to the time schedule. The inordinate delay has resulted in recovery of penalty to an extent of Rs.132 Crores, which will have impact on Revenue, Income Tax and Tariff fixation of KPTCL. From the point of view of Revenue, this is an Income and if refunded at a later date, after the delay is condoned, prior period expenditure is debited. From the point of view of Income Tax, KPTCL is required to pay Income Tax on this huge amount, but when refunded in

subsequent financial years, cannot claim as allowable expenditure during the assessment of Income of KPTCL, as the refund is accounted as prior period expenditure. From the point of view of Tariff fixation, this non-recurring income would reduce the fixation of Transmission charges, during the truing up exercise taken up by KERC as the Non-Tariff Income is deducted out of Total Expenditure to arrive at Net ARR (Annual Revenue Requirement).

The multifold impact of accounting the penalty recovered as Income has been analysed in consultation with Statutory Auditors of KPTCL. To overcome the drawbacks prevailing in the method of accounting of penalty recovered, it was decided that, only the cases in respect of which a conclusion has been drawn and certainty is established as to penalty recovered need not be refunded at a later date shall be treated as Income of KPTCL. In all other cases, the penalty recovered is required to be accounted under a new Liability **Account Code “46.109 – Penalty Recovered, pending decision for refund”**. Accordingly, necessary journal entries were passed at Head Office, on behalf of the Accounting Units, in the Accounts of KPTCL for 2007-08, based on the information furnished by the Accounting Units. The passing of this entry in Head Office was subject to the condition that the same has to be reversed in Head Office after ensuring that the concerned Accounting Units pass necessary entries in their books of Accounts during 2008-09. Hence, a separate Journal Voucher to each Accounting Units will be sent separately for incorporating the entry in their Accounts for 2008-09.

The Accounting procedure for accounting the penalty recovered is prescribed below. This is effective from the year 2007-08 and onwards:-

1. The amount of penalty recovered during the year 2007-08 under Account Code 62.917 and pending decision for refund as at 31-3-2008 is to be accounted under Account code **“46.109 – Penalty Recovered, pending decision for refund”** to the extent of amount indicated in the **journal voucher sent from Head Office, separately**. This Journal Voucher has to be accounted in the accounts on hand for 2008-09 and a copy of the journal voucher duly signed by the Accounts Officer sent to Head Office. Please note that this journal voucher is generated based on the party-wise details furnished by the Accounting Units during the month of May / June 2008.
2. The penalty recovered during the year 2007-08 and accounted under Account Code 46.109 as stated in para 1 above, when refunded during the year 2008-09 or subsequently has to be debited to **Account Code 46.109 instead of Account Code 83.834**.

3. If any refund of penalty has been arranged during 2008-09 by debit to Account code 83.834, the same shall be transferred by a journal voucher, debiting Account code 46.109 and crediting Account code 83.834
4. All the penalty recovered during the year 2008-09 and credited to Account Code 62.917 be shifted to Account code 46.109 by passing a journal entry in the Accounts on hand during 2008-09. If such penalty is refunded during the year 2008-09 itself has to be debited to **Account Code 46.109 instead of 62.917**. The penalty amount already refunded during the year 2008-09 and debited to Account Code 62.917 shall also be shifted to Account code 46.109.
5. The amount of penalty recovered in respect of which, the claim for refund by condoning the delay has been rejected by the competent Authority shall be credited to Account Code 62.917 by corresponding debit to Account Code 46.109, in the year of decision.

All the Accounting Units shall go through the Revised Accounting Procedure, prescribed above and implement the same in Toto, besides following the same in future.

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FA(A&R)KCO-21/6936/07-08

Dated: 3rd February, 2009

Sub: Categorization of Capital Works immediately after they are commissioned.

- Ref:
1. This office circular No.FA(A&R)/C(AP&A)/AAO.I/CYS.29 dated 21-6-2007
 2. MD, KPTCL, Lr. No. KCO021/6936 dated 12-2-2008 addressed to Zonal Chief Engineers, (Elecl)
 3. This office Lr.No.KCO-21/6910 dated 15-9-2008 addressed to Zonal Chief Engineers, (Elecl)

During the audit of Accounts of KPTCL for the year 2007-08, the A.G's Auditors have observed that in many Accounting Units, especially in Major Works Division, the outlay in respect of Capital Works are not being Categorized as Assets, immediately after they are commissioned and put to use. It is pointed out by Auditors that Accounting Units are assigning reasons like non-receipt of Completion Reports, non-receipt of bills from Contractors, non-completion of all the works related to that particular capital project etc, for non-categorization of commissioned works.

Another major observation of A.G's audit is that in respect of Turn-key works, the amount of advance given to contractors under Account Code

26.605 – Turn-key Contractors Control Account has remained unadjusted even though the work has already been commissioned. This has resulted in overstatement of Advances to Contractors and understatement of Asset Account of KPTCL. Non-categorization of capital works awarded on Turn-key contracts which are commissioned is one of the reason for continuation of balance under 26.605

The Accounting Units should understand the disadvantages of non-categorization of commissioned works. As the Assets starts earning depreciation from the month of commissioning of the asset, depreciation will not be provided on the asset, if the commissioned works are not categorized in the month of commissioning itself. As such, Depreciation on such assets is not booked in the accounts and hence the same will not be reckoned by KERC for fixation of Transmission Tariff. To that extent, our Internal Resources, which is the main source for meeting debt-servicing obligation, gets depleted. Further, KPTCL has to take the comment of A.G's Auditors / Statutory Auditors, regarding non-categorization of commissioned works, which could have been avoided.

As regards, non-receipt of Completion Report, it should be noted by the Accounting Units that Completion Report is required for closing of the work account in the Cost Register. As such, non-receipt of Completion Report should not be a reason for non-categorization of Commissioned Works. Hence, all the Accounting Units shall categorize all the works in future, immediately after they are commissioned, without waiting for receipt of Completion Report.

As regards, non-receipt of bill from Contractor, it should be noted by the Accounting Units that non-receipt of bills is not a valid reason for withholding categorization of completed works. **Para 2.48 and 2.49 of Accounts Manual Volume-III is reproduced below for ready reference of the Accounting Units :-**

2.48 – Capitalization regardless of Disputes with Contractors: -

“Mere disputes with contractors / suppliers regarding the fulfilment of the Terms & Conditions of contract with them shall not be permitted to withhold or defer capitalization of assets concerned. Cost of the assets determined on the basis of the contract should be capitalized by making necessary provisions for liability to contractors / suppliers acknowledged by the Corporation”.

2.49 – Capitalization regardless of Non-Finalization of Contractors Bills, etc.: -

“Mere non-submission of interim or final bills by suppliers or contractors shall not be permitted to withhold capitalization of assets. In cases where bills are not received or are received but not passed, a provision should be made for an amount as per the contract. The cost of the asset concerned shall be determined accordingly and capitalized when assets are first put to use”.

For the purpose of categorization of such works, the Units may rely on the DPR / DWA and the Inventory of actual materials used for the works, which should be furnished by the Executive incharge of work, to the Accounts Section.

In respect of works which have been commissioned even though certain minor works are still to be carried out, the categorization has to be done in accordance with **Para 2.46 of Accounts Manual Volume-III, which is reproduced below for ready reference of the Accounting Units: -**

2.46 – No waiting for Finishing Touches: -

“Cost of an asset incurred upto the stage of commissioning of the asset should be capitalized when it starts being used without waiting for any finishing touches which may not be significant in work and value. Costs of such finishing touches when completed, should be accounted for and added to the cost of the asset capitalized earlier ”.

As regards non-adjustment of Advance to Turn-key Contractors due to non-categorization of Commissioned works, the Accounting Units are hereby instructed to categorize all the commissioned works and pass necessary journal vouchers without leaving any amount relating to such works to continue under Advance to Turn-key contractors.

The Accounting Units shall follow the above instructions scrupulously without giving room for any comments from the A.G's Auditors / Statutory Auditors, in future.

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Sub: Clarification of effecting TDS from the bills of Shift and Minor Maintenance duties of Stations.

Ref: Letter No. SEE/Tr (M)/BRAZ/KPTCL/DCA/F.231/ 3124 dated 7-1-2009 from SEE-El., Tr (M), BRAZ, KPTCL, Bangalore to this office.

Inviting attention to this office circular No. CCA/AO(C)/Sn.V/ CYS 108 / 96-97 dated 19-11-1996 where in, it was clarified that TDS under Sec. 194J of the I.T. Act has to be effected from the bills of Shift and Minor Maintenance duties of stations, given on Contract basis to Contract Agencies.

Inspite of these clear instructions from this office, it is reported that some of the Accounting Units are effecting TDS from the bills of Shift and Minor Maintenance duties of stations, given on Contract basis to Contract Agencies under Sec. 194 (c) of the I. T. Act, which is not correct. To clear the doubts prevailing at the Accounting Units, an expert opinion of a Tax Consultant as to rate at which, TDS has to be effected from Shift and Minor Maintenance duties of stations, given on Contract basis to Contract Agencies has been obtained. It is opined by the Tax Consultant that the work of Shift and Minor Maintenance of Stations has to be provided by and carried out under the supervision of persons with Electrical Engineering qualification and hence covered under Sec. 194 J (Payment for Professional or Technical services) of the Income Tax Act, 1961.

In view of the above, all the Accounting Units shall effect TDS applicable to Sec. 194 J of I.T. Act, from the bills of Shift and Minor Maintenance duties of stations, given on Contract basis to Contract Agencies, with out fail. For any lapse and consequences, the concerned office only is responsible which may please be noted.

A photocopy of Extracts of Income Tax Ready Reckoner showing the rates of TDS to be effected under different Sections for A.Y. 2009-10 is enclosed herewith, for ready reference of the Units. As and when, the rates of TDS are changed in future years, the Units may follow the same, without fail.

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Sub: Criteria for booking Expenditure under Capital & Revenue Head of Accounts

During audit of Accounts of KPTCL for 2007-08, the Statutory Auditors / A.G's Auditors have observed that many Accounting Units of KPTCL are booking expenditure under Capital and Revenue Head of Accounts at their shims and fancy without following the procedure prescribed under Accounts Manual Volume – III. It was observed by the Auditors that the main criteria followed by the Accounting Units for booking the expenditure is “**availability of budget grant under Capital and Revenue Head of Accounts**”. In other words, the Accounting Units are booking capital nature of expenditure under Revenue Expenditure if the budget grant is not available under Capital Heads and available in Revenue Heads and vice versa. Another reason for wrong classification is that the Accounting Units are not distinguishing between Capital & Revenue Expenditures according to Accounting Principles and Policies. Consequent to such wrong booking of expenditure, the Accounts of many Units had to be revised, to comply with observation of Auditors. This revision of accounts could have been avoided had the Accounting Units applied prudence in correct classification of Capital and Revenue Expenditure.

With a view to avoid observations of Auditors regarding misclassification of expenditure of Capital and Revenue nature, in future, the provisions of **Accounts Manual – Volume III** are reiterated below. All the Accounting Units shall read, understand and follow the same for classification of expenditure under Capital or Revenue heads of Accounts.

Para No. of Vol.III	Nature of Expenditure	Classification Criteria & Rationale
2.23	Repairs before Commissioning of Assets	Any Expenditure on repairs or rehabilitation of an asset purchased by the Board (whether second hand or new) incurred before commissioning the asset for putting the asset in usable condition shall be treated as a cost of the capital asset
2.24	Repairs and Maintenance	Any Expenditure on restoring an asset back upto the level of output / efficiency / performance at which it was, when it was first put to use is Repairs

		<p>Expenditure.</p> <p>Any expenditure on maintaining the asset upto the level of output / efficiency / performance at which it was, when it was first put to use is</p> <p>Maintenance Expenditure.</p>
2.25	Repairs and Maintenance Expenditure to be charged to Revenue	Expenditure on Repairs and Maintenance shall be charged to Revenue in the year in which it was incurred. This shall be done regardless of the amount of any Repairs and Maintenance expenditure.
2.26	Additions	Additions may bring into existence a new asset or increase the physical size of an asset through expansion, extension etc. All expenditure on additions shall be capitalized.
2.27	Improvement	<p>An expenditure having the effect of <u>extending the useful life of an asset or increasing output or capacity or efficiency of an asset or decreasing operating cost of any asset</u> is ‘Improvement’. Expenditure on Improvement may involve replacement of old (e.g. replacing a transformer by another transformer of higher capacity) or may not involve replacement of old (e.g. expenditure on acid resistance lining in a tank in water treatment plant). All expenditure on Improvement shall be capitalized.</p>
2.28	Alterations / Renovations	In case of alterations or renovations of building or plant, the treatment of expenditure shall be similar to that for Improvements.
2.29	Rearrangement	All expenditure on rearrangement (of plan layout, office layout etc.) shall be charged to Revenue in the year in which the expenditure is incurred.
2.30	Replacements	Replacements can be defined as “Substitution of one fixed asset by another, particularly of an old asset by a

		<p>new asset, or of an old part by a new part”. Expenditure on Minor Replacement shall be charged as Repairs and Maintenance Expenditure.</p> <p>Major replacement expenditure shall be Capitalized. However, the cost and accumulated depreciation of this old replaced asset shall be withdrawn when the expenditure on the new replacing asset is capitalized. <u>A broad criterion of distinguishing Minor and Major shall be that replacement of any asset or part of the asset for which a separate fixed asset record is required shall be considered Major Replacement.</u></p>
2.31	Piecemeal Rebuilding	An Asset may be rebuilt by replacement of its components over a period of time instead of at one time. The criteria fixed for ‘Minor and Major replacements shall in such cases be applied to the aggregate of expenditure on replacement in an asset and accounted for accordingly.
2.32	Shifting of Assets	Any Expenditure incurred on shifting assets from one place to another place shall, regardless of the amount of expenditure, be charged to Revenue in the year in which the expenditure is incurred.

From the above guiding principles, the items of expenditure that could be classified under Capital & Revenue Expenditure can be listed as follows: -

Revenue Expenditure	Capital Expenditure
Repairs of any nature to put the asset back into working condition	Any repairs to Assets, before the same is put to use (Commissioned)
Maintenance Expenditure to continue the asset in usable / working condition	Any addition to Asset resulting in a new Asset or increase the size of the existing Asset
Expenditure on re-arrangement / Shifting of assets	Any expenditure having the effect of increasing the life of the existing

	Asset / increasing the capacity of the Asset or decreasing the operating cost of the asset.
All Minor replacements which does not result in creation of a new asset shall be treated as Revenue Expenditure	All Major replacements which results in creation of a new asset shall be treated as Capital Expenditure.

It is also made clear that (i) Amount is not the criteria for booking expenditure as Revenue Expenditure. The only criteria is that the expenditure should fulfil all the conditions prescribed and (ii) Any replacement of a part of the Asset for which a separate Asset Account is not required to be maintained shall be classified as Revenue Expenditure only.

Accounting Units may please note that some of the items of Revenue Expenditure nature are being included in DPR and hence Accounting Units are classifying such expenditure under Capital Head of Account, which is not correct. The A.G's Audit took objection for such wrong classification during 2007-08 and Accounts had to be revised. Para 2.74 of Accounts Manual Volume – III lists some of the items of Revenue nature, which are associated with costs incurred on Retirement, Scrapping and Sale of Assets. They are :-

- Building / Civil Works Demolition costs
- Plant decommissioning Costs
- Site restoration costs
- Legal Charges and Stamp duty for transfer of title.
- Freight on transfer of Assets
- Expenditure on delivery of sold assets / scrap to the purchaser etc.

The following are some of the items of Revenue Expenditure wrongly classified as Capital Expenditure, as observed by A.G's Audit during 2007-08

- Planting of saplings
- Dismantling of existing Building at the land already owned by KPTCL and shifting of debris
- Clearing of jungle strings and other small trees
- Planting of Trees
- Extension and widening of existing cable duct.

The criteria for correct classification of expenditure are the nature and laid down principles and not just because some of the items are included in DPR, they need not be classified as Capital Expenditure.

Para 2.18 of Accounts Manual Volume-III prescribes items that are to be included in the cost of the land, on purchase of land. They are: -

- Purchase price of land
- Compensation for acquisition of land
- Compensation for trees and crops on the acquired land
- Legal charges, stamp duty etc incurred in order to secure effective title
- Land Revenue and other taxes paid during the stage of land development
- Site preparation costs such as cost of levelling hills or filling low spots, cost of clearing trees etc.
- Cost of demolishing an unwanted structure if the land is acquired with structure.

Regarding the classification of expenditure pertaining to **Civil Works** as to Revenue & Capital, doubts are being expressed by some of the Accounting Units. It is clarified that the expenditure should satisfy the above-mentioned criteria to classify any expenditure as Revenue or Capital. However, the following are some Civil Works related Expenditure that can be classified as **Revenue Expenditure**.

1	Expenditure relating to House-keeping Activities
2	Expenditure relating to routine / general maintenance of office complex
3	Expenditure relating to Repair & Maintenance works including special repairs
4	Expenditure relating to rearrangement of office layout
5	Expenditure relating to providing new partitions
6	Expenditure relating to Minor Replacements
7	Expenditure relating to horticultural works
8	Expenditure relating to rewiring, replacement of electrical fittings.

Any misclassification of Expenditure under Capital or Revenue heads of Account would distort the financial results besides giving room for comments from Audit, KERC and Tax Authorities. Hence, all the Accounting Units shall follow the above guidelines scrupulously.

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Sub: Tax Deduction at Source (TDS) on Supply Portion of Turnkey Contractors' Bill.

- Ref:
1. This Office Letter No.FA(A&R)/PS/2003-04/638-6 dated 15-04-2004 addressed to all MW Divisions, KPTCL.
 2. This Office Letter No.FA(A&R)/KCO-20/6906 dated 24th January, 2009 addressed to all MW Divisions, KPTCL.
 3. Fax Message from this Office of even Number dated 30th March, 2009.

The Income Tax Authorities are investigating the issue of effecting TDS on Supply portion bill amounts of Turnkey Contractors. KPTCL has contested the interpretation of IT Authorities by filing suitable replies based on the opinion of the Tax Consultants. In spite of this, IT Authorities have confirmed the demand and issued orders to the Executive Engineers of MW Divisions for recovery. The Stay Application filed by KPTCL is not considered favourably and insisted remittance of the amount pending disposal of Appeal.

In the above background and to avoid unnecessary hardship to KPTCL, it has been decided to effect TDS on Supply portion of bills of Turnkey Contractors pertaining to FY 2008-09 from the bills of such Contractors on hand. This was communicated to all the Accounting Units through Fax Message under reference above.

Further, IT Authorities have also issued show Cause/ Demand Notices to the Executive Engineers of Major Works Divisions for the period earlier to FY 2008-09 as no TDS on supply portion of the Turnkey Contractors was effected during relevant years. The matter has been examined in detail keeping in view the statutory provisions, powers vested with the IT Authorities, impact of any coercive action for recovery on the finances of KPTCL and the scope of recovering the amount in question from the pending bills of Contracts. After careful consideration of all these aspects, it has been decided to effect TDS on supply portion bills of Turnkey Contractors for the earlier periods also to the extent of amount assessed / demanded by IT Authorities. In case, Income Tax Authorities have collected the details of Bills from the Units for the period earlier to 2008-09 or Accounting Units have furnished such information to IT Authorities or Show Cause Notice in that connection, the Units shall effect TDS for the relevant earlier periods also from bills on hand.

In other words, the Units have to deduct the Tax on supply portion for the period for which IT Authorities have proceeded with recovery actions as

ವಿತರಣಾ ಕಂಪನಿಗಳು ಕೂಡ ಸಮವಾಗಿ ಭರಿಸಬೇಕಾಗಿದ್ದು, ಅವುಗಳಿಂದ ಮರುಪಾವತಿಯನ್ನು ಪಡೆಯಲಾಗುತ್ತಿದೆ. ಈ ವ್ಯವಸ್ಥೆಯ ಅನುಸಾರ ವೆಚ್ಚ ಮಾಡಲಾದ ಮೊತ್ತವನ್ನು ಪ್ರಾಥಮಿಕವಾಗಿ ಸ್ವಾಭಾವಿಕ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗೆ ಡೆಬಿಟ್ ಹಾಕಲಾಗುತ್ತಿದೆ. ನಂತರ ವಿದ್ಯುತ್ ವಿತರಣಾ ಕಂಪನಿಗಳಿಂದ ಸ್ವೀಕರಿಸಬೇಕಾದ ಮೊಬಲಗಿನ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗೆ ಡೆಬಿಟ್ ಹಾಕಿ ರೆವಿನ್ಯೂ ವೆಚ್ಚಗಳ ಸ್ವಾಭಾವಿಕ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗೆ ಕ್ರೆಡಿಟ್ ಹಾಕಲಾಗುತ್ತಿದೆ. ಸದರಿ ಪದ್ಧತಿಯನ್ನು ಅನುಸರಿಸುತ್ತಿರುವುದರಿಂದ, ರೆವಿನ್ಯೂ ವೆಚ್ಚಗಳ ಸ್ವಾಭಾವಿಕ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಯ ಬಜೆಟ್ ಅನುದಾನಕ್ಕೆ ನಿವ್ವಳ ರೆವಿನ್ಯೂ ವೆಚ್ಚವು ಮಾತ್ರ ದಾಖಲಾಗುತ್ತಿದ್ದು ಬಜೆಟ್ ಅನುದಾನವು ಪೂರ್ಣ ಬಳಕೆಯಾಗುತ್ತಿಲ್ಲವೆಂಬ ಭಾವನೆಯನ್ನು ಮೂಡಿಸುತ್ತಿದೆ. ಇದರಿಂದ, ನಂತರದ ವರ್ಷಗಳಲ್ಲಿ ಬಜೆಟ್ ಅನುದಾನವನ್ನು ನಿಗದಿಪಡಿಸಲು ತೊಂದರೆಯಾಗುತ್ತಿದೆ.

ಮೇಲೆ ವಿವರಿಸಿರುವ ಪದ್ಧತಿಯಲ್ಲಿರುವ ನ್ಯೂನತೆಗಳನ್ನು ಸರಿಪಡಿಸಲು, ಈ ಕೆಳಕಂಡ ಲೆಕ್ಕ ಪದ್ಧತಿಯನ್ನು ಆರ್ಥಿಕ ವರ್ಷ 2008-09 ನೆ ಸಾಲಿನಿಂದ ಜಾರಿಗೆ ಬರುವಂತೆ ನಿಗದಿಪಡಿಸಲಾಗಿದೆ.

1. ವೆಚ್ಚ ಮಾಡಲಾದ ಪೂರ್ಣ ಮೊತ್ತವನ್ನು ಪ್ರಾಥಮಿಕವಾಗಿ ಸ್ವಾಭಾವಿಕ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗೆ ಡೆಬಿಟ್ ಹಾಕುವುದು.
2. ನಂತರ ವಿದ್ಯುತ್ ವಿತರಣಾ ಕಂಪನಿಗಳಿಂದ ಸ್ವೀಕರಿಸಬೇಕಾದ ಮೊಬಲಗಿಗೆ ಮುಖ್ಯ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ 28 ರಲ್ಲಿರುವ ಸೂಕ್ತ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗೆ ಡೆಬಿಟ್ ಹಾಕಿ ಈ ಕೆಳಗೆ ನೀಡಲಾಗಿರುವ ಹೊಸ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳಿಗೆ ಕ್ರೆಡಿಟ್ ಹಾಕುವುದು.
 - 3. **74.910** – ರಿಪೇರಿ ಮತ್ತು ನಿರ್ವಹಣಾ ವೆಚ್ಚಗಳು – ವಸೂಲು ಮಾಡಬೇಕಾಗಿರುವುದು (ಕ್ರೆಡಿಟ್ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ)
 - 75.910** – ಸಿಬ್ಬಂದಿ ವೆಚ್ಚಗಳು – ವಸೂಲು ಮಾಡಬೇಕಾಗಿರುವುದು (ಕ್ರೆಡಿಟ್ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ)
 - 76.910** – ಆಡಳಿತಾತ್ಮಕ ಮತ್ತು ಇತರೆ ವೆಚ್ಚಗಳು – ವಸೂಲು ಮಾಡಬೇಕಾಗಿರುವುದು (ಕ್ರೆಡಿಟ್ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ)
4. ವಿದ್ಯುತ್ ವಿತರಣಾ ಕಂಪನಿಗಳಿಂದ ವಸೂಲು ಮಾಡಬೇಕಾಗಿರುವುದನ್ನು ನಗದು ಮೂಲಕವಾಗಲೀ ಅಥವಾ ಹೊಂದಾಣಿಕೆ ಮೂಲಕವಾಗಲಿ ವಸೂಲು ಮಾಡಿದಾಗ, ಮುಖ್ಯ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ 28 ರಲ್ಲಿರುವ ಸೂಕ್ತ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗೆ ಕ್ರೆಡಿಟ್ ಹಾಕುವುದು.
5. ಮೇಲೆ ನಿಗದಿಪಡಿಸಿರುವ ಲೆಕ್ಕಪದ್ಧತಿಯನ್ನು ಅನುಸರಿಸುವುದರಿಂದ ರೆವಿನ್ಯೂ ವೆಚ್ಚಗಳ ಸ್ವಾಭಾವಿಕ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಯ ಬಜೆಟ್ ಅನುದಾನಕ್ಕೆ ಸಂಪೂರ್ಣ ರೆವಿನ್ಯೂ ವೆಚ್ಚವು ದಾಖಲಾಗುವುದು.

ಮೇಲೆ ತಿಳಿಸಿರುವ ಎರಡು ಲೆಕ್ಕ ಘಟಕಗಳಲ್ಲದೆ ಇನ್ನು ಮುಂದೆ ಕವಿಪ್ರನಿನಿಯ ಬೇರೆ ಯಾವುದೇ ಲೆಕ್ಕ ಘಟಕದಲ್ಲಿ ರೆವಿನ್ಯೂ ವೆಚ್ಚಗಳನ್ನು ವಿದ್ಯುತ್ ವಿತರಣಾ ಕಂಪನಿಗಳು ಕೂಡ ಸಮವಾಗಿ ಭರಿಸಬೇಕಾದಲ್ಲಿ, ಮೇಲೆ ನಿಗದಿ ಪಡಿಸಿರುವ ಲೆಕ್ಕ ಪದ್ಧತಿಯನ್ನು ಅನುಸರಿಸುವುದು.

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Sub: Accounting of released Transformers – reg.

Ref: 1) Board Order No.B19/345/85-86 dated 18/06/1987
2) T.O. Circular No.CCA/AO(A/cs)Sn.IV/CYS-175/93-94 dated 22.02.1994.

It has come to the notice of Corporate Office that the transformers released either at the time of replacement of failed transformers or at the time of installation of higher capacity transformer are not being returned to the respective stores and accounted properly as per the prescribed procedure.

Time and again, the importance of accounting released materials in general and transformers in particular has been stressed. The details procedure to be followed in this regard has been clearly brought out under Para 264A of KEB Accounts Manual Vol.III. in spite of this, the Transformers have been dumped in the work sport, office premises or store yard showing scant regard for accounting formalities. The released transformers are not being properly handed over to the Store keepers (need not be physically handed over in case of power transformers and other bulky items) along with respective R.I., thus blocking the way for their proper accountal in the stores. Thereby, such transformers are inevitably kept out of stock account. Such instances have been pointed out by the Statutory and AG Auditors also.

Recently, a random inspection conducted by CEE, APR & RT indicates that nearly 39 number of various capacities of Power Transformers (majority in Bangalore Transmission Zone) are released but not returned to the Stores and not accounted so far. As a result of non-accountal of released transformers properly, on one side the released asset account is under stated and the fixed assets and accumulated depreciation are over stated. It is evident that this avoidable pathetic situation is directly attributable to the lapses and dereliction of duty of the concerned Executive officer. The Heads of Zonal, Circle and Divisional Officers shall take stock of such cases and fix responsibility on the concerned and instruct them to regularize the transaction within a fortnight by sending a compliance report on the action taken failing which disciplinary action may be proposed for the continued lapse. Suitable instructions shall also be issued to the Store Officer / Store keeper to ensure accountal of all such items dumped in the store yard. The Accounts Officers shall review the cost registers and cross-check the cases of released transformers not accounted even though the new transformers have been drawn and installed.

The Controller of Transmission Zone shall review all cases of released transformers once in a month invariably and ensure proper accountal of such transformers in the stores.

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FA(A&R)KCO-21/6936/07-08

Dated: 24 August, 2009

Sub: Payment of Income Tax, Service Tax and Other Statutory Levies through e-payment Mode.

The Tax Authorities like Income Tax Department, Service Tax Department etc, are insisting that Tax payments to respective Departments have to be made through e-payment mode only. It is also made clear that tax payments will not be accepted if paid through paper challans, in future. As such, all the Accounting Units of KPTCL are required to arrange for making payment of such taxes through e-payment mode only, with immediate effect.

The modalities for availing the e-payment facility by the Accounting Units of KPTCL, the issue was discussed with Bank Officers. As per the disucussions, step by step action to be taken are: -.

1. The Accounting Unit has to approach the Manager of the Bank in which the Unit is having Operative Bank Account, to know the procedure for making e-payment.
2. After fulfilling the required formalities, the Bank Branch issues Pre Printed Kit (PPK) to the Accounting Unit, which has to be loaded to the system of the Unit.
3. The authorized user of the PPK i.e. Disbursing Officer of KPTCL Accounting Unit should “immediately change the Password” and utmost care should be taken to maintain secrecy of the password, failing which there may be scope for misuse of funds in the Bank Accounts.
4. The authorized user of the PPK is solely responsible for proper operation of the facility and for any misuse of funds in the Bank Account owing to carelessness / improper usage of the facility, he will be held accountable.
5. The authorized user can make payment of legitimate statutory levies payable by the Corporation, through e-payment facility.

6. The authorized user can view the transaction-wise status of the Operative Account of the Unit through the facility provided for the purpose.

All the Accounting Units shall arrange for availing the e-payment facility and make payment of Income Tax, Service Tax and any other statutory levies wherever applicable through e-payment mode only, in future.

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FA(A&R)KCO-21/6936/09-10

Dated: 22nd December, 2009

Sub: Remittance of Service Tax Collected by the Accounting Units of KPTCL.

Ref: Lr. No. IV/07/08/2009 GLT-2 dated 9-12-2009 from LTU,
Bangalore.

* * * * *

Some of the Accounting Units of KPTCL are providing certain services like Maintenance / Supervision of 33 KV Stations, Supervision of Self-Execution Works, Rating of Installations etc to outside agencies like ESCOMs and other Private Parties. The Accounting Units, which are providing services which are subject to Service Tax are required to collect the component of Service Tax at the prevailing rates from the Service takers and remit the same to Service Tax Department within due dates.

The modalities of obtaining Service Tax Registration, Remittance of the Service Tax amount collected and filing of Service Tax Returns from time to time have been discussed with the concerned Authorities of Large Tax Payers' Unit (LTU) and it is suggested that the single Service Tax Registration already obtained by Manager (I/M) Section of Corporate Office can be made use for all the Accounting Units of KPTCL.

In the above background, **all the Accounting Units of KPTCL, which are providing such services that are subject to Service Tax are required to transfer the amount of service tax collected during the month and Accounted under Account Code 46.921 – Service Tax Collected and Payable to Central Excise Department, to Manager (I/M) Section through Advice of Transfer, before 5th of the following month.** There should not be any delay in transferring the amount to Manager (I/M) Section, as the amount has to be remitted within the due date. The Manager (I/M) shall consolidate the amount so transferred and arrange to remit the

same to Service Tax Department, within the due date. The Accounting Units are required to send the details of Service Tax collected during the month in the following format along with the Advice of Transfer to Manager (I/M) Section.

STATEMENT SHOWING THE DETAILS OF SERVICE TAX COLLECTED DURING THE MONTH OF

Name of the Accounting Unit.....
Code.....

Location

Sl No.	Nature of Service Provided	Name & Address of the Service taker	Amount of Service Charges Collected	Percentage of Service Tax to be collected	Amount of Service Tax Collected	Educational CESS	S&HE CESS	Total Service Tax Collected	Nomenclature of Service under which S.T. collected

On receipt of Advice of Transfer along with the above statement, the Manager (I/M) Section shall verify the Nomenclature of Service under which Service Tax is collected and arrange for remittance within the due date. If Service Tax is collected under new nomenclature, Registration of such service shall be obtained immediately and amount remitted under the applicable nomenclature. Further, the consolidated Service Tax Returns shall also be filed by the Manager (I/M) Section, from time to time.

All the Accounting Units are instructed to follow the above procedure without fail. Any deviation in complying with the above requirements will be viewed very seriously and personal responsibility will be fixed on the concerned.

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Sub: Clarification regarding obtaining Service Tax registration by Units of KPTCL-Reg.

Ref: Lr. No. IV/07/08/2009 GLT-2 dated 16-12-2009 from the Joint Commissioner, LTU, Bangalore.

Corporate Office of KPTCL is interacting with Service Tax Department, Large Tax payer Unit (LTU), Bangalore in connection with obtaining Service Tax Registration for the Accounting Units of KPTCL as some of the Accounting Units are providing Services, which are said to be subject to Service Tax. In this connection, the Service Tax Department has sought certain details from the Accounting Units, in the following format.

I. STATEMENT SHOWING THE DETAILS OF SERVICE TAX COLLECTED

Name of the Accounting Unit

Location Code

<i>Name & Address of the Accounting Unit</i>	<i>Details of Service rendered</i>	<i>Financial year</i>	<i>Amount of consideration received</i>	<i>Whether registered and tax paid on the consideration</i>	<i>Amount of ST paid TRG/GAR 7 Challan No & Date</i>
		2004-05			
		2005-06			
		2006-07			
		2007-08			
		2008-09			
		2009-10			

These details may be furnished only in respect of services rendered by KPTCL Units which are subject to Service Tax.

II. The rates of Service tax from time to time as intimated by LTU, bangalore are as follows, which may be useful in calculating Service Tax, if applicable:-

SI. No	Period	Rate of Service Tax	Taxable Value	Tax Amount
1	1994 - 13-5-2003	5%		
2	14-5-2003 - 9-9-2004	8%		
3	10-9-2004 - 17-4-2006	10%+2% of ST		
4	18-4-2006 - 10-05-2007	12%+2% of ST		
5	11-5-2007 - 24-02-2009	12%+2%+1% of ST		
6	25-2-2009 till date	10%+2%+1% of ST		

It may be recalled at this juncture, that the Corporation Office had specifically prescribed an Annexure during March 2009 Final Accounts to furnish details of service rendered by the Units of KPTCL and Service Tax collected on the bills preferred for the services given. The details such as

name of the party from whom charges collected, date of receipt, nature of services rendered, amount of service charges, amount of service tax on the same, amount of service tax remitted to the Government along with challans number, and date of remittance were called for. (Annexure 34 of MF-2009 accounts). Through this it was intended to ensure whether services rendered by KPTCL were levied Service Tax (wherever applicable) appropriately and remittances of such taxes were made to appropriate authorities on time. But no Unit seriously examined the Annexure and most of the Units sent 'NIL' statement or no statement at all. Any annexure designed by corporate office will be having far reaching effect on the functioning of the organisation at large.

Now it is noticed that some of the Units are rendering services which are said to subject to Service Tax, but have neither reported the matter to Corporate office nor taken any action as per the statute. Further, some units have collected service taxes and accounted the same under 'Miscellaneous income', which is totally wrong. Such an action is not only a grave mistake but also will attract penal action as per the statute. Personal responsibility will have to be fixed for such lapses especially when the Service Tax has been remitted with delay or not remitted taxes collected by them within statutory time limit.

However, barring what is stated above, if any of the Accounting Unit has provided service which is subject to Service Tax and collected Service Tax from the recipient of the service, and **remitted / not remitted** the same to Service tax Department shall furnish the details in the above table before 05-02-2010 to this office, without fail. The units shall take utmost care while furnishing the above details, as any misstatement will have far reaching consequences.

Any delay in furnishing the baove details will be viewed seriously, which may please be noted.

In the meantime, Circular instructions have been issued for remittance of Service tax and filing of Returns thereon vide **circular No.FA(A&R)/KCO-21/6936/09-10 dated 22nd December 2009, As such, the units shall send the un-remitted Service Tax collected immediately to Manager(I.M) through an AT to enable payment of the same centrally by the Manager (I.M) section, KPTCL. The AT shall contain a statement in the prescribed format with the details as stipulated I the Circular. This is a very important task to be complied immediately by all the Units concerned.**

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FA(A&R)KCO-21/6936/09-10

Dated: 30th January, 2010

Sub: Effecting TDS from Material Supply bills of Turn-key Contractors – Clarification-reg.

- Ref: 1. This Office Circular No. FA (A&R)/ KCO-21/ 6927/2008-09 dated 31st March 2009.
2. Lr. No. ITO-TDS/LTU/2009-10 dated 29-12-2009 from the Income Tax Officer, Large Taxpayers Unit, Bangalore.

The Income Tax Officer (TDS), Large Tax Payers Unit, (LTU), Bangalore-85 has issued a clarification regarding applicability of Section 194 C of the Income Tax Act, 1961 to Material Supply Bills of Turnkey Contractors in the background of Amendment issued to Section 194C applicable from 1-10-2009 in Finance Act (No.2) 2009, vide letter under reference 2.

A copy of the said clarification, which is self-explanatory, is enclosed herewith with a request to follow the same.

As the effective date of the amendment is 1.10.2009 and a clarification is now received from Income Tax Department, Large Taxpayers Unit, Bangalore, the Accounting Units would have affected TDS on Supply Portion of Turn-key Contractor Bills from 1.10.2009 till date. As such, the amount of TDS effected and remitted to IT Department needs to be worked out and claimed as refund/ adjustment. In this connection, all the Accounting Units shall send Challanwise details of amount remitted as TDS relating to Material Supply Bills of Turn-key Contractors with effect from 1.10.2009 till date to this office along with a statement prepared on the lines of similar statements sent earlier.

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FA(A&R)KCO-21/6936/09-10

Dated:5th February, 2010

Sub: Revised rate of depreciation for the year 2009-10

- Ref: Change in Depreciation Policy issued vide this office letter No. FA(A&R)/KCO-19/6877/07-08 dated 13-11-2007

The rates of Depreciation applicable to Fixed Assets are being prescribed by the KERK in accordance with the Tariff Regulations issued by

the Commission. In turn, KERC is guided by the CERC for prescribing such rates. The CERC has revised and issued Terms Conditions of Tariff Regulations, 2009, which is effective from 1-4-2009. The CERC has revised the rates of Depreciation on different Assets vide Annexure III of the said Regulations.

KERC in its Tariff Order 2009 has stated “the Commission observes that, the rates of depreciation in MYT Regulations are based on rates prescribed by CERC from time to time. Hence, the Commission decides to adopt depreciation rates for FY 10 as per CERC Regulations effective from 01-04-2009. Accordingly, a copy of Annexure III along with a statement showing Account code-wise rates of depreciation is enclosed herewith for applying the revised rates of depreciation on assets for the year 2009-10 and onwards until further orders. The depreciation policy of the Corporation remains unaltered for F.Y.2009-10 also.

All the Accounting Units are hereby instructed to adopt the revised rates of depreciation from 2009-10 and onwards, without fail. Suitable changes in the COMPACT programme will also be made shortly.

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FA(A&R)KCO-22/6974/09-10

Dated: 9th February, 2010

Sub: Clarification of effecting TDS from the bills of Shift and Minor Maintenance duties of Stations.

- Ref:
1. This Office Circular No. FA (A&R)/ KCO-21/ 6936/2008-09 dated 5th February 2009.
 2. Lr. No. ITO-TDS/LTU/2009-10 dated 29-12-2009 from the Income Tax Officer, Large Taxpayers Unit, Bangalore.

Attention is invited to this office Circular under reference, wherein it was clarified that Accounting Units shall effect TDS applicable to Sec.194 J of I.T. Act, from the bills of Shift and Minor Maintenance duties of Stations, given on Contract basis to Contract Agencies. Accordingly, the Accounting Units were effecting TDS. But some of the Station Maintenance Contractors filed Writ Petitions before the Hon'ble High Court of Karnataka seeking direction to effect TDS under Section 194 C of the I.T. Act. The Hon'ble High Court directed the I.T. Authorities to clarify the applicability of appropriate Section of the I.T. Act in the instant case.

The Income Tax Officer (TDS), Large Tax Payers Unit, (LTU), Bangalore-85 vide letter under reference 2 has issued a clarification

regarding applicability of Section 194 J of the Income Tax Act, 1961 and not Section 194 C of the I.T. Act in respect of effecting TDS from the bills of Shift and Minor Maintenance duties of Stations.

A copy of the said clarification, which is self-explanatory, is enclosed herewith with a request to follow the same.

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FA(A&R)KCO-21/6936/09-10

Dated: 20 March, 2010

Sub: Transfer of cost of Software development to Intangible Asset A/c.

Ref: This office O.M.No.FA(A&R)/KCO-21/6935/08-09 dated 31-3-2009.

The amount spent on development of COMPACT software has already been accounted by the Accounting Units under Account Code 18.101 – Software acquired / purchased for internal use. Depreciation is also calculated on the cost of the said software.

The amount of Advance given to M/s. GKMS for development of Asset Module has been accounted by the Accounting Units under Account Code 27.811 – Amount incurred towards cost of Software development. As M/s. GKMS has completed the development of Asset Module and installed the same at all the Accounting Units, the amount of Advance given to them has to be transferred to Asset Account Code 18.101 and depreciation has to be calculated from the original date of categorization of the amount of the Asset.

All the Accounting Units are hereby instructed to transfer the balance held under Account Code 27.811 pertaining to M/s. GKMS to Account code 18.101 in March Final 2010 Accounts besides incorporating necessary entries for providing depreciation.

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FA(A&R)KCO-21/6936/09-10

Dated: 21st April, 2010

Sub: Remittance of Service Tax Collected by the Accounting Units of KPTCL.

- Ref:
1. Lr. No. IV/07/08/2009 GLT-2 dated 9-12-2009 from LTU, Bangalore.
 2. This Office Circular No. FA(A&R)/KCO-21/6936/10-11 dated 22-12-2009

In this Office Circular dated 22nd December, 2009 referred above, by prescribing procedure for handling service tax issues in the Corporation it

was instructed that all the Accounting Units of KPTCL, which are providing such services that are subject to Service Tax are required to transfer the amount of service tax collected during the month and accounted under Account Code “46.921 Service Tax Collected and Payable to Central Excise Department” to Manager (I/M) Section of Corporate Office, Kaveri Bhavan, through Advice of Transfer, before 5th of the following month.

It is the experience during last three months that most of the Accounting Units are casual in complying with the requirements and ensuring timely and proper response. The discrepancies noticed by the Manager (I/M) are :

- (i) only AT has been sent without any details
- (ii) service tax has already been paid directly by the Unit using TRG/GAR 7 Challan (not clear how the payment has been made and under which registration and head the same has been paid)
- (iii) not recovering service tax at prescribed rates
- (iv) only service tax has been collected and cess has not been collected
- (v) though service tax and cess have been collected correctly, the break-up details not indicated in the statement prescribed to be sent along with AT
- (vi) collection of service tax under various heads without explaining the nature of transaction properly which is required to obtain proper classification for remitting the service tax
- (vii) effecting service tax recovery in cases where no service tax is applicable or deductible.
- (viii) inordinate delay in sending AT and the statement. Due to these discrepancies, the Manager (I/M) section is not able to consolidate the statements and arrange for remittance of service tax within the statutory time limit. In addition to this, protracted correspondence with the Units seeking details / clarifications and also the Service Tax Department for clarifying doubts raised is inevitable. If the service tax is not remitted to CBEC Accounting within the statutory time limit, then KPTCL has to pay interest as well as penalty.

Under the above circumstances, following strict instructions are being issued which the Accounting Units have to follow without fail :

1. Service Tax shall be collected in prescribed rates along with Cess correctly from the parties.
2. Arrange for sending AT on 1st of every month either through speed post or courier to Manager (I/M) without fail.
3. Only Accounting Units where service tax related transactions are there in the previous month shall send the AT and the statement. Other Units NEED NOT send a 'Nil' statement. However, other Units shall not send AT and statement at a later date quoting any reasons.

4. Full details of service tax related transaction shall be furnished in the statement prescribed.
5. AT shall invariably be accompanied by the statement containing the details.
6. Any new nature of transaction for which service tax has been collected for the first time shall be explained in detail through a separate letter for enabling Manager (I/M) to examine the same and obtain new service tax registration for the same.
7. Service Tax collected shall not be remitted directly by the Accounting Unit to CBEC Account, as an arrangement for making centralized payment has been made in consultation with the LTU, Bangalore.
8. Any information / clarification sought for by LTU, Bangalore regarding the payment of Service Tax, concerned Accounting Unit shall furnish the same.
9. The Accounting Units shall keep ready all the relevant records / registers for verification / Audit by LTU, Bangalore.

These guidelines are issued to ensure timely and correct remittance of service tax besides passing on unnecessary burden on the Corporation to the account of the concerned Officer.

Dated: 30th April, 2010

Ref: 1) This Office Circular No. FA (A&R)/ C (A & FRS)/ Cys.26 dated 7.7.2003.
2) This Office Circular No. FA (A&R)/ C (AP&A)/AAO-1/CYS-10 dated 3-5-2007.

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Attention is invited to this office circular under reference, wherein detailed Accounting procedure for Mobile Phones has been prescribed. Some of the Accounting Units have sought clarification on the procedure to be followed while purchasing Mobile Phones under Buy-back Scheme i.e. the Old Mobile Phone is given to the supplier of New Mobile Phone, who will deduct the cost of the old Mobile Phone from the New Mobile Phone. Hence, the following Accounting Procedure is prescribed for Accounting purchase of Mobile Phone under Buy-back Scheme.

In case New Mobile Phone is purchase under Buy-Back Scheme: -

In case the New Mobile Phone is purchased by selling the old Mobile Phone to the supplier of New Mobile Phone (under Buy Back Scheme), the value of the old Mobile Phone has to be withdrawn from the Fixed Asset Account and the value at which the old Mobile Phone has been sold has to be accounted as Recoverable from Suppliers. The value of the new Mobile Phone at the gross value has to be capitalized in the accounts. The following Accounting Entries need to be passed for withdrawal of value of old Mobile Phone from the books and adjusting the value against new mobile phone purchased.

Accounting Entry for withdrawal of value of Old Mobile Phone along with accounting the value at which the old Mobile Phone has been sold.

Particulars	Dr.	Cr.
25.501 – Advance to Suppliers – Interest free Dr (Cost at which the Old Mobile Phone is sold to be adjusted against New Mobile Phone)	XX	
77.710 – WDV of Asset Scrapped Dr (Difference between Original Value & Accumulated Depreciation, and cost of old Mobile Phone recoverable from the supplier accounted under 25.501)	XX	
12.573- Accumulated Depn. Communication equipment. Dr.	XX	
To 10.573 – Mobile Telephones		XX
62.340 – Income from Sale of Scrap		XX
(If the amount recoverable from the supplier is more than the WDV of the Old Mobile Phone, the amount in excess of the Original value Minus Accumulated Depreciation shall be accounted as Income and credited to this Account Code.)		
Accounting Entry for purchasing the New Mobile Phone under Buy-Back Scheme: -		
14.811 – CWIP – Mobile Phones	XX	

Dr. (Gross Value of the New Mobile Phone)		
To 42.101 – Liability for supply of Materials		XX
42.101 – Liability for supply of Materials Dr.	XX	
To 25.501 – Advance to Suppliers – Interest free (the amount accounted as Recoverable from the supplier in the above entry)		XX
To 42.201 – Sundry Creditors Control Account (Difference between Gross Value of the New Mobile Phone Less price fetched for Old Mobile Phone)		XX
10.573 – Communication Equipment - Mobile Phones Dr.	XX	
To 14.811 – CWIP – Mobile Phones		XX

The procedure for Accounting Mobile Phones Purchased has been prescribed in detail vide this office circular under reference may be referred to.

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24 ನೇ ಮೇ,

2010

ವಿಷಯ	ದಿನಾಂಕ 31-03-2010 ರ ಅಂತ್ಯಕ್ಕೆ ಮಾರ್ಚ್ ಅಂತಿಮ ಲೆಕ್ಕಗಳನ್ನು ಸಲ್ಲಿಸುವಾಗ ಗಮನಿಸಲಾದ ನ್ಯೂನತೆಗಳು.
ಉಲ್ಲೇಖ	ಈ ಕಛೇರಿ ಸುತ್ತೋಲೆ ಸಂಖ್ಯೆ: ಆ.ಸ (ಲೆ ಸ)/ಕೆಸಿಒ 21 / 6936/09-10 ದಿನಾಂಕ 5-02-2010

ಉಲ್ಲೇಖದಲ್ಲಿರುವ ಈ ಕಛೇರಿ ಸುತ್ತೋಲೆಯಲ್ಲಿ ಕವಿಪ್ರನಿನಿಯ ಎಲ್ಲಾ ಲೆಕ್ಕ ಘಟಕಗಳೂ ದಿನಾಂಕ 31-03-2010 ರ ಅಂತ್ಯಕ್ಕೆ ಮಾರ್ಚ್ ಅಂತಿಮ ಲೆಕ್ಕಗಳನ್ನು ದಿನಾಂಕ 15-04-2010 ರ ಒಳಗಾಗಿ ಈ ಕಛೇರಿಗೆ ಸಲ್ಲಿಸುವಂತೆ ಸೂಚಿಸಲಾಗಿತ್ತು. ಬಹುತೇಕ ಎಲ್ಲಾ ಲೆಕ್ಕ ಘಟಕಗಳೂ ನಿಗದಿತ ದಿನಾಂಕದೊಳಗೆ ಮಾರ್ಚ್ ಅಂತಿಮ ಲೆಕ್ಕಗಳನ್ನು ಸಲ್ಲಿಸಿದ್ದರೂ

ಕೆಲವು ಲೆಕ್ಕ ಘಟಕಗಳು ಮಾರ್ಚ್ ಅಂತಿಮ ಲೆಕ್ಕಗಳನ್ನು ಸಲ್ಲಿಸುವಲ್ಲಿ ವಿಫಲರಾದ ಕಾರಣ ಮಾರ್ಚ್ ಅಂತಿಮ ಲೆಕ್ಕಗಳನ್ನು ಪೂರ್ವಯೋಜಿತ ದಿನಾಂಕದೊಳಗೆ ಸಂಕಲನಗೊಳಿಸುವಲ್ಲಿ ಅನಗತ್ಯ ವಿಳಂಬವಾಯಿತು. ಮಾರ್ಚ್ ಅಂತಿಮ ಲೆಕ್ಕಗಳನ್ನು ಅಖೈರುಗೊಳಿಸುವ ಪ್ರತಿ ಹಂತದಲ್ಲೂ ಅಂದರೆ ಸಂಕಲನ, ಶಾಸನಬದ್ಧ ಲೆಕ್ಕ ಪರಿಶೋಧಕರಿಂದ ಲೆಕ್ಕ ಪರಿಶೋಧನೆ, ಎ. ಜಿ. ಲೆಕ್ಕ ಪರಿಶೋಧಕರಿಂದ ಪೂರಕ ಲೆಕ್ಕ ಪರಿಶೋಧನೆ ಮತ್ತು ಪ್ರಮಾಣ ಪತ್ರ ನೀಡುವಿಕೆ, ಪರಿಶೋಧಿತ ಲೆಕ್ಕಗಳ ಮುದ್ರಣ ಮತ್ತು ವಾರ್ಷಿಕ ಸಾಮಾನ್ಯ ಸಭೆ ನಡೆಸುವುದು ಇವುಗಳೆಲ್ಲವನ್ನೂ ನಿಗದಿತ ದಿನಾಂಕದೊಳಗೆ ಪೂರ್ಣಗೊಳಿಸಬೇಕಾಗಿದ್ದು ಯಾವುದೇ ಕೆಲವು ಲೆಕ್ಕ ಘಟಕಗಳು ಮಾರ್ಚ್ ಅಂತಿಮ ಲೆಕ್ಕಗಳನ್ನು ವಿಳಂಬವಾಗಿ ಸಲ್ಲಿಸಿದರೆ ಪೂರ್ವಯೋಜಿತ ಕಾರ್ಯಕ್ರಮಗಳೆಲ್ಲವೂ ಏರುಪೇರಾಗುತ್ತದೆ. ಲೆಕ್ಕ ಘಟಕಗಳು ಮಾರ್ಚ್ ಅಂತಿಮ ಲೆಕ್ಕಗಳನ್ನು ಈ ಕಛೇರಿಗೆ ಸಲ್ಲಿಸಿದಾಗ ಈ ಕಛೇರಿಯು ಗಮನಿಸಿದ ನ್ಯೂನತೆಗಳು ಈ ಕೆಳಕಂಡಂತಿದೆ. ಸದರಿ ನ್ಯೂನತೆಗಳು ಸಂಬಂಧಪಟ್ಟ ಲೆಕ್ಕ ಘಟಕಗಳಿಗೆ ಮಾತ್ರ ಅನ್ವಯವಾಗುವಂತಿದ್ದು ಅಂತಹ ನ್ಯೂನತೆಗಳು ಮುಂದಿನ ವರ್ಷಗಳಲ್ಲಿ ಅಂತಹ ಲೆಕ್ಕ ಘಟಕಗಳಲ್ಲಿ ಮತ್ತು ಬೇರೆ ಲೆಕ್ಕ ಘಟಕಗಳಲ್ಲಿ ಸಂಭವಿಸದಂತೆ ಈಗಿನಿಂದಲೇ ಎಚ್ಚರವಹಿಸಲು ಸೂಚಿಸಲಾಗಿದೆ.

- 1 ಈ ಹಿಂದಿನ ವರ್ಷಗಳಲ್ಲಿ ಶಾಸನಬದ್ಧ ಲೆಕ್ಕ ಪರಿಶೋಧಕರಿಗೆ ಮತ್ತು ಎ. ಜಿ. ಲೆಕ್ಕ ಪರಿಶೋಧಕರಿಗೆ ನೀಡಲಾದ ಆಶ್ವಾಸನೆಗಳನ್ನು ಈಡೇರಿಸದೇ ಇರುವುದು.
- 2 ಪೂರ್ಣಗೊಂಡ ಎಲ್ಲಾ ಕಾಮಗಾರಿಗಳನ್ನು ಆಸ್ತಿಕರಣಗೊಳಿಸದೇ ಇರುವುದು.
- 3 ಕಾಮಗಾರಿಗಳು ಪೂರ್ಣಗೊಳ್ಳದೇ ಇದ್ದರೂ ಅಂಥವುಗಳನ್ನು ಆಸ್ತಿಕರಣಗೊಳಿಸಿರುವುದು.
- 4 ನಿಗದಿತ ಷೆಡ್ಯೂಲ್, ಜನರಲ್ ಲೆಡ್ಜರ್ ಗಳನ್ನು ಪ್ರೋಸ್ಟ್ ಮಾಡದೆ ಇರುವುದು.
- 5 ಭೂಮಿ ಖರೀದಿಸಿದ ಮೊಬಲಗನ್ನು ಬಂಡವಾಳ ಕಾಮಗಾರಿ ವೆಚ್ಚಗಳ ಲೆಕ್ಕಕ್ಕೆ ಸೇರಿಸಿರುವುದು.
- 6 ಆಸ್ತಿಗಳು ಚಾಲನೆಗೊಂಡ ದಿನಾಂಕದ ಆಧಾರದ ಮೇಲೆ ಸೆಪ್ಟೆಂಬರ್‌ವರೆಗೆ ಹಾಗೂ ಸೆಪ್ಟೆಂಬರ್ ನಂತರ ಚಾಲನೆಗೊಂಡ ಆಸ್ತಿಗಳನ್ನು ಸರಿಯಾಗಿ ವಿಭಜಿಸದೇ ಇರುವುದು.
- 7 ಕಳಚಿದ ಹಾಗೂ ಉಪಯೋಗಿಸಬಹುದಾದ ಆಸ್ತಿಗಳ ಮೇಲೆ ಪ್ರತಿ ತಿಂಗಳ ಕೊನೆಯಲ್ಲಿ ಸವಕಳಿಯನ್ನು ಒದಗಿಸದಿರುವುದು.
- 8 ಕಳಚಿದ ಆಸ್ತಿಗಳ ಸವಕಳಿಯನ್ನು Annexure - 5A ನಲ್ಲಿ ಒದಗಿಸಿರುವ Ready Reckoner ನ ಪ್ರಕಾರ ತೆಗೆಯದಿರುವುದು.
- 9 ಲೆಕ್ಕಶೀರ್ಷಿಕೆ 65.6 ಮತ್ತು 83.6 ರಲ್ಲಿ ಸರಿಯಾಗಿ ಪರಿಶೀಲಿಸದೇ ಅತಿ ಹೆಚ್ಚು

ಪ್ರಮಾಣದಲ್ಲಿ ಶಿಲ್ಕನ್ನು ಉಳಿಸಿಕೊಂಡಿರುವುದು.

- 10 ಅಂತರ ಘಟಕ ಲೆಕ್ಕಗಳ ವಿವರಗಳನ್ನು ಸಂಬಂಧಿತ ತಂತ್ರಾಂಶದಲ್ಲಿ ಪೂರ್ಣವಾಗಿ ಅಳವಡಿಸದೇ ಇರುವುದು.
- 11 ಅಂತರ ಘಟಕ ಲೆಕ್ಕಶೀರ್ಷಿಕೆಗಳಲ್ಲಿ ಬಹಳ ವರ್ಷಗಳಿಂದ ಬಾಕಿ ಚುಕ್ತ ಮಾಡದೆ ಕೋಟ್ಯಾಂತರ ರೂಗಳ ಶಿಲ್ಕನ್ನು ಮುಂದುವರಿಸಿರುವುದು.
- 12 ಬಂಡವಾಳ ವೆಚ್ಚ ಮತ್ತು ಕಂದಾಯ ವೆಚ್ಚಗಳ ಪ್ರಾವಿಷನ್‌ನಲ್ಲಿ ಮೂಲದಲ್ಲಿ ತೆರಿಗೆಯನ್ನು ಕಡಿತಗೊಳಿಸದಿರುವುದು.
- 13 ಮೂಲದಲ್ಲಿ ಕಡಿತಗೊಳಿಸಿದ ತೆರಿಗೆಯನ್ನು ನಿಗದಿತ ದಿನಾಂಕದೊಳಗೆ ತೆರಿಗೆ ಇಲಾಖೆಗೆ ತುಂಬದಿರುವುದು.
- 14 ಮಾರ್ಚ್ ತಿಂಗಳ ರಜೆ ನಗದಿಕರಿಸಿರುವ ಹುಂಡಿಗಳಿಗೂ OSL ಪ್ರಾವಿಷನ್ ಮಾಡಿರುವುದು.
- 15 ಕುಟುಂಬ ಹಿತ ನಿಧಿ ಯನ್ನು (FBF) ನಿಖರವಾಗಿ ಲೆಕ್ಕ ಹಾಕದೇ ಪಾವತಿಸಿರುವುದು.
- 16 ಹಿಂದಿನ ವರ್ಷದಲ್ಲಿ ಅಧಿಕವಾಗಿರುವ OSL ಪ್ರಾವಿಷನ್ ಅನ್ನು ಸಂಬಂಧಿಸಿದ ಲೆಕ್ಕಶೀರ್ಷಿಕೆಗೆ ಹಾಕಿ ಚುಕ್ತ ಮಾಡದಿರುವುದು.
- 17 ಅಕೌಂಟ್ಸ್‌ನ ನಿಯಮಗಳಿಗನುಸಾರವಾಗಿ ಜನರಲ್ ಲೆಡ್ಜರ್ ಬರೆಯದೇ ಅಂತಿಮ ಶಿಲ್ಕನ್ನು ತೋರಿಸದೇ ತಾಳೆಪಟ್ಟಿ ತಯಾರಿಸುವುದು.
- 18 JV Analysis & Cash Analysis ಅನ್ನು ಸರಿಯಾಗಿ ನಿರ್ವಹಣೆ ಮಾಡದೇ ಇರುವುದು.
- 19 ಸವಕಳಿ ಸಂಬಂಧಿತ ಅನುಬಂಧ ೫-ಎ ನ್ನು ಸರಿಯಾಗಿ ತಯಾರಿಸಿಕೊಂಡು ಬರದೇ ಇರುವುದು.
- 20 ಅಂತರಿಕ ತನಿಖೆಯಿಂದ ದೃಢೀಕರಣಗೊಂಡ ಮಾರ್ಚ್ ಅಂತಿಮ ಲೆಕ್ಕಗಳನ್ನು ಈ ಕಛೇರಿಗೆ ಸಲ್ಲಿಸದೇ ಇರುವುದು.
- 21 ಮಾರ್ಚ್ ಅಂತಿಮ ಲೆಕ್ಕಗಳನ್ನು ನಿಗದಿತ ದಿನಾಂಕದೊಳಗೆ ಸಲ್ಲಿಸದಿರುವುದು.
- 22 ಮಾರ್ಚ್ ಅಂತಿಮ ಲೆಕ್ಕಗಳ ಕೆಲವು ನಿಗದಿತ ನಮೂನೆಗಳನ್ನು ಲೆಕ್ಕ ಘಟಕಗಳಲ್ಲಿ ತಯಾರು ಮಾಡಿಕೊಂಡು ಬರದೆ ಈ ಕಛೇರಿಗೆ ಬಂದು ತಯಾರಿಸುವುದು.
- 23 ಮಾರ್ಚ್ ಅಂತಿಮ ಲೆಕ್ಕಗಳ ಸಲ್ಲಿಕೆಗಾಗಿ ಅನಗತ್ಯವಾಗಿ ಹೆಚ್ಚುವರಿ ಸಿಬ್ಬಂದಿಯನ್ನು ಕರೆತರುವುದು.
- 24 ಮಾರ್ಚ್ ಅಂತಿಮ ಲೆಕ್ಕಗಳ ಅಂಗೀಕರಿಸುವುದಕ್ಕಾಗಿ ಹೆಚ್ಚಿನ ದಿನಗಳನ್ನು

ತೆಗೆದುಕೊಳ್ಳುವುದು.

25 ಮಾರ್ಚ್ ಅಂತಿಮ ಲೆಕ್ಕಗಳ ತಯಾರಿಕೆಯಲ್ಲಿ ನಿಗಮದ ಸಿಬ್ಬಂದಿಗಳು ಸೂಕ್ತವಾಗಿ ಕಾರ್ಯಪ್ರವೃತ್ತರಾಗದೆ ಡಾಟಾ ಎಂಟ್ರಿ ಆಪರೇಟರ್‌ಗಳನ್ನು ಅವಲಂಬಿಸುವುದು.

26 ಇಷ್ಟೇಲ್ಲಾ ನ್ಯೂನತೆಗಳಿದ್ದರೂ ಆಂತರಿಕ ತನಿಖಾ ಸಿಬ್ಬಂದಿಯು ಸರಿಯಾಗಿ ಲೆಕ್ಕ ಪರಿಶೋಧನೆ ನಡೆಸದಿರುವುದು.

ಈ ಮೇಲೆ ತಿಳಿಸಿರುವ ನ್ಯೂನತೆಗಳು ತೀವ್ರ ಸ್ವರೂಪದ್ದಾಗಿದ್ದು ಅವುಗಳು ಮುಂದಿನ ವರ್ಷಗಳಲ್ಲಿ ಮರುಕಳಿಸದಂತೆ ಈಗಿನಿಂದಲೇ ಎಚ್ಚರಿಕೆ ವಹಿಸಬೇಕೆಂದು ಎಲ್ಲಾ ಲೆಕ್ಕ ಘಟಕಗಳಿಗೂ ಸೂಚಿಸಲಾಗಿದೆ. 2009-10 ನೇ ಸಾಲಿಗೆ ಮೇಲೆ ತಿಳಿಸಿರುವ ಯಾವುದಾದರೂ ನ್ಯೂನತೆಗಳನ್ನು ಸರಿಪಡಿಸಬೇಕಾಗಿದ್ದಲ್ಲಿ ತಕ್ಷಣವೇ ಸರಿಪಡಿಸುವಂತೆ ಸಹ ಸೂಚಿಸಲಾಗಿದೆ.

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FA(A&R)KCO-19/6886/10-11

Dated: 28th June 2010

Sub: Collection of cess on Cost of construction incurred by KPTCL under Building & other Construction Workers Welfare Cess Act, 1996.

Ref: 1. Corporate Order No.KPTCL/B9/2013/07-08, Bangalore dated 25.06.2007.
2. Circular No.FA(A&R)/C(AP&A)/DC(A&C)/AAO-I/dated 12th July 2007 of the Financial Adviser (A&R).

Please refer Corporate Order under reference wherein instructions were given to deduct one percent cess on Cost of construction incurred by the employer/contractor under Building & other Construction Workers Welfare Cess Act, 1996 against contractor bill payments. In the Corporate order it was also instructed that where tender has been submitted or finalized and work is entrusted to a contractor prior to 01.11.2006, in such cases, 1% cess has to be collected from the bills of the contractor.

In this connection, you are requested to furnish the following information immediately to this office.

1. The amount of 1% cess collected from the bills of the Contractors year wise.

2. Out of the above, the amount of 1% cess collected for the turnkey works where tender has been submitted or finalized and work is entrusted to a contractor prior to 01.11.2006 to be shown separately.

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FA(A&R)KCO-21/6936/08-09

Dated: 3rd 07-2010

Sub Accounting of Funds/Cheques in Transit during March Final 2010 – Observations of Statutory Auditors Regarding

The Statutory Auditors of KPTCL while auditing the Annual Accounts of the units for the year 2009-2010 have observed that the accounting of funds/cheques issued by Resource Section, Kaveri Bhavan, on or after 31/03/2010 bearing date 31/03/2010 and accounted by the Units of KPTCL in their March Final 2010 accounts is not in order, and are insisting to rectify such transactions. On examining the issue, it is decided to rectify the mistakes and ensure proper accounting. In this connection, the accounting of funds/ cheques as already done by the units in MF 2010 Accounts and the rectification entries to be passed by the units are given below against each item.

	Entries passed by the units in MF 2010 Accounts	Rectification entries to be passed by the Units in MF 2010 Accounts
<u>Case-I</u> (A) Funds transferred from Resource Section on 31/03/2010 and accounted in the Unit's cash book on 31/03/2010 but the funds not credited to the Operative Bank Account of the Unit against which the Accounting Units have discharged liability /incurred expenditure	<p>a)Effect of the entry after posting into Receipt side of the Cash book 24.4..(Op. Bank Account).....Dr To 34.000-IUA Funds transferred from H.O</p> <p>The entry made in the cash book has to be cancelled.</p> <p>b)Effect of the entry after posting into Payment side of the Cash book by discharging of liability or incurring expenditure Liability(42series,46series etc.) Expr.(74series,75series etc).. Dr</p>	<p>24.6..(Funds in transit account)..... Dr. To 34.000-IUA Funds transferred from H.O Reversal entry to be passed in April 2010 Accounts of the Unit 34.000-IUA Funds transferred from H.O. .Dr To 24.6..(Funds in transit account) . For this, remarks may be recorded in the cash book after the closing entries already passed as on 31/03/2010</p> <p>Entry in the payment side of the cash book on 31/03/2010 is to be cancelled for the reason, amount is not credited in the Bank account for making payment or writing cheque. For this,</p>

	To 24.4(Op. Bank Account)	remarks may be recorded in the cash book after the closing entries already passed as on 31/03/2010
(B) Funds transferred from Res. Sec. on or after 31/03/2010 accounted in the Unit's cash book on 31/03/2010 & not discharged any liability /incurred expenditure	<p>If the funds are accounted in the Unit's Cash book on Receipt side under Operative Bank Account Col. By crediting Account code 34</p> <p>If the funds are accounted in the Units by passing the following JV</p> <p>24.6..(Funds in transit account)..... Dr. To 34.000-IUA Funds transferred from H.O</p>	<p>Entry in the cash book is to be cancelled and following JV is to be passed</p> <p>24.6..(Funds in transit account)..... Dr. To 34.000-IUA Funds</p> <p>No rectification entry is required as the funds transferred is accounted correctly</p>
Case-II (A) Cheques dated 31/03/2010 issued from Resource Section but received by the Units after 31/03/2010 but accounted in cash book of Units on 31/03/2010 and liability discharged	<p>Effect of the entry after posting into Receipt side of the Cash book</p> <p>24.4..(Op. Bank Account).....Dr To 34.000-IUA Funds transferred from H.O</p> <p>Effect of the entry after posting into Payment side of the Cash book</p> <p>Liability(42series,46series etc.) Expr.(74series,75series etc)..Dr To 24.4(Op. Bank Account)</p>	<p>24.4..(Op. Bank Account).....Dr To 46.911-Un-issued Cheques (since the cheques are not delivered to the payee as on 31/03/2010, the liability as on 31/03/2010 is not discharged Hence the entry)</p> <p>When Cheques are delivered to the contractors in subsequent months above entry is to be reversed.</p>
(B) Cheques dated 31/03/2010 issued from Resource Section but received by the Units after 31/03/2010 and accounted in the Units	24.6..(Funds in transit account)..... Dr. To 34.000-IUA Funds transferred from H.O	<p>1) This entry has to be reversed in MF 2010 Accounts</p> <p>2)Entry has to be made in the receipt side of the cash book under</p>

duly furnishing the relevant details of the released asset like name of the Asset, Location of the Asset etc.

Personal responsibility will be fixed on the Executive In-charge of work, if all the relevant details are not furnished to the Accounts Section.

The Store Keepers / Store Officer should not accept any released materials without R.I.. If accepted, personal responsibility will be fixed on the concerned Storekeeper / Store Officer.

All the Accounting Units shall pass necessary Accounting entries to withdraw the value of released assets and accumulated depreciation from the Gross Block of Assets.

If any released asset pertaining to other / neighbouring Division is returned to the stores, the Accounts Section shall transfer the value of such released assets through Advice of Transfer and acceptance obtained.

The above instructions shall be followed scrupulously and deviation if any, in this regard will be viewed very seriously and action initiated.

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FA(A&R)KCO-21/6936/10-11

Dated:17th September, 2010

Sub: Implementation of revised procedure for capitalization of expenses in Major Works Divisions.

Accounting Units of KPTCL particularly the Major works Divisions are collecting Supervision charges towards supervising the works undertaken by outside parties under Self Execution Work. The amount so collected towards Supervision Charges is being accounted as Revenue of the Corporation under Account Code 62.907 – Supervision Charges as per the provisions of Accounts Manual Volume-III, as this Supervision Charges is a source of Revenue to KPTCL.

In accordance with the provisions of Accounts Manual Volume-III, all the expenses of Major Works Division are being allocated to all the Works undertaken by the concerned Major Works Division, in proportion to the capital outlay booked during the year for the Capital works.

During the audit of Accounts of KPTCL, the A.G's Audit has observed that the Capitalisable expenses of Major Works Divisions should not only be allocated to the works undertaken by MWD, but also to the Self Execution

Works being supervised by the concerned MWD as the employee cost is inclusive of the component of time spent for supervising the works under Self Execution Scheme. During discussion with Deputy Accountant General, it was informed to the Audit that Major Works Division which is collecting the Supervision Charges is not maintaining any Work Accounts / Cost Registers for the self execution works, which implies that Self Execution works are not the works of KPTCL and outlay is not booked in books of Accounts of KPTCL. As such, capitalizing the expenses of Major Works Divisions to the ongoing works of KPTCL duly excluding the Self Execution Works is in order in accordance with provisions of the Electricity Supply Annual Accounts Rules (ESAR), 1985. The A.G's Audit has also taken objection for accounting the supervision charges as Income of KPTCL to which A.G's Audit was informed that the Supervision Charges collected bears the characteristics of Revenue Income and hence the treatment given is in order as per ESAAR.

Inspite of explaining all issues relating to capitalization of expenses in Major Works Divisions, the A.G's Audit party highlighted the fact that the Supervision Charges is accounted as Income but corresponding expenditure is not charged to P&L Account resulting in imbalance of Income & Expenditure. After detailed examination of the issue, it is felt necessary to adopt certain changed Accounting methodology to ensure proper and correct accountal of the Supervision Charges collected in respect of Self Execution Works. Accordingly, KPTCL has given a commitment to A.G's Audit that a policy regarding treatment to be given to Supervision Charges would be evolved during current year.

The following is the revised procedure prescribed for Accounting treatment to Supervision Charges :-

1. The amount of Employee Cost capitalized in Major Works Divisions is to be reduced by the amount equivalent to the Supervision Charges collected in respect of Self Execution Works by the concerned Major Works Division during the period. By this Accounting treatment, the amount of Employee cost on Capital Works of KPTCL only will be capitalized.
2. From the treatment given in item 1 above, the Employee Cost on Self Execution works will be a charge to P&L Account and P&L Account will be credited with the amount of Supervision Charges collected. Thereby

P&L Account is debited and credited with the same amount, avoiding imbalance as also any impact of tax on KPTCL.

3. To ensure depiction of supervision charges collected on Self Execution works distinctly, a separate Account Code 62.909 – Supervision Charges collected on Self Execution Works is issued.
4. The above revised procedure will be given effect from 2010-11 and onwards.

The above instructions shall be followed scrupulously for ensuring proper depiction of related amount in the Accounts and avoid comments from the Audit.

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FA(A&R)KCO-21/6936/10-11

Dated:17th September, 2010

Sub: Implementation of revised procedure at the closure of the year for categorisation of works created under Turn-key works

Majority of Capital Works of KPTCL are being executed through Turn-key Contractors. The Turn-key Contracts includes three separate Contracts namely contract for Supply, Erection and Civil portion. As and when the Turn-key Contractor supplies materials, he presents a bill to KPTCL. The amount of Supply Bills paid and Materials issued to Turn-key Contractor is accounted as **Advance to Turn-key Contractors under Account Code – 26.605**. After erecting the materials, the Turn-key Contractor presents a bill for erection works. The value of materials so erected as per Erection Bills is transferred to **CWIP Account** from Advance to Turn-key Contractors. In other words, the value of all the materials erected can be practically transferred to CWIP Account only after the Turn-key Contractor submits the final erection bills.

During the Audit of Accounts of KPTCL, the A.G's Audit has issued an Audit Enquiry, wherein it is pointed out that the amount of Advance to Turn-key Contractors is continued in the Advance Account even though the works have been completed and commissioned. It was replied that the amount is continued in Advance Account for the reason, the Turn-key

Contractors have not presented the Erection bills, without which amount cannot be transferred to CWIP Account. The Audit did not accept the explanation given and finally KPTCL had to give a commitment to evolve a revised procedure for adjusting the Advance to Turn-key Contractors to the cost of the commissioned works.

The Accounts of KPTCL are prepared in accordance with the provisions of Electricity Supply Annual Accounts Rules, (ESAAR) 1985. The following are the provisions relevant to categorization of Assets: -

Para No	Provision	Explanation
2.42	Commissioning of Assets	All Capital Expenditure shall be categorized on commissioning of the work.
2.43	Capitalization when Assets is 'first put to use'	An Asset shall be capitalized when it is first put to use.
2.46	No waiting for finishing touches	Cost of the asset incurred upto the stage of commissioning of the asset should be capitalized when it starts being used without waiting for any finishing touches.
2.47	Technical Certificate	As Commissioning is a Technical matter, capitalization of assets shall be done on issue of Asset Commissioning certificate from the relevant Technical Authority of the Corporation.
2.48	Capitalization regardless of disputes with Contractors.	Capitalization of Assets cannot be withheld or deferred for any disputes with contractors. Cost of the assets determined on the basis of the contract should be capitalized by making necessary provisions

		for liability to contractors / suppliers acknowledged by the Corporation.
2.49	Capitalization regardless of non-finalization of Contractors' Bills etc.	Mere non-submission of bills by suppliers or contractors shall not be permitted to withheld capitalization of assets. Necessary provision should be made for an amount as per the contract.
2.50	Escalation Claims	Cost escalation claims made by suppliers / contractors should be provided for to the extent the calims are acknowledged by the Corporation and cost of assets inclusive of such provision shall be capitalized when the asset is first put to use.

Above provisions of Accounts Manual Volume-III, mandates that categorization of completed works cannot be deferred for any reasons. To comply with the observation of A.G's Auditors regarding continuation of balance under Advance to Contractors' Account and non-categorization of Commissioned works at the **end of the financial year**, the following revised Accounting procedure is issued to the Accounting Units of KPTCL.

1. Intermediary Account codes under 26 series, 10 series, 77 series and 12 Series are issued to enable recording of categorization of Commissioned works, the break-up details of the Asset / Work of which are not available at the time of capitalisation to operate the regular Account Codes due to non-receipt of bills from the Contractors.
2. If erection bills in respect of Commissioned works are not received at the end of the financial year, Intermediary Account Code 10.899 shall be debited by corresponding credit to Intermediary Account Code under 26.899 series.
3. The operation of Intermediary Account code fulfils the requirement of

COMPACT software also.

4. The amount of categorization would be shown in one lump sum and on receipt of erection bills, the minute details of the Assets are shown under regular Account Codes.
5. The next Accounting entry would be to debit Account Code 77.899 by corresponding credit to Intermediary Account Code 12.899 for charging depreciation at the percentage applicable from time to time.
6. The receipt of erection bill from the Turn-key Contractor shall be pursued and on receipt of erection bill, the above entries can be reversed and journal entries for the exact amount can be incorporated in the Accounts duly operating regular Account Codes.

The above instructions shall be followed scrupulously to ensure proper depiction of this amount and to avoid any comments from the Audit.

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No. FA (A&R)/KCO-20/6915/08-09

Dated. 26/10/2010

Sub : TDS Database clearance drive - Reg

Ref: Your letter No.26AS(3)/AABCK7281M/ITO/TDS(LTU)/2010-11 dt
18/08/2010

The Income Tax Officer(TDS), LTU, Bangalore, in his letter dated 18/08/2010 has intimated that huge amount of TDS is lying in the suspense account of IT Department. The reason for the amount lying in suspense Account is stated to be non-furnishing of relevant information by the deductor while filing TDS Returns.

In this connection it is to mention that the Accounting Units shall collect Form 16A from the concerned Contractor / Parties who recovers TDS from amount payable to KPTCL. After obtaining Form 16A from the deductor, Accounting Units shall ensure filing of e-TDS returns from the deductor with IT department. This can be ensured by down loading or taking a print out of Form 26AS from website (1)WWW.nsd1.com (2)WWW.incometaxindia.gov (3)WWW.incometaxindiaefiling.gov.in wherein all the details of the deductor along with the amount deducted and the PAN of KPTCL are displayed. Accounting Units shall also verify the Form 16A received from deductor with

Form 26AS and ensure that data in Form 16A and 26AS are matching each other. It is the primary responsibility of the deductor to issue Form 16A to deductee and to file e-TDS returns duly filling in all the particulars correctly, within statutory time limit.

However, Accounting Units shall ensure from Form 26AS, whether deductor has filed e-TDS returns and if the deductor has already filed e-TDS returns, has he issued Form 16A to the Accounting Unit. Accounting Units may consult their e-TDS return filing Agencies to obtain Form 26AS from the above said websites. Discrepancies found in Form 16A and 26AS if any, shall be rectified in consultation with the deductor.

A reply on your action may please be sent to this office

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**No.FA(A&R)/KCO-20/6936/08-09**

**Dated: 06-01-2011**

**SUB: Accounting treatement in respect of difference of exgratia for the year 2006-07 contributed to Karnataka State Natural Calamity relief fund.**

REF: 1) Board Order No.KPTCL/B16/7969/2009-10 dated 21/07/2010.

2) FA/A&R/CF/AOR/KCO-36/23189 dated 15/12/2010.

KPTCL in its order dated 21/07/2010 has released the arrears of difference amount of Ex-Gratia which was revised from 2500/- to 3500/- during 2006-07 to the employees. The same amount has already been contributed to the Karnataka State Natural Calamity Relief Fund. As such, it has to be accounted as deemed to have been paid to employees and then contributed to the said fund.

For accounting the above payment & Contributions, the Accounting Units shall workout employees-wise difference amount of Ex-Gratia and following entries are to be incorporated in the Accounts on hand and credit AT shall be sent to the Resource Section of FA(A&R) Corporate Office.

| Account Code | Account Head                                                            | Debit Amount | Credit Amount |
|--------------|-------------------------------------------------------------------------|--------------|---------------|
| 75.530       | Exgratia                                                                | XXXX         |               |
| 46.978       | Employees Contribution to Chief Minister Draught / Calamity relief Fund |              | XXXX          |

For Sending Credit AT to Resource Section, Bangalore.

| Account Code | Account Head | Debit Amount | Credit Amount |
|--------------|--------------|--------------|---------------|
|--------------|--------------|--------------|---------------|

|        |                                                                         |      |      |
|--------|-------------------------------------------------------------------------|------|------|
| 46.978 | Employees Contribution to Chief Minister Draught / Calamity relief Fund | XXXX |      |
| 37.200 | IUA-other transactions / adjustments – Credit AT sent                   |      | XXXX |

Acceptance from the Resource Section shall be obtained and balance under Account code 37.200 shall be cleared at the earliest.

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**No.FA(A&R)/KCO-21/6956**

**date:05-03-2011**

**SUB: tax implication relating to Station Maintenance Contract-reg.**

You are aware of the litigation between the Station Maintenance Contractors and KPTCL with regard to the applicability of TDS rate in respect of their monthly bills. Various cases filed in this connection have not been disposed off by the Hon'ble High Court of karnataka and are still pending.

In the meanwhile, the ITO (TDS), LTU, Bangalore has clarified that the payments relating to said contract fall within the defination of sec.194J of the IT Act for which TDS at 10.30% is appliacble.

Subsequent to the above clarification, Hon'ble High court of Karnataka has passed interim orders directing KPTCL to deduct TDS only at the rate of 2.26% which is applicable to Sec.194C of the Act. Through the cases pertaining to almost all Divisions are pending, no pursuation is being made by the Unit Officers either with the Tax Consultant or the Court.

A few Units raised the issue of refunding the EMD/Security Deposit to the Contractors when the cases are pending in the Court. Since these contracts are normally for one year period and related contractual obligations will cease thereafter, an apprehension was also raised as to the Tax implication, if the pending cases are decided in favour of the Income Tax Department. Under both the situations, KPTCL will be put to loss in due course if its interest is not protected lawfully.

These two issues were referred to the Advocate dealing with connected Court cases through legal section of the Corporation and sought opinion on further action to be taken up by KPTCL Units. While explaining the issue to Advocate, it was made clear that, at a later date, if the issue is resolved and Hpn'ble Hig Court upheld the views of the Income Tax Departemnt to collect TDS at rate applicable to Sec.194J instead of Sec.194C, the Accounting Units of KPTCL will not be in a position to deduct the remit the difference tax amount. In such a situation, the liability on this account may bounce on

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**ജനീ: ഫെബ്രുവരി, 2011**

|        |                                                                                                                                                       |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| ವಿಷಯ   | ಆರಕ್ಷಕ ಮಹಾನಿರೀಕ್ಷಕರು (ವಿಜಿಲೆನ್ಸ್ ಮತ್ತು ಎನ್‌ಫೋರ್ಸ್‌ಮೆಂಟ್) ರವರ ಕಛೇರಿಯ ಖರ್ಚುಗಳನ್ನು ವಿದ್ಯುತ್ ವಿತರಣಾ ಕಂಪನಿಗಳು ಭರಿಸುವ ಬಗ್ಗೆ.                                |
| ಉಲ್ಲೇಖ | 1. ಕವಿಪ್ರನಿ ಆದೇಶದ ಕ್ರಮಾಂಕ ಆ 5 ಅ / 5605 / 2001-02 ದಿನಾಂಕ 22-08-08.<br>2. ಇಂಧನ ಇಲಾಖೆ, ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಪತ್ರದ ಸಂಖ್ಯೆ ಇಎನ್ 17 ಇಇಬಿ 2008 ದಿನಾಂಕ 12-02-2009. |

ಕರ್ನಾಟಕ ವಿದ್ಯುತ್ ಪ್ರಸಾರಣ ನಿಗಮ ನಿಯಮಿತದಲ್ಲಿ ಆರಕ್ಷಕ ಮಹಾನಿರೀಕ್ಷಕರು (ವಿಜಿಲೆನ್ಸ್ ಮತ್ತು ಎನ್‌ಫೋರ್ಸ್‌ಮೆಂಟ್) ರವರು ಕವಿಪ್ರನಿನಿ ಮತ್ತು ವಿದ್ಯುತ್ ವಿತರಣಾ ಕಂಪನಿಗಳಿಗೆ ಸಂಬಂಧಿಸಿದ ಕರ್ತವ್ಯಗಳನ್ನು ನಿರ್ವಹಿಸುತ್ತಿರುತ್ತಾರೆ. ಆರಕ್ಷಕ ಮಹಾನಿರೀಕ್ಷಕರು (ವಿಜಿಲೆನ್ಸ್ ಮತ್ತು ಎನ್‌ಫೋರ್ಸ್‌ಮೆಂಟ್) ರವರ ಕಛೇರಿಯ ಸಿಬ್ಬಂದಿಯ ಸಂಬಳವೂ ಸೇರಿದಂತೆ ಇತರೆ ಎಲ್ಲಾ ಖರ್ಚುಗಳನ್ನು ಕವಿಪ್ರನಿನಿಯು ಭರಿಸುತ್ತಿತ್ತು. ಮೇಲಿನ ಉಲ್ಲೇಖ 2 ರಲ್ಲಿರುವ ಆದೇಶದಲ್ಲಿ ಆರಕ್ಷಕ ಮಹಾನಿರೀಕ್ಷಕರು , ಕವಿಪ್ರನಿನಿ ರವರಿಗೆ ಅಗತ್ಯವಿರುವ ಸಲಕರಣೆ ಮತ್ತು ವಾಹನ ಇತ್ಯಾದಿ ಸಂಪನ್ಮೂಲ ಸೌಕರ್ಯಗಳನ್ನು ಇನ್ನು ಮುಂದೆ ಬೆಸ್ಕಾಂ ರವರು ನೇರವಾಗಿ ಮೊದಲು ಒದಗಿಸಿ, ನಂತರದಲ್ಲಿ ಇದಕ್ಕೆ ತಗಲುವ ವೆಚ್ಚವನ್ನು ಎಲ್ಲಾವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿಗಳು ಈ ಮುಂದಿನ ಅನುಪಾತದಲ್ಲಿ ಭರಿಸಲು ಸೂಚಿಸಲಾಗಿದೆ. ಬೆಸ್ಕಾಂ - 50 %, ಮೆಸ್ಕಾಂ - 10 %, ಹೆಸ್ಕಾಂ - 20 %, ಜೆಸ್ಕಾಂ - 10 %, ಸೆಸ್ಕಾಂ - 10 %. ಈ ಹಿನ್ನೆಲೆಯಲ್ಲಿ ಕವಿಪ್ರನಿನಿ ಮತ್ತು ವಿದ್ಯುತ್ ವಿತರಣಾ ಕಂಪನಿಗಳು ಅನುಸರಿಸಬೇಕಾದ ಲೆಕ್ಕ ಪದ್ಧತಿಯನ್ನು ಕೆಳಕಂಡಂತೆ ನಿಗದಿಪಡಿಸಲಾಗಿದೆ.

೧. ಆರಕ್ಷಕ ಮಹಾನಿರೀಕ್ಷಕರು (ವಿಜಿಲೆನ್ಸ್ ಮತ್ತು ಎನ್‌ಫೋರ್ಸ್‌ಮೆಂಟ್) ರವರಿಗೆ ಸಂಬಂಧಿಸಿದ ಸಿಬ್ಬಂದಿಯ ಸಂಬಳವೂ ಸೇರಿದಂತೆ ಇತರೆ ಎಲ್ಲಾ ಖರ್ಚುಗಳನ್ನು ಪ್ರಸ್ತುತ ಕವಿಪ್ರನಿನಿಯ ವ್ಯವಸ್ಥಾಪಕರು (ಆಂತರಿಕ ನಿರ್ವಹಣೆ) ಶಾಖೆಯಲ್ಲಿ ಪಾವತಿ ಮಾಡಲಾಗುತ್ತಿದ್ದು, ಹಾಗೆ ಪಾವತಿ ಮಾಡಿದಾಗ ಖರ್ಚಿನ ಸ್ವಾಭಾವಿಕ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗೆ ಡೆಬಿಟ್ ಹಾಕುವುದು.
೨. ಸ್ವಾಭಾವಿಕ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಯಲ್ಲಿ ಬೇರೆ ಸಿಬ್ಬಂದಿಯ ಖರ್ಚು ವೆಚ್ಚಗಳೂ ಮಿಳಿತವಾಗುವುದರಿಂದ, ಆರಕ್ಷಕ ಮಹಾನಿರೀಕ್ಷಕರ ಕಛೇರಿಯ ಖರ್ಚಿನ ವಿವರಗಳನ್ನು ಪ್ರತೇಕವಾಗಿ ಪಡೆಯಲು ಅನುಕೂಲವಾಗುವಂತೆ ಆರಕ್ಷಕ ಮಹಾನಿರೀಕ್ಷಕರ ಕಛೇರಿಗೆ ಸಂಬಂಧಿಸಿದ ಎಲ್ಲಾ ಖರ್ಚಿನ ವಿವರಗಳನ್ನು ಪ್ರತ್ಯೇಕ ರಿಜಿಸ್ಟ್ರಾರ್‌ನಲ್ಲಿ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆವಾರು ನಿರ್ವಹಣೆ ಮಾಡುವುದು.
೩. ಮೇಲೆ ತಿಳಿಸಿರುವಂತೆ, ಪ್ರತ್ಯೇಕ ರಿಜಿಸ್ಟ್ರಾರ್‌ನಲ್ಲಿ ನಿರ್ವಹಣೆ ಮಾಡಲಾದ ಶೀರ್ಷಿಕೆವಾರು ಖರ್ಚಿನ ಮೊತ್ತವನ್ನು, ಆಯಾ ತಿಂಗಳ ಅಂತ್ಯದಲ್ಲಿ, ಮೇಲೆ ತಿಳಿಸಿರುವ ಅನುಪಾತದಲ್ಲಿ ಭಾಗ ಮಾಡಿ, ಅದನ್ನು ಐದು ವಿತರಣಾ ಕಂಪನಿಗಳಿಗೆ ನಿಗದಿತ ಅನುಪಾತದಲ್ಲಿ ಹಂಚುವುದು. ಆ ಉದ್ದೇಶಕ್ಕಾಗಿಯೇ ನೀಡಲಾಗಿರುವ, ವಿತರಣಾ ಕಂಪನಿವಾರು ಈ ಕೆಳಕಂಡ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆಗಳನ್ನು ಡೆಬಿಟ್ ಮಾಡಿ ಅನ್ವಯಿಸುವ ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ 74.910, 75.910 ಮತ್ತು 76.910 ಗೆ ಕ್ರೆಡಿಟ್ ಹಾಕುವುದು.
೪. 29.202 - ಆರಕ್ಷಕ ಮಹಾನಿರೀಕ್ಷಕರ ಕಛೇರಿಯ ಖರ್ಚಿನ ಬಾಬಿಗಾಗಿ ಬೆಸ್ಕಾಂ ನಿಂದ ಸ್ವೀಕರಿಸಬೇಕಾಗಿರುವುದು.





been disposed off by the Hon'ble High Court of Karnataka and are still pending.

In the meanwhile, the ITO (TDS), LTU, Bangalore has clarified that the payments relating to said contract fall within the definition of Sec.194J of the IT Act for which TDS at 10.30% is applicable.

Subsequent to the above clarification, Hon'ble High Court of Karnataka has passed interim orders directing KPTCL to deduct TDS only at the rate of 2.26% which is applicable to Sec.194C of the Act. Though the cases pertaining to almost all Divisions are pending, no pursuance is being made by the Unit Officers either with the Tax Consultant or the Court.

A few Units raised the issue of refunding the EMD /Security Deposit to the Contractors when the cases are pending in the Court. Since these contracts are normally for one year period and related contractual obligations will cease thereafter, an apprehension was also raised as to the Tax implication, if the pending cases are decided in favour of the Income Tax Department. Under both the situations, KPTCL will be put to loss in due course if its interest is not protected lawfully.

These two issues were referred to the Advocate dealing with connected Court cases through legal section of the Corporation and sought opinion on further action to be taken up by KPTCL units. While explaining the issue to Advocate, it was made clear that, at a later date, if the issue is resolved and Hon'ble High Court upheld the view of the Income Tax Department to collect TDS at rate applicable to Sec. 194J instead of Sec.194C, the Accounting units of KPTCL will not be in position to deduct the remit the difference tax amount. In such a situation, the liability on this account may bounce on KPTCL. If the Security Deposit /EMD is refunded also, KPTCL will lose a little protection it is having in the form of these Deposits. The Advocate has given his detailed opinion on the issues raised vide his letter dated 24.01.2011 a copy of which is enclosed to this letter for your information.

As per the advice of the Advocate, KPTCL has to protect its interest through proper legal course of action. As such, you are requested to instruct all the concerned Divisional Officers to act immediately and initiate the following actions:

1. Approach the Hon'ble High Court of Karnataka by filing Statement of Objections and also appropriate Interlocutory Application (IA) to revise or modify the interim order protecting the interest of the KPTCL in withholding the refund of the Security Deposit / EMD.



For clearing the balances remaining under 18.101 after incorporating above entry.

| Account code | Account Head                                                      | Debit Amount | Credit Amount |
|--------------|-------------------------------------------------------------------|--------------|---------------|
| 77.611       | Computer Purchase                                                 | XXXX         |               |
| 18.101       | Intangible Assets software acquired / purchased for internal use. |              | XXXX          |

The March Final 2011 Accounts of the Units shall show 'Nil' balance under Account codes 18.101 and 12.801. The Accounting Units shall follow the above instructions and ensure correct accounting of the above entries, without fail.

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**FA(A&R)KCO-21/6936/11-12**

**Dated: 4<sup>th</sup> May, 2011**

**Sub: Action to be initiated for reducing the Inventory Level.**

Ref: This Office Circular No. FA(A&R)KCO-21/6936 dated 17-9-2010

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The value of Inventory held by a Company as compared to Capital programme reflects on the efficiency in material management. When all the Major Capital Works of KPTCL are being executed through Turn-Key Contractors, there is no need for holding huge inventory balance. A minimum level of Inventory would suffice the materials required for maintenance work.

As at the closure of Annual Accounts on 31<sup>st</sup> March 2010, KPTCL had Inventory balance of Rs.101 Crores and Released Assets of Rs.17 Crores, which is very high. This huge level of Inventory was commented by the Statutory Auditors. Now, on verification of Accounts as at 31<sup>st</sup> March 2011, it is observed that the level of Inventory has not been reduced considerably, which would be commented by the Auditors during this year also.

In order to keep the Inventory at optimal level, the following actions are suggested: -

1. Avoid procurement of materials unnecessarily. The availability of materials in stock should be ensured before placing purchase orders. This would avoid unnecessary locking up of funds and payment of huge Interest on borrowed funds.
2. The materials held in stock for more than three years should be listed and circulated to the nearby Divisions. If such materials are required by any Divisions, the same may be transferred.
3. Immediate action shall be initiated for sale of Scrap materials held in stock. This would fetch more value, if sold without delay.
4. The released good materials held in stock shall be issued to works on priority basis and balance reduced.
5. Necessary action shall be initiated for proper protection to materials held in stores so as to avoid pilferage, theft etc.
6. Concept of ABC Analysis (i.e. classifying the inventory items into A,B & C category based on the value and quantity) be adopted for better focus on high value items with lesser quantity.



7. Inventory management concepts like Economic Order Quantity (EOQ) and other various levels may be applied to the extent feasible for our nature of activities.
8. Avoid obsolescence of materials by continuously watching the technology changes and the items we are holding in the inventory.
9. Review un-operated items for more than One / Two / three years and decide on their necessity or otherwise.
10. Either the Divisional Officer or the Store Officer to assume the responsibility for overall inventory management without leaving such higher level management functions to Store keeper or other employees.

Action taken by the Accounting Units in reducing the Inventory level on the above lines shall be reported to this office before 15-5-2011, to place the facts before M.D., KPTCL.

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**No.FA(A&R)/KCO-22/6974/2009-10**

**dated 23-06-2011**

**Sub: Deduction of TDS in respect of Station Maintenance Contract-reg**

- Ref: 1. T.O. Letter No. FA(A&R)/KCO-21/6936/08-09 Dated 05-02-2009.  
 2. T.O. Letter No. FA(A&R)/KCO-22/6974/09-10 Dated 09-02-2010.  
 3. T.O. Letter No. FA(A&R)/KCO-21/6956 Dated 05-03-2010.

Please refer to this office Circular dated 05-02-2009 under reference 1, where in it was clarified that the TDS under 194J of the I.T. Act has to be effected from the bills of shift and Minor Maintenance duties of Stations, given on Contract basis to Contract Agencies. This was again confirmed vide this office Circular under reference no.2 based on the letter of Income Tax Officer (TDS), LTU, Bangalore clarifying that tax in respect of Station Maintenance Contract should be made under Section 194J of the I.T. Act and not under section 194C of the I.T. Act.

Aggrieved by the deduction of TDS under Section 194J of I.T. Act, the Station Maintenance Contractors have filed several Writ Petitions in the Hon'ble High Court of Karnataka requesting to direct KPTCL to deduct TDS under Section 194C of the I.T. Act which carries a rate of 2.26%. The Hon'ble High Court of Karnataka has passed interim orders directing the KPTCL to deduct TDS only at the rate of 2.26% which is applicable to Section 194C of the Act. The Hon'ble High Court referred the matter back to ITO(TDS) with a direction to pass appropriate reasoned order in accordance with law within two months from 25.04.2011 after going through the history and nature of the work under Tender Notification and terms of the tender.

In this connection, Contractors were called for hearing and documents produced by the Contractors are verified by ITO (TDS), LTU. After verification of the documents produced by the contractors and also with reference to the Corcular No. 715 dated 08-08-1995, ITO (TDS), LTU, has issued a letter dated 31.05-2011, stating that, 'In view of the fact that the nature of work entrusted is a menial work and it could be discharged /done by a person having minimum work knowledge and not necessarily it has to be treated as a professional service, deduction of tax should be made u/s 194c of the IT Act 1961.'

Copy of the letter dated 31-05-2011 is here with enclosed for ready reference.

In view of the above clarification, it is requested to effect TDS under Section 194c of I.T. Act on the bills of Station maintenance Contract.

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**FA(A&R)KCO-21/6936/11-12**

**Dated: 18<sup>th</sup> July, 2011**

**Sub: Procedure to be followed for recovery of various dues from the Departments to which KPTCL Officers/ Employees are on Deputation.**

Ref: KPTCL Order No. KPTCL/B5A/4052/2005-06 dated 10-4-2007

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Some of the Officers / Employees of KPTCL are on deputation to various Organisations / Departments like KPCL, BBMP, BWSSB, Various departments of Government of Karnataka etc. As per the Terms and Conditions of Deputation, the foreign Department / Organization is required to pay Pension & Gratuity Contribution, Leave Contribution from time to time. Further, the amount recovered from the salary of the employees towards Family Benefit Fund Contribution is also required to be paid by such Departments. In spite of constant persuasion and protracted correspondence, the foreign Department / Organizations are not remitting the amount in full resulting in shortfall of amount to be remitted to Pension and Gratuity Trust (P&G Trust) on this Account. The P&G Trust is entrusted with the responsibility of arranging payment of terminal benefits to the retiring / retired employees of KPTCL. In the absence of required contribution, it will be very difficult for the Trust to manage the funds and arrange for disbursement.

In the above background, a detailed procedure for regulating receipt of amount from foreign departments to which KPTCL employees are on deputation and the accounting treatment to be given are laid down in the following paragraphs.

1. **PENSION & GRATUITY CONTRIBUTION:** - The Pension and Gratuity Trust gets the Actuarial Valuation done from time to time and intimate the Percentage of the P&G Contribution to be made by KPTCL and ESCOMS. KPTCL is arranging payment of Pension and Gratuity contribution at the applicable percentage on the employee cost booked during the year. On the same lines, the foreign Departments are required to pay the amount towards Pension and Gratuity Contribution in respect of employees on deputation to their departments. It is the responsibility of the concerned Accounting Unit of KPTCL to work-out the amount and pursue recovery of the same from the foreign Department. The action to be taken by the concerned KPTCL Accounting Unit and data to be maintained are as follows:-

- a) List out the Name of the Employees of KPTCL on deputation to each foreign department.
- b) Date of Commencement of Deputation.
- c) Date of closure of Deputation in case the employee on deputation has been repatriated.
- d) Ascertain the applicable percentage of P&G Contribution from time to time from P&G Trust and intimate the same to foreign department for working out the P&G contribution on the employee cost of employees from KPTCL.
- e) Pursue recovery of the P&G contribution.
- f) On receipt of the amount, account the same under Account code “44.275 – Pension & Leave Contribution remitted by Other Departments in respect of Employees of KPTCL on deputation and payable to P&G Trust”. A Cash Receipt shall be drawn for the amount received and amount remitted to Non- Operative Account of KPTCL.
- g) The amount to the extent of Pension & Gratuity Contribution received from foreign department shall be transferred to Manager (I/M) of KPTCL Corporate Office through Advice of Transfer along with a statement showing

the list of employees, Designation, period of for which amount is being remitted and other relevant details.

- h) The Manager (I/M) shall arrange for remittance of the amount to P&G Trust duly obtaining funds for the same from Resource Section of KPTCL Corporate Office. Employee-wise details shall also be furnished to the Trust while making payment.
- i) Account Code 44.275 shall be debited while arranging payment to Trust.
- j) Detailed Schedule shall be maintained and employee-wise details shall be recorded.
- k) The balance if any, existing in the books of any Accounting Unit under Account Code 44.275 shall be analysed again and amount due to P&G Trust towards Pension and Gratuity shall be immediately transferred to Manager (I/M) Section as detailed above and balance cleared in the Accounts on hand.

2. **LEAVE CONTRIBUTION:** - As per Terms and Conditions of Deputation of KPTCL employees, the foreign departments are required to contribute 11% of pay plus Special pay towards Leave Contribution. The amount of contribution to be recovered from the foreign Department shall be worked out by the concerned Accounting Unit of KPTCL and recovery pursued from the foreign Department. The amount so recovered shall be credited to Account Code 44.130- Provision for Earned Leave Encashment Fund and transferred to Head Office under Part C of March Final Accounts. The amount received shall be remitted to the Non-Operative Account of the Unit. On retirement of employees on deputation, the Earned Leave Surrender payment shall be arranged by concerned Accounting Unit of KPTCL duly operating Account codes "75.618 – Earned Leave Encashment – Retired / Deceased Employees".

3. **FAMILY BENEFIT FUND CONTRIBUTION:** - The employees of KPTCL are covered under Family Benefit Fund Scheme. Employees are required to contribute Rs.200/-every month to the said scheme. The amount of contribution by each employee on deputation shall be worked out by the concerned Accounting Unit of KPTCL and recovery

The procedure prescribed above shall be followed scrupulously and ensure that the amount due to KPTCL shall be recovered by constant persuasion. Further, necessary action shall also be taken to remit the amount due to P&G Trust without delay.

**Dated: 28<sup>th</sup> March 2012**

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1. Details such as description of the released asset, Corresponding Account code under 10 series, present rate of depreciation & WDV at time of issue to repairs, shall also be entered in the 26.604 Schedule along with details of the Contractor to whom the released assets are issued for repairs.
2. For charging depreciation on released assets during the period of repair, the procedure and policy followed hitherto for charging depreciation on Released Assets(16.2 series) as narrated in this office circular under reference shall be followed.

3. Rate of depreciation shall be the Rate as applicable to corresponding Fixed Assets.
4. Depreciation shall be charged monthly on prorata basis by passing following Journal Entry

| A/c code                                                                                     | Particulars                                                                                       | Debit | Credit |
|----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-------|--------|
| 77.151/77.161/<br>77.171/77.181/<br>77.191                                                   | Depreciation on<br>Released good Asset                                                            | XXXX  |        |
| To                                                                                           |                                                                                                   |       |        |
| 26.604                                                                                       | Transormers / meters<br>etc, issued to<br>contractors /<br>suppliers for repairs /<br>replacement |       | XXXX   |
| (Being the entry passed to provide<br>depreciation on released assets issued for<br>repairs) |                                                                                                   |       |        |

5. The amount of depreciation charged as above shall be recorded in the 26.604 Schedule against the respective released asset as a credit item and **the WDV shall be reduced** to the extent of the amount credited to 26.604. This procedure shall be continued till the receipt of released asset after repair in the Stores.
6. On receipt of repaired released asset in the stores, same shall be accounted by debiting respective 16.2 Series and crediting 26.604 at the reduced WDV of that released asset available in the 26.604 Schedule.
7. If the released assets are repaired and returned to Stores in the same month, there is no need to pass the JV shown in item 4 above.
8. For the balances existing under Account code 26.604 as at 31/03/2012, depreciation as shown in item 4 above shall be charged from the month of issue for repairs up to the month of March 2012 on prorata basis and incorporated in March Final 2012 Accounts. Copies of JVs shall be furnished at the time of submission of March Final 2012 Accounts to the Corporate Office.

Above procedure shall be scrupulously followed in future.

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**No. FA(A&R)/KCO-20/6936/12-:**

**Date: 05-10-2012**

**Sub : Accounting of amount contributed towards Chief Minister's Drought Relief Fund**

Ref : Corporate Order No. KPTCL/IR/SA7/35891/12-13 Bangalore  
Dated 20-09-2012

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As per the Corporate Order under reference, an amount equivalent to 2 days salary (One day salary in September 2012 and One day salary in November 2012) has to be deducted from the salary of employees for contribution towards Chief Minister's Drought Relief Fund.

Amount deducted from the employees towards the above may be credited to the Head of Account 46.978- Employees Contribution to Chief Minister's Draught / Calamity Relief Fund. Credit AT shall be sent to the Resource Section of the O/o FA(A&R), Corporate Office by passing the following entries :

| Account Code | Account Head                                                              | Debit Amount | Credit Amount |
|--------------|---------------------------------------------------------------------------|--------------|---------------|
| 46.978       | Employees Contribution to Chief Minister's Drought / Calamity relief Fund | xxxx         |               |
| 37.200       | IUA – Other Transactions/adjustments – Credit AT Sent                     |              | xxxx          |

Acceptance from the Resource Section shall be obtained and balance under Account Code 37.200 shall be cleared at the earliest.

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ಆ.ಸ(ಲೆಮತ್ತುಸಂ/ಕೆ.ಸಿ.ಓ/21/6946

ದಿನಾಂಕ: 18 ಪೆಬ್ರವರಿ 2013

**ವಿಷಯ: ಅಂತರ ಘಟಕ ತೀರುವಳಿ ಪಟ್ಟಿಯ ಅಂತರ್ಜಾಲ ತಂತ್ರಾಂಶದಲ್ಲಿ (IUA Pairing - Web Enabled Software) ಹೊಸದಾಗಿ ಸೇರಿಸಿರುವ ವರದಿಯ ಬಗ್ಗೆ.**

ಉಲ್ಲೇಖ: ಈ ಕಚೇರಿಯ ಪತ್ರ ಸಂಖ್ಯೆ ಆ.ಸ(ಲೆ&ಸಂ)/ಕೆಸಿಓ/21/6946 ದಿನಾಂಕ 27-11-2012

~\*~\*~\*~

ಮೇಲ್ಕಂಡ ವಿಷಯಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ ಈ ಮೂಲಕ ತಿಳಿಸುವುದೇನೆಂದರೆ, ಅಂತರ ಘಟಕ ತೀರುವಳಿ ಪಟ್ಟಿಯ ಅಂತರ್ಜಾಲ ತಂತ್ರಾಂಶದಲ್ಲಿ ಹೊಸದಾಗಿ “ಹೊಂದಾಣಿಕೆಯಾಗದ ಸಂಬಂಧಿಸಿದ ವಿಭಾಗಗಳ ವಿವರ” (Unmatched Data-Corresponding Units) ವರದಿಯನ್ನು ಸೇರಿಸಲಾಗಿದೆ. ಈ ವರದಿಯಲ್ಲಿ ನಿಮ್ಮ ಲೆಕ್ಕ ಘಟಕಕ್ಕೆ ಸಂಬಂಧಿಸಿದ ಬೇರೆ ವಿಭಾಗಗಳಲ್ಲಿ ಅಂತರ ಘಟಕ ತೀರುವಳಿಯ ಎಲ್ಲಾ ಲೆಕ್ಕ ಖಾತೆಗಳಲ್ಲಿ ಲೆಕ್ಕಿಸಿರುವ ವಿವರಗಳನ್ನು ತೋರಿಸುತ್ತದೆ.

ಅಂತರ ಘಟಕ ತೀರುವಳಿ ಪಟ್ಟಿಯ ಅಂತರ್ಜಾಲ ತಂತ್ರಾಂಶದಲ್ಲಿ, ಅಗಸ್ಟ್-2012 ರ ಅಂತ್ಯಕ್ಕೆ, (ಅಗಸ್ಟ್-2012 ರ ಅಂತ್ಯಕ್ಕೆ ಈ ಕಚೇರಿಯಲ್ಲಿ ಅಂತರ್ಜಾಲ ತಂತ್ರಾಂಶದಿಂದ ತೀರುವಳಿ ಹೊಂದಾಣಿಕೆ (IUA Reconciliation) ಮಾಡಿರುವುದರಿಂದ) ಯಾವುದೇ ಒಂದು ಲೆಕ್ಕ ಸಂಕೇತವನ್ನು ಆಯ್ಕೆ ಮಾಡಿಕೊಂಡು “ವಿಭಾಗದ ವರದಿಯಲ್ಲಿ (Division Reports)”, ಹೊಸದಾಗಿ ಸೇರಿಸಲಾದ “ಹೊಂದಾಣಿಕೆಯಾಗದ ಸಂಬಂಧಿಸಿದ ವಿಭಾಗಗಳ ವಿವರ” (Unmatched Data-Corresponding Units) ವರದಿಯನ್ನು ಆಯ್ಕೆ ಮಾಡಿದಾಗ ಈ ಕೆಳಕಂಡ ಮಾದರಿಯಲ್ಲಿ ನಿಮ್ಮ ಲೆಕ್ಕ ಘಟಕಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ ಬೇರೆ ಲೆಕ್ಕ ಘಟಕಗಳ ಅಂತರ ಘಟಕ ತೀರುವಳಿಯ ಎಲ್ಲಾ ಲೆಕ್ಕ ಖಾತೆಗಳಲ್ಲಿ ಲೆಕ್ಕಿಸಿರುವ ವಿವರಗಳನ್ನು ತೋರಿಸುತ್ತದೆ.

### Select from the following

- ☐ Matched Report
- ☐ Unmatched Data
- ☐ Month Abstract
- ☐ Matched Data Abstract
- ☐ Verify TB balance
- ☒ Unmatched Data - Corresponding Units

Show Report

New  
"Unmatched Data \_ Corresponding Units"  
Report

Details of Account Code-wise Unmatched items existing in the corresponding Units as on 08/2012  
Division Code & Name : 702-Manager (Est-2)

| L.C of the Unit | A/c Code | Month   | Record Id | Format No. | A.T.No. | A.T.Date   | A.T.Amount | Acceptance Number | Acceptance Date | Acceptance Amount | J.V. No. | J.V.Date   | J.V.Amount |
|-----------------|----------|---------|-----------|------------|---------|------------|------------|-------------------|-----------------|-------------------|----------|------------|------------|
| 714             | 37.3     | 12/2007 | 59421     | 1A         | 34      | 30/11/2007 | 0.00       | 55                | 24/03/2008      | 0.00              | 32       | 31/12/2007 | 0.00       |
| 724             | 37.3     | 03/2008 | 60508     | 2A         | 19      | 20/02/2004 | 28.00      | 28                | 30/03/2004      | 28.00             | 28       | 31/03/2004 | 28.00      |
| 724             | 36.3     | 03/2007 | 47755     | 2A         | 29      | 31/03/2004 | 80.00      | 80                | 21/04/2004      | 80.00             | 22       | 30/04/2004 | 80.00      |
| 733             | 37.3     | 03/2009 | 77758     | 2B         | 42      | 31/03/2009 | 157.00     | 22                | 31/03/2009      | 157.00            | 5        | 31/03/2009 | 157.00     |
| 714             | 37.3     | 11/2007 | 59432     | 1A         | 34      | 30/11/2007 | 200.00     | 55                | 24/03/2008      | 200.00            | 35       | 30/11/2007 | 200.00     |
| 701             | 37.3     | 05/2011 | 122263    | 2A         | 61      | 30/04/2011 | 250.00     | 03                | 13/05/2011      | 250.00            | 142      | 31/05/2011 | 250.00     |
| 710             | 36.3     | 10/2004 | 5066      | 2A         | 23      | 16/10/2004 | 270.00     | 5                 | 20/10/2004      | 270.00            | 191      | 30/10/2004 | 270.00     |
| 726             | 37.3     | 10/2007 | 54590     | 1B         | 3       | 05/11/2007 | 300.00     | 74                | 16/11/2007      | 300.00            | 29       | 31/10/2007 | 300.00     |
| 701             | 37.3     | 05/2011 | 122264    | 2A         | 15      | 31/05/2011 | 342.00     | 13                | 31/05/2011      | 342.00            | 144      | 31/05/2011 | 342.00     |
| 726             | 36.3     | 09/2011 | 118824    | 1B         | 28      | 30/09/2011 | 344.00     | 37                | 04/10/2011      | 344.00            | 19       | 30/09/2011 | 344.00     |
| 714             | 31.3     | 04/2005 | 31697     | 1A         | 165     | 04/02/2005 | 387.20     | 7                 | 14/02/2005      | 387.20            | 35       | 22/02/2005 | 387.20     |
| 710             | 36.3     | 10/2004 | 5070      | 1A         | 18      | 25/09/2004 | 400.00     | 4                 | 20/10/2004      | 400.00            | 188      | 30/10/2004 | 400.00     |
| 944             | 36.3     | 03/2005 | 5955      | 2A         | 10      | 31/05/2004 | 400.00     | 118               | 31/03/2005      | 400.00            | 54       | 31/03/2005 | 400.00     |
| 714             | 36.3     | 06/2007 | 49627     | 2A         | 7       | 20/06/2007 | 400.00     | 2                 | 28/06/2007      | 400.00            | 27       | 28/06/2007 | 400.00     |

- ಅಗಸ್ಟ್-2012 ರ ಅಂತ್ಯಕ್ಕೆ ಅಂತರ ಘಟಕ ತೀರುವಳಿಯ ಹೊಂದಾಣಿಕೆಯನ್ನು (IUA Reconciliation) ಮಾಡಿದ್ದು, ಅದಕ್ಕೆ ಸಂಬಂಧಿಸಿದ ಜನರಲ್ ವೋಚರ್‌ನ್ನು ಈಗಾಗಲೇ ಎಲ್ಲಾ ಕಚೇರಿಗಳಿಗೆ ಕಳುಹಿಸಲಾಗಿದೆ. ಅಗಸ್ಟ್-2012 ರ ಅಂತ್ಯಕ್ಕೆ ಅಂತರ ಘಟಕ ತೀರುವಳಿಯ ಎಲ್ಲಾ ಲೆಕ್ಕ ಖಾತೆಗಳಲ್ಲಿ ಹೊಂದಾಣಿಕೆಯಾಗದ ವಿವರಗಳ ವರದಿ (Statement of UnMatched items) ಯನ್ನು ತೆಗೆದುಕೊಂಡು ಹೊಸದಾಗಿ ಸೇರಿಸಲಾದ “ಹೊಂದಾಣಿಕೆಯಾಗದ ಸಂಬಂಧಿಸಿದ ವಿಭಾಗಗಳ ವಿವರ” ದ ವರದಿಯೊಂದಿಗೆ ಈ ಕೆಳಗೆ ಸೂಚಿಸಿರುವ ಅಂಶಗಳನ್ನು ಗಮನಿಸಿ, ಹೊಂದಾಣಿಕೆಯಾಗದೆ, ಇರುವ ವರ್ಗಾವಣೆ ಆದೇಶಗಳನ್ನು ಸರಿಪಡಿಸಿಕೊಳ್ಳಲು ಸೂಚಿಸಲಾಗಿದೆ.
- ಹೊಂದಾಣಿಕೆಯಾಗದ ಸಂಬಂಧಿಸಿದ ವಿಭಾಗಗಳ ವಿವರ (Unmatched Data-Corresponding Units)
  - ವರದಿಯಲ್ಲಿ ಬಂದಿರುವ ಎಲ್ಲಾ ವರ್ಗಾವಣೆ ಆದೇಶಗಳು ನಿಮ್ಮ ಲೆಕ್ಕ ಘಟಕಕ್ಕೆ ಸಂಬಂಧ ಪಟ್ಟಿರುವುದನ್ನು ಪರಿಶೀಲಿಸಬೇಕು. ಸಂಬಂಧ ಪಡದ ವರ್ಗಾವಣೆ ಆದೇಶಗಳಾಗಿದ್ದಲ್ಲಿ, ಅವುಗಳನ್ನು ಸಂಬಂಧಿಸಿದ ಲೆಕ್ಕ ಘಟಕಕ್ಕೆ ತಿಳಿಸಿ ಸರಿಪಡಿಸಿಕೊಳ್ಳಲು ಸೂಚಿಸಬೇಕು.



- ಲೆಕ್ಕ ಖಾತೆಗಳು ಪರಸ್ಪರ ಸಮನಾಗಿರಬೇಕು - ವರದಿಯಲ್ಲಿ ಬಂದಿರುವ ಎಲ್ಲಾ ವರ್ಗಾವಣೆ ಆದೇಶದ ಲೆಕ್ಕ ಖಾತೆ ಹಾಗೂ ನಿಮ್ಮ ಲೆಕ್ಕ ಘಟಕದಲ್ಲಿ ದಾಖಲಾಗಿರುವ ಲೆಕ್ಕ ಖಾತೆಗಳು ಪರಸ್ಪರ ಒಂದೇಯಾಗಿರಬೇಕು. ಬೇರೆ ಲೆಕ್ಕ ಖಾತೆಗಳಲ್ಲಿ ದಾಖಲಾಗಿದ್ದಲ್ಲಿ ಅಂತಹ ವರ್ಗಾವಣೆ ಆದೇಶಗಳ ಪೂರ್ಣ ಮಾಹಿತಿಯೊಂದಿಗೆ ಈ ಕಚೇರಿಯನ್ನು ಸಂಪರ್ಕಿಸಬೇಕು.
- ಲೆಕ್ಕ ಖಾತೆ ಹಾಗೂ ನಮೂನೆ ಸಂಕೇತದ ಬದಲಾವಣೆ ಬಗ್ಗೆ - ಒಂದು ಲೆಕ್ಕ ಖಾತೆಯಿಂದ ಮತ್ತೊಂದು ಖಾತೆಗೆ ಹಾಗೂ ನಮೂನೆ ಸಂಕೇತ 1A,1B ಯಿಂದ 2A,2B ಗೆ ಜರ್ನಲ್ ವೋಚರ್ ಇಲ್ಲದೆ ಬದಲಾಯಿಸುವಂತಿಲ್ಲ.
- ನಮೂನೆ ಸಂಕೇತವು (Format Code) ಕೆಳಕಂಡಂತಿದೆ.

|                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>➤ Format Code '1A'</li> <li>➤ (Debits booked in respect of ATs Sent)</li> </ul>                                                                                                                                                     | <ul style="list-style-type: none"> <li>➤ Format Code '2B'</li> <li>➤ (Credits booked in respect of ATs Received)</li> </ul>                                                                                                                      |
| <ul style="list-style-type: none"> <li>➤ ವರ್ಗಾವಣೆ ಆದೇಶ ಕಳುಹಿಸುವಾಗ ಡೆಬಿಟ್ ಲೆಕ್ಕಿಸಿದ್ದು</li> <li>➤ Format Code -1A ಇರಬೇಕು</li> <li>➤ (ಉದಾ: 31.1 ರಲ್ಲಿ ಅ.ಗಿ ಕಳಿಸಿದ್ದು, ಸ್ವೀಕೃತಿ ಬಂದಾಗ 31.3 ಕ್ಕೆ ತೀರುವಳಿಗಾಗಿ ಲೆಕ್ಕಿಸಿದಾಗ)</li> </ul>                                           | <ul style="list-style-type: none"> <li>➤ ಸ್ವೀಕೃತಿ ನೀಡಿದಾಗ ಕ್ರೆಡಿಟ್ ಲೆಕ್ಕಿಸಿದ್ದು</li> <li>➤ Format Code -2B ಇರಬೇಕು</li> <li>➤ (ಉದಾ: ಸಾಮಗ್ರಿಗಳು ಉಗ್ರಾಣಕ್ಕೆ ಬಂದಿದ್ದು 31.2 ರಲ್ಲಿ ಲೆಕ್ಕಿಸಿ, ಅ.ಗಿ ಬಂದ ನಂತರ 31.3 ಕ್ಕೆ ತೀರುವಳಿಗೆ ಲೆಕ್ಕಿಸಿದಾಗ)</li> </ul> |
| <ul style="list-style-type: none"> <li>➤ Format Code 2A</li> <li>➤ (Credits booked in respect of ATs Sent)</li> </ul>                                                                                                                                                      | <ul style="list-style-type: none"> <li>➤ Format Code 1B</li> <li>➤ (Debits booked in respect of ATs Received)</li> </ul>                                                                                                                         |
| <ul style="list-style-type: none"> <li>➤ ವರ್ಗಾವಣೆ ಆದೇಶ ಕಳುಹಿಸುವಾಗ ಕ್ರೆಡಿಟ್ ಲೆಕ್ಕಿಸಿದ್ದು</li> <li>➤ Format Code -2A ಇರಬೇಕು</li> <li>➤ (ಉದಾ: ಹೊಣೆ (Liability) ಯನ್ನು 37.2 ರಲ್ಲಿ ವರ್ಗಾಯಿಸುವಾಗ ಲೆಕ್ಕಿಸಿದ್ದು, ಸ್ವೀಕೃತಿ ಬಂದ ನಂತರ 37.3 ಕ್ಕೆ ತೀರುವಳಿಗಾಗಿ ಲೆಕ್ಕಿಸಿರುವುದು)</li> </ul> | <ul style="list-style-type: none"> <li>➤ ಸ್ವೀಕೃತಿ ನೀಡಿದಾಗ ಡೆಬಿಟ್ ಲೆಕ್ಕಿಸಿದ್ದು</li> <li>➤ Format Code -1B ಇರಬೇಕು</li> <li>➤ (ಉದಾ: ಹೊಣೆ (Liability) ಯನ್ನು ಸ್ವೀಕರಿಸಿದಾಗ 37.3 ಕ್ಕೆ ತೀರುವಳಿಯಲ್ಲಿ ಲೆಕ್ಕಿಸಿರುವುದು)</li> </ul>                           |

- ವರ್ಗಾವಣೆ ಆದೇಶ ಸಂಖ್ಯೆ ಮತ್ತು ದಿನಾಂಕಗಳನ್ನು ಎರಡೂ ಲೆಕ್ಕ ಘಟಕಗಳಲ್ಲಿ ವ್ಯತ್ಯಾಸವಿರದಂತೆ ನಮೂದಿಸಿರಬೇಕು.
- ಸ್ವೀಕೃತಿ ಸಂಖ್ಯೆ ಮತ್ತು ದಿನಾಂಕಗಳು ಸಹ ಎರಡೂ ಲೆಕ್ಕ ಘಟಕಗಳಲ್ಲಿ ವ್ಯತ್ಯಾಸವಿರದಂತೆ ನಮೂದಿಸಿರಬೇಕು.
- ಕೆಲವು ವಿಭಾಗಗಳಲ್ಲಿ ಬೇರೆ ಲೆಕ್ಕ ಘಟಕಕ್ಕೆ ಕಳುಹಿಸಿದ ಒಂದಕ್ಕಿಂತ ಹೆಚ್ಚಿನ ವರ್ಗಾವಣೆ ಆದೇಶಗಳನ್ನು ಅಂತರ್ಜಾಲ ತಂತ್ರಾಂಶದಲ್ಲಿ ಒಂದೇ ವರ್ಗಾವಣೆ ಆದೇಶವೆಂದು ಪರಿಗಣಿಸಿ ನಮೂದಿಸುವುದು ತಪ್ಪಾಗಿರುತ್ತದೆ. ಅಂತಹ ತಪ್ಪಿರುವ ದಾಖಲೆಗಳನ್ನು ಸರಿಪಡಿಸಬೇಕು.
- ವರ್ಗಾವಣೆ ಆದೇಶ ಸಂಖ್ಯೆ ಅಥವಾ ಸ್ವೀಕೃತಿ ಸಂಖ್ಯೆಯು ಒಂದೇ ಅಂಕಿಯನ್ನು ಹೊಂದಿದ್ದು, ವಿವರಗಳನ್ನು ನಮೂದಿಸುವಾಗ ಇದಕ್ಕೆ ಸೊನ್ನೆಯನ್ನು '0' ಸೇರಿಸಬಾರದು. ಅಂದರೆ ವರ್ಗಾವಣೆ ಆದೇಶ ಸಂಖ್ಯೆ/ಸ್ವೀಕೃತಿ ಸಂಖ್ಯೆಯು 1 ಅಗಿದ್ದಲ್ಲಿ '1' ಎಂದು ನಮೂದಿಸಬೇಕು '01' ಎಂದು ನಮೂದಿಸಬಾರದು. ಹೊಂದಾಣಿಕೆಯಾಗದೆ ಉಳಿದುಕೊಂಡಿರುವ ವರ್ಗಾವಣೆ ಆದೇಶಗಳಲ್ಲಿ ಇಂತಹವುಗಳನ್ನು ಸರಿಪಡಿಸಬೇಕು.

- ಅಂತರ್ಜಾಲ ತಂತ್ರಾಂಶದಲ್ಲಿ ಒಂದು ವರ್ಗಾವಣೆ ಆದೇಶ ಸಂಖ್ಯೆಯ ದಾಖಲೆಯನ್ನು ಒಂದು ಬಾರಿ ಮಾತ್ರ ಸರಿಪಡಿಸಲು ಅನುವು ಮಾಡಿಕೊಡುತ್ತದೆ. ಮತ್ತೊಮ್ಮೆ ಅದನ್ನು ಸರಿಪಡಿಸಬೇಕಾದಲ್ಲಿ ಮುಂದಿನ ಅಂತರ ಘಟಕ ತೀರುವಳಿಯನ್ನು ಹೊಂದಾಣಿಕೆ (IUA Reconciliation) ಮಾಡಿದಾಗ ಮತ್ತೊಮ್ಮೆ ಸರಿಪಡಿಸಲು ಅನುವು ಮಾಡಿಕೊಡುತ್ತದೆ. ಆದ ಕಾರಣ ಯಾವುದೇ ಒಂದು ವರ್ಗಾವಣೆ ಆದೇಶ ಸಂಖ್ಯೆಯ ದಾಖಲೆಯನ್ನು ಸರಿಪಡಿಸುವ ಮೊದಲು ಎಲ್ಲಾ ವಿವರಗಳನ್ನು ಪರಿಶೀಲಿಸಿ ದೃಢಪಡಿಸಿಕೊಂಡ ನಂತರವೇ ಸರಿಪಡಿಸಬೇಕು.
- ಅಂತರ್ಜಾಲ ತಂತ್ರಾಂಶದಲ್ಲಿ ಈಗಾಗಲೇ ತುಂಬಿರುವ ಯಾವುದಾದರೂ ವರ್ಗಾವಣೆ ಆದೇಶ ಸಂಖ್ಯೆಯ ದಾಖಲೆಯನ್ನು ತೆಗೆದುಹಾಕಿದಾಗ ಅದನ್ನು ಮತ್ತೊಮ್ಮೆ ತುಂಬಲು ತಂತ್ರಾಂಶದಲ್ಲಿ ಅವಕಾಶವಿರುವುದಿಲ್ಲ. ಆದ ಕಾರಣ ಯಾವುದೇ ಒಂದು ವರ್ಗಾವಣೆ ಆದೇಶ ಸಂಖ್ಯೆಯ ದಾಖಲೆಯನ್ನು ತೆಗೆದುಹಾಕಬೇಕಾದಾಗ ಮೊದಲು ಎಲ್ಲಾ ವಿವರಗಳನ್ನು ಪರಿಶೀಲಿಸಿ ದೃಢಪಡಿಸಿಕೊಂಡ ನಂತರವೇ ತೆಗೆದುಹಾಕಬೇಕು.
- ವರ್ಗಾವಣೆ ಆದೇಶ ಸಂಖ್ಯೆ, ವರ್ಗಾವಣೆ ಆದೇಶ ದಿನಾಂಕ, ವರ್ಗಾವಣೆ ಆದೇಶ ಮೊತ್ತ, ಅಂಗೀಕಾರ ಸಂಖ್ಯೆ, ಅಂಗೀಕಾರದ ದಿನಾಂಕ ಅಂಗೀಕಾರದ ಮೊತ್ತ, ಇವುಗಳು ವರ್ಗಾವಣೆ ಆದೇಶ ಕಳುಹಿಸಿದ ಹಾಗೂ ಸ್ವೀಕರಿಸಿದ ಲೆಕ್ಕ ಘಟಕಗಳೆರಡರಲ್ಲೂ ಪರಸ್ಪರ ಹೊಂದಾಣಿಕೆಯಾಗಿರಬೇಕು. ಈ ಎಲ್ಲ ಅಂಶಗಳನ್ನು ಗಮನದಲ್ಲಿರಿಸಿಕೊಂಡು ಹೊಂದಾಣಿಕೆಯಾಗದೆ ಉಳಿದುಕೊಂಡಿರುವ ವರ್ಗಾವಣೆ ಆದೇಶಗಳನ್ನು ಕೂಡಲೇ ಹೊಂದಾಣಿಕೆ ಮಾಡಿ, ತೀರುವಳಿ ಲೆಕ್ಕಗಳಲ್ಲಿ (31.3, 32.3, 36.3 ಮತ್ತು 37.3) ಶಿಲ್ಕು ಇರದಂತೆ ಚುಕ್ಕೆ ಮಾಡಲು ಕ್ರಮ ಕೈಗೊಳ್ಳಬೇಕು.

**No. FA (A&R)/KCO- 20/6915/08-09**

**Sub : Issuing & accepting TDS Certificate in Form No.16A generated through TIN Website-reg**

Further, the TDS details filed in e-TDS Statements should figure in Form No.26AS which can be viewed by the deductee. Many cases of mismatch between the figures reported in TDS Certificate in Form No.16A and figures contained in Form No.26AS have been reported. In the assessment proceedings, such mismatch pose problems for the deductee to claim credit for the TDS amount even though TDS Certificates are issued to them by the deductor.

All the Disbursing Officers of KPTCL shall note the changed rules and follow the same which will resolve many problems relating to the issuance of

TDS Certificate. The assistance of the Facilitator through whom the e-TDS filing is being made by the Accounting Units may be obtained if need be.

Further, ESCOMs & Contractors are also affecting TDS on the amounts payable/paid to KPTCL. In such cases also, the Disbursing Officers of KPTCL shall insist and accept Form 16A generated through TIN Website from the deductor. Manually written Form 16A from the deductor shall not be accepted with effect from 01/04/2011. This will be verified by the Head Office at the time of accepting March-2012 Final Accounts of the Units and manually written Form 16A if any will be rejected and responsibility will be fixed on the concerned Officer for the discrepancies & its effect on Tax assessment. If manually generated Form 16A have been already been obtained during the period from April to October, 2011, the deductor may be requested to issue Form 16A generated through TIN Website in lieu of manually generated certificate. In any case, it shall be ensured by the Unit Officers that the TDS affected on Income of KPTCL by deductors are properly uploaded to our account which can be viewed in Form 26AS for which instructions have already issued vide this Office Circular No. FA(A&R)/KCO-20/6915/08-09 dated 26.10.2010.

**CIRCULAR NO. 03 /2011**

F. No 275/34/2011-(IT-B)

Government of India

Ministry of Finance

Department of Revenue

Central Board of Direct Taxes

New Delhi, dated the 13<sup>th</sup> May, 2011

**Subject: Issuance of TDS Certificates in Form No. 16A downloaded from TIN Website and option to authenticate the same by way of digital signature – Circular under section 119 of the Income-tax Act 1961.**

Section 203 of the Income-tax Act 1961 ('the Act') read with the Rule 31 of the Income-tax Rules 1962 ('the IT Rules') provides for furnishing of certificate of tax deduction at source (TDS) by the deductor to the deductee specifying therein the prescribed particulars like amount of TDS, permanent account number (PAN), tax deduction and collection account number (TAN), etc. The relevant form for such TDS certificate is Form No.16 in case of deduction under section 192 and Form No.16A for deduction under any other provisions of Chapter XVII-B of the Act. TDS certificate in Form No.16 is to be issued annually whereas TDS certificate in Form No.16A is to be issued quarterly.

2. Currently, a deductor has an option to authenticate TDS certificate in Form No.16 by using a digital signature. However, no such option of using a digital signature is available to a deductor for issuing TDS certificate in Form No.16A and it, therefore, needs to be authenticated by a manual signature. The Central Board of Direct Taxes (the Board) has received representations to allow the option of using digital signature for authentication of TDS certificate in Form No.16A as issuance of TDS certificate in Form No.16A by manual signature is very time consuming, specially for deductors who are required to issue a large number of TDS certificates.

3. The Department has already enabled the online viewing of Form No.26AS by deductees which contains TDS details of the deductee based on the TDS statement (e-TDS statement) filed electronically by the deductor. Ideally, there should not be any mismatch between the figures reported in TDS certificate in Form No. 16A issued by the deductor and figures contained in Form No.26AS which has been generated on the basis of e-TDS statement filed by the deductor. However, it has been found that in some cases the figures contained in Form No.26AS are different from the figures reported in Form No.16A. The gaps in Form No.26AS and TDS certificate in Form No. 16A arise mainly on account of wrong data entry by the deductor or non-filing of e-TDS statement by the deductor. As at present, the activity of issuance of Form No.16A is distinct and independent of filing of e-TDS statement, the chances of mismatch between TDS certificate in Form No.16A and Form No.26AS cannot be completely ruled out. To overcome the challenge of mismatch a common link has now been created between the TDS certificate in Form No.16A and Form No.26AS through a facility in the Tax Information Network website (TIN Website) which will enable a deductor to download TDS certificate in Form No.16A from the TIN Website based on the figures reported in e-TDS statement filed by him. As both Form No.16A and Form No.26AS will be generated on the basis of figures reported by the deductor in

the e-TDS statement filed, the likelihood of mismatch between Form No.16A and Form No.26AS will be completely eliminated.

4. In view of the above, for proper administration of the Act, the Board have, in exercise of powers under section 119 of the Act, decided the following :-

**4.1 ISSUE OF TDS CERTIFICATE IN FORM NO. 16A**

**(i) For deduction of tax at source made on or after 01/04/2011:**

(a) The deductor, being a company including a banking company to which the Banking Regulation Act, 1949 applies and any bank or banking institution, referred to in section 51 of that Act or a co-operative society engaged in carrying the business of banking, shall issue TDS certificate in Form No.16A generated through TIN central system and which is downloaded from the TIN Website with a unique TDS certificate number in respect of all sums deducted on or after the 1st day of April, 2011 under any of the provisions of Chapter-XVII-B other than section 192.

(b) The deductor, being a person other than the person referred to in item (a) above, may, at his option, issue TDS Certificate in Form No.16A generated through TIN central system and which is downloaded from the TIN Website with a unique TDS certificate number in respect of all sums deducted on or after the 1st day of April, 2011 under any provisions of Chapter-XVII-B other than section 192.

**(ii) For deduction of tax at source made during financial year 2010-11:**

The deductor, may, at his option, issue the TDS certificate in Form No.16A generated through TIN central system which is downloaded from the TIN Website with a unique TDS certificate number in respect of all sums deducted during the financial year 2010-11 under any of the provisions of Chapter-XVII-B other than section 192.

**4.2 AUTHENTICATION OF TDS CERTIFICATE IN FORM NO.16A**

- (i) The deductor, issuing the TDS certificate in Form No.16A by downloading from the TIN Website shall authenticate such TDS certificate by either using digital signature or manual signature
- (ii) The deductor being a person other than a person referred to in item 4.1(i)(a) above and who do not issue the TDS Certificate in Form No.16A by downloading from the TIN Website shall continue to authenticate TDS certificate in Form No.16A by manual signature only.

5. The Director General of Income-tax (Systems) shall specify the procedure, formats and standards for the purpose of issuance of TDS certificate in Form No.16A which is downloaded from the TIN Website and shall be responsible for the day-to-day administration in relation to the procedure, formats and standards for issuance of TDS certificate in Form No.16A in electronic form.

6. It is further clarified that TDS certificate issued in Form No. 16A by the deductors covered by para 4.1(1)(a) in accordance with this circular and procedure, format and standards specified by the Director General of Income-tax (Systems) shall only be treated as a valid TDS certificate in Form No. 16A for the purpose of section 203 of the Act read with Rule 31 of the IT Rules, 1962.

**(AJAY KUMAR)**  
**Director (Budget)**  
**Tel.No.2309-2641**

~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

It is noticed on perusal of Receipts drawn by some Accounting Units of KPTCL that the details of tax deducted at source by the parties while making payment is not being shown distinctly in the Receipt and Receipt is drawn for the net amount received. As a result, the gross amount received from the parties is not ascertainable easily. Therefore the following instructions are issued for depiction of details of TDS amount in the Receipt properly.

While drawing Receipt by any Accounting Unit of KPTCL in cases where the party (ie., deductor) has deducted Income Tax at source (TDS) and paid only the net amount, the details of Gross Amount, Amount of Tax deducted at source and the Net Amount received shall be shown distinctly in the Receipt. However, the Receipt shall be drawn for the Net Amount received only.

In respect of tax deducted at source by the parties, the Accounting Unit shall obtain FORM NO.16A within a month's time and check all the details in the TDS Certificate including PAN of KPTCL, TAN of the deductor, Assessment Year and the Amount. Further, the Accounting Units shall also ensure that the details of TDS in Form 16A match with Form 26AS which can be viewed through Income Tax/NSDL website for which instructions have already been issued vide this Office Circular No. FA(A&R)/KCO-20/6915/08-09 dated 26.10.2010. Any discrepancy in the details of uploaded data or cases of data not uploaded shall be brought to the notice of the deductor immediately on noticing the same and ensure that the same is resolved at the earliest.

With regard to accounting of TDS amount in the Books of Accounts, the instructions given in this Office Circular No. KPTCL/FA(A&R)/A/cs/AAO-1/CYS-73 dated 24<sup>th</sup> February, 2005 shall be followed without any change. As indicated in the Circular, based on the Form 16A and the amount transferred to Head Office at the year end, the credit for tax deducted at source (ie., tax paid in advance) is availed while filing Income Returns of the Corporation.

The above instructions shall be followed scrupulously to ensure proper accountal of TDS amount in the books of accounts and also availing tax credit in the Income Tax assessment.

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**Dated. 19<sup>th</sup> May 2012**

Ref: 1) Corporate Order No.KPTCL/B-9/2012/07-08 dated 25.06.2007.

2) This Office Circular No. FA(A&R)/ C(AP&A)/ DC(A&C)/AAO-I/

CYS-35 dated 12.07.2007.

3) This Office Letter No. FA(A&R)/KCO-19/6886 dated 25.07.2008 addressed to EEEs of all Major Works Division.

Your attention is invited to Corporate Order under Ref.2 wherein it was ordered that KPTCL and ESCOMs carrying out any building or other construction works which are covered under Sec.2(d) of the Building and Other Construction Workers Welfare Cess Act, 1996 through a Contractor shall deduct 1% of the amount of cost approved as per tender notification from the bill at the time of making payment to the contractors and remit the same to Karnataka State Building & Other Constructions Workers Welfare Board.

In this Office Circular under Ref.3 above, instructions to deduct the cess amount, accounting entries and the manner of payment of amount to the Welfare Board were prescribed.

As, many Contractors of KPTCL have raised objection against (i) deduction of 1% Cess on the total cost of the contract and requested KPTCL to deduct such cess only on the Civil portion of the contract and (ii) levy of cess for the Tenders which were invited prior to 18.01.2007 being the date of the Govt. Order, the issue was referred to the Labour Department, GoK seeking clarification on these points.

As a result of continuous follow-up, the Labour Department, GoK vide its letter No. PÁE 338 J īEn 2011 dated 27.04.2012 has clarified on the two issues as under.

1. ಸಿವಿಲ್ ಕಾಮಗಾರಿ ಮೇಲೆ ಮಾತ್ರ ಶೇ.1 ರಷ್ಟು ಸುಂಕವನ್ನು ಸಂಗ್ರಹ ಮಾಡಬೇಕಾಗುತ್ತದೆ.
2. ಯಂತ್ರೋಪಕರಣ ವೆಚ್ಚಕ್ಕೆ ಮತ್ತು ಅದರ ಸರಬರಾಜಿಗಾಗಿ ತಗಲುವ ವೆಚ್ಚಕ್ಕೆ ಸುಂಕ ಅನ್ವಯಿಸುವುದಿಲ್ಲ.
3. ಸರ್ಕಾರದ ಆದೇಶ ಸಂಖ್ಯೆ ಕಾಇ 300 ಎಲ್‌ಇಟಿ 2006, 18.01.2007 ಇದರ ಅನ್ವಯ

“where tender has been submitted or finalized or work is entrusted to contractor prior to 01.11.2006, in such cases 1% cess has to be paid by concerned department to the Board”.

In view of the above clarification, it is hereby instructed that all the Accounting Units henceforth shall deduct said cess at 1% only on Civil portion of Turnkey Contracts / Partial Turnkey Contracts / Other Works carried out by KPTCL through Contractors. With regard to the deduction already made and remitted to the Welfare Board, further orders from the Corporate Office may be awaited.

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**No. FA (A&R)/KCO-20/6915/08-09**

**Date 06<sup>th</sup> July 2012**

**Sub : Deduction of Income Tax at Source – Provisions relating to deduction, remittance, filing of returns, issue of certificate and uploading data to NSDL website.**

The provisions relating to Deduction of Income Tax at source and filing of prescribed returns for the same have to be complied with as per the statute by all the Accounting Units/Pay Drawing Officers. It is observed that there are many lapses on the part of Unit Officers in this regard leading to unnecessary litigations and also penal measures. Therefore the relevant provisions are re-iterated below for strict guidance of the Officers concerned.

Tax Deduction at Source (TDS) has to be effected from bills of Contractors, Professionals, Salary, Rent, Interest, etc as per the provisions under Sec 192 and 194A to 194J of the Income Tax Act 1961.

The **duties of person deducting tax** has been prescribed under **Sec. 200** of the Act the extract of which is reproduced below;

*(1) Any person deducting any sum in accordance with the provisions of the Act shall pay within the prescribed time, the sum so deducted to the credit of the Central Government or as the Board directs.*

*(2) Any person being an employer, referred in sub-section (1A) of section 192 shall pay, within the prescribed time, the tax to the credit of the Central Government or as the Board directs.*



(3) ..... after paying the tax deducted to the credit of the Central Government within the prescribed time, prepare such statement for such period as may be prescribed and deliver or cause to be delivered to the prescribed income-tax authority or the person authorised by such authority<sup>1</sup> such statement in such form and verified in such manner and setting forth such particulars and within such time as may be prescribed.

<sup>1</sup> Prescribed authority is Director General of Income-tax(Systems)/NSDL

The above provisions make it amply clear that the person responsible for deducting tax at source shall pay the amount so deducted to the credit of the Central Govt before the prescribed due date and after the payments he has to file necessary TDS returns with the Authority ie., NSDL within the prescribed due date.

While verifying the March Final Accounts at Head office, lapses like tax not deducted at source, deducted amount of tax not remitted to the Department within the prescribed due date and not filing the returns as prescribed have been noticed. The Income Tax Department has issued several Notices to the Accounting Units for such lapses which lead to unnecessary legal proceedings with the Department. Many Contractors have complained about mistakes on the part of Unit Offices leading to non-depiction of the amount in **Form 26 AS** which deny them the credit for the TDS amount. All these defaults attract penal proceedings under Sec.201 of the Act. The extracts of **Sec.201** is reproduced below;

*“Where any person, including the principal officer of a company, who is required to deduct any sum in accordance with the provisions of this Act, does not deduct, does not pay, or after so deducting fails to pay, the whole or any part of the tax, as required by or under this Act, then, such person, shall, without prejudice to any other consequences which he may incur, be deemed to be an assessee in default in respect of such tax”.*

*“Provided (further) ... he or it shall be liable to pay simple interest,-*

- i) at one percent of every month or part of a month on the amount of such tax from the date on which such tax was deductible to the date on which such tax is deducted; and
- ii) at one and one-half percent for every month or part of a month on the amount of such tax from the date on which

such tax was deducted to the date on which such tax is actually paid

and such interest shall be paid before furnishing the statement in accordance with the provisions of sub-section (3) of section 200".

Further, It is also the responsibility of the person deducting tax to issue '**Certificate for tax deducted**' under **Sec.203** of the Act within the prescribed date to the effect that tax has been deducted and paid to the Central Government.

For default in furnishing statements, there is a provision for levy of fee under Sec.234E of the Act which is effective from 01/07/2012. The extract of provision under **Sec.234E** is reproduced below:

*'Without prejudice to the provisions of the Act, where a person fails to deliver or cause to be delivered a statement within the time prescribed, he shall be **liable to pay, way of fee, a sum of two hundred rupees for every day** during which the failure continues.'*....

In the light of the above, the Unit Officers shall act according to the provisions of the Act with regard to deduction of tax at source. In short, their duties involve (i) deduction of tax at source (wherever required) (ii) pay the tax to the credit of the Central Government within the prescribed time limit (iii) ensure filing of TDS returns within the prescribed time limits and (iv) ensure uploading of TDS details to the NSDL website so that the same is depicted in Form 26-AS of the Deductee. For any lapse or deviations in this regard inviting Notice from the Income Tax Department involving Penalty and/or Interest, the Unit Officers concerned will be personally held responsible besides treating such lapse as dereliction of duty. All the Officers concerned shall adhere to the prescribed statutory provisions and ensure that the requirements are complied with, without giving room for any lapse.

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**Sub : Building & Other Construction Workers Welfare Cess on supply  
& erection portion of the Turnkey Contracts.**

- Ref :
- 1) GoK Order No.LD 300 LET 2006 dated 18.01.2007.
  - 2) KPTCL Order No.KPTCL/B-9/2012/07-08 dated 25.06.2007.
  - 3) This Office Letter No. FA(A&R)/KCO-19/6886/08-09 dated 21.11.2011 addressed to the Secretary to Govt, Labour Department, GoK.
  - 4) Letter No. ಕಾಇ 338 ಎಲ್‌ಇಟಿ 2011 dated 27.04.2012 of Secretary to Govt, Labour Department, GoK.
  - 5) This Office Circular No. FA(A&R)/KCO-19/6886/08-09 dated 19.05.12.
  - 6) This Office Letter No. FA(A&R)/KCO-19/6886/08-09 dated 21.05.12.
  - 7) Letter No. CWWB/CESS/CR-1/2012-13/5290 dated 06.06.2012 of Chief Executive Officer, KB&OWW Board.

As per the Corporate Order under Ref(2) above, KPTCL Accounting Units were deducting Building & Other Construction Workers Welfare Cess at 1% on total cost of the contract from the bills of the contractors and remitting the same to Karnataka State Building & Other construction Workers Welfare Board till the issue of this office Circular dated 19.05.2012.

In the past, many Turnkey Contractors had raised objection for deduction of 1% cess on the total cost of the contract and requested KPTCL to deduct the cess only on Civil portion of the contract. Since the deduction was ordered in accordance with the Order of the Government of Karnataka (Ref.1 above), the Contractors' request was not considered. However, the issue was taken up with the Labour Department of GoK seeking clarification regarding recovery of cess on supply portion of the turnkey contract. The Labour Department, GoK has clarified that the said cess shall be recovered only on Civil portion of the contract vide Letter under Ref (4) above. The clarification was communicated to all the Units vide this office Circular dated 19.05.2012 cited under Ref(5) above with instructions that all the Accounting Units henceforth shall deduct said cess at 1% only on civil portion of

Turnkey/Partial Turnkey Contracts/ Other Works carried out by KPTCL through Contractors.

As, many Contractors were requesting KPTCL to refund the Cess amount deducted on supply portion of Turnkey Contracts in the past, the matter was taken up with the Secretary cum Chief Executive Officer, Karnataka State Building & Other construction Workers Welfare Board, Bangalore. In the letter, by citing the clarification issued by the Labour Department, GoK, it was made clear that cess on supply and erection portion of the contract has already been recovered and remitted to the Board and hence, KPTCL is not in a position to refund the same. Hence it was suggested to the Welfare Board that the refund claims of the Contractors would be scrutinised thoroughly and forwarded to the Board duly quoting the reference relating to recovery and remittance of the cess in the past. Based on such claim proposals, the Welfare Board could refund the said cess amount to KPTCL for passing on the same to the concerned Contractor. The Welfare Board agreed to the said proposal and has conveyed the same through its letter under Ref (7) above.

In view of the above, the following procedure is prescribed for processing the refund claims of the Contractors.

1. As and when the Contractors approach for refund of the said cess amount, the Accounting Units have to get 'Refund Bill' in duplicate from the contractors along with full details of the amount deducted, in the bill who seek refund of the cess amount deducted and remitted on supply and erection portion in the past.
2. After the Refund Bills from the contractors are received, Accounting Units shall verify the same with reference to original DWA, Material Supply and Erection bills already passed and ensure that the said cess has been deducted and remitted to the Welfare Board. The refund claimed by the contractor should be cross verified with the

amount recovered from the original bills and remitted to the Welfare Board.

3. A statement in the Format enclosed to this Circular in duplicate shall be prepared and sent to Welfare Board along with the Refund Bill of the contractor.
4. All Refund of cess Bills shall be pre-audited by the Internal Audit before forwarding the same to the Welfare Board.
5. A letter to the Building & Other construction Workers Welfare Board shall be sent along with each claim requesting the Board to refund the amount to KPTCL by drawing the cheque in favour of the Executive Engineer(Ele), ..... Division, KPTCL and to send the same along with a copy of the statement and bill. A draft letter to be sent to the Board is enclosed to this Circular.
6. A copy of the letter addressed to the Welfare Board while making remittance of cess in the past (i.e, original bill of supply and erection portion) or any proof relevant to the deduction and remittance of cess shall be enclosed to the Refund Bill.
7. The refund amount received from the Welfare Board shall be taken on receipt side of the cash book under 'Cash on hand' column and given allocation to Account Code '46.968 - Refund of Cess received from Welfare Board payable to Contractors', and remit the same to the Non operative Bank account
8. The Accounting Units shall immediately send fund requisition to Resource Section, O/o FA(A&R) quoting the reference of receipt and remittance of refund amount.
9. The refund shall be arranged by the Accounting Unit through a crossed cheque (after funds are received) or by handing over the cheque received from Resource Section of this Office duly following

the required accounting procedure and obtaining acknowledgement for the refund made. The refund amount shall be allocated to Account Code '46.968' on payment side of Cash Book.

10. While making payment, one more encasement on the original Material supply & Erection bills has to be made mentioning Refund Bill No. & date, BR No. & date of refund bill. Similarly on the Refund Bill also original Bill No. & date, BR No. & date shall be mentioned through an encasement.

11. Any doubts on the issue shall be got clarified from this Office before processing the Refund Bill of cess.

Above procedure shall be scrupulously followed while arranging refund of cess on material supply & erection portion bills.

Draft Letter from Division to Karnataka Building and Other Construction  
Workers Welfare Board,

No. ....

The Chief Executive Officer,  
Office of the Chief Executive Officer,  
Karnataka Building and Other Construction  
Workers Welfare Board,  
Koushalya Bhavan, Bannerghatta Road,  
Bangalore – 560 029.

Sir,

Sub : Building & Other Construction Workers Welfare Cess on supply  
& erection portion of the Turnkey Contracts.

Ref : Your Letter No. CWWB/CESS/CR-1/2012-13/5290 dated 06.06.2012  
Addressed to the Financial Adviser (A&R), KPTCL.

Your kind attention is invited to the letter under reference wherein it is agreed to arrange for refund of cess recovered and remitted in

respect of supply and erection portion of turnkey and other contracts after verifying the relevant details.

Accordingly, we would like to forward herewith the Refund Bill (in duplicate) details of which are indicated in the Statement (two copies) enclosed to this Letter along with other documents connected thereto. Please arrange to refund the amount by a crossed cheque drawn in favour of "Executive Engineer (El.), ..... Division, KPTCL" and send to the following address along with a copy of the Refund Bill and Statement for arranging refund to the concerned Contractor.

The Executive Engineer (El.),  
KPTCL, TL&SS / MW Division,

.....  
.....

Thanking you with a request to arrange refund at the earliest.

Yours faithfully,

Exe. Engineer (El.) / Accounts Officer.  
(Name of the Accounting Unit)

| Name of the Firm | Name of the Work | Work order No. & date | Amt. of material supply bill passed | B.R No. & Date | Amt. of erection bills passed | B.R No. & Date | Amt. of cess recovered & remitted to Welfare Board (Material portion) | Cheque / DD No. & date | Letter No. & date addressed to Welfare Board at the time of remittance |
|------------------|------------------|-----------------------|-------------------------------------|----------------|-------------------------------|----------------|-----------------------------------------------------------------------|------------------------|------------------------------------------------------------------------|
|                  |                  |                       |                                     |                |                               |                |                                                                       |                        |                                                                        |

| Amt. of cess recovered & remitted to Welfare Board (Erection portion) | Cheque / DD No. & date | Letter No. & date addressed to Welfare Board at the time of remittance | Refund bill No.& date received from Contractor (Material portion) | Refund bill No.& date received from Contractor (Erection portion) | Amt of Cess to be refunded (Material portion) | Amt of Cess to be refunded (Erection portion) |
|-----------------------------------------------------------------------|------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
|                                                                       |                        |                                                                        |                                                                   |                                                                   |                                               |                                               |

| Name of the Firm | Name of the Work | Work order No. & date | Refund bill No.& date received from Contractor (Material portion) | Refund bill No.& date received from Contractor (Erection portion) | Amt of Cess refunded (Material portion) | Cheque / DD No. & date | Amt of Cess refunded (Erection portion) | Cheque / DD No. & date |
|------------------|------------------|-----------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------|------------------------|-----------------------------------------|------------------------|
|                  |                  |                       |                                                                   |                                                                   |                                         |                        |                                         |                        |

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**No. FA(A&R)/KCO-21/6936/2012-13**

**Dated 30<sup>th</sup> July, 2012.**

**Sub : Payment of Service Tax – New Reverse Charge Mechanism – reg.**

As per the Provisions of the Finance Act, 1994, hitherto, the onus of payment of service tax was on the Service Provider. Accordingly on many services availed by KPTCL, the required service tax was being paid along with the service charges to the Service Provider. In turn, the responsibility of paying service tax and filing of required returns was on the Service Provider.

The Government of India, Ministry of Finance (Department of Revenue) vide Notification No. 30/ 2012 – Service Tax dated 20<sup>th</sup> June, 2012 has **amended Section 68 (2) of the Finance Act, 1994 to put the onus of payment of service tax on reverse charge basis partly on service provider and partly on service receiver.** A copy of the said Notification is enclosed to this Circular for information and compliance by all the Accounting Units of KPTCL. This Notification shall come into force on the 1<sup>st</sup> day of July, 2012.

As can be seen from the said Notification, the following services availed by KPTCL from other parties are affected by the change in most of the Unit Offices, in respect of which the extent of service tax payable by service provider and receiver is indicated against each of such service.

| <b>Sl. No.</b> | <b>Description of service</b>                                                                                                                                                                                                                                                      | <b>Percentage of service tax payable by the persons providing service.</b> | <b>Percentage of service tax payable by the person receiving service</b> |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------|
| 1.             | In respect of services provided or agreed to be provided by individual advocate or a firm of advocates by way of legal services.                                                                                                                                                   | Nil                                                                        | 100%                                                                     |
| 2              | (a) In respect of services provided or agreed to be provided by way of renting of a motor vehicle designed to carry passenger on abated value to any person who is not engaged in the similar line of business.<br>(b) In respect of services provided or agreed to be provided by | Nil                                                                        | 100%                                                                     |



|   |                                                                                                                                                       |     |     |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|
|   | way of renting of a motor vehicle designed to carry passengers on non-abated value to any person who is not engaged in the similar lines of business. | 60% | 40% |
| 3 | In respect of services provided or agreed to be provided by way of supply of manpower for any purpose                                                 | 25% | 75% |
| 4 | In respect of services provided or agreed to be provided in service portion in execution of works contract                                            | 50% | 50% |

Further, the Government of India, Ministry of Finance (Dept. of Revenue) has also issued Notification No.26/2012 – Service Tax on 20<sup>th</sup> June, 2012 which provides for **Abatements** i.e., 'fixing specified percentage amount of value on which Service Tax is required to be paid' in respect of certain taxable services subject to relevant conditions specified. Only the following service out of the above four is covered under the said Notification with related condition:

| <b>Description of Taxable Service</b>                    | <b>Percentage</b> | <b>Condition</b>                                                                                                                                                             |
|----------------------------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Renting of any motor vehicle designed to carry passenger | 40%               | CENVAT credit on inputs, capital goods and input services, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004. |

In other words, only 40% of the Service Charge in respect of above taxable service is subject to service tax provided the condition stipulated is fulfilled.

For more explanation, the above Notification which is available in the official website of Service Tax Department may be referred by the Unit Officers.

While regulating payment of service tax, the Accounting Units have to take into account the exemption granted by the GoI vide Notification No. 33/2012 – Service Tax dated 20<sup>th</sup> June, 2012 a copy of which is also enclosed to this Circular.

The Service Tax payable as per the provisions of above referred Notification by the Accounting Units of KPTCL in the capacity of 'Service Receiver' shall also be arranged to be remitted to the Service Tax Department through the Manager (I/M), Corporate Office on similar lines as being done in respect of other services for which instructions have already been issued vide Circular No. FA(A&R)/KCO-21/6936/09-10 dated 22<sup>nd</sup> December, 2009.

The provisions relating to Service Tax have to be complied with by all the Accounting Units of KPTCL without giving room for any lapse. All the Notifications, Circulars and other information relating to Service Tax are available in the official website of the Service Tax Department viz., [www.servicetax.gov.in](http://www.servicetax.gov.in) which can be accessed by the Accounting Units for knowing the provisions under the Act.

With regard to the **point of taxation**, the relevant provisions and changes are as under:

1. The period of 14 days given in rule 4A has been extended to 30 days for all assesses (45 days in case of banks or any other person providing 'Banking or other Financial Services'). Rule 3 of Point of Taxation Rules, 2011 has also been amended to provide that point of taxation shall be the date of issue of invoice, if invoice is issued within the period specified in rule 4A of Service tax Rules, 1994.
2. Accordingly, if the Invoice is issued within 30 days from the date of completion of the provision of service, the point of taxation shall be earlier of the following two dates:
  - (i) Date of Invoice for the service provided or to be provided ;  
or
  - (ii) Date of payment (including advance payment, if any) to the extent it is received prior to issue of invoice.
3. If the Invoice is not issued within 30 days from the date of completion of the provision of service, the point of taxation shall be earlier of the following two dates:
  - (i) Date of completion of the provision of the service or
  - (ii) Date of Payment
4. In case of "continuous supply of service" according to proviso to clauses (a) & (b) of Rule 6 of Point of Taxation Rules, 2011, where the provision of the whole or part of the service is determined periodically on the completion of an event in terms of a contract, which requires the service receiver to make any payment to service provider, the date of completion of each such event as specified in the contract shall be deemed to be date of completion of provision of service.
5. For further information relating to point of taxation, the Units can refer to Notification No.4/2012/2012-Service Tax dated 17<sup>th</sup> March, 2012 and Notification No.37/2012 – Service Tax dated 20<sup>th</sup> June, 2012 which are available in the above referred website.

Any issue which needs clarification from the Tax Experts can be referred to this Office for taking opinion from the concerned Tax Consultants/Experts. Simple queries for which clarification can be taken from the provisions in the Act and information available in the official website of the Department need not be referred to this Office.

It may please be noted that the Accounting Units are only facilitated from this Office regarding service tax matters by informing about major changes. The Unit Officers are responsible for complying

with the provisions of the Act similar to provisions of the Income Tax Act being complied with by them. Any lapse in complying with the provisions relating to service tax will be to the personal account of the Unit Officers which may please be noted with seriousness.

**[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY,  
PART II, SECTION 3, SUB-SECTION (i)]**

Government of India  
Ministry of Finance  
(Department of Revenue)  
**Notification No. 30/2012-Service Tax**

New Delhi, the 20<sup>th</sup> June, 2012

GSR.....(E).—In exercise of the powers conferred by sub-section (2) of section 68 of the Finance Act, 1994 (32 of 1994), and in supersession of (i) notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 15/2012-Service Tax, dated the 17<sup>th</sup> March, 2012, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R 213(E), dated the 17<sup>th</sup> March, 2012, and (ii) notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2004-Service Tax, dated the 31<sup>st</sup> December, 2004, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R 849 (E), dated the 31<sup>st</sup> December, 2004, except as respects things done or omitted to be done before such supersession, the Central Government hereby notifies the following taxable services and the extent of service tax payable thereon by the person liable to pay service tax for the purposes of the said sub-section, namely:—

**I. The taxable services,—**

- (A) (i) provided or agreed to be provided by an insurance agent to any person carrying on the insurance business;
- (ii) provided or agreed to be provided by a goods transport agency in respect of transportation of goods by road, where the person liable to pay freight is,—
- (a) any factory registered under or governed by the Factories Act, 1948 (63 of 1948);
- (b) any society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India;
- (c) any co-operative society established by or under any law;

- (d) any dealer of excisable goods, who is registered under the Central Excise Act, 1944 (1 of 1944) or the rules made thereunder;
- (e) any body corporate established, by or under any law; or
- (f) any partnership firm whether registered or not under any law including association of persons;
- (iii) provided or agreed to be provided by way of sponsorship to anybody corporate or partnership firm located in the taxable territory;
- (iv) provided or agreed to be provided by,-
- (A) an arbitral tribunal, or
- (B) an individual advocate or a firm of advocates by way of support services,
- or
- (C) Government or local authority by way of support services excluding,-
- (1) renting of immovable property, and
- (2) services specified in sub-clauses (i), (ii) and (iii) of clause (a) of section 66D of the Finance Act, 1994,
- to any business entity located in the taxable territory;
- (v) provided or agreed to be provided by way of renting of a motor vehicle designed to carry passengers to any person who is not in the similar line of business or supply of manpower for any purpose or service portion in execution of works contract by any individual, Hindu Undivided Family or partnership firm, whether registered or not, including association of persons, located in the taxable territory to a business entity registered as body corporate, located in the taxable territory;
- (B)** provided or agreed to be provided by any person which is located in a non-taxable territory and received by any person located in the taxable territory;
- (II)** The extent of service tax payable thereon by the person who provides the service and the person who receives the service for the taxable services specified in (I) shall be as specified in the following Table, namely:-

Table

| Sl.No. | Description of a service | Percentage of service tax payable by the person providing service | Percentage of service tax payable by the person receiving the service |
|--------|--------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------|
|        |                          |                                                                   |                                                                       |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                            |                |                  |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------|
| 1  | in respect of services provided or agreed to be provided by an insurance agent to any person carrying on insurance business                                                                                                                                                                                                                                                                                                                | Nil            | 100%             |
| 2  | in respect of services provided or agreed to be provided by a goods transport agency in respect of transportation of goods by road                                                                                                                                                                                                                                                                                                         | Nil            | 100%             |
| 3  | in respect of services provided or agreed to be provided by way of sponsorship                                                                                                                                                                                                                                                                                                                                                             | Nil            | 100%             |
| 4  | in respect of services provided or agreed to be provided by an arbitral tribunal                                                                                                                                                                                                                                                                                                                                                           | Nil            | 100%             |
| 5  | in respect of services provided or agreed to be provided by individual advocate or a firm of advocates by way of legal services                                                                                                                                                                                                                                                                                                            | Nil            | 100%             |
| 6  | in respect of services provided or agreed to be provided by Government or local authority by way of support services excluding,-<br>(1) renting of immovable property, and (2) services specified in sub-clauses (i), (ii) and (iii) of clause (a) of section 66D of the Finance Act,1994                                                                                                                                                  | Nil            | 100%             |
| 7  | (a) in respect of services provided or agreed to be provided by way of renting of a motor vehicle designed to carry passengers on abated value to any person who is not engaged in the similar line of business<br><br>(b) in respect of services provided or agreed to be provided by way of renting of a motor vehicle designed to carry passengers on non abated value to any person who is not engaged in the similar line of business | Nil<br><br>60% | 100 %<br><br>40% |
| 8. | in respect of services provided or                                                                                                                                                                                                                                                                                                                                                                                                         | 25%            | 75 %             |

|    |                                                                                                                                                                                          |     |      |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------|
|    | agreed to be provided by way of supply of manpower for any purpose                                                                                                                       |     |      |
| 9. | in respect of services provided or agreed to be provided in service portion in execution of works contract                                                                               | 50% | 50%  |
| 10 | in respect of any taxable services provided or agreed to be provided by any person who is located in a non-taxable territory and received by any person located in the taxable territory | Nil | 100% |

Explanation-I. - The person who pays or is liable to pay freight for the transportation of goods by road in goods carriage, located in the taxable territory shall be treated as the person who receives the service for the purpose of this notification.

Explanation-II. - In works contract services, where both service provider and service recipient is the persons liable to pay tax, the service recipient has the option of choosing the valuation method as per choice, independent of valuation method adopted by the provider of service.

2. This notification shall come into force on the 1<sup>st</sup> day of July, 2012.

[F.No. 334/1/2012- TRU]

(Raj Kumar Digvijay)

Under Secretary to the Government of India

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**No. FA (A&R)/KCO-20/6915/08-09**

**Date 22<sup>nd</sup> August, 2012**

**Sub : Building & Other Construction Workers Welfare Cess  
on supply  
& erection portion of the Turnkey Contracts.**

Ref : This Office Circular No. FA(A&R)/KCO-20/6915/08-09 dated  
21<sup>st</sup> July, 2012.

In this office Circular referred above detailed instructions have been issued for processing refund claims and arranging payments to the

contractors in respect of Building & Other Construction Workers Welfare Cess on supply & erection portion of the Turnkey Contracts consequent to issue of clarification by the Labour Department, GoK and Building & Other construction Workers Welfare Board.

*In the meanwhile, on verification of a few Detailed Work Award (DWA) documents issued in the past it is ascertained that the “Erection Portion” of the Turnkey/Partial Turnkey Contracts also include many Civil and related works which are of construction in nature. Further, it is also observed from the Tender documents like price bids of the Contractors, DWA, etc., available at the O/o CEE(T&P) that while quoting for the Turnkey Works, some of the Contractors had quoted and loaded the component of the said cess in the price bid whereas other Contractors have not explicitly quoted or loaded the same in their price bid. There is no uniformity with regard to the component of Building Cess in the Price Bid of the Turnkey Contractors.*

As such, it is apt to take the above facts also into consideration while arranging refund of the said cess. Hence, the following further instructions are issued to regulate the refund claims.

1. As the ‘Erection Portion’ of Turnkey Contract also contains civil works which are in the nature of construction works, **the refund claim of Turnkey Contractors shall be processed only in respect of “Supply Portion” of the Turnkey Contract and not the ‘Erection Portion’.** The relevant columns relating to Erection Portion in the format enclosed to Circular dated 21<sup>st</sup> July, 2012 shall be ignored/deleted while processing the refund claims before forwarding the same to the Welfare Board. The words ‘erection portion’ indicated in the draft letter (enclosed to this office Circular dated 21.07.2012) to be sent to Welfare Board shall also be deleted.
2. **In case the Contractor had quoted and loaded the cess in the price bid, the refund obtained from the Welfare Board need**

**not be passed on to the Contractor** as it is included in the bid as a pass through. In such a case, the refund has to be **construed as reduction in the overall project cost** of related works and **benefit should accrue to KPTCL**. The refund obtained from the Welfare Board in such cases shall be credited to concerned “Capital Work In Progress” Account. In case, such capital works have already been capitalised and outlay categorised, the same shall be withdrawn from the related Fixed Asset Accounts besides passing necessary entries for withdrawal of depreciation also if charged in the previous years.

3. In case the Contractor had not quoted the said cess explicitly in the bid and not loaded in the price bid, **the cess would have been recovered from the amount due to the Contractor**. The **capital cost of the project would not have been affected by such a reduction** whereas Contractor would have absorbed this cess. **In such a case, the refund to be obtained from the Welfare Board has to be passed on to the Contractor**.
4. The issue of whether the cess on supply portion of Turnkey Contract was included in the price bid or otherwise can be verified and certified by the O/o CEE (T&P). Hence, all the Accounting Units are hereby instructed to **get confirmation** in writing from the O/o CEE(T&P) with regard to whether Building and Other Construction Workers Welfare Cess on supply portion of Turnkey Contracts for which refund claims are being processed was loaded and included in the price bid of the Contractor or otherwise in the past. Similar confirmation shall be obtained in respect of Orders/Awards issued by the Transmission Zonal and Circle Offices from the concerned competent Authorities.
5. After obtaining refund, if the confirmation from the CEE (T&P) or other concerned authority which has placed the orders/awards is in accordance with para 3 above, the refund amount can be arranged



to the Contractor. Otherwise, the refund has to be retained with KPTCL.

6. As and when Refund Claims are submitted to the Welfare Board, a copy of the same may be sent to this Office for record and reference.

All other instructions and procedure in the above referred Circular stand unaltered.

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**No. FA (A&R)/KCO-20/6915/08-**

**Date 28<sup>th</sup> August, 2012**

**Sub : Building & Other Construction Workers Welfare Cess on supply & erection portion of the Turnkey Contracts.**

- Ref : (1) This This Office Circular No. FA(A&R)/KCO-20/6915/08-09 dated 19<sup>th</sup> May, 2012.  
(2) This This Office Circular No. FA(A&R)/KCO-20/6915/08-09 dated 21<sup>st</sup> July, 2012.  
(3) This Office Circular No. FA(A&R)/KCO-20/6915/08-09 dated 22<sup>nd</sup> August, 2012.

In this office Circular dated 19<sup>th</sup> May, 2012, clarification issued by the Labour Department, GoK with regard to recovery of Building & Other Construction Workers Welfare Cess was communicated to all the Accounting Units. It was stated that "In view of the above clarification, it is hereby instructed that all the Accounting Units henceforth shall deduct said cess at 1% only on Civil portion of Turnkey Contracts / Partial Turnkey Contracts / Other Works carried out by KPTCL through Contractors"

In this Office Circulars dated 21<sup>st</sup> July, 2012 and 22<sup>nd</sup> August, 2012, further instructions and clarifications regarding refund of cess were issued. Revised instructions vide this Office Circular dated 22<sup>nd</sup> August,

2012 were issued, as many civil related works which are of construction in nature have also been included in the 'Erection Portion' of the Contract. In addition to this, instructions were also issued to arrange refund only to those Contractors who have not quoted and loaded the cess in their price bid explicitly.

In view of the above, instructions issued vide this Office Circular dated 19<sup>th</sup> May, 2012 also needs to be amended to effect recovery of said cess on Erection and Civil portion of the Contracts. Accordingly the words "all the Accounting Units henceforth shall deduct cess at 1% only on civil portion of Turnkey Contracts / Partial Turnkey Contracts / Other Works carried out by KPTCL through Contractors" appearing in the last Para of the Circular **shall be substituted** by **"all the Accounting Units henceforth shall deduct cess at 1% on CIVIL and ERECTION portion of Turnkey Contracts / Partial Turnkey Contracts / Other Works carried out by KPTCL through Contractors"**.

All other instructions and procedure in the above referred Circulars stand unaltered.

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**Dated 17<sup>th</sup> September, 2012.**

**No. FA(A&R)/KCO-21/6911/2012-13**

**Sub : Applicability of Service Tax on activities carried out by KPTCL.**

The Department of Revenue, Ministry of Finance, Govt. of India has effected major changes to the Service Tax provisions by introducing '**Negative List Taxation Scheme**' w.e.f. **1<sup>st</sup> July, 2012** under which except the exempted services all other services are liable to service tax. Thus an activity which satisfies the definition of service would be liable to tax if the same is not covered under the list which is specified as non-taxable ie., Negative List Taxation Scheme. In

addition to this, a new concept of '**Joint Charge Mechanism**' (or **Reverse Charge** Mechanism) was introduced wherein the 'service recipient' was made liable to pay certain portion of service tax along with 'service provider'.

KPTCL being a Company registered under the Companies Act, 1956 and a State Transmission Utility (STU) is carrying out functions in accordance with the provisions of Sec.39 of the Electricity Act, 2003. The applicability of Service Tax on various activities of KPTCL is examined and an expert opinion from the Tax Consultants has been obtained. Section 66D of the Finance Act, 2012 lists the transmission of electricity as one of the **exempted service** from the service tax. However, in respect of activities other than transmission whether service tax is applicable or not needs to be examined and confirmed to comply with the statutory requirements. In this background, the applicability of service tax on each of the activity/service carried out by KPTCL has been examined and based on the opinion of the Tax Consultants following instructions are issued.

KPTCL is a member of the Large Tax Payers Unit (LTU) at Bangalore and correspondence with Service Tax Department is being dealt centrally at Corporate Office including the remittance of service tax through Manager (IM) Section. During 2010, LTU took up *Excise Audit, 2000* and thoroughly verified all the activities of KPTCL. Subsequently, show cause notices were issued in respect of certain activities treating the same as taxable services. The issues involved in such litigation have also reached finality with the issue of Orders by Competent Authorities. This aspect has also been taken into account while examining presently, the applicability of service tax.

**I. Charges / Amount collected for services for which Service Tax is not applicable:**

1. Right to Information Act Fee
2. Departmental Exam Fee from Employees

3. Service Register (or other documents) Extract Fee
4. Tender Cost (which attracts VAT)
5. Sale of scrap materials, Newspaper, SR Books, etc., (which amounts to sale of goods and attracts VAT)
6. Reimbursements like water charges, Telephone charges, School bus charges, etc., (as there is no service element)

**II. Charges / Amount collected for Services which are within the ambit of transmission activity and hence not liable to Service Tax:**

*After examining the nature of following services it is clear that the same are an integral part of transmission activity and hence the same are not liable to service tax by reason of essentiality,*

1. Inspection of EHT / EHT Measurement/ EHT Clearance Charges
2. Initial Inspection Charges/ Re-inspection Charges/Inspection Charges.
3. Transformer Testing Charges
4. Meter Testing/Calibration/Capacitor Calibration Charges.
5. Oil Testing Charges
6. Pre-commissioning Testing/Testing/Equipment Testing Charges.
7. Inspection Fee/Relay Testing Charges/Panel Board and Power Testing Charges.
8. Cable Testing Charges
9. Processing Charges/Drawing Approval Charges/Charges for Earth Mat Design and drawing.
10. Technical Inspection & Certification Charges.
11. Initial Survey Charges.
12. Reactive Energy Charges.
13. Revenue from IPPs for excess drawal of Energy from KPTCL grid.
14. SLDC Charges collected from ESCOMs.

In respect of these services, the Authority/Officer who issues Official Memoranda/Orders for collecting such charges shall ensure that these activities fall within the scope of transmission activity carried out by KPTCL.

**III.Services for which Service Tax is applicable (hitherto not considered as liable to service tax):**

1. Renting of Immovable Property: Renting of immovable property has been identified as a 'declared service' under section 66E of the Act. Hence, **Rent from KPTCL Buildings occupied by ESCOM Offices is liable to service tax.** The renting of residential dwelling for use as residence (i.e, KPTCL Quarters) is specified in the negative list and hence not liable to service tax.
2. Guest House Rental Charges: This rental charges is covered under the definition of service and would be **taxable**. However, Notification No.25/2012 dated 25.06.2012 provides an **exemption** to services by way of renting of a hotel, inn, guest house, club, campsite or other commercial places meant for residential or lodging purposes, having declared **tariff of a unit of accommodation below Rs.1,000/- per day or equivalent.**
3. Ground Rental Charges: Levied for Scrap materials laying in store/store yard auctioned by KPTCL but not lifted by the Contractors within the stipulated time. Treated as renting of immovable property and **liable to service tax.**

**IV. Charges / Amount collected for Services which were subject to litigation in the past:**

1. Network Augmentation Charges
2. Supervision Charges
3. Deposit collected for Deposit Contribution Works
4. Technical Inspection and Certification Charges

5. Grid Support Charges
6. VSAT Charges
7. Other Charges (like to & fro charges related to Technical Inspection work)

Before the amendments to Finance Act, 2012 effective from 01.07.2012, KPTCL has been made subject to litigation in respect of above services. After legal proceedings Orders have been passed by the concerned Authorities. Accordingly, it was ordered that services at Sl. No.1 to 5 were classifiable under business support services but demand, interest and penalty dropped due to exemption notification applicable to Transmission and related activities. In respect of Item No. 6 and 7, the demand was confirmed along with interest and penalty. The Orders on these two items have been contested which is still pending before the adjudicating Authority.

It is opined by the Consultants that consequent to introduction of Negative Taxation Scheme w.e.f. 1<sup>st</sup> July, 2012, for issues arising after the said date, the new provisions would apply and the orders passed under the old provisions would only have a bearing up to the period before the amendments take effect. However, they have opined that the above services are an integral part of transmission activity and KPTCL can take a stand accordingly.

In view of the above facts, charges collected for above services shall be treated as not liable to service tax for the reason of essentiality that all these activities are within the ambit of transmission of electricity which is KPTCL's stand so far.

#### **V. Other Issues:**

The amendment issued by the Service Tax Department with regard to 'security services' is indicated below for guidance of the Accounting Units:

Security Services : Some of the offices of KPTCL are availing Security Services from Police Department/Agencies which is a taxable service. With regard to applicability of Reverse Charge Mechanism to security services, the Service Tax Department has issued a Notification No. 45/2012-Service Tax on 7<sup>th</sup> August, 2012 with following amendment to the Notification No.30 dated 20<sup>th</sup> June, 2012.

*“(b) in para II, in the table,- ....*

*(ii) in sl.No.8, in the entries under the heading ‘Description of service’, after the words **“manpower for any purpose”**, the words **“or security services”** shall be **inserted**”*

Thus, the security services has also been brought under services of ‘manpower for any purpose’ and thereby the Reverse Charge Mechanism prescribed vide Notification No.30 dated 20<sup>th</sup> June, 2012 and communicated in this Office Circular dated 30<sup>th</sup> July, 2012 is applicable to security services also.

To enable Accounting Units to comply with statutory provisions relating to service tax, above summarised instructions are being issued. However, for any doubt or clarification, the Accounting Units shall refer to the official website of the department ie., [www.servicetax.gov.in](http://www.servicetax.gov.in). Further, the Tax Research Unit of Central Board of Excise & Customs (CBEC) has issued ‘Taxation of Services : An Education Guide’ containing detailed guidance notes on almost all aspects of service tax. The said Guide seems to be very useful as ready reference for our Officers which can be referred by logging to CBECS website ie., [www.cbec.gov.in](http://www.cbec.gov.in) (an item under ‘Service Tax’ in the website).

The collection and remittance of service tax or otherwise on various services/ activities of KPTCL shall be regulated in accordance with above instructions. In respect of issues which in the opinion of the Units need clarification by Tax Experts, the same may be referred to this Office with full details and documents. In respect of any charges collected pertaining to service or activity not discussed above and

altogether a new issue, the Accounting Units shall take an appropriate decision relying upon the provisions relating to service tax or seek clarification from this Office well in advance to avoid complications at a later date.

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**No. FA(A&R)/KCO-21/6911/2012-13**

**Dated 19<sup>th</sup> November, 2012.**

**Sub : Service Tax provisions – further interpretation and clarifications.**

Ref : (1) T.O. Circular No. FA(A&R)/KCO-21/6911/2012-13 dated 30.07.2012

(2) T.O. Circular No. FA(A&R)/KCO-21/6911/2012-13 dated 17.09.2012

In this Office Circulars cited under reference, changes brought out in Service Tax provisions by the Govt. of India were communicated to all the Accounting Units. Many Accounting Units have raised various doubts with regard to interpretation of changed provisions and mode of regulating the Service Tax while admitting the bills of the Contractors/Parties/Agencies.

To clarify such doubts, a one day workshop was conducted on 3<sup>rd</sup> November, 2012 on Service Tax issues for the benefit of KPTCL Officers. Many doubts relating to 'Joint Charge' mechanism and 'Reverse Charge' mechanism among other issues were discussed and clarified in the Workshop. The related issues were also discussed in detail with the Tax Consultants.

In the above background, in continuation of this Office Circulars referred above, following additional explanation/clarification/ instructions are issued.

**1. KPTCL - a Service Provider as well as Service Recipient:**

Some of the participants raised the issue that, as KPTCL is a Transmission Company, all services of KPTCL are covered under the 'Transmission' service which is exempted from service tax and as such why service tax should be paid?

It is to clarify that KPTCL is providing certain services and also receiving services from outsiders. As far as **services provided by**



**KPTCL**, exemption is available for ‘transmission of electricity by STU’ (ie., KPTCL) in the Negative List. In respect of other services rendered by KPTCL, please refer to the guidelines issued vide this Office Circular No. FA(A&R)/KCO-21/6911/2012-13 dated 30.07.2012 for deciding about collection of Service Tax or otherwise. In respect of **services obtained from outsiders by KPTCL**, the exemption given for ‘Transmission’ service is not applicable, as KPTCL is a service recipient in such a case. The Service Tax has to be regulated as per the relevant provisions applicable in such cases.

## **2. Services covered under Reverse and Joint Charge Mechanism:**

### **a. Reverse Charge Mechanism:**

Following services are covered under Reverse Charge Mechanism wherein the entire Service Tax is payable by the Service Recipient:

- i. Insurance Agency,*
- ii. Transportation of Goods by Road,*
- iii. Sponsorship Services,*
- iv. Legal Services and*
- v. Director of a Company.*

### **b. Joint Charge Mechanism:**

Following services are covered under Joint Charge Mechanism wherein the Service Tax is payable jointly by the Service Provider and Service Recipient at prescribed percentages:

- i. Renting of a Motor Vehicle,*
- ii. Supply of Manpower,*
- iii. Works Contract and*
- iv. Security Services*

## **3. Applicability of Joint Charge mechanism:**

Para I (A) (v) of the Notification No.30/2012-Service Tax dated 20<sup>th</sup> June, 2012 of the Department of Revenue, Ministry of Finance, GoI (a copy of which was enclosed to this Office Circular dated 30.07.2012) states that:

“Taxable Services, -

Provided or agreed to be provided by way of renting of a motor vehicle designed to carry passengers to any person who is not

in the similar line of business or supply of manpower for any purpose or service portion in execution of works contract by any individual, Hindu Undivided Family or Partnership Firm, whether registered or not, including association of persons, located in the taxable territory to a business entity registered as body corporate, located in the taxable territory”.

While interpreting the above provision, the Consultants have clarified that in case of Works Contract as an example, **if the Service Provider is a Body Corporate (i.e., Company) then the Joint Charge mechanism is not applicable in that case.** The examples of L&T or ABB being the Turnkey Contractors giving service to KPTCL, while executing the works was quoted, in which case the Joint Charge mechanism is not applicable. In other words, Joint Charge Mechanism is applicable, in respect of works entrusted by KPTCL, only when the Service Provider is an Individual, HUF, Partnership Firm or Association of Persons and **NOT in case of a Company.** If the Joint Charge Mechanism is not applicable, then the entire Service Tax has to be paid by the Service Provider and hence the method of regulating Service Tax earlier to 1<sup>st</sup> July, 2012 may be continued in such cases.

Similar interpretation holds good for other services covered under ‘Joint Charge Mechanism’ i.e., Renting of a Motor Vehicle, Supply of Manpower and Security Services.

#### **4. Threshold Exemption or taxable services from Service Tax:**

Notification No. 33/2012 - Service Tax New Delhi, the 20th June, 2012 of Department of Revenue, Ministry of Finance, Government of India stipulates that “..... the Central Government, being satisfied that it is necessary in the public interest so to do, **exempts taxable services of aggregate value not exceeding ten lakh rupees** in any financial year from the whole of the service tax leviable thereon under section 66B of the Finance Act”.

However, **threshold exemption limit Rs.10 lakhs is not applicable where service tax is payable under ‘Reverse / Joint Charge’**

**Mechanism** under sub-section (2) of section 68 of Finance Act, 1994. [Notification No.33/2012-ST dated 20.06.2012]. Hence, the exemption limit applicable to the service provider need not be considered by KPTCL while admitting the claims for services covered under Reverse/Joint Charge Mechanism.

In case of services other than falling under Joint / Reverse Charge Mechanism, the above exemption limit needs to be considered. In such cases, the Service Tax may be admitted and paid along with the service charges only if the same is claimed as a separate component in the bill, otherwise there is no obligation on the part of KPTCL to pay the Service Tax amount. If such works are awarded or agreements entered into on 'all taxes inclusive basis', while admitting the bill, no further action is required to regulate the Service Tax.

## **5. Works Contract under Service Tax Provisions:**

### **a. Definition of Works Contract for the purpose of Service Tax:**

As per **Section 65B (54)**: "works contract" means a contract wherein transfer of property in goods involved in the execution of such contract is leviable to tax as sale of goods and such contract is for the purpose of carrying out construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, alteration of any movable or immovable property or for carrying out any other similar activity or a part thereof in relation to such property;

While elaborating on the above definition, it was clarified that any work **involving both supply of material and providing of service** needs to be **construed** as **works contract**.

### **b. Valuation of Service under Works Contract:**

According to the provisions of the Service Tax

- **Value of Service** = Gross amount charged minus Value of Goods

- Gross amount excludes VAT and Sales Tax.
- However Gross amount includes:
  - Labour charges for execution of the works;
  - Amount paid to a sub-contractor for labour and services
  - Charges for planning, designing and architect's fees.
  - charges for obtaining on hire or otherwise, machinery and tools used for the execution of the works contract
  - cost of consumables such as water, electricity, fuel, used in the execution of the works contract
  - cost of establishment of the contractor relatable to supply of labour and services
  - other similar expenses relatable to supply of labour and services; and profit earned by the service provider relatable to supply of labour and service.
- If VAT is not paid on actual value, then, valuation to be reckoned as per the following table depending on the nature of work.

| <b>Nature of works</b>                                                                                                                                                                        | <b>Valuation</b>                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Original works                                                                                                                                                                                | 40% of the total amount charged |
| Maintenance, repair, reconditioning etc., <b>of goods</b>                                                                                                                                     | 70% of the total amount charged |
| Other works including maintenance, repair, completion and finishing services such as glazing, plastering, floor and wall tiling, installation of electrical fittings of an immovable property | 60% of the total amount charged |

- **Original Work :**
  - all new constructions;
  - all types of addition and alteration to abandoned or damaged structures on land that are required to make them workable;
  - erection, commissioning or installation of plant, machinery or equipment or structures, whether pre-fabricated or otherwise

The above provisions make it clear that *in case the portion of Material Cost is ascertainable in the Works Contract, then the Value of Services will be Gross amount charged minus Value of Goods.* **Otherwise, the percentage valuation as stipulated in the above table may have to be followed.** The valuation percentage indicated in the above table is the amount to be considered for computing service tax.

**c. Regulating payment of Service Tax applicable to Works Contract**

For regulating Service Tax applicable to Works Contract in case the awarded amount is **inclusive** of such tax, the illustration given under 'Renting of Motor Vehicle' separately may be referred and same principle and method followed in this case also.

**6. Renting of Motor Vehicle:**

Most of the queries raised by field Officers relate to regulating Service Tax with regard to Renting of Motor Vehicle. As the rates prescribed by the Corporate Office are consolidated amount without any break up for Service Tax, doubts were raised as to whether the rates are inclusive or exclusive of Service Tax and whether Service Tax amount is to be deducted or not while admitting the bills. The issue is being examined in Corporate Office and will be clarified shortly.

In the meanwhile, the mode of regulating Service Tax in case the rate is inclusive or exclusive of service tax are shown below with illustration.

**Illustration 1 : If Vehicle Hire Charges are inclusive of Service Tax**

|                                                               |                                                                         |
|---------------------------------------------------------------|-------------------------------------------------------------------------|
| Rate awarded                                                  | Rs.800/- /day for Indica Car consolidated amount inclusive of all taxes |
| <b>Computation of Service Tax:</b>                            |                                                                         |
| Service Tax included in the amount                            | = $800 - (800 \times 100 / 112.36) = 88$ (rounded)                      |
| Service Tax to be borne by KPTCL under Joint Charge mechanism | 40% of the Service Tax amount i.e., Rs.35 (rounded)                     |

|                                                                                                                                                   |                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Total Hire Charges Bill to be admitted                                                                                                            | Rs.800/-                        |
| Hire Charges Bill to be paid to the Agency                                                                                                        | Rs.765/- (i.e., Rs.800 – Rs.35) |
| Service Tax to be paid to the Govt. directly by KPTCL (ie., through Manager (IM) Section of Corporate Office.)                                    | Rs.35/-                         |
| <b>Note:</b> Same mode of regulating the Service Tax holds good in case consolidated amount is revised without mentioning anything about the tax. |                                 |

**Illustration 2 : If Vehicle Hire Charges are exclusive of Service Tax**

|                                                                                                                                                                                                |                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| Rate awarded                                                                                                                                                                                   | Rs.800/- per day for Indica Car plus applicable Service Tax |
| <b>Computation of Service Tax:</b>                                                                                                                                                             |                                                             |
| Service Tax amount                                                                                                                                                                             | = $(800 \times 12.36\%) = 99$ (rounded)                     |
| Service Tax to be borne by KPTCL under Joint Charge mechanism                                                                                                                                  | 40% of the Service Tax amount i.e., Rs.40 (rounded)         |
| Total Hire Charges Bill to be admitted                                                                                                                                                         | Rs.800/- + Rs.99 = Rs.899                                   |
| Hire Charges Bill to be paid to the Agency                                                                                                                                                     | Rs.859/- (i.e., Rs.800 + Rs.59)                             |
| Service Tax to be paid to the Govt. directly by KPTCL (ie., through Manager (IM) Section of Corporate Office.)                                                                                 | Rs.40/-                                                     |
| <b>Note:</b> If the Agency has not claimed the Service Tax separately in the bill, then Agency should be paid Rs.800/- only and KPTCL to pay Rs.40/- towards Service Tax directly to the Govt. |                                                             |

**Note: In both the Illustrations:**

- (1) It is not necessary to check or ensure whether Agency has remitted the Service Tax or not.
- (2) It is not necessary to check and ensure whether Agency is within threshold exemption limit or not.
- (3) The above illustrations are given for computing Service Tax on one day hire charges. Same principles and method may be applied for the total hire charges admitted during the month.

## 7. Shift and Minor Maintenance of Station Contracts:

Many queries were raised with regard to regulating Service Tax on payment of charges for shift and minor maintenance of KPTCL Stations by Contractors. It is also ascertained that there is no uniform method of calling tenders, evaluating and award of the tender for station maintenance works at field Units. Hence, the common issues raised and connected to the Service Tax have been analyzed and clarified as follows:

- *Whether this service falls under ‘man power supply’ category?*

**No.** The contract is for maintenance of KPTCL stations by the Contractor. However, the fact that contract is for maintenance of stations needs to be explicitly made clear in the agreement without any ambiguity.

- *Whether this service falls under ‘works contract’?*

**Yes.** As the Contractor is supplying and using certain materials/items in the course of maintenance of stations, the service falls under works contract purview.

- *Whether **Joint Charge Mechanism** Taxation Scheme **applicable** for this?*

**Yes.** As the contract fall under ‘works contract’, the Joint Charge Mechanism is applicable.

The points at Sl. No.3 and 5 above may also be considered for deciding on the status of Service Provider and the Valuation for computing service tax amount.

- *How to regulate Service Tax if the contract is awarded inclusive of Service Tax?*

Follow the procedure as illustrated for ‘Renting of Motor Vehicle’.

- *Whether, ESI, PF and other items to be excluded from the amount to be considered for computing service tax?*

Service Tax to be computed on the entire service charges amount including any such items.

- If the Contractor has indicated value of materials used for maintenance separately in the Bill, on which amount Service Tax has to be calculated.

If the competent Officer of KPTCL concur with the value of materials used for maintenance as indicated in the Bill by the Contractor, then Service Tax needs to be calculated on the Bill amount excluding value of materials used.

## **8. Other Services:**

### **a. Annual Maintenance Contracts:**

Most of the Annual Maintenance Contracts (for Computer, Xerox Machine, etc.,) include provisions relating to use of certain materials/items/consumables, in which case, the same is to be **construed as 'works contract'** and payment of service tax regulated accordingly. If such contract involves only labour charges without any material supply/usage, then the 'Joint Charge Mechanism' is not applicable, but Service Tax has to be regulated in the normal method i.e., entire Service Tax to be paid by the Service Provider to the Government.

### **b. Guest House Maintenance / Office House Keeping services/ Maintenance of water supply & sanitary works in the colony.**

In case these services are outsourced to Agency/Contractor, the same have to be treated as **'works contract'** for the reason that it involves supply/usage of some material in the course of maintenance. Service Tax may be regulated accordingly.



**c. Supply of Data Entry Operators**

It is a service under **‘Supply of Manpower’** covered under ‘Joint Charge Mechanism’.

**d. Services of Income Tax Returns and EPF Returns filing.**

**It is not covered** under either **Reverse** or **Joint** Charge Mechanism. Service Tax has to be regulated in the normal course i.e., to be paid by the Service Provider.

**e. Advocates professional charges and related legal services.**

Covered under **Reverse Charge Mechanism** and entire Service Tax has to be paid by the Service Recipient.

Even if the Service Provider has not mentioned anything about the Service Tax, KPTCL as a Service Recipient has to compute the Service Tax separately and arrange for remittance directly to the Department.

**f. Land survey conducted by outsourced agency for project execution/sub-station construction or line erection.**

If only labour is involved, then it has to be treated as normal service. In case, some materials are also involved in the course of carrying out the service, same is construed as ‘Works Contract’. Accordingly, Service Tax may be regulated.

**g. Labour contract works (where materials are provided by KPTCL)**

If only labour is involved, the same is not covered under ‘Joint Charge Mechanism’ and treat the same as normal service. In case, some materials are supplied/used by the Agency/Contractor in the course of executing the work, same is construed as ‘Works Contract’. Accordingly, Service Tax may be regulated.

**h. Technical services for an emergency repair work.**

Same as above at (f).

## 9. Point of Taxation:

The provisions relating to point of taxation have been brought out in detail in this Office Circular dated 30<sup>th</sup> July, 2012. The same are summarised in a simple manner as under for easy understanding:

| <b>Event</b>                                | <b>Situation 1</b> | <b>Situation 2</b><br>(case of<br>Advance<br>payment) | <b>Situation 3</b>                   |
|---------------------------------------------|--------------------|-------------------------------------------------------|--------------------------------------|
| Completion of service by Service Provider   | 30.10.11           | 31.01.12                                              | 30.04.11                             |
| Issue of invoice by Service Provider        | 01.11.11           | 12.12.11                                              | 16.06.11                             |
| Receipt of amount by Service Provider       | 31.12.11           | 30.11.11                                              | 30.06.11                             |
| <b>Date on which the service is Taxable</b> | <b>1.11.11</b>     | <b>30.11.11</b>                                       | <b>30.04.11</b>                      |
| Reasoning                                   | Date of invoice.   | Amount received in advance                            | Invoice is not issued within 30 days |

The point of taxation illustrated above is applicable to a Service Provider and not to the Service Recipient. For a Service Recipient, the date of payment of service charges to the Service Provider is the point of taxation.

## 10. Action to be taken in respect of Contracts/Awards/Agreements entered into prior to 1<sup>st</sup> July, 2012:

**Query 1:** *Many Officers sought clarification with regard to computing Service Tax in respect of Contracts/Awards/Agreements finalised prior to 1<sup>st</sup> July, 2012.*

It is clarified that, at the first instance it has to be verified whether the Contracts / Awards / Agreements entered into prior to 1<sup>st</sup> July, 2012 and continuing are inclusive of service tax or otherwise. In case the same are not inclusive of service tax, then the Service Tax needs to be calculated on invoices for the services rendered subsequent to 1.7.2012 and admitted separately and payment arranged to the Party or to the Department depending on Reverse / Joint Charge Mechanism applicability. In case the rates

are inclusive of Service Tax, it would be advisable for the Authority of KPTCL who is a party to such contract to call the other Party and appraise Service Provider about changes in the Service Tax provisions and to amend the relevant provisions of the agreement suitably to comply with the changed scenario. If the other party is not agreeable for the amendments, then Service Tax may be regulated as illustrated above (i.e., under 'Renting of a Motor Vehicle') till the expiry of the current agreement.

**Query 2:** *Some Officers have informed that mistakes like wrong application of rate, wrong base for computing Service Tax, inclusion of wrong clauses in the agreement, etc., have occurred while finalising the agreement in the past and sought to know how to address such problems.*

To address such problems, same procedure of amending the agreement as suggested for Query No.1 above may be followed besides computing the Service Tax properly w.e.f. 1<sup>st</sup> July, 2012. In the course of such rectification of mistake, if any additional liability to be borne by KPTCL is found solely due to 'mistake in provision for tax liability on the part of KPTCL', the same may be rectified without any approval from the higher Authorities, because Service Tax is a statutory levy to be met correctly by KPTCL. In case, rectification of mistakes happened in the past results in arranging payment of additional amount to the other Party (ie., Service Provider) by KPTCL, approval from Corporate Office may be obtained besides taking action to terminate such contract at the earliest to avoid additional financial burden.

**The clarification/interpretation given in this Circular shall not be construed as approval for rectifying mistakes if any, committed by the field Units.**

**Query 3 :** *Some Officers have raised question as to 'what action to be taken, if Contractor / Parties are not agreeable for regulating Service Tax properly consequent to changes and insist on adherence to what has been agreed upon in the agreement?'*

It is the duty of the Field Officers to understand the provisions clearly and appraise the Contractor / Parties accordingly. It may be made clear to the parties/contractors that the statutory

provisions will prevail over any contractual terms between the parties as far as payment of taxes and duties are concerned. Hence, it is inevitable to comply with the changed provisions.

**11. Necessity to Change the Mode of Award:**

In KPTCL, various Capital and Maintenance Works are being awarded to Contractors based on a consolidated amount which is inclusive of all taxes, duties and levies. On this issue, Tax Consultants have opined that even though contractual obligations are different from fulfillment of statutory obligations, it is **advisable to award contracts showing service tax as a separate component explicitly to avoid different interpretations at a later date** and also regulating the service tax properly under 'Joint Charge Mechanism'.

It is learnt that in PSUs like BHEL, BSNL, PGCIL the service tax is being considered as an exclusive part of the award amount.

Hence, it is suggested to all Authorities who are awarding works or entering into agreement for obtaining various services from outsiders, to consider the service tax as a separate component while finalizing the award in future. Such a change in the contractual obligations would definitely bring down many controversies / disputes between the parties regarding service tax.

All the above explanation/clarification/interpretation are based on expert opinion from the Tax Consultants and discussions at the Workshop. However, for any further clarification and interpretation of any specific issue, the Officers are advised to refer to the relevant provisions of the Service Tax which can be accessed through Service Tax Department website [www.servicetax.gov.in](http://www.servicetax.gov.in). Further, guidance notes issued by the Tax Research Unit of Central Board of Excise & Customs (CBEC) viz., '**Taxation of Services : An Education Guide**' may also be referred by logging to website [www.cbec.gov.in](http://www.cbec.gov.in) (an item under 'Service Tax' in the website).

~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

**No.FA(A&R)/KCO20/6915/**

**Dated 13 December 2013**

**Sub: Structure of Permanent Account Number (PAN); How to read the PAN-reg**

During the Workshop held on 3<sup>rd</sup> November, 2012 on Service Tax matters, some of the Officers expressed difficulty in ascertaining the status of a Party for regulating Income Tax and Service Tax. In this connection, the following points on structure of Permanent Account Number (PAN) based on information available at website of the Income Tax Department is given for information and guidance.

### **Structure of the new series of PAN:**

The Permanent Account Number (PAN) under new series is based on following constant permanent parameters of a taxpayer and uses Phonetic Soundex code algorithm to ensure uniqueness:-

- i. Full name of the taxpayer;
- ii. Date of birth/ date of Incorporation;
- iii. Status;
- iv. Gender in case of individuals; and
- v. Father's name in case of individuals (including in the cases of married ladies)

These five fields are called core fields, without which PAN cannot be allotted.

The PAN under the new series is allotted centrally by a customized application system (IPAN/AIS) for all-India uniqueness. The system automatically **generates a 10 character PAN** using the information in above five core fields. PAN has the following structure;

### **Out of TEN digit PAN:**

**First three** characters are alphabets (series running from AAA to ZZZ)

**Fourth character is also an alphabet indicate the STATUS of the assessee.**

**Fifth** character is an alphabet and indicates the first character of the PAN holder's last name/surname.

**Sixth to ninth** characters are sequential number running from 0001 to 9999

**Tenth** or last character is an alphabet which is a check digit.

Regarding the fourth character, it is an alphabet that indicates the status of the assessee or party which shall be one of the following, depending on the type of assessee:

| <b>Character</b> | <b>Type (of Status) of the Assessee</b> |
|------------------|-----------------------------------------|
| <b>C</b>         | Company                                 |
| <b>P</b>         | Person                                  |
| <b>H</b>         | HUF (Hindu Undivided Family)            |
| <b>F</b>         | Firm                                    |
| <b>A</b>         | Association of Persons (AOP)            |

|          |                             |
|----------|-----------------------------|
| <b>T</b> | AOP (Trust)                 |
| <b>B</b> | Body of Individuals (BOI)   |
| <b>L</b> | Local Authority             |
| <b>J</b> | Artificial Juridical Person |
| <b>G</b> | Government                  |

The PAN of any party can be read on the basis of above structure and ascertain the status based on the fourth character of the ten character number. For more information on this, please log on to website “<http://WWW.incometaxindia.gov.in/>” of Income Tax Department.

~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*~\*

# KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

No. FA(A&R)/KCO-20/6915/2013-14



Corporate Office,  
7<sup>th</sup> Floor, Kaveri Bhavan  
Bangalore – 560 009  
Dated: 29.08.2013

All the Chief Engineers (Ele),  
All the Superintending Engineers (Ele),  
All the Executive Engineers (Ele),  
Major Works Division & TL&SS Division,  
KPTCL

Sir,

Sub: Issuance of Part-A of Form No.16 pertains to TDS made on salary of employees by generating and downloading through the TRACES portal.

- Ref: 1. Letter No. FD 484 FR 2013 dated. 24.07.2013 of the Deputy Secretary to Government, Finance Department, (FR & BCC), GoK, Vidhana Soudha, Bangalore.
2. Letter No. F.No.34/CIT/(TDS)/2013-14 dated. 02.05.2013 of the Income Tax Officer (HQ), O/o the Commissioner of Income Tax (TDS), Bangalore.
3. Letter No.F.No.275/34/2011-IT(B) dated. 22.04.2013 of the Director (Budget), Ministry of Finance, Department of Revenue Central Board of Direct Taxes, GoI, New Delhi.
4. Circular No.04/2013 dated.17.04.2013 of the Director (Budget), Ministry of Finance, Department of Revenue Central Board of Direct Taxes, GoI, New Delhi.

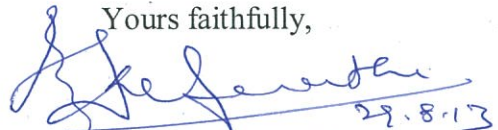
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In the above Circular under reference (4), Central Board of Direct Taxes made mandatory for all the deductors to issue the Part-A of Form pertaining to TDS made on salary of employees by generating and downloading through the “ TDS Reconciliation Analysis and Correction Enabling System” (TRACES portal). It is directed by the Finance Department, Government of Karnataka vide letter reference (1) above that all the Drawing and Disbursing Officers (Pay Drawing Officers) Of respective departments to take necessary action for issue of Part-A of Form No.16 pertaining to TDS made on salary of employees by generating and downloading through the TRACES portal (copy of the letters and Circulars hosted on the KPTCL website eprasarana > Financial Matters > Tax Matters).

In the recently held Orientation Training Programme on ‘Processing TDS & Preparation and Presentation of Inputs for filing of e-TDS returns’ at all Zonal Headquarters, all the Pay Drawing Officers and Officials have been trained about the procedures to be followed in the matter of TDS including the changed procedure for generating and issuing Form No.16.

In this connection, all the Accounting Units are hereby requested to follow the revised procedure relating to TDS made on salary of employees by generating and downloading Form No.16 through the "TDS Reconciliation Analysis and Correction Enabling System" (TRACES portal). For any deviation or non-compliance in this regard the Pay Drawing Officers of the concerned Unit will be personally held responsible which may please be noted.

For detailed instructions, copies of relevant Orders/Circulars hosted on the KPTCL Website may be referred to.

Yours faithfully,  
  
Financial Adviser (A&R) 29.8.13

Copy to:  
All the Controller of Accounts, KPTCL  
All the Deputy Controller of Accounts, KPTCL  
All the Accounts Officers, KPTCL  
M.F.

Copy for information to:  
The Deputy Secretary to Government, Finance Department (FR & BCC), GoK,  
Vidhana Soudha, Bangalore.



GOVERNMENT OF KARNATAKA

No.FD 484 FR 2013

Karnataka Government Secretariat,  
Vidhana Soudha,  
Bangalore, Dated: 24-7-2013.



From:

The Additional Chief Secretary to Government,  
Finance Department,  
Vidhana Soudha,  
Bangalore.

To: —



1) All Principal Secretaries/Secretaries to Govt.

2) All Heads of Departments.

|                          |  |
|--------------------------|--|
| ನಿರ್ದೇಶಕರು, ಕವಿಪ್ರವೃತ್ತಿ |  |
| ನಿರ್ದೇಶಕರು, ಕವಿಪ್ರವೃತ್ತಿ |  |
| ನಿರ್ದೇಶಕರು, ಕವಿಪ್ರವೃತ್ತಿ |  |
| ನಿರ್ದೇಶಕರು, ಕವಿಪ್ರವೃತ್ತಿ |  |
| ನಿರ್ದೇಶಕರು, ಕವಿಪ್ರವೃತ್ತಿ |  |
| ನಿರ್ದೇಶಕರು, ಕವಿಪ್ರವೃತ್ತಿ |  |
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| ನಿರ್ದೇಶಕರು, ಕವಿಪ್ರವೃತ್ತಿ |  |
| ನಿರ್ದೇಶಕರು, ಕವಿಪ್ರವೃತ್ತಿ |  |
| ನಿರ್ದೇಶಕರು, ಕವಿಪ್ರವೃತ್ತಿ |  |

Sub: Publicising the stipulation of mandatory  
generation of and issuance of Part-A of  
Form No.16 from the TRACES portal-reg.

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A copy of the letter No.F.No.34/CIT(TDS)/2013-14, dated:2-5-2013 from Income Tax Officer (HQ), Office of the Commissioner of Income-Tax (TDS), Bangalore addressed to the Director of Treasuries is herewith enclosed alongwith a copy of the letter No.F.No.275/34/2011-IT(B) dated:22-4-2013 received from the Director (Budget), Ministry of Finance, Department of Revenue, Central Board of Direct Taxes, Government of India, New Delhi enclosing circular dated:17-04-2013 on the subject cited above.

I am directed to request you to circulate the above letter with enclosures among all the Drawing and Disbursing Officers coming under your Administrative control for taking necessary action for issue of Part-A of Form No.16 pertaining to TDS made on salary of employees by generating and downloading it through the TRACES portal.

Yours faithfully,

**DIRECTOR (FINANCE)**  
K. P. T. C. L.

AD (CIT)  
[Signature]

(C. Shamarao) 24/7/13  
Deputy Secretary to Government,  
Finance Department,  
(FR & BCC).

आयकर आयुक्त (सी.डी.एस.) का कार्यालय,  
OFFICE OF THE COMMISSIONER OF INCOME-TAX(TDS),  
चौथी मंजिल, एच.एम.टी. भवन, सं.59, बेल्लारी रोड,  
4<sup>TH</sup> FLOOR, HMT BHAVAN, NO.59, BELLARY ROAD,  
बैंगलूर/BANGALORE-560 032.

टेलिफोन सं./Tele No. : 080-23550550 फेक्स/Fax: 080-23550551

फ.सं./ F.No.34 /CIT(TDS)/2013-14

दिनांक/ Dated: 2/5/2013.

सेवा में/To

The Director of Treasuries,  
Dr. Ambedkar Veedhi,  
VV Tower, Podium Block,  
Bangalore – 560 001.

Madam,

विषय/Sub: Publicising the stipulation of mandatory generation of and  
issuance of Part A of Form No. 16 from the TRACES portal-reg.

संदर्भ/Ref: Letter F. No. 275/34/2011-IT(B) dated 22.4.2013

-oOo-

मैं... I am directed to forward herewith the Board's letter cited under reference regarding  
mandatory generation of and issuance of Part A of Form No. 16 from the TRACES Portal, for  
circulation amongst all the Drawing and Disbursing Officers.

भवदीया/Yours faithfully,

*Shanthi T.S.*  
(टी.एस. शंति)

(T.S. SHANTHI)

आयकर अधिकारी (मुख्या.)

Income Tax Officer (HQ)

कृते आयकर आयुक्त(टी.डी.एस.),

For Commissioner of Income-tax (TDS).

बैंगलूर / Bangalore

संलग्न/ Encl: उपर्युक्त / As above.

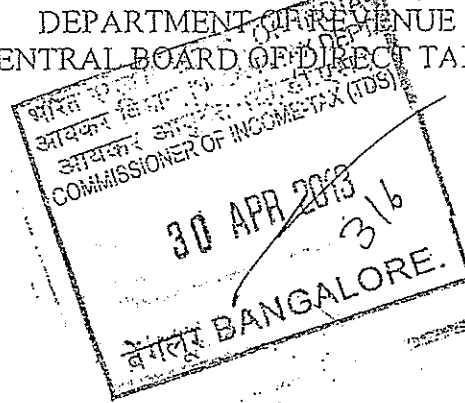
Rb TRACES Portal-p 1 D:May, 2013 btd CIT(TDS) dated 2.5.2013.

100  
मि.डी.

①

F.No.275/34/2011-JT(B)  
GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
CENTRAL BOARD OF DIRECT TAXES

170 W 16(2)



New Delhi, the 22.04.2013

To

All CsIT(TDS)

Sub:- Publicising the stipulation of mandatory generation of and issuance of Part A of Form No.16 from the TRACES portal - Circulation amongst Government DDOs- reg -

Sir,

Vide Circular no.4 of 2013 dated 17.04.2013, the Board has made it mandatory for all the deductors (including Government deductors who deposit TDS in the Central Government Account through book entry) to issue the Part A of Form No.16 pertaining to TDS made on salary of employees by generating and downloading it through the "TDS Reconciliation Analysis and Correction Enabling System" or (<https://www.tds.cpc.gov.in> also called TRACES portal). The due date for filing the TDS statement on salaries, as per Section 200(3) read with Rule 31A by the deductors in Form No.24Q for FY 2012-13, i.e 15.05.2013 is approaching. Further, as per Rule 31(3), all the deductors have to issue to the deductees/employees, the TDS certificate in Form No.16 (Part A and Part B) by 31.05.2013 for the FY 2012-13. The Part B of Form No.16 is to be prepared by the deductor manually. A copy of the said circular is enclosed for reference.

2. I have been directed to request you to bring the circular to the notice of all the Government deductors within your jurisdiction immediately.

Yours faithfully,

(Anshu Prakash)  
Director (Budget)

Encl : As above

फा.सं. 275/34/2011-आयकर (बजट)

भारत सरकार

वित्त मंत्रालय

राजस्व विभाग

केन्द्रीय प्रत्यक्ष कर बोर्ड

\*\*\*

नई दिल्ली, 17 अप्रैल, 2013

विषय:- आयकर नियमावली, 1962 के नियम 31 के साथ पठित आयकर अधिनियम, 1961 की धारा 203 के उपबंधों के अनुसरण में प्रपत्र सं. 16 में स्रोत पर कटौती किए गए कर हेतु प्रमाणपत्र जारी किए जाने के बाबत।

1. आयकर नियमावली, 1962 ('नियमावली') के नियम 31 के साथ पठित आयकर अधिनियम, 1961 ('अधिनियम') की धारा 203 कटौतीकर्ता द्वारा कटौती किए गए व्यक्ति को स्रोत पर कर कटौती (टीडीएस) का प्रमाणपत्र प्रस्तुत करने का प्रावधान करती है जिसमें विहित ब्यौरे जैसे कि टीडीएस की राशि, कटौती किए गए व्यक्ति का वैध स्थायी खाता संख्या (पैन), कर कटौती एवं कटौतीकर्ता का संग्रहण खाता संख्या (टैन), आदि उल्लिखित होने चाहिए। ऐसे टीडीएस प्रमाणपत्र हेतु संगत प्रपत्र धारा 192 के तहत कटौती के मामले में फार्म सं. 16 होता है तथा अधिनियम के अध्याय XVII-ख के अन्य किसी उपबंध के तहत कटौती हेतु प्रपत्र सं. 16क होता है। प्रपत्र सं. 16 में टीडीएस प्रमाणपत्र वार्षिक रूप से जारी होना चाहिए जबकि प्रपत्र सं. 16क में इसे तिमाही आधार पर जारी किया जाना चाहिए। दिनांक 19.02.2013 की अधिसूचना सं. 11/2013 के माध्यम से अधिसूचित किए गए अनुसार प्रपत्र सं. 16 में टीडीएस प्रमाणपत्र के दो भाग नामतः भाग क एवं भाग ख (अनुबंध) होते हैं। भाग क में कर कटौती एवं जमा के ब्यौरे होते हैं तथा भाग ख (अनुबंध) में आय का ब्यौरा होता है।

2. अधिनियम को ठीक तरह से लागू करने के साथ टीडीएस प्रक्रिया को व्यवस्थित करने की दृष्टि से बोर्ड ने दिनांक 13.05.2011 एवं 09.04.2012 को क्रमशः परिपत्र सं. 03/2011 एवं 01/2012 जारी किए थे जिसमें सभी कटौतीकर्ताओं द्वारा "टीडीएस समाधान विश्लेषण एवं शुद्धि समर्थित प्रणाली" अथवा (<https://www.tdscpc.gov.in>) (इसमें इसके बाद TRACES पोर्टल कहा जाएगा), पूर्व में टी आई एन वेबसाइट कही जाती थी, से टीडीएस प्रमाणपत्र को डाउनलोड करने के बाद प्रपत्र सं. 16क में टीडीएस प्रमाण पत्र जारी किया जाना अनिवार्य किया गया। अधिनियम की धारा 119 की शक्तियों का प्रयोग करते हुए बोर्ड ने अब निम्नलिखित निर्णय लिए हैं:-

2.1 01.04.2012 को अथवा उसके बाद स्रोत पर की गई कर की कटौती हेतु प्रपत्र सं. 16 के भाग 'क' को जारी करना।

सभी कटौतीकर्ता (उन सरकारी कटौतीकर्ताओं सहित जो बहीखाता प्रविष्टि के माध्यम से केन्द्र सरकार के खाते में टीडीएस जमा करते हैं) अध्याय-XVII ख की धारा 192 के उपबंधों के तहत 01 अप्रैल, 2012 को अथवा उसके बाद कटौती की गई सभी राशियों के संबंध में प्रपत्र सं. 16 के भाग क को तैयार करने एवं तत्पश्चात TRACES पोर्टल के माध्यम से डाउनलोड करने के बाद, जारी करेंगे। प्रपत्र सं. 16 के भाग क में एक अनूठी टीडीएस प्रमाणपत्र संख्या होगी।

## 2.2 प्रपत्र सं. 16 में टीडीएस प्रमाणपत्र का प्रमाणीकरण

TRACES पोर्टल से भाग क को डाउनलोड करके प्रपत्र सं. 16 के भाग क को जारी करने वाला कटौतीकर्ता, कटौती किए गए व्यक्ति को जारी करने से पूर्व उसमें उल्लिखित सामग्री के सही होने को प्रमाणित करेगा तथा नियम 31 के उप नियम (6) के अनुसरण में डिजिटल हस्ताक्षर अथवा मैन्युअल हस्ताक्षर करके उसका सत्यापन करेगा।

2.3 दूसरे शब्दों में, सभी कटौतीकर्ता प्रपत्र सं. 16 के भाग क को TRACES पोर्टल द्वारा उसे तैयार करने तथा विधिवत रूप से उसका प्रमाणीकरण एवं सत्यापन करने के उपरान्त ही जारी करेंगे।

2.4 प्रपत्र सं. 16 का भाग ख (अनुबंध) कटौतीकर्ता द्वारा मैन्युअली तैयार किया जाएगा तथा उपर्युक्त प्रपत्र सं. 16 के भाग क के प्रमाणीकरण एवं सत्यापन के बाद ही, कटौती किए गए व्यक्ति को साथ में जारी किया जाएगा।

2.5 नियमावली के नियम 31 का उप नियम (3) कटौतीकर्ता द्वारा कर्मचारी को प्रपत्र 16 जारी करने हेतु समय सीमा निश्चित करता है। वर्तमान में, प्रपत्र 16 जिस वित्त वर्ष में आय का भुगतान किया जाता है एवं कर-कटौती की जाती है, के तुरन्त बाद वाले वित्त वर्ष की 31 मई तक जारी हो जाना चाहिए।

3.1 आयकर महानिदेशक (प्रणाली) TRACES पोर्टल से प्रपत्र सं. 16 के भाग क को डाउनलोड करने के लिए प्रक्रिया, प्रारूप एवं मापदंडों को विनिर्दिष्ट करेंगे तथा प्रपत्र सं. 16 के भाग क को इलैक्ट्रॉनिक रूप में डाउनलोड करने हेतु प्रक्रिया, प्रारूप एवं मापदंडों से संबंधित दैनंदिन प्रशासन हेतु जिम्मेदार होंगे।

3.2 यह भी स्पष्ट किया जाता है कि कटौतीकर्ता द्वारा इस परिपत्र तथा आयकर महानिदेशक (प्रणाली) द्वारा विनिर्दिष्ट प्रक्रिया, प्रारूप एवं मापदंडों के अनुसार तथा अनूठी पहचान संख्या के साथ जारी किए गए प्रपत्र सं. 16 के भाग को ही निमावली के नियम 31 के साथ पठित अधिनियम की धारा 203 के प्रयोजन हेतु प्रपत्र सं. 16 के भाग क के जारी किए जाने की वैध अनुपालना मानी जाएगी।



(अंशु प्रकाश)

निदेशक (बजट)

के.प्र.क.बोर्ड

प्रतिलिपि: अंग्रेजी पाठानुसार प्रेषित।

F.No 275/34/2011-IT(B)  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes

New Delhi, the 17<sup>th</sup> April, 2013

**Sub: Issuance of certificate for tax deducted at source in Form No. 16 in accordance with the provisions of section 203 of the Income-tax Act, 1961 read with the Rule 31 of the Income-tax Rules 1962 -- regarding**

1. Section 203 of the Income-tax Act 1961 ("the Act") read with the Rule 31 of the Income-tax Rules 1962 ("the Rules") stipulates furnishing of certificate of tax deduction at source (TDS) by the deductor to the deductee specifying therein the prescribed particulars such as amount of TDS, valid permanent account number (PAN) of the deductee, tax deduction and collection account number (TAN) of the deductor, etc. The relevant form for such TDS certificate is *Form No. 16 in case of deduction under section 192 and Form No. 16A for deduction under any other provision of Chapter XVII-B of the Act*. TDS certificate in Form No. 16 is to be issued annually whereas TDS certificate in Form No. 16A is to be issued quarterly. TDS Certificate in Form No. 16 as notified vide Notification No. 11/2013 dated 19.02.2013 has two parts viz Part A and Part B (Annexure). Part A contains details of tax deduction and deposit and Part B (Annexure) contains details of income.

2. With a view to streamline the TDS procedures, including proper administration of the Act, the Board had issued Circular No. 03/2011 dated 13.05.2011 and Circular No. 01/2012 dated 09.04.2012 making it mandatory for all deductors to issue TDS certificate in Form No. 16A after generating and downloading the same from "TDS Reconciliation Analysis and Correction Enabling System" or (<https://www.tdscpc.gov.in>) (hereinafter called TRACES Portal), previously called TIN web-site. In exercise of powers under section 119 of the Act, the Board has now decided as following:-

**2.1 ISSUE OF PART A OF FORM NO. 16 FOR DEDUCTION OF TAX AT SOURCE MADE ON OR AFTER 01.04.2012:**

All deductors (including Government deductors who deposit TDS in the Central Government Account through book entry) shall issue the Part A of Form No. 16, by generating and subsequently downloading through TRACES Portal, in respect of all sums deducted on or after the 1st day of April, 2012 under the provisions of section 192 of Chapter XVII-B. Part A of Form No 16 shall have a unique TDS certificate number.

**2.2 AUTHENTICATION OF TDS CERTIFICATE IN FORM NO. 16:**

The deductor, issuing the Part A of Form No. 16 by downloading it from the TRACES Portal, shall, before issuing to the deductee authenticate the correctness of contents

mentioned therein and verify the same either by using manual signature or by using digital signature in accordance with sub-rule (6) of Rule 31.

2.3 In other words, Part A of Form No. 16 shall be issued by all the deductors, only by generating it through TRACES Portal and after duly authenticating and verifying it.

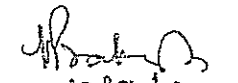
2.4 'Part B (Annexure)' of Form No. 16 shall be prepared by the deductor manually and issued to the deductee after due authentication and verification alongwith the Part A of the Form No. 16 stated above.

2.5 Sub rule (3) of rule 31 of the Rules sets the time limit for issuance of Form 16 by the deductor to the employee. Currently, Form 16 should be issued by 31<sup>st</sup> May of the financial Year immediately following the financial year in which income was paid and tax deducted.

3.1 The Director General of Income-tax (Systems) shall specify the procedure, formats and standards for the purpose of download of Part A of Form No. 16 from the TRACES Portal and shall be responsible for the day-to-day administration in relation to the procedure, formats and standards for download of Part A of Form No. 16 in electronic form.

3.2 It is further clarified that Part A of Form No. 16 issued by the deductors in accordance with this circular and as per the procedure, formats and standards specified by the Director General of Income-tax (Systems) and containing Unique Identification Number shall only be treated as a valid compliance to the issue of Part A of Form No. 16 for the purpose of section 203 of the Act read with rule 31 of the Rules.

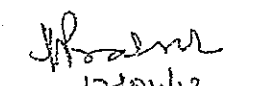
4. Hindi version shall follow.

  
17/04/13  
(Anshu Prakash)

Director (Budget)  
Central Board of Direct Taxes

Copy to:

1. The Chairperson, Members and all other officers of the CBDT of the rank of Under Secretary and above
2. All Chief Commissioners of Income-tax (CCA) & All Directors General of Income-tax
3. The Director (PR, PP & OL), Mayur Bhawan, New Delhi for printing in the quarterly tax bulletin and for circulation as per usual mailing list (100 copies)
4. The Comptroller and Auditor General of India (40 copies)
5. All Directors of Income Tax, New Delhi;
6. All CsIT (TDS)
7. The Director General of Income-tax, NADT, Nagpur
8. Guard file

  
17/04/13  
(Anshu Prakash)  
Director (Budget)

Central Board of Direct Taxes

CCCT) (Sent to PPS)





# ಕರ್ನಾಟಕ ವಿದ್ಯುತ್ ಪ್ರಸರಣ ನಿಗಮ ನಿಯಮಿತ



ಸಂಖ್ಯೆ:ಆ.ಸ(ಲೇಮತ್ತುಸಂ)/ಕೆಸಿಓ-20/6923/2008-09

ನಿಗಮ ಕಾರ್ಯಾಲಯ,  
ಕಾವೇರಿ ಭವನ,  
ಬೆಂಗಳೂರು-560009  
ದಿನಾಂಕ.30.08.2013.

## ಸುತ್ತೋಲೆ

ವಿಷಯ: ಶಾಸನಬದ್ಧ ತೆರಿಗೆ ಮೊತ್ತವನ್ನು ನಿಗದಿತ ಸಮಯದಲ್ಲಿ ಸಂಬಂಧಿಸಿದ ಇಲಾಖೆಗಳಿಗೆ ಪಾವತಿಸಿದೇ ವಿಳಂಬವಾಗಿ ಪಾವತಿಸಿದ ಅವಧಿಗೆ ಬಡ್ಡಿ ಮೊತ್ತವನ್ನು ಸಂಬಂಧಿಸಿದ ವೇತನ ಬಟವಾಡೆ ಅಧಿಕಾರಿಗಳಿಂದ ವಸೂಲಿ ಮಾಡಲು ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ 28.401 ರ ಅಡಿಯಲ್ಲಿ ಪರಿಗಣಿಸುವ ಬಗ್ಗೆ.

\*\*\*\*

ಇತ್ತೀಚೆಗೆ ಹಲವು ಲೆಕ್ಕ ಘಟಕಗಳ ವೇತನ ಬಟವಾಡೆ ಅಧಿಕಾರಿಗಳು ಶಾಸನಬದ್ಧ ಆದಾಯ ತೆರಿಗೆ ಮೊತ್ತವನ್ನು ನಿಗದಿತ ಅವಧಿಯಲ್ಲಿ ಸಂಬಂಧಿಸಿದ ಇಲಾಖೆಗೆ ಪಾವತಿಸದಿರುವುದು ಹಾಗೂ ಆದಾಯ ತೆರಿಗೆ ಮೊತ್ತವನ್ನು ಆದಾಯ ತೆರಿಗೆ ಇಲಾಖೆಯಿಂದ ತಡವಾಗಿ ಪಾವತಿಸಿರುವುದಕ್ಕೆ ಬಡ್ಡಿ ಮೊತ್ತವನ್ನು ಪಾವತಿಸಲು ಇಲಾಖೆಯಿಂದ ನೋಟೀಸುಗಳನ್ನು ಜಾರಿಗೊಳಿಸಿದ ನಂತರ ಅನಗತ್ಯ ಕಾರಣಗಳನ್ನು ನೀಡಿ ಬಡ್ಡಿ ಮೊತ್ತವನ್ನು ಪಾವತಿಸಲು ಅನುಮೋದನೆ ಕೋರಿ ನಿಗಮ ಕಾರ್ಯಾಲಯಕ್ಕೆ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಸಲ್ಲಿಸುತ್ತಿರುತ್ತಾರೆ. ಆದಾಯ ತೆರಿಗೆ ಇಲಾಖೆಗೆ ಶಾಸನಬದ್ಧ Tax Deducted at Source (TDS) ಮೊತ್ತವನ್ನು ಪ್ರತಿ ಮುಂದಿನ ತಿಂಗಳ 7ನೇ ತಾರೀಖಿನೊಳಗೆ ಪಾವತಿಸುವುದು ಕಡ್ಡಾಯವೆಂಬ ಅಂಶವನ್ನು ವೇತನ ಬಟವಾಡೆ ಅಧಿಕಾರಿಗಳು ತಿಳಿದಿದ್ದರೂ ಸಹಾ ವಿಭಾಗ ಕಛೇರಿಗಳಿಂದ ನಿಗಮ ಕಾರ್ಯಾಲಯಕ್ಕೆ ಮುಂಚಿತವಾಗಿ ನಿಧಿ ಕೋರಿಕೆಗಳನ್ನು ಸಲ್ಲಿಸಿ ವೈಯಕ್ತಿಕ ಗಮನಹರಿಸಿ ನಿಧಿಯನ್ನು ಪಡೆದು ಆದಾಯ ತೆರಿಗೆ ಇಲಾಖೆಗೆ ನಿಗದಿತ ದಿನಾಂಕದೊಳಗೆ ಪಾವತಿಸಲು ಅಗತ್ಯ ಕ್ರಮ ಕೈಗೊಳ್ಳದಿರುವುದು ಕಂಡುಬಂದಿದೆ.

ಇತ್ತೀಚೆಗೆ ಈ ಸಂಬಂಧ Income Tax Appellate Tribunal, Bangalore Bench 'A' (ITAT) ನಲ್ಲಿ ಕವಿಪ್ರನಿನಿಗೆ ವ್ಯತಿರಿಕ್ತವಾದ ಆದೇಶವೊಂದು ಹೊರಬಿದ್ದಿದ್ದು ಅದರ ಸಾರಾಂಶ ಈ ಕೆಳಕಂಡಂತಿದೆ.

ಕವಿಪ್ರನಿನಿಗೆ ಸಂಬಂಧಿಸಿದ ಲೆಕ್ಕಘಟಕ ಒಂದರಲ್ಲಿ 2009ನೇ ಏಪ್ರಿಲ್ ತಿಂಗಳಿನಲ್ಲಿ ಪಾವತಿಬೇಕಾಗಿದ್ದ TDS ಮೊತ್ತವನ್ನು 7ನೇ ದಿನಾಂಕದಂದು ಸಾರ್ವತ್ರಿಕ ರಜೆ ಇದ್ದುದರಿಂದ ದಿನಾಂಕ 8 ರಂದು ಪಾವತಿಸಿ ಆದಾಯ ತೆರಿಗೆ ಇಲಾಖೆಗೆ 9 ರಂದು ಜಮೆ ಆಗಿರುತ್ತದೆ. ಅದರಿಂದ ಈ ಬಗ್ಗೆ ಬಡ್ಡಿ ವಿಧಿಸಿದ್ದು ಅದನ್ನು ಪ್ರಶ್ನಿಸಿ CIT(A) ನಲ್ಲಿ ಮೇಲ್ಮನವಿ ಸಲ್ಲಿಸಿ ವಿಫಲವಾದಾಗ ITAT ನಲ್ಲಿ ಮೇಲ್ಮನವಿ ಸಲ್ಲಿಸಿದಾಗ ಹೊರಡಿಸಿದ ಆದೇಶ ಈ ಕೆಳಕಂಡಂತಿರುತ್ತದೆ.

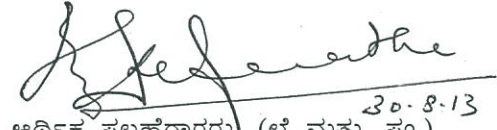
### **Extract of the order of Income Tax Appellate Tribunal, Bangalore Bench 'A' of ITA NO.35/Bang/2012**

"The CIT(A) in the impugned order has not considered the introduction of Rule 125 w.e.f. 13/3/2008. The assessee, being a company, it was mandatory for it to have paid the taxes electronically. Therefore, as rightly pointed out by the learned DR, delay in tax remittance cannot be attributed to the banker. Since the learned CIT(A) has not dealt with these issue, we deem it fit and proper to restore the matter to the file of CIT(A) for denovo consideration. The CIT(A) shall dispose off the matter as expeditiously as possible after affording reasonable opportunity of hearing to the assessee. It is ordered accordingly."

ಮೇಲಿನ ಆದೇಶ ಗಮನಿಸಿದರೆ 'e-payment' ಪಾವತಿಸುವ ಬಗ್ಗೆ ಶಾಸನಬದ್ಧ ಅಗತ್ಯತೆಯ ಅನಿವಾರ್ಯತೆ ಹಾಗೂ ಪ್ರಾಮುಖ್ಯತೆ ವೇದ್ಯವಾಗುತ್ತದೆ.

ಆದುದರಿಂದ ಇನ್ನು ಮುಂದೆ ಯಾವುದೇ ಶಾಸನಬದ್ಧ ಪಾವತಿಗಳನ್ನು ಸಂಬಂಧಿಸಿದ ಇಲಾಖೆಗಳಿಗೆ ಪಾವತಿಸುವ ಸಂಬಂಧ ಕೆಳಕಂಡಂತೆ ಕ್ರಮಕೈಗೊಳ್ಳಲು ಸೂಚಿಸಲಾಗಿದೆ.

1. ಶಾಸನಬದ್ಧ ಪಾವತಿಗಳನ್ನು ಪಾವತಿಸಲು ಆದಾಯ ತೆರಿಗೆ ಇಲಾಖೆಯ ಆದೇಶದನ್ವಯ ಪ್ರತಿ ತಿಂಗಳು ನಿಗದಿತ ದಿನಾಂಕದೊಳಗೆ TDS ಮೊತ್ತವನ್ನು ಕಡ್ಡಾಯವಾಗಿ ಆನ್‌ಲೈನ್ ಮೂಲಕ (e - payment) ಪಾವತಿಸತಕ್ಕದ್ದು.
2. ಶಾಸನಬದ್ಧ ಪಾವತಿಗಳನ್ನು ಪಾವತಿಸಲು ಅಗತ್ಯವಿರುವ ನಿಧಿಯನ್ನು ಪಡೆಯಲು ತಿಂಗಳ ಕೊನೆಯ ದಿನಾಂಕದಂದು ಅಥವಾ ಮುಂದಿನ ತಿಂಗಳ 1ನೇ ದಿನಾಂಕದಂದು ನಿಗಮ ಕಾರ್ಯಾಲಯಕ್ಕೆ ನಿಧಿಕೋರಿಕೆಯನ್ನು ಸಲ್ಲಿಸಿ ವೇತನ ಬಟವಾಡೆ ಅಧಿಕಾರಿಗಳು ವೈಯಕ್ತಿಕ ಗಮನಹರಿಸಿ ನಿಧಿಯನ್ನು ಪಡೆದು ಸಂಬಂಧಿಸಿದ ಇಲಾಖೆಗಳಿಗೆ ನಿಗದಿತ ದಿನಾಂಕದೊಳಗೆ ಪಾವತಿಸತಕ್ಕದ್ದು.
3. ತೆರಿಗೆ ಪಾವತಿಗಳನ್ನು ಪಾವತಿಸಲು ಸಕಾಲದಲ್ಲಿ ನಿಧಿಯನ್ನು ಪಡೆಯಲು/ನೀಡಲು ಕ್ರಮಕೈಗೊಳ್ಳದೇ ನಿಗದಿತ ಸಮಯದಲ್ಲಿ ತೆರಿಗೆ ಮೊತ್ತವನ್ನು ಪಾವತಿಸದೇ ನಿಗಮಕ್ಕೆ ಉಂಟಾಗುವ ಆರ್ಥಿಕ ನಷ್ಟದ ಮೊತ್ತವನ್ನು ಬಡ್ತಿ ಸಮೇತ ವಿಳಂಬಕ್ಕೆ ಕಾರಣರಾಗಿರುವ ಅಧಿಕಾರಿಗಳ ವೈಯಕ್ತಿಕ ಲೆಕ್ಕದಿಂದ (ಲೆಕ್ಕ ಶೀರ್ಷಿಕೆ 28.401ರ ಅಡಿಯಲ್ಲಿ) ವಸೂಲಿ ಮಾಡಲಾಗುವುದು. ಹಾಗೂ ಸಂಬಂಧಿಸಿದ ಶಿಸ್ತು ಪ್ರಾಧಿಕಾರಿಗಳು ನಿಯಮಾನುಸಾರ ಶಿಸ್ತು ಕ್ರಮ ಜರುಗಿಸತಕ್ಕದ್ದು.
4. ಇನ್ನು ಮುಂದೆ ವಿಳಂಬವಾಗಿ ನಿಧಿ ಕೋರಿಕೆಯನ್ನು ನಿಗಮ ಕಾರ್ಯಾಲಯಕ್ಕೆ ಸಲ್ಲಿಸದೇ ತೆರಿಗೆ ಪಾವತಿ ವಿಳಂಬವಾದ ಪ್ರಕರಣಗಳಲ್ಲಿ ಸ್ಪಷ್ಟೀಕರಣ ಮತ್ತು ಅನುಮೋದನೆ ಕೋರಿ ಪ್ರಸ್ತಾವನೆಯನ್ನು ಪರಿಗಣಿಸಿ ಅನುಮೋದಿಸಲಾಗುವುದಿಲ್ಲ.
5. ವೇತನ ಬಟವಾಡೆ ಅಧಿಕಾರಿಗಳು ವಯೋ ನಿವೃತ್ತಿ/ಸ್ವಯಂ ನಿವೃತ್ತಿ ಹೊಂದುವ ಸಮಯದಲ್ಲಿ ನಿವೃತ್ತಿ ಉಪಲಬ್ಧಿಗಳನ್ನು ಪಡೆಯಲು ಪಿಂಚಣಿ ದಾಖಲೆಗಳನ್ನು ಸಲ್ಲಿಸಿದಾಗ ನಿಗಮ ಕಾರ್ಯಾಲಯದ ನಿಯಂತ್ರಣಾಧಿಕಾರಿ (ಲೆಕ್ಕಗಳು, ಪಿಂಚಣಿ ಮತ್ತು ಮುಂಗಡ) ರವರು ಕೂಲಂಕುಷವಾಗಿ ಪರಿಶೀಲಿಸಿ, ತೆರಿಗೆ ಇಲಾಖೆಯಿಂದ ನೋಟೀಸ್ ನೀಡಿರುವ ಪ್ರಕರಣಗಳಲ್ಲಿ ವಿಳಂಬವಾಗಿ ತೆರಿಗೆ ಮೊತ್ತವನ್ನು ಪಾವತಿಸಿರುವುದಕ್ಕೆ ಬಡ್ತಿ ಮತ್ತು ಆರ್ಥಿಕ ನಷ್ಟದ ಮೊತ್ತವನ್ನು ಪಿಂಚಣಿ ಉಪಲಬ್ಧಿಗಳಲ್ಲಿ ಕಡಿತಗೊಳಿಸಲು ಸೂಕ್ತ ಕ್ರಮ ಕೈಗೊಳ್ಳತಕ್ಕದ್ದು.
6. ಕವಿಪ್ರನಿ ನಿ ವ್ಯಾಪ್ತಿಯ ಎಲ್ಲಾ ಲೆಕ್ಕ ಘಟಕಗಳಿಂದ ನಿಧಿ ಕೋರಿಕೆಯನ್ನು ಪಡೆದು ನಿಧಿಯನ್ನು ವರ್ಗಾಯಿಸುವ ಕಾರ್ಯಗಳನ್ನು ನಿಗಮ ಕಾರ್ಯಾಲಯದಲ್ಲಿ ನಿಯಂತ್ರಣಾಧಿಕಾರಿ (ಹಣಕಾಸು) ರವರ ನಿಯಂತ್ರಣದ ಸಂಪನ್ಮೂಲ ಶಾಖೆಯಲ್ಲಿ ನಿರ್ವಹಿಸಲಾಗುತ್ತಿದ್ದು, ನಿಧಿ ಕೋರಿಕೆ/ವರ್ಗಾವಣೆಗೆ ಸಂಬಂಧಿಸಿದ ಸಂಪೂರ್ಣ ವ್ಯವಹಾರದ ವಿಷಯಗಳನ್ನು ನಿಯಮಾನುಸಾರ ಪರಿಶೀಲಿಸಿ ಸೂಕ್ತ ಕ್ರಮ ಕೈಗೊಳ್ಳುವ ಕಾರ್ಯವನ್ನು ನಿಗಮ ಕಾರ್ಯಾಲಯದ ಸಂಪನ್ಮೂಲ ಶಾಖೆಯಲ್ಲಿ ನಿರ್ವಹಿಸತಕ್ಕದ್ದು.

  
ಆರ್ಥಿಕ ಸಲಹೆಗಾರರು (ಲೆ ಮತ್ತು ಸಂ.) 30.8.13

ಪ್ರತಿಗಳು:

1. ಎಲ್ಲಾ ಮುಖ್ಯ ಇಂಜಿನಿಯರ್ (ವಿ), ಕವಿಪ್ರನಿ
2. ಎಲ್ಲಾ ಅಧೀಕ್ಷಕ ಇಂಜಿನಿಯರ್ (ವಿ), ಕವಿಪ್ರನಿ
3. ಉಪ ಪ್ರಧಾನ ವ್ಯವಸ್ಥಾಪಕರು (ಸಿಬ್ಬಂದಿ), ನಿಗಮ ಕಾರ್ಯಾಲಯ, ಕ.ವಿ.ಪ್ರ.ನಿ.ನಿ, ಕಾವೇರಿ ಭವನ, ಬೆಂಗಳೂರು.
4. ಎಲ್ಲಾ ನಿಯಂತ್ರಣಾಧಿಕಾರಿಗಳು, ಕವಿಪ್ರನಿ
5. ಎಲ್ಲಾ ಉಪ ಲೆಕ್ಕ ನಿಯಂತ್ರಣಾಧಿಕಾರಿಗಳು, ಕವಿಪ್ರನಿ
6. ಎಲ್ಲಾ ಕಾರ್ಯನಿರ್ವಾಹಕ ಇಂಜಿನಿಯರ್ (ವಿ), ಬೃಹತ್ ಕಾಮಗಾರಿ ವಿಭಾಗ/ಪ್ರಸರಣಾ ಮಾರ್ಗಗಳು ಮತ್ತು ಉಪಸ್ಥಾಪಕ ವಿಭಾಗ, ಕವಿಪ್ರನಿ
7. ಎಲ್ಲಾ ಲೆಕ್ಕಾಧಿಕಾರಿಗಳು, ಬೃಹತ್ ಕಾಮಗಾರಿ ವಿಭಾಗ/ಪ್ರಸರಣಾ ಮಾರ್ಗಗಳು ಮತ್ತು ಉಪಸ್ಥಾಪಕ ವಿಭಾಗ, ಕವಿಪ್ರನಿ
8. ಎಲ್ಲಾ ಲೆಕ್ಕಾಧಿಕಾರಿಗಳು (ಆಂತರಿಕ ತನಿಖೆ), ಕವಿಪ್ರನಿ
9. ವ್ಯವಸ್ಥಾಪಕರು (ಆಂತರಿಕ ನಿರ್ವಹಣೆ)/ನಗದು ಮತ್ತು ಲೆಕ್ಕಗಳು, ನಿಗಮ ಕಾರ್ಯಾಲಯ ಕ.ವಿ.ಪ್ರ.ನಿ.ನಿ, ಕಾವೇರಿ ಭವನ, ಬೆಂಗಳೂರು.
10. ರೆಸಿಡೆಂಟ್ ಆಡೀಟ್ ಆಫೀಸರ್, ಕ.ವಿ.ಪ್ರ.ನಿ.ನಿ, ಕಾವೇರಿ ಭವನ, ಬೆಂಗಳೂರು.
11. ಆರ್ಥಿಕ ಸಲಹೆಗಾರರು (ಲೆಕ್ಕಗಳು ಮತ್ತು ಸಂಪನ್ಮೂಲ) ಕಛೇರಿಯ ಎಲ್ಲಾ ಅಧಿಕಾರಿಗಳಿಗೆ.
12. ಆಪ್ತ ಕಾರ್ಯದರ್ಶಿ, ಆರ್ಥಿಕ ಸಲಹೆಗಾರರು, (ಆಂ.ತ.), ನಿಗಮ ಕಾರ್ಯಾಲಯ ಕವಿಪ್ರನಿ, ಕಾವೇರಿಭವನ, ಬೆಂಗಳೂರು.
13. ಮುಖ್ಯ ಕಡತ.



**KARNATAKA POWER TRANSMISSION CORPORATION LIMITED**

No. FA(A&R)/KCO-20/6911/2013-14

Corporate Office,  
7<sup>th</sup> Floor, Kaveri Bhavan,  
Bangalore - 560 009  
Dated: 28.10.2013

**CIRCULAR**

Sub : Furnishing adequate information in the prescribed format for remittance of Service Tax amount to the Department.

- Ref: 1. This office Circular No. FA(A&R)/KCO-21/6936/2009-10 dated. 22.12.2009.  
2. This office Circular No. FA(A&R)/KCO-20/6911/2012-13 dated. 30.07.2012, 17.09.2012 and 19.11.2012.

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Pursuant to the '**Negative List Taxation Scheme**' w.e.f. 1<sup>st</sup> July 2012 introduced by the Department of Revenue, Ministry of Finance, Govt. of India, instructions/clarifications have been issued vide circulars cited above indicating changes under which all other services except the exempted services are liable to Service Tax. Thus an activity which satisfies the definition of service would be liable to tax if the same is not covered under the list which is specified as non-taxable. In addition to this, a new concept of '**Joint Charge Mechanism/Reverse charge Mechanism**' was introduced wherein the 'service recipient' was made liable to pay certain portion of service tax along with 'Service Provider'.

In KPTCL, the payment of Service Tax and filing of returns to the Department being made centrally by the Manager (Internal Management) Section, Corporate Office after receipt of the Advise of Transfer along with the information furnished from the concerned Accounting Units.

But, It is reported by the Manager (Internal Management), Corporate Office that, majority of the Accounting Units are not furnishing proper and adequate information for remittance of Service Tax to the Department. Some of the Accounting Units are sending Advise of Transfer after the due date for remittance of Service Tax and furnishing incomplete/inaccurate information. Some Units are deducting service tax on services which are not taxable and deducting service tax in respect of services which are not



covered under Joint Charge (like Couriers Service Bills, Vehicle Repair Bills, Stationery Purchase Bills, etc.,). Thereby Manager (Internal Management) Section is facing difficulty in remittance of Service Tax to the Department. These discrepancies have resulted in issue of Show Cause Notices by the Department, and payment of interest and penalty to the Department.


The Internal Audit Party of Service Tax Department (LTU) have carried out Service Tax Audit of KPTCL recently and in their Audit Report among other observations 'Short remittance of Service Tax' and 'Delay in remittance Service Tax' have been made quantifying huge amount to be paid by KPTCL'. For payment of this Service Tax along with the interest and penalty, the Pay Drawing Officers of the Unit are solely responsible. In case KPTCL's Management decides to recover the same from the concerned Officers/Employees the same will be communicated to all the concerned Units in due course.

With a view to avoid discrepancies relating to Service Tax Payment, a common format for furnishing of information by Accounting Units to Manager (IM) section is herewith prescribed. All the Pay Drawing Officers of the Accounting Units are hereby instructed to send the Advise of Transfer along with the information in the enclosed prescribed format before 2<sup>nd</sup> of every following month for remittance of Service Tax to the Department correctly within the prescribed time. A soft copy of the statement may be e-mailed to [mangerim701@gmail.com](mailto:mangerim701@gmail.com) without fail.

Any deviation in furnishing information in the formats prescribed and delay in sending Advise of Transfer for remittance of Service Tax to Manager (Internal Management) Section, Corporate office will be **construed as lapse on the part of the Pay Drawing Officers of Accounting Units for which they will be personally held responsible.** Interest and penalty if any, claimed by the Service Tax Department due to noncompliance of provisions relating to Service Tax will be recovered from the Personal Account of the concerned Unit Officers without any further notice which may please be noted.

Further, if the Units continue to furnish inadequate, inaccurate and improper information besides inordinate delay, Corporate Office is seriously exploring the option of decentralising the remittance of Service Tax and filing of returns thereon so that, the Pay Drawing Officers will be entrusted with the responsibility of handling Service Tax issues in toto at their end.

Hence, all Pay Drawing Officers are requested to realise their responsibility and comply with the instructions to avoid any unpleasant action.

  
Financial Adviser (A&R) 28.12.13

To:

All the Chief Engineers, KPTCL  
The Financial Adviser (I/A), KPTCL, Kaveri Bhavan, Bangalore  
All the Controllers, KPTCL  
All the Superintending Engineers, KPTCL  
The Superintending Engineer(EI), MIS, Computer Section for hosting the circular on e-prasarana.  
All the Deputy Controllers, KPTCL  
The Deputy General Manager (Personnel), Corporate Office, KPTCL, Kaveri Bhavan, Bangalore-9  
The Deputy Controller, HRD Centre, KPTCL, Bangalore  
All the Executive Engineers, KPTCL  
All the Accounts Officers, KPTCL  
The Manager (IM), KPTCL, Kaveri Bhavan, Bangalore.  
The Manager (Establishment-II), KPTCL, Kaveri Bhavan, Bangalore  
The Manager (Cash & Accounts), KPTCL, Kaveri Bhavan, Bangalore  
All the Accounts Officers (Internal Audit), KPTCL,  
All the Assistant Accounts Officer (internal Audit), KPTCL  
All the Officers of FA (A&R)'s office  
PS to Director (Finance), KPTCL, Bangalore  
AAO-I/Sr. Assts /Assts of Accounts Section/Cash & Accounts Section  
M.F

# KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

Statement Showing the Details of Service Tax Collected for the Month of .....

Name of the Accounting Unit :

**I. Service Provider liable to pay Service Tax (ie., cases where KPTCL as a Service Provider collect and remit entire Service Tax)**

| Sl No        | Name of the party/Agency | Nature of Service                                   | Name of the work | Gross Amount of Bill (ie., Service Charges) | Service Tax |                               |                         | Service Tax Total (Col. 6+7+8) |
|--------------|--------------------------|-----------------------------------------------------|------------------|---------------------------------------------|-------------|-------------------------------|-------------------------|--------------------------------|
|              |                          |                                                     |                  |                                             | Tax 12%     | Education Cess 2% (on Col. 6) | S&H Cess 1% (on Col. 6) |                                |
| 1            | 2                        | 3                                                   | 4                | 5                                           | 6           | 7                             | 8                       | 9                              |
| 1            |                          | Technical Inspection & Certification Agency Service |                  |                                             |             |                               |                         |                                |
| 2            |                          | Renting of Immovable Property                       |                  |                                             |             |                               |                         |                                |
| 3            |                          | Mandap Keeper Service                               |                  |                                             |             |                               |                         |                                |
| 4            |                          | Maintenance or Repair Service and so on             |                  |                                             |             |                               |                         |                                |
| <b>Total</b> |                          |                                                     |                  | -                                           |             |                               | -                       | -                              |

**II. Joint Charge (ie., cases where KPTCL as a Service Recipient is liable to pay prescribed percentage of Service Tax)**

| Sl No        | Name of the party/Agency | Nature of Service                                     | Name of the work | Gross Amount of Bill (ie., Service Charges) | Taxable Value | Service Tax |                               |                         | Total (Col. 7+8+9) | Percentage of Service Tax payable by KPTCL as a Service Recipient | Service Tax payable by KPTCL Rs. |
|--------------|--------------------------|-------------------------------------------------------|------------------|---------------------------------------------|---------------|-------------|-------------------------------|-------------------------|--------------------|-------------------------------------------------------------------|----------------------------------|
|              |                          |                                                       |                  |                                             |               | 12%         | Education Cess 2% (on Col. 7) | S&H Cess 1% (on Col. 7) |                    |                                                                   |                                  |
| 1            | 2                        | 3                                                     | 4                | 5                                           | 6             | 7           | 8                             | 9                       | 10                 | 11                                                                | 12                               |
| 1            |                          | a) Manpower Supply Service                            |                  |                                             |               |             |                               |                         |                    | 75%                                                               |                                  |
| 2            |                          | b) Rent of Motor Vehicle designed to carry passengers |                  |                                             |               |             |                               |                         |                    | 40%                                                               |                                  |
| 3            |                          | c) Service portion in execution of Works Contract     |                  |                                             |               |             |                               |                         |                    | 50%                                                               |                                  |
| 4            |                          | d) Security (Agency) Service                          |                  |                                             |               |             |                               |                         |                    | 75%                                                               |                                  |
| <b>Total</b> |                          |                                                       |                  | -                                           |               | -           | -                             | -                       | -                  |                                                                   |                                  |

CA/DCA/AO

**III Reverse Charge.(ie., cases where KPTCL as a Service Recipient is liable to pay entire Service Tax directly to the Service Tax Department)**

| SI No        | Name of the party/Agency | Nature of Service                                      | Name of the work | Gross Amount of Bill | Taxable Value | Percentage of Service Tax applicable | Service Tax |                               |                         | Total (Col. 8+9+10) |
|--------------|--------------------------|--------------------------------------------------------|------------------|----------------------|---------------|--------------------------------------|-------------|-------------------------------|-------------------------|---------------------|
|              |                          |                                                        |                  |                      |               |                                      | 12%         | Education Cess 2% (on Col. 8) | S&H Cess 1% (on Col. 8) |                     |
| 1            | 2                        | 3                                                      | 4                | 5                    | 6             | 7                                    | 8           | 9                             | 10                      | 11                  |
| 1            |                          | Legal Services                                         |                  |                      |               | 100%                                 |             |                               |                         |                     |
| 2            |                          | Goods Transport Agency(GTA) Service                    |                  |                      |               | 100%                                 |             |                               |                         |                     |
| 3            |                          | Sponsorship Services                                   |                  |                      |               | 100%                                 |             |                               |                         |                     |
| 4            |                          | Director of a Company(Other than whole time Directors) |                  |                      |               | 100%                                 |             |                               |                         |                     |
| <b>Total</b> |                          |                                                        |                  | -                    |               |                                      | -           | -                             | -                       | -                   |

CA/DCA/AO

**Abstract of Service Tax payable for the month of .....**

| Sl. No.      | Nature of Service           | Taxable Amount | Service Tax |                              |                         | Total (Col. 4+5+6) |
|--------------|-----------------------------|----------------|-------------|------------------------------|-------------------------|--------------------|
|              |                             |                | 12%         | Education Cess 2%(on Col. 4) | S&H Cess 1% (on Col. 4) |                    |
| 1            | 2                           | 3              | 4           | 5                            | 6                       | 7                  |
| 1            | KPTCL as a Service Provider |                |             |                              |                         |                    |
| 2            | Joint Charge Mechanism      |                |             |                              |                         |                    |
| 3            | Reverse Charge              |                |             |                              |                         |                    |
| <b>Total</b> |                             |                |             |                              |                         |                    |

- NOTE : 1. For assessment of Taxable Value in respect of Works Contract Bills please refer this office Circular NO.FA(A&R)/KCO-21/6911/2012-13, dated: 19.11.2012 para 5.  
2. Any Service Tax collected on new Service shall be supported by related documents;  
3. DCA/AO/AAO of the Unit shall check the amount Calculations before sending the statements.  
4. Under each category of Service indicated in the format, itemwise /Invoicewise/partywise details shall be furnished.

## KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

No. FA(A&R)/CF/AOR/KCO-35/51970/2013-14



Corporate Office  
Kavery Bhavan,  
Bangalore-560 009.

Date 13-11-2013

### Circular

Sub: Guidelines for sending Fund requisitions for transfer of Funds w.e.f December 2013.

It is observed that many Accounting Units are sending Fund requisitions for various requirements without following any time schedule. Further, the details like nature of expenses, Account Code, availability of Budget provision and expenditure till the date of requisition are not being indicated in the Fund requisition.

In order to avoid the above discrepancies and to bring uniformity the following guidelines shall be followed strictly by the Accounting Units while sending Fund requisition to this Office.

1. The Fund requisition shall be sent to Controller (Finance). Covering Letter format enclosed.
2. Fund requisition shall be preferred as per time schedule indicated in the Annexures (Annexures I to V enclosed).
3. Funds requisition shall be preferred in respect of the items specified in the Annexures.
4. Under exceptional circumstances, bills if any, passed after Time schedule indicated in Annexures Funds requisition may be sent during subsequent week instead of waiting till subsequent month.
5. Fund requisition shall be sent only in respect of the bills passed and ready for payment.
6. Before sending Fund requisition in respect of any expenses the availability of Budget allocation shall be ensured.
7. In case of shortfall of Budget an additional Budget / Re-appropriation of Budget shall be obtained from Competent Authority.
8. Fund requisition shall invariably bear the Certification of the Concerned Internal Auditor.

The above Guidelines shall be followed scrupulously and deviation if any, in this regard will be viewed seriously.

Financial Adviser(A & R) 13.11.13



## Karnataka Power Transmission Corporation Ltd

No.



O/o.....

.....

.....

.....

Date:

To,

Controller (Finance),  
KPTCL, Corporate Office,  
6<sup>th</sup> Floor, Kaveri Bhavan,  
Bangalore – 560 009.

Sir,

Sub: Transfer of funds - Rs.....to Operative  
Account No.....

Kindly arrange to transfer the funds of Rs.....to our  
Operative Account No..... at .....(Name Of the  
Bank & Branch) for arranging payment in respect of the expenditures shown  
in the following Annexure/s.

| Particulars  | Amount in Rs. |
|--------------|---------------|
| Annexure I   |               |
| Annexure II  |               |
| Annexure III |               |
| Annexure IV  |               |
| Annexure V   |               |

The Annexure/s duly verified by Internal Audit is/are enclosed.

Yours faithfully,

(Head of the Division/Circle/Zone)

## ANNEXURE - I

REQUISITION OF FUNDS FOR THE MONTH OF..... for statutory payments including legal if any.  
(As and when required)

**NAME OF THE ACCOUNTING UNIT:**

**LOCATION CODE:**

| Sl No. | Particulars             | BR No. & Date | A/c Code | Amount Requisitioned |             | Budget Provision (including appropriation/ re-appropriation) | Expenditure till date excluding present requisition | Balance Budget Provision available | Remarks |
|--------|-------------------------|---------------|----------|----------------------|-------------|--------------------------------------------------------------|-----------------------------------------------------|------------------------------------|---------|
|        |                         |               |          | Amt in Rs.           | Amt in Lakh |                                                              |                                                     |                                    |         |
| 1      | 2                       | 3             | 4        | 5                    | 6           | 7                                                            | 8                                                   | 9(7-8)                             | 10      |
| 1      | Income Tax & KST        |               |          |                      |             |                                                              |                                                     |                                    |         |
| 2      | Property Tax            |               |          |                      |             |                                                              |                                                     |                                    |         |
| 3      | Vehicle Tax & Insurance |               |          |                      |             |                                                              |                                                     |                                    |         |
| 4      | Others to be specified  |               |          |                      |             |                                                              |                                                     |                                    |         |
|        |                         |               |          |                      |             |                                                              |                                                     |                                    |         |
|        |                         |               |          |                      |             |                                                              |                                                     |                                    |         |

Certified that the amount indicated in the Fund Requisition is correct as verified from the Bills passed and pending payment in the Cash Section. The Funds transferred previously have been spent for the specific purpose for which it was sent. The closing balance as on this date as per the Cash Book is Rs.....

VERIFIED BY

AAO(I/A)/AO(I/A)/DCA(I/A)

AO/DCA/CA

## ANNEXURE-II

REQUISITION OF FUNDS FOR THE MONTH OF.....  
(2<sup>nd</sup> Week of every month)

**NAME OF THE ACCOUNTING UNIT:**

**LOCATION CODE:**

| Sl No. | Particulars               | BR No. & Date | A/c Code | Amount Requisitioned |             | Budget Provision (including appropriation/ re-appropriation) | Expenditure till date excluding present requisition | Balance Budget Provision available | Remarks |
|--------|---------------------------|---------------|----------|----------------------|-------------|--------------------------------------------------------------|-----------------------------------------------------|------------------------------------|---------|
|        |                           |               |          | Amt in Rs.           | Amt in Lakh |                                                              |                                                     |                                    |         |
| 1      | 2                         | 3             | 4        | 5                    | 6           | 7                                                            | 8                                                   | 9(7-8)                             | 10      |
| 1      | Rent                      |               |          |                      |             |                                                              |                                                     |                                    |         |
| 2      | Security to Stations      |               |          |                      |             |                                                              |                                                     |                                    |         |
| 3      | Legal Charges             |               |          |                      |             |                                                              |                                                     |                                    |         |
| 4      | Electricity/Water Charges |               |          |                      |             |                                                              |                                                     |                                    |         |
| 5      | Printing & Stationery     |               |          |                      |             |                                                              |                                                     |                                    |         |
| 6      | TA                        |               |          |                      |             |                                                              |                                                     |                                    |         |
| 7      | Contract Agency           |               |          |                      |             |                                                              |                                                     |                                    |         |
| 8      | Consultancy Charges       |               |          |                      |             |                                                              |                                                     |                                    |         |
| 9      | Vehicle Hiring/Fuel       |               |          |                      |             |                                                              |                                                     |                                    |         |
| 10     | Telephone/Mobile bill     |               |          |                      |             |                                                              |                                                     |                                    |         |
| 11     | Advertisement             |               |          |                      |             |                                                              |                                                     |                                    |         |
| 12     | Station Maintenance       |               |          |                      |             |                                                              |                                                     |                                    |         |
| 13     | Others to be specified    |               |          |                      |             |                                                              |                                                     |                                    |         |

Certified that the amount indicated in the Fund Requisition is correct as verified from the Bills passed and pending payment in the Cash Section. The Funds transferred previously have been spent for the specific purpose for which it was sent. The closing balance as on this date as per the Cash Book is Rs.....

VERIFIED BY

AAO(I/A)/AO(I/A)/DCA(I/A)

AO/DCA/CA

# **ANNEXURE-III**

REQUISITION OF FUNDS FOR THE MONTH OF .....  
(3<sup>rd</sup> Week before 20<sup>th</sup> of every month)

**NAME OF THE ACCOUNTING UNIT:**

**LOCATION CODE:**

| Sl No. | Particulars                             | BR No. & Date | A/c Code | Amount Requisitioned |             | Budget Provision (including appropriation/ re-appropriation) | Expenditure till date excluding present requisition | Balance Budget Provision available | Remarks |
|--------|-----------------------------------------|---------------|----------|----------------------|-------------|--------------------------------------------------------------|-----------------------------------------------------|------------------------------------|---------|
|        |                                         |               |          | Amt in Rs.           | Amt in Lakh |                                                              |                                                     |                                    |         |
| 1      | 2                                       | 3             | 4        | 5                    | 6           | 7                                                            | 8                                                   | 9(7-8)                             | 10      |
| 1      | Salary                                  |               |          |                      |             |                                                              |                                                     |                                    |         |
| 2      | DA Arrears                              |               |          |                      |             |                                                              |                                                     |                                    |         |
| 3      | ELS                                     |               |          |                      |             |                                                              |                                                     |                                    |         |
| 4      | ELS-Retired                             |               |          |                      |             |                                                              |                                                     |                                    |         |
| 5      | Double Wages                            |               |          |                      |             |                                                              |                                                     |                                    |         |
| 6      | Shift Allowance                         |               |          |                      |             |                                                              |                                                     |                                    |         |
| 7      | Bonus/Ex-gratia                         |               |          |                      |             |                                                              |                                                     |                                    |         |
| 8      | Meidcal Bill                            |               |          |                      |             |                                                              |                                                     |                                    |         |
| 9      | FBF                                     |               |          |                      |             |                                                              |                                                     |                                    |         |
| 10     | Others related to Estt to be specified. |               |          |                      |             |                                                              |                                                     |                                    |         |
|        |                                         |               |          |                      |             |                                                              |                                                     |                                    |         |
|        |                                         |               |          |                      |             |                                                              |                                                     |                                    |         |

Certified that the amount indicated in the Fund Requisition is correct as verified from the Bills passed and pending payment in the Cash Section. The Funds transferred previously have been spent for the specific purpose for which it was sent. The closing balance as on this date as per the Cash Book is Rs.....

VERIFIED BY

AAO(I/A)/AO(I/A)/DCA(I/A)

AO/DCA/CA

# **ANNEXURE- IV**

REQUISITION OF FUNDS FOR THE MONTH OF.....  
(4<sup>th</sup> Week before 28<sup>th</sup> of every month)

**NAME OF THE ACCOUNTING UNIT:**

**LOCATION CODE:**

| Sl No. | Particulars                | BR No. & Date | A/c Code | Amount Requisitioned |             | Budget Provision (including appropriation/ re-appropriation) | Expenditure till date excluding present requisition | Balance Budget Provision available | Remarks |
|--------|----------------------------|---------------|----------|----------------------|-------------|--------------------------------------------------------------|-----------------------------------------------------|------------------------------------|---------|
|        |                            |               |          | Amt in Rs.           | Amt in Lakh |                                                              |                                                     |                                    |         |
| 1      | 2                          | 3             | 4        | 5                    | 6           | 7                                                            | 8                                                   | 9(7-8)                             | 10      |
|        | A                          |               |          |                      |             |                                                              |                                                     |                                    |         |
| 1      | R&M – Power Transformer    |               |          |                      |             |                                                              |                                                     |                                    |         |
| 2      | R&M-Building & Civil Works |               |          |                      |             |                                                              |                                                     |                                    |         |
| 3      | R&M-Vehicle                |               |          |                      |             |                                                              |                                                     |                                    |         |
| 4      | R&M-Plant & Machinery      |               |          |                      |             |                                                              |                                                     |                                    |         |
|        | B                          |               |          |                      |             |                                                              |                                                     |                                    |         |
| 1      | Revex-Supply               |               |          |                      |             |                                                              |                                                     |                                    |         |
| 2      | Proforma Bill              |               |          |                      |             |                                                              |                                                     |                                    |         |
| 3      | Others to be specified     |               |          |                      |             |                                                              |                                                     |                                    |         |

Certified that the amount indicated in the Fund Requisition is correct as verified from the Bills passed and pending payment in the Cash Section. The Funds transferred previously have been spent for the specific purpose for which it was sent. The closing balance as on this date as per the Cash Book is Rs.....

VERIFIED BY

AAO(I/A)/AO(I/A)/DCA(I/A)

AO/DCA/CA

# **ANNEXURE-V**

REQUISITION OF FUNDS FOR THE MONTH OF.....

(As and when required)

**NAME OF THE ACCOUNTING UNIT:**

**LOCATION CODE:**

| Sl No. | Particulars            | BR No. & Date | A/c Code | Amount Requisitioned |             | Remarks |
|--------|------------------------|---------------|----------|----------------------|-------------|---------|
|        |                        |               |          | Amt in Rs.           | Amt in Lakh |         |
| 1      | 2                      | 3             | 4        | 5                    | 6           | 7       |
| 1      | DCRG & Commutation     |               |          |                      |             |         |
| 2      | FA/Other Advance       |               |          |                      |             |         |
| 3      | Pension                |               |          |                      |             |         |
| 4      | Imprest                |               |          |                      |             |         |
| 5      | Refund                 |               |          |                      |             |         |
| 6      | Others to be specified |               |          |                      |             |         |
|        |                        |               |          |                      |             |         |
|        |                        |               |          |                      |             |         |

Certified that the amount indicated in the Fund Requisition is correct as verified from the Bills passed and pending payment in the Cash Section. The Funds transferred previously have been spent for the specific purpose for which it was sent. The closing balance as on this date as per the Cash Book is Rs.....

VERIFIED BY

AAO(I/A)/AO(I/A)/DCA(I/A)

AO/DCA/CA

# KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

No. FA(A&R)/KCO-21/6936/2012-13



Corporate Office,  
7th Floor, Kaveri Bhavan,  
Bangalore - 09.  
Dated: 29.11.2013

## Circular

Sub: Compliance on Opening separate Zero balance Current Account for remitting Direct and Indirect taxes to Statutory Authorities through online.

Ref: This office Circular No. FA(A&R)/KCO-21/6936/07-08 dated. 25.09.2013

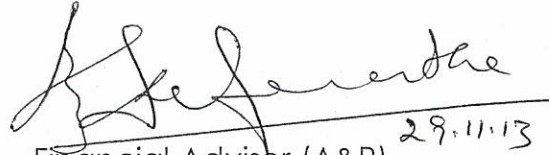
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As per the directions of Govt. of India, Ministry of Finance, Department of Revenue, Central Board of Direct Taxes, electronic payment of taxes is mandatory. Instructions have been issued to all the Accounting Units Vide Circular cited above for availing the e-payment facility by obtaining separate Zero Balance Current Account and make payment of Income Tax, Service Tax and other statutory levies wherever applicable through e-payment mode only with effect from 1<sup>st</sup> October 2013. It was also instructed to intimate the Account No. of Zero Balance Current Account opened by the Units to this office by the end of October 2013.

Further, it was informed that all the Pay Drawing Officers of Accounting Units shall comply with this statutory requirements strictly with effect from 1<sup>st</sup> October, 2013 failing which they will be personally held responsible for the contravention of the Rules and any consequential penal action by the Department. It was also informed that any request from Units seeking approval for payment of interest on late payment of TDS and other taxes will not be entertained at Corporate Office.

But, it is ascertained that many Pay Drawing Officers of Accounting Units are not taking action to open the of Zero Balance Current Account and not intimated the Account No. of Zero Balance Current Account opened to this office till date.

Hence, it is once again directed that Pay Drawing Officers shall take necessary action immediately to open separate Zero Balance Current Account with in 5<sup>th</sup> of December 2013 and make payment of Income Tax, Service Tax and other statutory levies wherever applicable through e-payment mode only. Please intimate the Account No. of Zero Balance Current Account opened by 10<sup>th</sup> of December 2013 to this office through e-mail **cctkptcl@gmail.com** without fail. The Pay Drawing Officers will be personally held responsible for not adhering to the Rules and further action will be initiated for non-compliance of statutory requirement and not following the directions of the Corporate Office.

  
Financial Adviser (A&R) 29.11.13

To:

The Financial Adviser (I/A), KPTCL, Kaveri Bhavan, Bangalore  
All the Chief Engineers, KPTCL  
All the Controllers, KPTCL  
All the Superintending Engineers, KPTCL  
The Superintending Engineer(EI), MIS, Computer Section for hosting the circular on e-prasarana.  
All the Deputy Controllers, KPTCL  
The Deputy General Manager (Personnel), Corporate Office, KPTCL, Kaveri Bhavan, Bangalore-9  
The Deputy Controller, HRD Centre, KPTCL, Bangalore  
All the Executive Engineers, KPTCL  
All the Accounts Officers, KPTCL  
The Manager (IM), KPTCL, Kaveri Bhavan, Bangalore.  
The Manager (Establishment-II), KPTCL, Kaveri Bhavan, Bangalore  
The Manager (Cash & Accounts), KPTCL, Kaveri Bhavan, Bangalore  
All the Accounts Officers (Internal Audit), KPTCL,  
All the Assistant Accounts Officer (internal Audit), KPTCL  
PS to Director (Finance), KPTCL, Bangalore  
M.F

ACE-1  
up load  
16  
2/12/2013



# KARNATAKA POWER TRANSMISSION CORPORATION LIMITED



No. FA(A&R)/KCO-20/6911/2012-13

Corporate Office,  
7th Floor, KaveriBhavan,  
Bangalore,  
Dated 06<sup>h</sup> February, 2014.

## CIRCULAR

Sub: Procedure for charging Depreciation on structures and other assets put up on leasehold Properties.

The Statutory Auditors in their Audit Report dated 17/09/2012 have pointed out that Accounting Policy in respect of charging depreciation on assets constructed on leasehold land is not adequate and not in conformity with Accounting Standard (AS) 6 on "Depreciation Accounting" and paragraph 2.62 of Annexure-III of ESAAR, 1985.

The issue was placed before the Board for taking appropriate decision and to modify existing Accounting Policy in respect of charging depreciation on assets constructed on leasehold land. Board has approved the proposed modified Accounting Policy. Accordingly, Accounting Procedure is revised as under.

### **Charging depreciation on assets constructed on leasehold land**

In some areas, KPTCL procures the land for construction of stations and other structures on lease basis from BDA, KIADB, Forest department etc., for a fixed period and for a certain cost. The lease amount is being amortized over the period of lease on a straight line method. However, the assets constructed on such lease hold land are being depreciated at normal rates without linking it to the period of lease.

The contention of the Statutory Auditors is that the assets constructed on the lease hold land have more estimated use of life than the period of lease hold land. The Auditors opine that the accumulated depreciation on Assets in such cases should reach upto 90% of the value of asset by the end of the lease period of lease hold land, in accordance with AS-6 and paragraph 2.62 of Annexure-III of ESAAR, 1985

In other words, the assets constructed on lease hold land shall be depreciated in such a way that accumulated depreciation shall reach upto 90% of value of the assets by the end of the lease period of land or estimated useful life of the assets whichever is shorter.

In the above background, modified procedure for accounting assets constructed on lease hold land is explained below with the help of few examples.

Case-1:-

Land taken on lease for a period of 20 Years for the purpose of constructing a Sub-Station. Details of Assets constructed on said Lease hold land is given below;

Table-1

| SL. No | Description of the Asset                      | Cost incurred | Existing rate of Depreciation | Life of the Asset |
|--------|-----------------------------------------------|---------------|-------------------------------|-------------------|
| 1      | 2                                             | 3             | 4                             | 5=(90/4)          |
| 1      | Building containing Transmission Installation | 50,00,000     | 3.34                          | 27 yrs            |
| 2      | Transformer above 100 KVA                     | 25,00,000     | 5.28                          | 17 Yrs            |
| 3      | Communication equipment                       | 5,000         | 6.33                          | 14 Yrs            |
| 4      | Computers                                     | 25,000        | 15.00                         | 6 Yrs             |
| 5      | Furniture Fixture                             | 6,000         | 6.33                          | 14 Yrs            |
| 6      | Office equipment                              | 3,000         | 6.33                          | 14 Yrs            |

According to the modified Policy, above Assets shall be depreciated upto **90% of value of the assets** as indicated below

Table-2

| Sl No                                                                                 | Description of the Asset                      | Cost incurred (in Rs.) | Existing rate of Depreciation | Life of the Asset | Depreciation for the year (in Rs.)                                                           |
|---------------------------------------------------------------------------------------|-----------------------------------------------|------------------------|-------------------------------|-------------------|----------------------------------------------------------------------------------------------|
| 1                                                                                     | 2                                             | 3                      | 4                             | 5=(90/4)          | 6                                                                                            |
| 1                                                                                     | Building containing Transmission Installation | 50,00,000              | 3.34                          | 27 yrs            | Cost of the asset/<br>Period of Lease of Land<br>i.e., Rs.50,00,000<br>/20 Yrs =<br>2,50,000 |
| Remarks :<br>a) Since the period of Lease is 20 Yrs, Assets shall be depreciated over |                                               |                        |                               |                   |                                                                                              |

|   |                                                                                                                                                                                                                                                                                                                                                                                                                         |           |       |        |                                                                               |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------|--------|-------------------------------------------------------------------------------|
|   | a period 20 years up to the end of Lease period. (assuming that Station is commissioned within one year from the date of lease of land).<br>OR<br>b) Any shorter period from the date of commissioning of the Station up to the end of Lease period (eg. If the Station is commissioned during the 2 <sup>nd</sup> year of lease Depreciation would be 'Cost of the asset/balance lease period' i.e., 50,00,000/19 yrs) |           |       |        |                                                                               |
| 2 | Transformer above 100 KVA                                                                                                                                                                                                                                                                                                                                                                                               | 25,00,000 | 5.28  | 17 Yrs | Cost of the Asset X Rate of Depreciation i.e., Rs.25,00,000 X 5.28%= 1,32,000 |
| 3 | Communication equipment                                                                                                                                                                                                                                                                                                                                                                                                 | 5,000     | 6.33  | 14 Yrs | Cost of the Asset X Rate of Depreciation i.e., Rs.5,000 X 6.33%= 317          |
| 4 | Computers                                                                                                                                                                                                                                                                                                                                                                                                               | 25,000    | 15.00 | 6 Yrs  | Cost of the Asset X Rate of Depreciation i.e., Rs.25,000 X 6.33%= 1583        |
| 5 | Furniture Fixture                                                                                                                                                                                                                                                                                                                                                                                                       | 6,000     | 6.33  | 14 Yrs | Cost of the Asset X Rate of Depreciation i.e., Rs.6,000 X 6.33%= 380          |
| 6 | Office equipment                                                                                                                                                                                                                                                                                                                                                                                                        | 3,000     | 6.33  | 14 Yrs | Cost of the Asset X Rate of Depreciation i.e., Rs.3,000 X 6.33%= 190          |
|   | Remarks :<br>In respect of Assets at Sl. No. 2 to 6, since the period of Lease of Land is greater than life of these Assets, 90% value of the asset would be depreciated within the lease period. i.e., over life of the respective Assets itself.                                                                                                                                                                      |           |       |        |                                                                               |

#### Case-2:-

Land taken on lease for a period of 50 Years for the purpose of constructing a Sub-Station. Details of Assets constructed on said Lease hold land is given below;

Table-3

| SL. No | Description of the Asset                      | Cost incurred | Existing rate of Depreciation | Life of the Asset |
|--------|-----------------------------------------------|---------------|-------------------------------|-------------------|
| 1      | 2                                             | 3             | 4                             | 5=(90/4)          |
| 1      | Building containing Transmission Installation | 50,00,000     | 3.34                          | 27 yrs            |
| 2      | Transformer above 100 KVA                     | 25,00,000     | 5.28                          | 17 Yrs            |
| 3      | Communication equipment                       | 5,000         | 6.33                          | 14 Yrs            |
| 4      | Computers                                     | 25,000        | 15.00                         | 6 Yrs             |
| 5      | Furniture Fixture                             | 6,000         | 6.33                          | 14 Yrs            |
| 6      | Office equipment                              | 3,000         | 6.33                          | 14 Yrs            |

According to the modified Policy, above Assets shall be depreciated upto **90% of value of the assets** as indicated below

Table-4

| Sl No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Description of the Asset                      | Cost incurred (in Rs.) | Existing rate of Depreciation | Life of the Asset | Depreciation for the year (in Rs.)                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------|-------------------------------|-------------------|--------------------------------------------------------------------------|
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2                                             | 3                      | 4                             | 5=(90/4)          | 6                                                                        |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Building containing Transmission Installation | 50,00,000              | 3.34                          | 27 yrs            | Cost of the Asset X Rate of Depreciation<br>50,00,000 X 3.34% = 1,67,000 |
| Remarks :<br>1) Since the period of Lease of Land is greater than life of the Asset, 90% value of the asset would be depreciated within the lease period.<br>2) In respect of Assets at Sl. No. 2 to 6 (shown in Table-3), depreciation shall be charged as shown in Table-2(Sl. No. 2 to 6 ) of Case-1, since the period of Lease of Land is greater than life of these Assets, 90% value of the asset would be depreciated within the lease period. i.e., over life of the respective Assets itself. |                                               |                        |                               |                   |                                                                          |

Accounting Units may please Note that **as and when the rates of depreciation are revised in future, Units shall revise the life of the Asset by applying the formula 90/Revised rate of Depreciation and rounded off to nearest year.**

After commissioning of Assets on **lease hold land**, depreciation for the full year shall be charged in the year of commissioning of such assets ignoring pro rata method of calculation of Depreciation as is being done in the case of other fixed Assets.

In case, the Assets are released before the expiry of lease period and new Asset installed in place of released asset, 90% value of newly commissioned Assets shall be depreciated over the balance period of Lease of Land. Further separate Asset Registers shall be maintained in respect of Assets constructed on Lease hold land in future.

Above instructions shall be scrupulously followed in future in respect of Assets constructed on Lease hold Land

  
Financial Adviser(A&R) 7.2.14

Copy to:

All the Chief Engineers, KPTCL,  
The Financial Adviser (I/A), KPTCL, Kaveri Bhavan, Bangalore  
All the Controllers, KPTCL  
All the Superintending Engineers, KPTCL  
The Superintending Engineer(EI), MIS, Computer Section for  
hosting on e-prasarana.  
All the Deputy Controllers, KPTCL  
The D.G.M(Personnel), Corporate Office, KPTCL, Kaveri Bhavan,  
Bangalore-9  
The Deputy Controller, HRD Centre, KPTCL, Bangalore.  
All the Executive Engineers, KPTCL  
All the Accounts Officers, KPTCL  
The Manager (IM), KPTCL, Kaveri Bhavan, Bangalore.  
The Manager (Establishment-II), KPTCL, Kaveri Bhavan,  
Bangalore  
The Manager (Cash & Accounts), KPTCL, Kaveri Bhavan,  
Bangalore  
All the Accounts Officer (internal Audit), KPTCL,  
All the Assistant Accounts Officer (internal Audit), KPTCL  
The Resident Audit Officer, KPTCL, Bangalore,  
All the Officers of FA (A&R),  
PS to Director (Finanace), KPTCL, Bangalore  
R&R to AAO-I/Sr Assts/Assts of Accounts Section/ M.F

KARNATAKA POWER TRANSMISSION CORPORATION LIMITED



No. FA(A&R)/KCO-20/6911/2012-13

Corporate Office,  
7th Floor, KaveriBhavan,  
Bangalore,  
Dated 06<sup>h</sup> February, 2014.

**CIRCULAR**

Sub: Procedure for accounting Materials which are identified as Scrap by the Scrap Approval Committee.

The Statutory Auditors in their Audit Report dated 17/09/2012 have raised certain queries which require modifications in Accounting Procedure in respect of Valuation of items of material stock which are identified as obsolete.

The issue has been examined in detail and it is decided to modify the accounting treatment which is prescribed as under.

**Valuation of items of material stock which are identified as obsolete.**

Hitherto, in KPTCL all the store materials except reusable released assets(16.2 Series) and scrapped/obsolete released assets(16.1 Series) are valued at standard rates or purchase rates prevailing at the time of procurement and remained in the stores at the same value till it is issued/used or disposed off as scrap. In respect of reusable released assets and scrapped/obsolete released assets, the materials are valued at written down value of the assets released and depreciation is being charged on released good materials at the end of each month till it is re-issued to works.

The contention of the Statutory Auditors is that the values in respect of materials which are identified as Scrap have to be reduced and value of such materials has to be shown in the Accounts at reduced value and not at the value of standard rates or purchase rates prevailing at the time of procurement.

The issue was placed before the Board for taking appropriate decision and to modify existing Accounting Policy in respect of Valuation of items of material stock which are identified as Scrap/obsolete. Board has approved the proposed

modified Accounting Policy. Accordingly, the value of materials which are identified and declared as scrap/obsolete by the competent authorities shall be accounted at scrap rate if notified in the Schedule of Rates Book. In cases, where rates are not notified in the Schedule of Rate Book, the value of such materials needs to be reduced and such reduced value shown in the Accounts as required under AS-2 and Para 1.32 and 4.5 of ESAAR 1985(Accounts Manual Vol III). Since the materials are declared as scrap/obsolete, the value of such materials may be accounted at scrap rate available in Schedule of Rate Book or reduced by 90% of the existing value and 10% value can be retained and shown in the Accounts till its disposal. The amount so reduced shall be treated as Revenue expenditure for the year.

Based on the report of Scrap Approval Committee, Accounting Units shall identify the materials and quantity in the Pricing Ledger(PL) which are approved as scrap. New separate folios for each identified scrap item in the Pricing Ledger as 'Obsolete Materials Stock' shall be opened. The identified scrap materials shall be transferred to newly opened 'Obsolete Materials Stock' folios from the existing Pricing Ledger folios by placing formal(or Adjustment) Issue Invoice with the following allocation on the Invoice. O.M number and date of Report of the Scrap Approval Committee shall be mentioned on the formal Issue invoice drawn without fail.

|                                               |                                                                           |                                                                            |
|-----------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------|
| 22.760- Obsolete Materials Stock....Dr        | Existing value in PL (Standard rate /Purchase rate/Weighted average rate) |                                                                            |
| To 22.510- Materials Stock Adjustment Account |                                                                           | Existing value in PL (Standard rate /Purchase rate/ Weighted average rate) |

Materials thus identified and transferred from existing PL folio shall be rounded off using Red ball point pen mentioning formal Issue invoice number and date against each transferred item to avoid duplication in scrap material identification.

At the same time, value of above scrap materials shall be reduced to 10% of the existing value or to scrap rate if notified in Schedule of Rate Book and reduced value shall be recorded against each item in 'Obsolete Materials Stock' folios. Following J.V to that effect shall be passed and incorporated in the books of Accounts(through Stock compilation/analysis).

| Particulars                                                                                                                                    | L.F<br>No | Debit Amount                                                                                                 | Credit Amount                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| 79.561- Provision for loss on obsolescence of stores, etc., in stock..... Dr.                                                                  |           | (Standard Rate/Purchase rate as existed in PL -(minus) Reduced rate as per Obsolete Materials Stock' folios) |                                                                                                              |
| To 22.760-Obsolete Materials Stock                                                                                                             |           |                                                                                                              | (Standard Rate/Purchase rate as existed in PL -(minus) Reduced rate as per Obsolete Materials Stock' folios) |
| (Being the entry passed to account the loss arising on account of scrapping of materials as per Scrap Approval Committee Report No. dated....) |           |                                                                                                              |                                                                                                              |

At the time of disposal of Scrap/obsolete materials held at prescribed rate or 10% value, the profit or loss shall be recognised and accounted as under.

- a) On receipt of the amount from the Party (Scrap Dealer) the same is taken to Receipt side of the cash book by giving allocation as 46.922- Advance received for sale of Stores scrap etc.,
- b) On issuing the Scrap Materials to the Party, following allocation in the Issue Invoice shall be made

|                                                      |              |              |
|------------------------------------------------------|--------------|--------------|
| 46.922- Advance received for sale Stores scrap etc., | (See Note-1) |              |
| 79.572- Loss on sale of scrap                        | (See Note-2) |              |
| To 22.760-Obsolete Materials Stock                   |              | (See Note-3) |
| To 62.330- Profit on sale of stores                  |              | (See Note-4) |



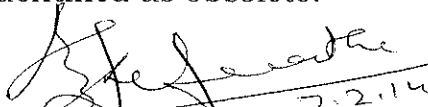
Note-1 : Amount realised as accounted in item (a) above

Note-2 : Reduced value as existed in Obsolete Materials Stock folio against such materials which are being disposed-(minus)Amount realised(If the amount realised is less than the value of Obsolete/scrapped Materials).

Note-3 : Reduced value as existed in Obsolete Materials Stock folio against such materials which are being disposed.

Note-4 : Amount realised-(minus) Reduced value as existed in Obsolete Materials Stock folio against such materials which are being disposed(If the amount realised is more than the value of Obsolete/Scrapped Materials)

Above instructions shall be scrupulously followed in future in respect of Valuation of items of material stock which are identified as obsolete.

  
Financial Adviser(A&R)

Copy to:

All the Chief Engineers, KPTCL,

The Financial Adviser (I/A), KPTCL, Kaveri Bhavan, Bangalore

All the Controllers, KPTCL

All the Superintending Engineers, KPTCL

The Superintending Engineer(EI), MIS, Computer Section for hosting on e-prasarana.

All the Deputy Controllers, KPTCL

The D.G.M(Personnel), Corporate Office, KPTCL, Kaveri Bhavan, Bangalore-9

The Deputy Controller, HRD Centre, KPTCL, Bangalore.

All the Executive Engineers, KPTCL

All the Accounts Officers, KPTCL

The Manager (IM), KP TCL, Kaveri Bhavan,Bangalore.

The Manager (Establishment-II), KPTCL, Kaveri Bhavan, Bangalore

The Manager (Cash & Accounts), KPTCL, Kaveri Bhavan, Bangalore

All the Accounts Officer (internal Audit), KPTCL,

All the Assistant Accounts Officer (internal Audit), KPTCL

The Resident Audit Officer, KPTCL, Bangalore,

All the Officers of FA (A&R),

PS to Director (Finanace),KPTCL,Bangalore

R&R to AAO-I/Sr Assts/Assts of Accounts Section/ M.F



# KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

No. FA(A&R)/KCO-20/6911/2013-14

Corporate Office,  
7<sup>th</sup> Floor, Kaveri Bhavan,  
Bangalore - 560 009  
Dated: 10.02.2014.

## CIRCULAR

**Sub: Decentralisation of remittance of Service Tax amount to the Department by the respective Accounting Units through online.**

**Ref:** 1.This office Circular No. FA(A&R)/KCO-21/6936/2009-10 dated. 22.12.2009.  
2.This office Circular No. FA(A&R)/KCO-20/6911/2012-13 dated. 30.07.2012, 17.09.2012 and 19.11.2012  
3.This office Circular No. FA(A&R) /KCO-21/6936/2012-13 dated. 25.09.2013

\*\*\*\*\*

Pursuant to the '**Negative List Taxation Scheme**' and new concept of '**Joint Charge Mechanism/Reverse charge Mechanism**' introduced by the Department of Revenue, Ministry of Finance, Govt. of India, **w.e.f. 1<sup>st</sup> July 2012** instructions/clarifications have been issued vide above Circulars for guidance on Service Tax matters.

KPTCL is a member of the 'Large Tax Payers Unit (LTU)' wherein the Income Tax and Service Tax issues (except TDS) are being dealt centrally.

At present, the payment of Service Tax and filing of returns to the Department being made centrally by the Manager (Internal Management) Section, Corporate Office after receipt of the Advise of Transfer (AT) along with the information furnished from the Accounting Units under a common **Service Tax registration No. AABCK7281M ST001.**

But, It is ascertained that majority of the Accounting Units are not furnishing proper and adequate information to Manager (Internal Management) for remittance of Service Tax to the Department properly and within the prescribed time. Some of the Accounting Units are sending Advise of Transfer after the due date for remittance of Service Tax and furnishing incomplete/inaccurate information. Some Units are deducting service tax on

services which are not taxable and deducting service tax in respect of services which are not covered under Joint Charge (like Couriers Service Bills, Vehicle Repair Bills, Stationery Purchase Bills, etc.,). Thereby Manager (Internal Management) Section is facing difficulty in remittance of Service Tax to the Department. These discrepancies have resulted in issue of Show Cause Notices by the Department, and payment of interest and penalty to the Department. In spite of Circular instructions issued from this office highlighting the discrepancies and necessity for streamlining the procedure, there is no visible improvement in the manner of furnishing details by the Accounting Units.

The Internal Audit Party of Service Tax Department (LTU) have carried out Service Tax Audit of KPTCL recently and in their Audit Report among other observations '**Short remittance of Service Tax**' and '**Delay in remittance Service Tax**' have been made quantifying huge amount to be paid by KPTCL'. As already informed, for payment of interest and penalty, the Pay Drawing Officers of the Unit are solely responsible and KPTCL Management has decided to recover the same from the concerned Officers/Employees. Further communication on this issue will be sent to all the concerned Units in due course.

Further, instructions have been issued to all Accounting Units vide Circular under reference (3) for availing e-payment facility and make payment of Income Tax, Service Tax and other statutory levies wherever applicable through e-payment mode only.

After the matter was discussed with Chief Commissioner of Central Excise and Service Tax, LTU, Bangalore, it has been decided to decentralise the remittance of Service Tax and authorise concerned Accounting Units to remit the Service Tax amount to the department directly by themselves.

Since KPTCL is a member of the Large Tax Payers Unit (LTU), Bangalore having a common Service Tax registration No. AABCK7281M ST001, other **Accounting Units of KPTCL need not obtain separate Service Tax registration Number.**

At present the payment of Service Tax being made for the following Services.

| Sl. No | Accounting head Service Tax                                                                   | Code |
|--------|-----------------------------------------------------------------------------------------------|------|
| 1      | Goods Transport Operators (GTA Service)                                                       | 67   |
| 2      | Legal Consultancy Service                                                                     | 480  |
| 3      | Maintenance or Repair Service                                                                 | 245  |
| 4      | Mandap Keeper Service                                                                         | 35   |
| 5      | Manpower Recruitment/Supply Agency Service                                                    | 60   |
| 6.     | Rent-A-Cab Scheme Operator Service                                                            | 48   |
| 7      | Renting of Immovable Property Service                                                         | 406  |
| 8      | Sponsorship Service Provided to Body-Corporate or Firm Including Sports Sponsorships.         | 358  |
| 9      | Technical Testing and Analysis Service/ Technical Inspection and Certification Agency Service | 249  |
| 10     | Works Contracts Service                                                                       | 410  |
| 11     | Other Taxable Service-other than the ones mentioned above                                     | 1480 |
| 12     | Primary Education Cess                                                                        | 298  |
| 13     | Secondary and Higher Education Cess                                                           | 426  |

In view of the above, all the Pay Drawing Officers of the Accounting Units are hereby instructed to remit the Service Tax amount to the Department through common Service Tax Registration No. AABCK7281M ST001 through online w.e.f. 01.03.2014 (Service Tax amount collected for the month of February 2014 payable within March 6<sup>th</sup>) instead of sending Advise of Transfer and Statement to the Manager (Internal Management) Section, Corporate Office.

For making remittance of Service Tax amount through e-payment the following procedure is laid down.

- a) Accounting Units to furnish fund requisition to H.O well in advance so as to ensure the payment of Tax through e-payment within the stipulated due date.
- b) Units to ensure that the amount credited to their existing Operative Bank Account.

- c) *At the time of remittance, Units have to instruct the Banker to transfer the actual Tax amount to be remitted to the newly opened Zero Balance Current Account.*
- d) *Make e-payment of Tax on the same day on which the amount transferred to Zero Balance Account from existing Operative Account, thereby the closing balance of the Account remain Zero at the end of day.*
- e) *Units to ensure that payments are credited to Service Tax Department account **before 6<sup>th</sup> of each month.***
- f) *Accounting Units shall preserve all the basic records pertaining to Service Tax remitted to the department for verification by Internal Auditors and Service Tax department Auditors.*


After remittance of Service Tax amount, Accounting Units shall send the original copy of remitted challans keeping a photo copy of the same at the Units along with the details in the enclosed prescribed format before 10<sup>th</sup> of the month to the Manager (Internal Management) Section, Corporate Office for filing of Quarterly ST-3 Returns. The breakup details of Service Tax amount under different categories shall be kept as backup details by the Units in the format already prescribed vide this office Circular No. FA(A&R)/KCO-20/6911/2013-14 dated. 28.10.2013

All the Pay Drawing Officers of Accounting Units shall implement the changed mode of Service Tax payment strictly with effect from 1<sup>st</sup> Mach, 2014 failing which they will be personally held responsible for the contravention of the Rules and any consequential penal action by the Department. It may be noted that henceforth, any request from Units seeking approval for payment of interest on late payment of Service Tax and other taxes will not be entertained at Corporate Office.

Any deviation in remittance of Service Tax amount to the department within prescribed date and furnishing information in the format prescribed and delay in sending remittance challans along with the details in the enclosed prescribed format before 10<sup>th</sup> of every following month to the

Manager (Internal Management) Section, Corporate Office will be **construed as lapse on the part of the Pay Drawing Officers of Accounting Units and further action will be taken.** Interest and penalty if any, claimed by the Service Tax Department due to noncompliance of provisions relating to Service Tax will be recovered from the Personal Account of the concerned Unit Officers without any further notice which may please be noted.

For resolving problems in remittance of Service Tax amount to the Department by the Accounting Units through online mode and any clarification required in this regard the Manager (Internal Management) Section, Corporate Office may be contacted.

  
Financial Adviser (A&R) 10.2.14

To,

1. All the Chief Engineers, KPTCL.
2. The Financial Adviser (I/A), KPTCL, Kaveri Bhavan, Bangalore.
3. All the Controllers, KPTCL.
4. All the Superintending Engineers, KPTCL.
5. The Superintending Engineer(EI), MIS, Computer Section for hosting the Circular on e-prasarana.
6. All the Deputy Controllers, KPTCL.
7. The Deputy General Manager (Personnel), Corporate Office, KPTCL, Kaveri Bhavan, Bangalore-9.
8. The Deputy Controller, HRD Centre, KPTCL, Bangalore.
9. All the Executive Engineers, KPTCL.
10. All the Accounts Officers, KPTCL.
11. The Manager (IM), KPTCL, Kaveri Bhavan, Bangalore.
12. The Manager (Establishment-II), KPTCL, Kaveri Bhavan, Bangalore.
13. The Manager (Cash & Accounts), KPTCL, Kaveri Bhavan, Bangalore.
14. All the Accounts Officers (Internal Audit), KPTCL.
15. All the Assistant Accounts Officer (internal Audit), KPTCL.
16. All the Officers of FA (A&R)'s office.
17. PS to Director (Finance), KPTCL, Bangalore.
18. AAO-I/Sr. Assts /Assts of Accounts Section/Cash & Accounts Section.
19. M.F.

**KARNATAKA POWER TRANSMISSION CORPORATION LIMITED**

Name of the Accounting Unit

LC:

Details of Service Tax amount paid for the month of .....

| Sl. No. | Nature of Service                                       | Taxable Amount | Service Tax    |                                       |                                   | Total (Col. 4+5+6) | Challen No. & Date |
|---------|---------------------------------------------------------|----------------|----------------|---------------------------------------|-----------------------------------|--------------------|--------------------|
|         |                                                         |                | 12% (on Col.3) | Primary Education Cess (2% on Col. 4) | S&H Education Cess (1% on Col. 4) |                    |                    |
| 1       | 2                                                       | 3              | 4              | 5                                     | 6                                 | 7                  | 8                  |
| 1       | Man Power Recruitment Agency                            |                |                |                                       |                                   |                    |                    |
| 2       | Cab Operators                                           |                |                |                                       |                                   |                    |                    |
| 3       | Works Contract Services                                 |                |                |                                       |                                   |                    |                    |
| 4       | Technical Testing, Inspection, Certification            |                |                |                                       |                                   |                    |                    |
| 5       | Renting of Immovable Property Services                  |                |                |                                       |                                   |                    |                    |
| 6       | Legal Consultancy Services                              |                |                |                                       |                                   |                    |                    |
| 7       | Goods Transport Agency(GTA) Service                     |                |                |                                       |                                   |                    |                    |
| 8       | Maintenance or Repair Service                           |                |                |                                       |                                   |                    |                    |
| 9       | Sponsorship Services                                    |                |                |                                       |                                   |                    |                    |
| 10      | Director of a Company (Other than whole time Directors) |                |                |                                       |                                   |                    |                    |
| 11      | Mandap Keeper Service                                   |                |                |                                       |                                   |                    |                    |
| 12      | Other Taxable Services                                  |                |                |                                       |                                   |                    |                    |
| 13      |                                                         |                |                |                                       |                                   |                    |                    |
|         | Total                                                   |                |                |                                       |                                   |                    |                    |

CA/DCA/AO



# KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

No. FA(A&R)/KCO-20/6911/2013-14

Corporate Office,  
7<sup>th</sup> Floor, Kaveri Bhavan,  
Bangalore - 560 009  
Dated: 22.02.2014.

## CIRCULAR

Sub: Applicability of Service Tax in respect of testing and inspection charges received from private Contractors / Suppliers.

Ref: This office Circular No. FA(A&R)/KCO-20/6911/2012-13 dated. 30.07.2012, 17.09.2012 and 19.11.2012.

\*\*\*\*

The '**Negative List Taxation Scheme**' and new concept of '**Joint Charge Mechanism/Reverse charge Mechanism**' introduced w.e.f. 1<sup>st</sup> July 2012 by the Department of Revenue, Ministry of Finance, Govt. of India. In this connection detailed instructions/clarifications have been issued vide circulars cited under reference indicating changes under which all other services except the exempted services and services listed out in negative list are liable to Service Tax.

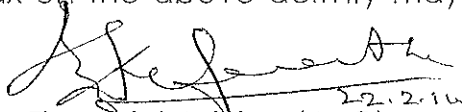
During Service Tax Audit conducted by the Internal Audit Party team (IAP-1) of Service Tax Department (LTU), in the Audit Report among other observations Non-payment of service tax on the amount received from private contractors/suppliers towards Inspection and Certification of material, Testing of oil, transformer, cables etc. have been pointed out as taxable Services as the same are not in the Negative List From 1.7.2012, only activity of transmission or distribution of electricity by electricity transmission or distribution utility is listed in the Negative List.

The matter is discussed with the Tax consultants and they have opined that, in respect amount received from the private contractors / suppliers towards activities like **Inspection and certification of material, Testing of oil, transformer, cables etc.** which are not directly connected or related to the transmission activity of transmission utility, **Service Tax amount needs to be collected and remitted to the Department with effect from 01.07.2012.** In case, works awarded to any contractors by KPTCL for testing of soil resistive and designing, earth mat design test, oil test (Resistivity/Viscosity/Inter Facial Tension/Flash/Point/ Acidity/ Water Contents oil), testing of transformer, testing of control and relay panel, cables, pre-commissioning test etc., related to building up of transmission network i.e., Sub-stations and Transmission Lines and safety of the transmission network, the Service Tax amount need not be collected and remitted to the Department.



On verification of the details from the Unit Offices, it is observed that while some of the Accounting Units have already deducted the Service Tax and remitted to the Department in respect of such charges received from the private parties, other Units have not applied any check as to whether the activity is related to transmission activity of KPTCL or not as instructed in this office Circular No. FA(A&R)/KCO-20/6911/2012-13 dated 30.07.2012 and not collected and remitted the Service Tax of such charges.

In view of the above, it is hereby clarified that **services provided to the private contractors/suppliers for Inspection and certification of material, Testing of oil, transformer, cables etc. which are not directly connected to the transmission activities of KPTCL attracts Service Tax** and those services rendered by KPTCL in connection with projects/works of KPTCL transmission network are construed as transmission activity and not attract Service Tax. The collection and remittance of Service Tax on the above activity may be regulated accordingly.

  
Financial Adviser (A&R)

To,

1. All the Chief Engineers, KPTCL.
2. The Financial Adviser (I/A), KPTCL, Kaveri Bhavan, Bangalore.
3. All the Controllers, KPTCL.
4. All the Superintending Engineers, KPTCL.
5. The Superintending Engineer(EI), MIS, Computer Section for hosting the circular on e-prasarana.
6. All the Deputy Controllers, KPTCL.
7. The Deputy General Manager (Personnel), Corporate Office, KPTCL, Kaveri Bhavan, Bangalore-9.
8. The Deputy Controller, HRD Centre, KPTCL, Bangalore.
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10. All the Accounts Officers, KPTCL.
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12. The Manager (Establishment-II), KPTCL, Kaveri Bhavan, Bangalore.
13. The Manager (Cash & Accounts), KPTCL, Kaveri Bhavan, Bangalore.
14. All the Accounts Officers (Internal Audit), KPTCL.
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16. All the Officers of FA (A&R)'s office.
17. PS to Director (Finance), KPTCL, Bangalore.
18. AAO-I/Sr. Assts /Assts of Accounts Section/Cash & Accounts Section.
19. M.F.



# KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

No. FA(A&R)/KCO-20/6911/2013-14

Corporate Office,  
7<sup>th</sup> Floor, Kaveri Bhavan,  
Bangalore - 560 009  
Dated: 22.02.2014.

## CIRCULAR

Sub: Payment of Service Tax in respect of **Goods Transport Agency (GTA) Services.**

Ref: This office Circular No. FA(A&R)/KCO-20/6911/2012-13 dated. 30.07.2012, 17.09.2012 and 19.11.2012.

\*\*\*\*

The Department of Revenue, Ministry of Finance, Govt. of India has made changes to Service Tax provisions by introducing '**Negative List Taxation Scheme**' and new concept of '**Joint Charge Mechanism/Reverse charge Mechanism**' w.e.f. 1<sup>st</sup> July 2012. In this regard, instructions/clarifications have been issued in detail vide circulars cited under reference indicating changes under which all other services except the exempted services and the services listed out in the Negative List are liable to Service Tax. Thus an activity which satisfies the definition of service would be liable to tax if the same is not covered under the list which is specified as non-taxable.

During Service Tax Audit conducted by the Internal Audit Party Team of Service Tax Department (LTU), in the Audit Report among other observations Service Tax amount in respect of **Goods Transport Agency (GTA) Services** is one of the key findings.

The matter is discussed with the Tax consultant and they have opined that, Service Tax in respect of Goods Transport Agency (GTA) Services is covered under reverse charge mechanism wherein 100% liability of Service Tax is on Service Receiver.

On verification of the details from the Unit Offices in which the amounts have been booked under Account head 76.210 and 76.220, it is found that Service Tax has been **wrongly** deducted in many cases like payments not relating to 'Goods Transport Agency Service(GTA)'. Further there is no uniformity in awarding such works. In some cases, the works have been

awarded to contractors for replacement of faulty transformers in the Sub-station of KPTCL and the released transformer which is bulky has been transported using special carriage vehicle. The Contractors to whom the works have been awarded are not Goods Transport Agency for lifting and transporting the transformer to the designated place but, the transportation of released faulty/good transformers is part and parcel of the work awarded for the contractors for replacement work.

According to Government of India, Ministry of Finance, Department of Revenue vide Notification No. 26/2012-Service Tax dated 20<sup>th</sup> June 2012, the service in respect of Goods on Transport Agency (GTA) is a taxable Service to be paid under reverse charge mechanism. The provisions relating to Goods on Transport Agency (GTA) Service are:

- a) *Goods Transport freight for single consignee up to Rs.750/- and for single vehicle up to Rs.1500/- is exempt.*
- b) *Goods Transport Agency has been defined as "any person who provides service in relation to transport of goods by road and issues consignment note by whatever name called"*
- c) *Service tax has to be paid only on 25% of the gross amount paid to the Goods Transport Agency. For gross amount, octroi is not taken in to account.*
- d) *The tax is payable on reverse charge basis by Consignor or Consignee who ever pays the freight, if the consignor or the consignee is factory, registered society, co-operative society, registered dealer, body corporate, partnership firm, LLP and association of persons.*
- e) **Abatement in Service Tax (Notification No.26/2012ST) effective from 1.7.2012.**

| Description of taxable service                                            | Taxable % of gross freight | Conditions                                                                                                                                                                   |
|---------------------------------------------------------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Service of goods transport agency in relation to transportation of goods. | 25                         | CENVAT credit on inputs, capital goods and input services, used for providing the taxable service, has not been taken under the provisions of the CENVAT credit Rules, 2004. |

As per Para 2 of Notification No.30/2012, dated 20.06.2012 provides that Service Tax is payable by the person who pays or is liable to pay freight by himself or through agent for transportation of goods by road in goods carriage located in taxable territory shall be treated as person who receives

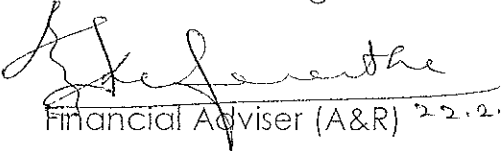
service for the purpose of this notification. Thus, the liability to pay Service Tax is upon the person who as per the contract is liable to pay the amount to the transporter. However, when such person is located in a non-taxable territory, the provider of such service shall be liable to pay Service Tax.

The Service Tax shall be paid under following codes in case of service provided by GTA;

| Category of service                          | Code No. for payment of Service Tax |
|----------------------------------------------|-------------------------------------|
| Transportation of goods by road/ GTA service | 0440262                             |

In view of the above, it is hereby clarified that **Transportation of Goods through Goods Transport Agency (GTA) Services** is a taxable Service under reverse charge mechanism where in Service Receiver has to pay the Service Tax. If the services of Goods Transport Agency (GTA) is availed directly by KPTCL and freight is payable by KPTCL, the Service Tax is payable under Reverse Charge Mechanism as clarified above. In case, work (whether Capital or Revenue) is awarded to contractor including transportation of equipment/material but KPTCL agree to pay the amount to the contractor who is not a Goods Transport Agency, then KPTCL need not pay Service Tax under Reverse Charge Mechanism but it should be explicitly mentioned in the contract / agreement that Service Tax on Goods Transport Agency service to be paid by the contractor.

All the Pay Drawing Officers shall ensure payment of Service Tax on Goods Transport Agency Services in accordance with above guidelines.

  
Financial Adviser (A&R) 22.2.14

To,

1. All the Chief Engineers, KPTCL.
2. The Financial Adviser (I/A), KPTCL, Kaveri Bhavan, Bangalore.
3. All the Controllers, KPTCL.
4. All the Superintending Engineers, KPTCL.
5. The Superintending Engineer(EI), MIS, Computer Section for hosting the circular on e-prasarana.
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7. The Deputy General Manager (Personnel), Corporate Office, KPTCL, Kaveri Bhavan, Bangalore-9.
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11. The Manager (IM), KPTCL, Kaveri Bhavan, Bangalore.
12. The Manager (Establishment-II), KPTCL, Kaveri Bhavan, Bangalore.
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14. All the Accounts Officers (Internal Audit), KPTCL.
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16. All the Officers of FA (A&R)'s office.
17. PS to Director (Finance), KPTCL, Bangalore.
18. AAO-I/Sr. Assts /Assts of Accounts Section/Cash & Accounts Section.
19. M.F.



# KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

No. FA(A&R)/KCO-18/51285/2013-14

Corporate Office,  
7<sup>th</sup> Floor, Kaveri Bhavan,  
Bangalore - 560 009  
Dated: 25.02.2014.

## CIRCULAR

Sub : Deduction of VAT, WCT, Service Tax, Security Deposit, etc., - reg.  
Ref : Letter No. MEI/MD/A(BR)/2013-14 dated 19.12.2013 from Managing Director, The Mysore Electrical Industries Limited.

\*\*\*\*\*

M/s Mysore Electrical Industries Limited (MEI), Bangalore vide letter cited above reported about deductions being effected by Accounting Units of KPTCL towards VAT, WCT, Service Tax, Security Deposit and Cess from their bills. In the said letter, M/s MEI has expressed apprehension that such deduction in certain cases would result in making statutory payment twice to the concerned department and also expressed that difficulty in tracing the payments received through RTGS.

The grievances raised by MEI have been examined and following general instructions are issued for regulating deductions on account of taxes and statutory levies.

### 1. Providing Details of Payments:

As some Suppliers and Contractors are having transactions with multiple Units of KPTCL, they are finding it very difficult to trace the payments received by them through Cheque or RTGS against related bills/invoices. Hence, whenever payments are made by KPTCL Accounting Units (including Resources Section at Corporate Office), an intimation giving the following details shall invariably be sent to the party (if not being done at present):

- Name of the Party
- Bill/Invoice No. and date
- BR No. and Date
- Gross amount of the bill (preferred by the party)
- Gross amount of the bill admitted
- Deductions towards:
  - Disallowances from the Bill if any (reasons for disallowances to be recorded in writing)
  - VAT, WCT, Service Tax, Cess, TDS, etc., (separate figures to be given along with %age of deductions)
- Net Amount paid
- Mode of Payment i.e., through Cheque No. & Date or RTGS
- If through RTGS, Name of the Bank and Branch, RTGS Reference No.

The Accounting Units can keep a ready format of covering letter incorporating above items and intimate the parties immediately after the payments are made. The Bill Passing Enforcement Seal being used by Accounting Units should be the basis for the above details and as such, corrections if any required therein may also be affected immediately.

#### Regulating Tax Payments:

### 2. Value Added Tax (VAT)

Karnataka Value Added Tax (or Sales Tax in other words) is a levy to be paid by the Seller to the Government of Karnataka. As such, VAT is included or loaded to the Selling price and recovered by the Seller from the Purchaser along with the cost of the items. Unless otherwise prescribed, Purchaser need not affect any deduction at source on this account and remit the same to the Government.

Applying the above rationale for VAT in respect of purchases by KPTCL, there is no necessity for KPTCL Accounting Units to deduct and remit VAT to the Government. Any such deductions being made at present by KPTCL from the Suppliers' bills shall be stopped forthwith unless there is specific direction/reasons to do so.

### 3. Works Contract Tax

Applicability of Works Contract Tax (KVAT / WCT) in respect of works carried out by Contractors for KPTCL has been laid down in **Section 9A of Chapter II of The Karnataka Value Added Tax, 2003**. Various circulars have also been issued from Corporation clarifying on the issue of applicability and also mode of regulating the deduction and remittance of Works Contract Tax (WCT). The extract of the provision in the said Act, is reproduced below for information:

*"9-A. Deduction of tax at source (in case of works contract).- (1) Notwithstanding anything contained in this Act, the Central Government, or any State Government, or an industrial, commercial or trading undertaking of the Central Government or of any State, or any such undertaking in joint sector or any other industrial, commercial or trading undertaking or any other person or body as may be notified by the Commissioner from time to time or a local authority or a statutory body, shall deduct out of the amounts payable by them to a dealer in respect of any works contract executed for them in the State, an amount equivalent to the tax payable by such dealer under the Act".*

As such, KPTCL Accounting Units shall first examine the nature of work and regulate the tax accordingly. Provision for tax component needs to be examined and included in the estimate itself appropriately to avoid problems at the time of admitting the claims of the Contractor.

The type of award/contracts being given to Suppliers/Contractors by KPTCL can be classified under the following main categories. The applicability of taxes on the same are also indicated under each type:

- a) **Issue of Purchase Order for supply of materials only:** Only Excise Duty and VAT at prevailing rates are applicable. Normally these components are included by the Supplier in the Bill and to be paid along with the material cost. In such cases no WCT or Service Tax would be applicable.
- b) **Award for Labour Work only:** Such works involve labour only without use or consumption of any material. In some cases, materials may be supplied by KPTCL itself. In all such cases, no VAT is applicable for the reason that only labour would not attract VAT and the material supplied by KPTCL if any, would have already suffered VAT. Since, there is a service component, Service Tax at prevailing rate is applicable. This Service Tax doesn't fall under 'Works Contract' and hence no Joint Charge Mechanism is applicable. The entire Service Tax has to be paid by the Service Provider to the Department. Accordingly, no deduction shall be made by KPTCL Accounting Units towards Service Tax. In such cases, the Sanctioning/Awarding Authorities of KPTCL shall incorporate relevant provisions in the Estimate as well as Award/Agreement to regulate taxes properly.
- c) **Award/Contract involving both supply of material and involving labour (with distinct components):** In case the Award/Contract is given involving both supply of material and labour for carrying out work and break up details are distinctly made in the Award, then either VAT or Works Contract Tax and Service Tax are applicable which are to be regulated on following line:
- i. If the materials supplied by the Contractor are invoiced to KPTCL, received and accounted at any of KPTCL Stores by drawing a Receipt Voucher then applicable VAT shall be paid along with the cost of the materials to the Supplier. Such materials have to be issued to the Contractor through Issue Invoice. In respect of labour for carrying out work using such materials, no WCT is applicable and Service Tax has to be paid as usual (not under the provisions of Works Contract).
  - ii. If the materials are used by the Contractor directly for the works without passing through KPTCL Stores and separate bills for material supply and labour charges portion is preferred, then VAT shall be allowed on the materials cost, however the same amount will be deducted treating the same as WCT (for which TDS provisions are applicable) and remitted to the Department. On labour charges for carrying out the work, only Service Tax is applicable (not under the provisions of Works Contract).
- d) **Award/Contracts involving both supply of materials and labour (without distinct components):** In case the Award/Contract is given involving both supply of material and labour for carrying out work but break up for the same is not there, both Works Contract Tax and Service Tax (treating the same as 'Works Contract') are applicable and are to be regulated as per the relevant provisions. In such cases, special care shall be taken with regard to valuation of Works Contract under provisions of WCT and Service Tax properly.



In case of Works Contract Tax (WCT), the provisions relating to 'composition scheme' opted by the Contractor needs to be considered on production of documents to that effect and taxes regulated accordingly. The instructions already given vide T.O. Circular No.FA(A&R)/KCO-21/6936/07-08 dated 2<sup>nd</sup> February, 2008 may be referred and followed in this regard.

In respect of Service Tax also, depending on the nature of work i.e., whether the works falls under Works Contract definition or not, applicability of Joint Charge Mechanism shall be decided. *Under no circumstances, deductions shall be made from the Bills of the Contractors who are 'Body Corporate' like MEI, KAVIKA, etc., towards Service Tax, as JCM is not applicable for this category.*

Awarding composite contracts i.e., supply of material as well as execution of work (i.e., labour) would unnecessarily burden the Corporation as both VAT and WCT are applicable in such cases as could be seen from Sl.No.3(ii) above. Hence, *if the portion of supply of materials and execution of work through labour can be separated easily, it would be advisable to all Sanctioning/Approving Authorities of KPTCL to place Purchase Order for procurement portion and Award of Work for labour portion so that applicable taxes can be regulated separately and correctly without any ambiguity or problems.*

#### 4. Service Tax

Service Tax is applicable only in cases where only 'Labour Work' or 'Works Contract' is involved in the course of supply/execution of work. The provisions relating to Works Contract under Service Tax has been elaborately given in this Office Circular No. FA(A&R)/KCO-21/6911/2012-13 dated 19<sup>th</sup> November, 2012. In the said Circular, meaning of Works Contract, Valuation of Services under Works Contract, meaning of Original Work, applicability of Joint Charge Mechanism, etc., have been discussed thoroughly. KPTCL Accounting Units shall follow the instructions already given in this regard without any deviation and also inform the Contractors properly on the prevailing provisions in general and the applicable provisions in their cases.

#### 5. Building and Other Construction Workers

Subsequent to issue of Corporate Order on 25.06.2007 relating to 'Building and Other Construction Workers Welfare Cess', Circulars from this Office on 19.05.2012, 21.07.2012 and 22.08.2012 have been issued clarifying on various points relating to applicability and mode of regulating the deduction on this account. A Circular has also been issued by the O/o CEE(T&P) on 13.03.2013 giving instructions to regulate the refund of cess on supply portion of the contract. Accordingly, at the time of admitting the claims of the Contractor, KPTCL Accounting Units shall deduct the Cess at 1% of the Total Contract Price excluding Supply Portion of the Contract (if awarded separately) and remit the same to the Welfare Board.

#### 6. Security Deposit


The provisions relating to Earnest Money Deposit (EMD) or Tender Deposit and Security Deposit for Performance of Contracts are laid down in Paras 307 and 308 of KPTCL Accounts Manual Vol.II respectively. The same shall be followed without any waiver or exemption for any Contracting Agency (whether Government Company or not).

However, KPTCL Units shall arrange for refund of the same as and when due without any delay and also ensuring hassle-free settlement of Refund Claims. It shall be ensured that sending of Refund Bills to the field Units/Offices for certification and processing of the bills thereafter shall not cause any difficulty and delay in settlement of such claims.

#### 7. Tax Deducted at Source (TDS):

Wherever the provisions of Tax Deducted at Source are applicable, the Units shall follow the same without any contravention and inform the Contractors about the same properly. No TDS under Section 194C of the Income Tax Act, 1961 shall be made in respect of material supply portion of the Turnkey Contracts. In this regard, the instructions issued vide T.O. Circular No. FA(A&R)/KCO-21/6936/09-10 dated 30<sup>th</sup> January, 2010 shall be referred wherein the clarification issued by the IT Department has been annexed.

Above instructions shall be followed scrupulously by all the Accounts Officers of TL&SS and MW Divisions. Accounting Units may examine to follow similar procedure in respect of other cases. Any specific issue requiring clarification on procedural aspect may be obtained from this Office to avoid problems for the Contractors in settlement of their Bills.

  
Financial Adviser (A&R) 25.2.14

To,

1. All the Chief Engineers, KPTCL.
2. The Financial Adviser (I/A), KPTCL, Kaveri Bhavan, Bangalore.
3. All the Controllers, KPTCL.
4. All the Superintending Engineers, KPTCL.
5. The Superintending Engineer(EI), MIS, Computer Section for hosting the circular on e-prasarana.
6. All the Deputy Controllers, KPTCL.
7. The Deputy General Manager (Personnel), Corporate Office, KPTCL, Kaveri Bhavan, Bangalore-9.
8. The Deputy Controller, HRD Centre, KPTCL, Bangalore.
9. All the Executive Engineers, KPTCL.
10. All the Accounts Officers, KPTCL.
11. The Manager (IM), KPTCL, Kaveri Bhavan, Bangalore.
12. The Manager (Establishment-II), KPTCL, Kaveri Bhavan, Bangalore.
13. The Manager (Cash & Accounts), KPTCL, Kaveri Bhavan, Bangalore.
14. All the Accounts Officers (Internal Audit), KPTCL.
15. All the Assistant Accounts Officer (internal Audit), KPTCL.
16. All the Officers of FA (A&R)'s office.
17. PS to Director (Finance), KPTCL, Bangalore.
18. AAO-I/Sr. Assts /Assts of Accounts Section/Cash & Accounts Section.
19. M.F.

# KARNATAKA POWER TRANSMISSION CORPORATION LIMITED



Corporate Office,  
7th Floor, KaveriBhavan,  
Bangalore,  
Dated 26<sup>th</sup> February, 2014.

No. FA(A&R)/KCO-20/6911/2012-13

## CIRCULAR

Sub: Modified Procedure for accounting amount collected from employees and amount disbursed to the beneficiaries under Family Benefit Fund scheme.

The Family Benefit Fund scheme is in operation in KPTCL from 1998 and the recoveries and disbursement under the Scheme are being regulated as per the instructions issued from time to time. As per the prevailing procedure, Accounting Units of KPTCL are not seeking funds towards FBF deducted from the employees and crediting the Fund Account to that extent by way of adjustment. Thereby the equivalent amount would have been retained by Resource Section through adjustment. The amount payable to an employee on retirement or to his legal heirs in case of death as the case may be is being transferred from Resource section to the concerned KPTCL Units where the beneficiary was working.

During the audit of KPTCL Accounts for FY 2011-12 Auditors while commenting on the FBF transactions have observed that funds under this scheme should not be utilized by the Company in its business and income accrued if any, on such funds, shall also be credited to the same account without treating the same as income of the Company. The provision made towards FBF during the year shall be credited to and payment made to the beneficiary shall also be paid out of the same Bank Account.

To comply with the observation of Auditors there is necessity for maintenance of separate Accounts, Bank Accounts for the FBF scheme.

Accordingly, the Fund Account henceforth will be maintained and monitored at Controller (Finance) Section of this Office by Accounts Officer (Planning and Revenue Budget). A new separate Bank Account has already been opened for this purpose and an amount of Rs.45 Crs. being the balance under the Fund has already been deposited to this Account.

With the above background, modified procedure for accounting FBF transactions in the books of Accounting Units , AO(P&RB) Section, Resource Section and Head Office is narrated below;

**I-Action to be taken by the Accounting Units of KPTCL**

1. The existing procedure of deducting the FBF amount from each employee by the Accounting Units and payments to the beneficiary by obtaining funds from the Resource Section shall be continued.
2. The existing procedure of transferring the FBF amount deducted from the employees and amount paid to the beneficiary to the Head Office under PART-C of March Final Accounts by the Accounting Units shall be continued.
3. Hitherto Accounting Units are booking Board's contribution to respective FBF Account Codes 44.141, 44.142 and 44.143. With effect from 01/04/2013, Board's contribution shall be booked under newly operated Account Code 75.861. The exact amount to be booked under 75.861 shall be reckoned based on the Revised Annexure 10(A) (ie., total of column 21) enclosed to this Circular. Contribution of employees and interest portion shall be continued to account under respective FBF Account code as is being followed.
4. Board's contribution already accounted under FBF Account Codes 44.141, 44.142 and 44.143 if any, during 2013-14 shall be transferred to new Account Code 75.861 by passing necessary rectification entries.
5. In case of death of an employee while in service, Board's contribution shall be booked as explained in Item 3 above. Amount to be booked under Account code '75.860-Family Benefit Fund Contribution' shall be as per the following Formula;

Rs.2,00,000 -(minus) {(Total amount to be debited 44.141,  
44.142 & 44.143(column 20) + Amount to be debited to  
75.861(column 21))}

6. Accounting Units shall send a monthly statement to AO(P&RB) Section in the following format before 20<sup>th</sup> of the succeeding month of disbursement of salary.

Statement showing the amount recovered from salary of employees towards FBF and amount disbursed to employees in case of retirement or to beneficiaries in case of death of employee while in service.

FBF Statement for the month of .....

Name of the Unit:

Location Code:

| Sl. No. | Name of the Employee                  | Amount recovered from Salary(44.143)(Cr) | Date of retirement/death | Amount debited to 44.141, 44.142 & 44.143 (Dr) | Net amount | Amt. debited to 75.861 | Amt. debited to 75.860 |
|---------|---------------------------------------|------------------------------------------|--------------------------|------------------------------------------------|------------|------------------------|------------------------|
| 1       | 2                                     | 3                                        | 4                        | 5                                              | 6=(3-5)    | 7                      | 8                      |
|         |                                       |                                          |                          |                                                |            |                        |                        |
|         |                                       |                                          |                          |                                                |            |                        |                        |
|         |                                       |                                          |                          |                                                |            |                        |                        |
|         | Sub-total(A)                          |                                          |                          |                                                |            |                        |                        |
|         | C.B of previous month Statement(B)(*) |                                          | XXXX                     |                                                |            |                        |                        |
|         | Total (A+B)                           |                                          |                          |                                                |            |                        |                        |

Note :

- 1.Total of column 6 shall tally to net of amount shown under 44.141, 44.142 & 44.143 in Trial Balance of the respective month.
2. Total of column 7 & 8 shall tally to the respective Account codes in Trial Balance of respective month.
- 3.(\* )C.B of previous month Statement shall be taken as Zero for **April** month Statement
- 4.Above statement shall be sent to AO(P&RB) Section from April 2014 and onwards.

## II-Action to be taken by AO(P&RB) Section

1. A separate Cash book shall be opened and maintained as FBF Cash Book henceforth.
2. The amount deposited by Resource Section to newly opened FBF Bank Account shall be taken to receipt side of FBF Cash Book under Operative Bank Column and allocation shall be given as 44.140, 44.141, 44.142 and 44.143 as per the break-up obtained from Accounts Section of Controller(AP&A).
3. AO(P&RB) Section shall obtain the monthly statement from all the Accounting Units as shown in Item (6) of Para-I above and Month-wise and Unit-wise consolidation of the above statement shall be made for verifying the same with Annexure 10C to be submitted by the Accounting Units at the time of submission of March Final Accounts and also to reconcile the amount with Units from time to time.
4. AO(P&RB) Section shall collect Annexure 10C from all the Accounting Units of KPTCL at the time of submission of March Final Accounts by the Units to Head Office and cross-verify with the monthly statements already submitted by the Units.
5. Annexure 10C forms the base for posting FBF Cash Book entries in AO(P&RB) Section. After obtaining Annexure 10C from the Units, the same shall be consolidated in AO(P&RB) section to arrive at the total amount recovered from employees towards FBF and the amount disbursed to retired employees / beneficiaries out of FBF Scheme during the year.
6. It shall be ensured that total under Column 13,14 & 15 of Annexure 10C tallies with balance under respective account codes in consolidated March Final Trial Balance of Head Office.
7. If the Net of total amount arrived under column 13,14 & 15 of Annexure 10C is a credit amount, the same shall be claimed by preferring a Proforma bill to Resource Section of KPTCL.
8. On receipt of amount from Resource Section (through cheque /RTGS /direct deposit by Resource Section to FBF Bank Account), the same shall be posted in the Cash Book as given below:

- i) Total under column 3,4 & 5 of Annexure 10C shall be posted on receipt side of the FBF Cash book under Operative Bank Column separately giving respective FBF Account code allocation.
  - ii) Total under column 7, 8 & 9 of Annexure 10C shall be posted on payment side of the FBF Cash Book under Operative Bank Account Column separately, giving respective FBF Account code allocation.
  - iii) Ensure that Net amount of posting made as explained in (i) and (ii) above shall tallies to the amount received from Resource Section.
9. If the Net of total amount arrived under column 13,14 & 15 of Annexure 10C is a Debit amount, the same shall be intimated to Resource Section of KPTCL and payment shall be arranged to by AO(P&RB) Section to Resource Section on receipt of claim for the same.
10. On payment of the amount to Resource Section, posting in the Cash book shall be made as explained in (i) & (ii) of Item 8 above and ensure that net amount of postings made shall tallies to the amount paid to Resource Section.
11. Income accrued if any (like Interest on Deposits/Bank Account), on the funds deposited in FBF Bank Account (based on the entries in Bank Pass sheet of FBF Bank Account) such amount shall be taken to receipt side of the FBF cash book under Operative Bank Account column. The allocation for such amount shall be given as 44.143. Similarly, expenditure charged if any by the Banker, shall be taken to payment side of the FBF Cash Book with allocation as 44.143.
12. A Separate ledger Account shall be opened and maintained as FBF Ledger Account.
13. The transaction relating to FBF dealt at AO(P&RB) Section shall be included in the March Final TB of DC(B&R) Section.
14. DC(B&R) Section shall show the balances under respective FBF Account codes (44.140, 44.141, 44.142 & 44.143) in March Final

Trial Balance and not in Part-C as is being done by other Accounting Units of KPTCL.

15. Reconciliation of FBF Cash Book and FBF Bank Accounts shall be made from time to time.
16. The administrative procedures like taking approval, drawing cash receipts, FBF claim Form etc., shall be followed wherever applicable.
17. Two new Account codes for booking the transactions towards FBF are given below;  
24.881-Disburesement Bank Account-FBF Bank Account  
24.882-Fixed Deposits held in various Banks in respect of FBF amount.

(Above Account codes shall be operated by AO(P&RB) Section only)

### **III-Action to be taken at Resource Section of Controller (F):-**

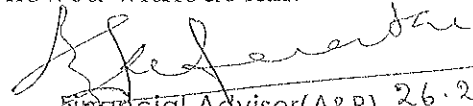
1. The existing procedure of transferring funds to the Accounting Units towards FBF claims shall be continued in the Resource Section.
2. As when the claims are received from AO(P&RB) Section towards FBF, payment shall be arranged to AO(P&RB) Section.
3. On making the payment through cheque/RTGS/direct deposit to FBF Bank Account, allocation on the payment side of the cash book shall be given as 44.143.
4. Payment towards FBF if any to be made to AO(P&RB) Section shall be made by Resource Section before 15<sup>th</sup> May of every year.
5. On receipt of intimation if any, from AO(P&RB) Section regarding claiming of FBF Amount by Resource Section, the same shall be claimed preferring a FBF claim Form to AO(P&RB) Section.
6. On receipt of the amount from AO(P&RB) Section, the same shall be taken to Receipt side of the Cash Book giving allocation as 44.143
7. The balance under FBF Account Codes shall be transferred to Head Office under Part-C of March Final Trial Balance.



Action to be taken at Accounts Section(Controllor (AP&A)) :-

1. The Accounts Section in C(AP&A) Section will make provision for FBF during March Final Accounts every year.
2. Amount so provided shall be shown under column 5 of Annexure 10C and submitted to AO(P&RB) Section for claiming the same from Resource Section.

Above instructions shall be scrupulously followed without fail.

  
Financial Adviser(A&R) 26.2.14

Copy to:

All the Chief Engineers, KPTCL,  
The Financial Adviser (I/A), KPTCL, Kaveri Bhavan, Bangalore  
All the Controllers, KPTCL  
All the Superintending Engineers, KPTCL  
The Superintending Engineer(EI), MIS, Computer Section for  
hosting on e-prasarana.  
All the Deputy Controllers, KPTCL  
The D.G.M(Personnel), Corporate Office, KPTCL, Kaveri Bhavan,  
Bangalore-9  
The Deputy Controller, HRD Centre, KPTCL, Bangalore.  
All the Executive Engineers, KPTCL  
All the Accounts Officers, KPTCL  
The Manager (IM), KP TCL, Kaveri Bhavan,Bangalore.  
The Manager (Establishment-II), KPTCL, Kaveri Bhavan, Bangalore  
The Manager (Cash & Accounts), KPTCL, Kaveri Bhavan,  
Bangalore  
All the Accounts Officer (internal Audit), KPTCL,  
All the Assistant Accounts Officer (internal Audit), KPTCL  
The Resident Audit Officer, KPTCL, Bangalore,  
All the Officers of FA (A&R),  
PS to Director (Finanace),KPTCL,Bangalore  
R&R to AAO-I/Sr Assts/Assts of Accounts Section/ M.F

## Annexure: 10(A)

Location Code :

Sr Asst./AAO

AQ/DCA

- \* The amount contributed by the employee upto 31-3-2000 alongwith Corporation's Contribution till 31-3-2000 shall be debited to Account code 44.141 either on death or retirement.
- \* The amount contributed by the employee from 1-4-2000 alongwith Corporation's contribution till the date of death / retirement till 30/09/2007 shall be debited to Account Code 44.142 either on death or retirement
- \* The amount contributed by the employee from 01-10-2007 and onwards alongwith Corporation's contribution till the date of death / retirement shall be debited to Account Code 44.143 either on

# KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

Annexure: 10(C)

## MARCH 2014 FINAL ACCOUNTS

STATEMENT SHOWING DETAILS OF FAMILY BENEFIT FUND RECOVERED AND PAYMENTS MADE DURING THE PERIOD FROM 01-04-2013 TO 31-03-2014

Name of the Accounting Unit :

Location Code :

| Sl.No. | Month  | Amount Recovered from Employees(Cr) |        |        |                  | Amount disbursed to retired employees / beneficiaries(Dr) |        |        |                  |        |        | Net amount booked |          |          |
|--------|--------|-------------------------------------|--------|--------|------------------|-----------------------------------------------------------|--------|--------|------------------|--------|--------|-------------------|----------|----------|
|        |        | 44.141                              | 44.142 | 44.143 | TOTAL<br>(3+4+5) | 44.141                                                    | 44.142 | 44.143 | TOTAL<br>(7+8+9) | 75.861 | 75.860 | 44.141            | 44.142   | 44.143   |
| 1      | 2      | 3                                   | 4      | 5      | 6                | 7                                                         | 8      | 9      | 10               | 11     | 12     | 13=(3-7)          | 14=(4-8) | 15=(5-9) |
|        | Apr-13 |                                     |        |        |                  |                                                           |        |        |                  |        |        |                   |          |          |
|        | May-13 |                                     |        |        |                  |                                                           |        |        |                  |        |        |                   |          |          |
|        | Jun-13 |                                     |        |        |                  |                                                           |        |        |                  |        |        |                   |          |          |
|        | Jul-13 |                                     |        |        |                  |                                                           |        |        |                  |        |        |                   |          |          |
|        | Aug-13 |                                     |        |        |                  |                                                           |        |        |                  |        |        |                   |          |          |
|        | Sep-13 |                                     |        |        |                  |                                                           |        |        |                  |        |        |                   |          |          |
|        | Oct-13 |                                     |        |        |                  |                                                           |        |        |                  |        |        |                   |          |          |
|        | Nov-13 |                                     |        |        |                  |                                                           |        |        |                  |        |        |                   |          |          |
|        | Dec-13 |                                     |        |        |                  |                                                           |        |        |                  |        |        |                   |          |          |
|        | Jan-14 |                                     |        |        |                  |                                                           |        |        |                  |        |        |                   |          |          |
|        | Feb-14 |                                     |        |        |                  |                                                           |        |        |                  |        |        |                   |          |          |
|        | Mar-14 |                                     |        |        |                  |                                                           |        |        |                  |        |        |                   |          |          |
| TOTAL  |        |                                     |        |        |                  |                                                           |        |        |                  |        |        |                   |          |          |

AAO/Sr.Asst

AO/DCA

Note-The total in column 11,12,13, 14 & 15 shall tally to balance under respective account codes in March Final Trial Balance.



# KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

No. FA(A&R)/KCO-20/6911/2013-14

Corporate Office,  
7<sup>th</sup> Floor, Kaveri Bhavan,  
Bangalore - 560 009  
Dated: 20.03.2014.

## CIRCULAR

Sub: Remittance of Service Tax amount to the Department  
for the month of March, 2014-reg.

Ref: This office Circular No. FA(A&R)/KCO-20/6911/2013-14  
dated. 10.02.2014 and 19.02.2014

\*\*\*\*\*

Instructions have been issued vide this office Circulars of 10.02.2014 and 19.02.2014 directing all the Pay Drawing Officers of the Accounting Units to remit the Service Tax amount to the Department under common Service Tax Registration No. AABCK7281M ST001 through online w.e.f. 01.03.2014 instead of sending Advise of Transfer and Statement to the Manager (Internal Management) Section, Corporate Office.

As per the prevailing provisions, Service Tax amount for March has to be remitted to the Department within 31<sup>st</sup> of March itself, i.e., 31<sup>st</sup> March, 2014 is the last date for remittance of Service Tax amount for the month of March, 2014 as the year end. The extract of the relevant provision made in the Service Tax Rules, 1994 is reproduced below;

*"In case of any other category of service provider other than specified at 6.1 above, Service Tax is to be paid on a monthly basis, by the 5<sup>th</sup> of the following month (in case of e-payment, by 6<sup>th</sup> of the month immediately following the respective month). However, payment for the month of March is required to be made by 31<sup>st</sup> of March itself.*


*(Refer Rule 6(1) of Service Tax Rules, 1994)"*

In this regard, all the Accounting Units shall take action to remit the Service Tax amount for the month of March, 2014 by 29.03.2014 through online without fail by obtaining funds from the Resource Section, Corporate office duly ascertaining/calculating Service Tax amount based on the bills to be passed in the month of March, 2014 and also considering entries passed for outstanding liabilities. Further, the Accounting Units have to estimate the Service Tax to be remitted for March 2014 keeping 'Point of Taxation' as the

basis and arrange to remit the Service Tax in full without giving room for any shortfall which may attracts interest/penalty. In the process, special care shall be taken for properly regulating Service Tax relating to Rent and other routine monthly payment for which bills are normally preferred after closure of the month.

As already informed, If only genuine problems is there (like Banker not giving the kit or not activated the facility or online mode not working due to unknown reasons) in remittance of Service Tax amount to the Department through online mode, concerned Pay Drawing Officer of the Accounting shall contact/write to Manager (Internal Management) Section, Corporate Office before 25.03.2014 duly ascertaining/calculating Service Tax amount based on the bills to be passed in the month of March, 2014, and request for remittance of Service Tax through Corporate Office explaining the difficulties.

Interest and penalty if any, levied by the Service Tax Department due to noncompliance of provisions relating to Service Tax will be to the Personal Account of the concerned Pay Drawing Officers.

  
Financial Adviser (A&R) 20.3.14

To,

1. All the Chief Engineers, KPTCL.
2. The Financial Adviser (I/A), KPTCL, Kaveri Bhavan, Bangalore.
3. All the Controllers, KPTCL.
4. All the Superintending Engineers, KPTCL.
5. The Superintending Engineer(EI), MIS, Computer Section for hosting the Circular on e-prasarana.
6. All the Deputy Controllers, KPTCL.
7. The Deputy General Manager (Personnel), Corporate Office, KPTCL, Kaveri Bhavan, Bangalore-9.
8. The Deputy Controller, HRD Centre, KPTCL, Bangalore.
9. All the Executive Engineers, KPTCL.
10. All the Accounts Officers, KPTCL.
11. The Manager (IM), KPTCL, Kaveri Bhavan, Bangalore.
12. The Manager (Establishment-II), KPTCL, Kaveri Bhavan, Bangalore.
13. The Manager (Cash & Accounts), KPTCL, Kaveri Bhavan, Bangalore.
14. All the Accounts Officers (Internal Audit), KPTCL.
15. All the Assistant Accounts Officer (internal Audit), KPTCL.
16. All the Officers of FA (A&R)'s office.
17. PS to Director (Finance), KPTCL, Bangalore.
18. AAO-I/Sr. Assts /Assts of Accounts Section/Cash & Accounts Section.
19. M.F.



# KARNATAKA POWER TRANSMISSION CORPORATION LIMITED

No. FA(A&R)/KCO-20/6911/2013-14

Corporate Office,  
7<sup>th</sup> Floor, Kaveri Bhavan,  
Bangalore - 560 009  
Dated: 24.03.2014.

## CIRCULAR

**Sub: Remittance of Service Tax amount through online to the respective codes.**

**Ref: This office Circular No. FA(A&R)/KCO-20/6911/2013-14 dated. 10.02.2014 and 19.02.2014**

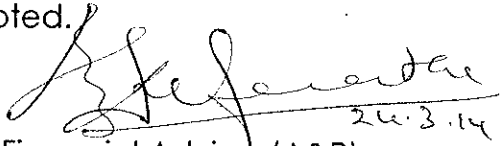
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The Accounting Units of KPTCL have started remitting Service Tax at Unit level as per the instructions issued vide Circular dated 19.02.2014 and are sending original copy of the challan along with details in the prescribed format.

On examining the details furnished by the Units, Manager (Internal Management), Corporate Office has reported that some of the Accounting Units have remitted Service Tax amount to the Department through online in the month of March, 2014, without bifurcating Education Cess and Secondary and Higher Education Cess, for which Service Tax Department will claim short payment of Service Tax and may also levy penalty for not remitting on the Cess to the respective codes.

Hence, all the Accounting Units are instructed to remit the Service Tax amount through online duly bifurcating Education Cess and Secondary and Higher Education Cess, and remit the Service Tax amount to the Department through online to the respective codes.

Interest and penalty if any claimed by the Service Tax Department due to noncompliance of above provisions will be to the Personal Account of the concerned Unit Officers which may please be noted.

  
24.3.14  
Financial Adviser (A&R)

To,

1. All the Chief Engineers, KPTCL.
2. The Financial Adviser (I/A), KPTCL, Kaveri Bhavan, Bangalore.
3. All the Controllers, KPTCL.

4. All the Superintending Engineers, KPTCL.
5. The Superintending Engineer(EI), MIS, Computer Section for hosting the Circular on e-prasarana.
6. All the Deputy Controllers, KPTCL.
7. The Deputy General Manager (Personnel), Corporate Office, KPTCL, Kaveri Bhavan, Bangalore-9.
8. The Deputy Controller, HRD Centre, KPTCL, Bangalore.
9. All the Executive Engineers, KPTCL.
10. All the Accounts Officers, KPTCL.
11. The Manager (IM), KPTCL, Kaveri Bhavan, Bangalore.
12. The Manager (Establishment-II), KPTCL, Kaveri Bhavan, Bangalore.
13. The Manager (Cash & Accounts), KPTCL, Kaveri Bhavan, Bangalore.
14. All the Accounts Officers (Internal Audit), KPTCL.
15. All the Assistant Accounts Officer (internal Audit), KPTCL.
16. All the Officers of FA (A&R)'s office.
17. PS to Director (Finance), KPTCL, Bangalore.
18. AAO-I/Sr. Assts /Assts of Accounts Section/Cash & Accounts Section.
19. M.F.