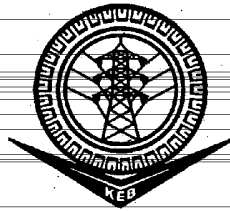

COMPENDIUM OF CIRCULARS
AND
CLARIFICATION LETTERS ISSUED ON ACCOUNTS
FROM
1.3.96 TO 30.6.97

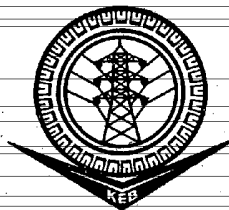
VOLUME - II



KARNATAKA ELECTRICITY BOARD
BANGALORE

**COMPENDIUM OF CIRCULARS
AND
CLARIFICATION LETTERS ISSUED ON ACCOUNTS
FROM
1.3.96 TO 30.6.97**

VOLUME - II



**KARNATAKA ELECTRICITY BOARD
BANGALORE**

M.P. NARAYANA
Chief Controller of Accounts

Cauvery Bhavan, 7th Floor,
KEB, Bangalore - 560 009
Date : 30th June 1997.

D.O. No.CCA/AO(A/c)/Sn.IV/Prtbk/4

Dear Sri. / Smt.

Sub : *Compendium of Circulars and Instructions issued on maintenance of Books and Registers of accounts and Compilation of Accounts - VOL II*

You are aware that Compendium of Circulars and Instructions on accounts for the period from April 1985 to February 1996 was sent to you vide T.O. D.O. Lr. dated 30th March 1996. In continuation of the First Volume, Second Volume covering the period from March 1996 to June 1997 has been brought out now and the same is sent herewith. This Volume also includes some of the circulars which were not incorporated in the compendium. Volume I and the index of Compendium Volume I. As in the case of First Volume this Volume is also sent to your personal address for keeping the same as personal copy and to make use of the guidelines and instructions as and when necessary. This Volume shall also be carried with you wherever you are transferred.

I thank you for your Co-operation during the tenure of my service in compilation of Board Accounts and also in rendering efficient service in other branches of the Board.

I request you to acknowledge the receipt of this book immediately without fail.

With Best Wishes,

Yours Sincerely,

To,

Sri. / Smt.

.....
.....

PREFACE

Continuing our effort in improving quality and standard of accounts compiled in all the accounting units, the Second Volume of Compendium of all circulars on accounts for the period from March 1996 to June 1997 has been brought out. Like the First Volume, this Volume also consists important information required for compilation of accounts and maintenance of registers.

I am very happy that this compendium Volume II is brought out during my tenure of service and thank all the officers and staff working in CCA's office for their co-operation and contribution in this effort.

Bangalore
Date : 30th June, 1997

M.P. NARAYANA
Chief Controller of Accounts,
Karnataka Electricity Board.

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1.No.C/AC/Com.Accts/CYS-46.

Dated 12.6.85.

*Allocation of employees cost charged to works
in respect of Works Units - Accounts Code 75.9*

You are aware that the Board has issued instructions in the Board Order No.KEB/B7/1969/81-82 dated 1.4.1985 giving effect to the introduction of Commercial Accounting Systems and Procedures. Under the new system the employees cost i.e. salaries, overtime, D.A. and other allowances of the employees who are in-charge of the Works Units of O & M Divisions engaged on Capital Works has to be absorbed by the Capital Works, though such expenses were not being distinctly charged to the works earlier.

For the purpose of allocation of the employees cost i.e., salaries, overtime, D.A., and other allowances of those who are solely engaged in connection with the Capital Works and Supervision of Works Units engaged on Capital Works, it is necessary to have the following data for each employee which should be supplied with attendance extract sent to Accounts Section of the Division Office.

"No.of days worked against/supervised capital works-work order/Classification-wise for the period of attendance."

At the time of passing the bill the Accounts Officer should first debit to the salaries, D.A. , and other allowances account and then transfer the debit simultaneously to the concerned works through the following entries.

- i) Debit-15.203: Revenue expenses pending allocation over capital works - employees Cost.
Credit - 75.9: Employees cost charged to Capital Works
- ii) Debit Capital works (Category-wise Eg.14.400 CWIP service connections etc.
Credit 15.203 Revenue expenses pending allocation over Capital works - Employees Cost.

2. No.C/AC/Com.Accts/CYS-52.

Dated 14.6.85.

Commercial Accounting Systems and Procedures w.e.f. 1.4.1985.

A reference is invited to the detailed procedure laid down for the maintenance of party-wise accounts in respect of purchases vide Annexure IX of the "Commercial Accounting Systems and Procedures" supplied to you along with the Board Order No.KEB/B7/1969/81-82 dated 1.4.1985. The Receipt Voucher Register (Annexure II) has been marked as 'deleted' under the heading Receipt Voucher Register. This Register should be maintained along with the Bill Booking Register as well as the Sundry Creditors Ledger to have a control over passing the suppliers bills and also to avoid second payment. A specimen copy of the Receipt Voucher Register as slightly amplified is enclosed herewith for your kind reference and to make use of the same in a blank register until the printed books are made available to you. The Chief Engineer, Electricity (MM & P), has been requested separately to get the books printed and supplied to all the Accounting Units.

RECEIPT VOUCHER REGISTER

Date	Receipt Voucher Number	Purchase Order Reference	Particulars	Value of materials purchased @ standard rate/ purchase order rate					Reference to BBR
				Vehicles	Furniture & Fixtures	Office Equipment	Others	Total	
1	2	3	4	5	6	7	8	9	10

3.No.C/AC/Com.Accts/CYS-75.

Dated 18.7.85.

Implementation of Commercial Accounting Systems and Procedures.

It is brought to the notice of the undersigned by the Deputy Controller (Commercial Accounts) on verification of the books of accounts with regard to implementation of Commercial Accounting Systems and Procedures during his visit to your division last month that the Account Code No.57.140 has been operated at the time of passing pension bills of the pensioners. This is incorrect. As advised by him, the pension bills received in the Division Office have to be bifurcated as follows:

Pension bills in respect of the employees employed prior to 1.10.1957 and after 1.10.1957 the following entries are to be passed first.

EMPLOYEES EMPLOYED PRIOR TO 1.10.57

Debit 75.835 terminal benefits (pension charges)

Credit 44.310 salary payable.

On payment of pension, salary payable bills has to be debited. This is of course through cash book (No journal entry for this since a cash transaction).

EMPLOYEES EMPLOYED AFTER 1.10.1957.

Similarly the following entry has to be passed on receipt of pension bills in respect of employees employed after 1.10.57.

Debit 57.140 staff pension fund

Credit 44.310 salary payable.

At the time of payment, the pension bill has to be debited to this account i.e., salary payable account. Of course this will appear through cash. Necessary corrections may be effected in the journals and the other books of Accounts i.e., cash book voucher, journal book and ledger. Action taken to revise the account codes and account heads may be intimated.

4.No.C/AC/Com.Accts/CYS-153

Dated 24.10.85.

*Commercial Accounting systems and Procedures -
Accounting of postage stamps and revenue receipt stamps.*

There has been some defect in the method of accounting of postage stamps in the old system since on the purchase of stamps the total cost was being charged to Revenue Expenditure. This procedure was incorrect for the reason that debiting the entire cost of stamps as Revenue Expenditure was being done before they are actually used. The Accountant General had also taken an objection to that procedure. This defect has been rectified in the present system of accounting by introducing two separate heads of accounts viz., '24.120' 'postage stamps on hand' and '76.113 postage. Therefore on purchase of stamps the effect would be

Dr.24.120 postage stamps on hand
To Cash Account.

This is only a cash transaction and no journal entry need be passed. However, at the end of each month a journal entry shall be passed by Debit to '76.113 postage' and by credit to '24.120 postage stamps on hand, for the stamps actually used during the month. The details of the stamp Account may be collected from the Despatch Register. This procedure holds good in respect of re-couplement of postage stamps in respect of Sub Divisions/Sub Sections as well. That is to say as and when requisitions are received for supply of postage stamps from Sub Divisions/Sections the value of the postal stamps purchased should be allocated to 24.120 postage stamps on hand as in the case of purchase for Division Office use as indicated above. Further a journal voucher be passed by debit to 76.113 postage and credit to 24.120 postage stamps on hand. Thus the General Ledger shall show the balance on hand under the head of account 24.120 postage stamps on hand.

This procedure is effective from 1.4.1985. As far as past transactions from 1.4.1985 to October 1985 are concerned, the Balance of postage stamps as on 31.10.1985 may be brought to the head 24.120 - postage stamp on hand if the purchases since April 1985 had actually been debited to the Account of postage. The idea is that irrespective of debit head to which the purchases have been debited, the balance should be brought to the head of Account 24.120 as on 1.11.1985. The transactions for the subsequent period may be regulated in accounts as indicated in this Circular.

Similar procedure may be followed in accounting of Revenue Receipt stamps also as separate head of accounts are now opened viz., '24.130 Revenue Receipt stamps on hand' and '76.115 Revenue Receipt Stamps.'

As on 31st March of every year the balance of postage stamps on hand under 24.120 and balance of revenue receipt stamps under 24.130 should be physically verified and the value thereof certified in the registers maintained for this purpose as just tallying the accounts figures by the Cash Officer.

5.No.C/A/c/Comml.Accts/DCA/CYS-27.

Dated 5.5.1986

Sub:-Balance of stock, cash and bank Balances as on 31.3.1985.

With the introduction of commercial accounting system and rendering quarterly trial balances, each accounting unit has to render the quarterly trial balance including the opening balance under each head of account as on 1.4.1985. The balances under the various subsidiary accounts have already been intimated

vide this office circular letter No.C/(A/C)Comml.Accts/DCA/Cys. 238 dated 17.3.86. The stock and cash balance as per your books as on 31.3.1985 may be intimated in the following proforma to enable this office to verify the same with the balance as per individual accounting unit maintained at the Central Office. While intimating the balance the details under cash must be shown under each head as indicated below.

1) Stock Account:

22.610 - Material stock account (Old stock balance)

2) Cash Account

As per monthly accounts As per cash book

- a) 24.4 (Group) disbursement
Bank-operative Account.
- b) 24.110 Cash on hand
- c) 24.120 Postage stamps on hand
- d) 24.130 Revenue receipt stamps onhand.

Please intimate the details before 15th May, 1986, positively.

6.No.C/A/c/DC/Comml.Accts/CYS-94.

Dated 14th July 1986.

*Sub:-KEB Accounts Manual Volume No.III and Vol.IV -
Renaming of KEB Accounts Manual Volume No.III*

I Write to inform you that the K.E.B. Accounts Manual Volume No.III, Commercial Accounting Systems has been got printed and copies are made available to all the Administrative and Accounting Offices of the Board.

Further, as may be seen from the preface to the above Manual, the present K.E.B., Accounts Manual Vol.III has been renamed as KEB Accounts Manual Vol.IV (Internal Audit) and will be made available shortly. The change in names of the volumes may be noted.

7.No.CA/DC/Cys.221/86-87.

Dated 9.1.1987

*Sub:-Procedure of change over to new form of accounts -
Balances outstanding under Sundry Debtors and Sundry Creditors.*

Please refer to this office circular Lr.No.C/AC/Comml.Accts./DC/(CA)/Cys.238 dated 17th March 1986 wherein the balances under Sundry Debtors and Sundry Creditors as per the books of accounts maintained in this office have been intimated for incorporation of the balances in the books of the divisions. I am sure these balances will have already been incorporated in the books of the divisions as per the guide lines given in the said Circular by passing necessary accounting entries. You are aware that the balances intimated in the Circular letter dtd.17th March 1986 were worked out as on 31st March 1985 without taking into account the March (supplemental) Accounts for the years 1983-84 and 1984-85.

Now the receipts and payments under Sundry Debtors and Sundry Creditors based on the monthly abstract of receipts and payments rendered by all the accounting units have been worked out and shown in the statement enclosed. Accordingly the figures shown in the column against each different Account code may be taken and incorporated in the accounts for the year 1985-86, i.e., before sending the march (Supplemental) Trial Balance for the year 1985-86. It may be reiterated that the balances as indicated in the statement only should be taken note of and necessary accounting entries are passed since the balances intimated earlier will have already been accounted and acceptances sent to this office. Accordingly, necessary Advice of acceptances may be sent in respect of these Debits/Credits separately for our record by passing necessary accounting entries as suggested in the said circular.

To the figures as already intimated by this office vide circular letter dated 17th March 1986, the Debits/Credits indicated in the enclosed statement may be added or deducted, as the case may be and the balances arrived at. These balances may be verified with reference to the balances maintained under each head of account as per the books of the divisions and the difference if any, may be identified and such differences should be kept separately as a constant figure pending reconciliation of such differences as explained in the Circular letter of 17th March 1986.

During the workshop on Final Accounts and Assets Registers, some of the divisions sought clarification with regard to the accounting of the balances under R2 and R3 outstanding Debtors for sale of power and outstanding debtors for Electricity Tax (Old Heads of accounts) since the guide lines in accounting of the Opening Balance as on 1st April 1985 under these two accounts have not been covered in our Circular letter dated 17th March 1986. In this connection you may please refer to this office Circular Lr.No.C(A/C)/ADCA/AOC/Sn.IV/Cys.87 dtd. 1st July 1986 wherein detailed instructions have been issued with regard to arriving at the actual ledger balances as on 1.4.1985. Accordingly, the difference between the ledger balance and the D.C.B. balance shall be freezed and the balances as per the ledgers should be adopted as the Opening Balance for the year 1985-86. DCB Accounts. These Balances may be treated as if the balances are intimated/transferred from this office and acceptances sent to this office on the lines of cash and stock balances as at the end of 31st March 1985 by passing the necessary accounting advices.

Some divisions also sought clarification with regard to forwardal of balances under inter-unit account and in respect of the balances of which the accounts are maintained at the head office. It is clarified that the closing Balance under each Inter-unit account may be taken as the opening Balance for the year 1986-87 pending further instructions in the matter. As clarified in the workshop, the ledger balances in respect of the accounts maintained in the head office may be transferred to this office under Inter-Unit Accounts - 37.802 - Year end Transfers.

ANNEXURE-A

Enclosure to letter No.C(A/cs)DCA/Cys.132/87-88 dated 21.9.87.

Mistakes committed in Phase I and II while incorporating in 1985-86 Accounts now requires correction in the Accounts for the year 1986-87.

Journal Entry to be passed in 1986-87 accounts.

Note:-If already got incorporated by the officers of the Task Force, the same need not be passed again. Any how reference to J.E.No. and date may be intimated.

ANNEXURE-B

Enclosure to letter No.c(A/cs)DCA/Cys.132/87-88 dated 21.9.87

Fresh balances now intimated for incorporation in the accounts for 1986-87 under phase III.

Journal Entry to be passed in 1986-87 accounts.

8.C(A/cs)/DCA(CA)/Cys-252.

Dated 16.3.87.

Sub:- Control over the Account code No.22.450 - materials transfer within the Division.

You are aware that the materials transferred to different Store Houses of the Board within the Division will be debited or credited as and when the transactions take place. The materials issued from one store to another store within the same Division will be debited to 22.450 - "Materials transfer within the Division" and credited to 22.420 - "Materials transfer outward". Similarly, when materials are received in the other store of the same Division it will be accounted by debit to 22.410 - Materials transfer inwards and by credit to 22.450 - Material transfer within the Division. These journal entries will be passed only when the transactions take place in two different months, i.e., when the material issued at a particular store received in the subsequent month. If the transaction takes place during the same month the Stock compiler in the Division office will identify these receipts and issues and round them off if they appear in the same month. If the transactions take place in two different months, then only the issues/receipts should be debited/credited to 22.450 - Materials transfer within the Division.

On a review of the trial balance of the various accounting units, it is observed that a huge debit balance is appearing under this account and there has been an increasing trend month after month under this head of account. It is, therefore, necessary to concentrate on this item of work and see that the balances under this account are reduced month after month. This is possible only by a constant review by Accounts Officers and Asst.Accounts Officers of the Division offices to find out the reasons for the accumulation and advise the field officers/Store Keepers to regularise the transactions, immediately. It is also necessary that the materials should not be issued from one store to the another unless there is a pre-requisitioned acknowledgement invoice so that the materials could be taken to stock at the store house without waiting for any idents from the field officers. It is also observed that in many cases the materials are diverted to workspots without following the accounting procedures at the receiving end. This has to be avoided. It is also necessary to discuss this item in the monthly meetings of the sub-divisional officers duly including the subject in the agenda to clear the balances under this account. The field officers are advised properly during the monthly meetings and also during inspections to be conducted by the Executive Engineers/Accounts Officers of the Divisions.

Kindly acknowledge the receipt of the circular.

9. C(A/c)/ADCA/AOC/Sn.IV/Cys-13

Dated, 28.4.87.

Sub:Interest on consumer deposits of Rs.100/- and above.

Certain Divisions have felt doubt about the creation of liability for the interest on consumer Security Deposits for the year 1986-87. This is clarified as under:

The consumer deposits of Rs.100/- and above as on 31.3.86, have to be collected from all the Sub-divisions and Sections and for the entire deposit, interest at 10% per annum has to be worked out and liability created by debit to 78.660 - Interest on consumer Security Deposits and credit to 48.340 - Interest payable on Consumer Security Deposit. Further, for additional deposits of Rs.100/- and above during the year 1986-87, interest liability has to be created as under.

For the deposits of Rs.100/- and above received in April, 1986, interest liability at 10% per annum for 11 months has to be created. Likewise, for the deposits of Rs.100/- and above received from consumers in the month of May, interest liability for 10 months has to be created. This exercise has to be done from month to month upto March, 1987. However, detailed procedure for payment of interest on Security Deposits and their accounting will be issued by the Board shortly.

10. No.C(A/c)/DCA/Cys-107

Dated, 27.8.1987.

Sub:-Account Code No.39 IUA Inter Divisional Transfer (Old SA.IV) Prior to 1.4.1985.

Ref:-O.M.No.C(A/cs)/DCA/Cys.106 Dated 27.8.1987.

The above new Account Code is opened with effect from 1.4.1985 to record the balance outstanding as on 31.3.85 in respect of old SA.IV - Inter Divisional Transfers. The Divisionwise balances outstanding as on 31.3.1985, under this account have been transferred to all the Accounting Units in Phase I and II vide this office letter No.C(A/cs)/Comm.Accts./DCA(CA)/Cys.238 dated 17th March, 1986, and CA/DC/Cys.221/86-87 dated 9.1.87, respectively. It is inferred that the balances so intimated have been taken to Account Code "31 LC IUA Materials". It has been now decided to have proper control for clearance under the said account by keeping the balance existed as on 31.3.1985, separately. It is therefore, necessary that the balance under this account be transferred from Account Code No.31 to 39. Necessary accounting entries may be passed in 86-87 Accounts. The balances as at the end of 31.3.1987, should be shown separately in the General Ledger and in the Trial Balance. Therefore, the transactions taking place on or after 1.4.85, in respect of material transfer only shall be booked under Account Code "31 IUA Materials". Action taken may be intimated.

11.No.C(A/c)/ADCA/AOC/Sn.IV/Cys-121/87-88.

Dated, 4.9.87.

Sub:- Allocation of Employees cost.

Clarifications have been sought by several Divisions regarding the Account Code to which the MDA paid to the employees has to be debited.

MDA has to be debited to 75.1 salaries (categorywise). Only the DA paid to the employees has to be debited to 75.3 - Dearness Allowance.

This may be noted.

12. No.C(A/cs)/AO(C)/Sn.IV/Cys-195/87-88.

Dated:29.1.88.

Sub:Payment of interest on consumers' Security Deposit against payment of monthly bills.

Ref:-Board Notification No.KEB/B10/5015/85-86 dated 23.7.1987.

Reference is invited to the above Notification amending, Regulation 55A, 55B and 30(f) of Electricity Supply Regulations according to which simple interest at 10% p.a. is payable with effect from 1.2.1986 on Security Deposits of Rs.100/- and above held by the consumers. The following guidelines for the implementation of the above amendments are issued:-

1. Domestic installations.

In respect of domestic lighting installations, the Security Deposit (3 MMD) should be limited to Rs.95/- only. Deposits held in excess of Rs.95/- may be refunded by credit to the respective RR.Nos. in the next bills. However, if the original amount of deposit was Rs.100/- or more, interest at 10% p.a. is payable to them upto the date on which the amount of deposit held in excess of Rs.95/- is refunded to them.

2. Other consumers.

In the case of other categories of consumers, interest at 10% p.a. should be paid if the amount of Security Deposit held on 1.2.1986 is Rs.100/- and above. INTEREST IS PAYABLE ONLY BY ADJUSTMENT TO CONSUMERS' ACCOUNT AND NOT IN CASH.

3. Calculation and payment of interest.

Interest is payable with effect from 1.2.1986 and onwards only. Interest for the month of deposit where it is less than 30 days may be ignored for purposes of calculation of interest. The interest so arrived at may be credited to the respective RR. Nos. of the consumers in the month of April each year. The first payment should cover the period from 1.2.1986 to 31.3.1988, i.e., for 26 months. In the case of IP consumers, the adjustment should be made in the first bill to be sent in April or thereafter.

The amount of interest credited should be shown distinctly in the energy bill for the information of the consumers. A statement in the format given in Annexure shall be sent in duplicate by each revenue accounting office to the Division office, for accounting the expenditure and for return of the copy of the statement for information and record.

Each such bill where credit towards interest is given may be stamped with a high-lighting note reading as hereunder:-

"Interest on your deposit due given credit to in this bill"

4. Accounting at the Division Office.

The Divisional office will pass the following entries for incorporating the interest payments:-

(a) Dr.78.660 Interest on consumers' Security Deposits (3MMD) Cr.48.340 Interest payable on consumers; Security Deposit 3 MMD.

The entry will account for the interest payable to the consumers.

(b) Dr.48.340 Interest payable on consumers' Security Deposit.

Cr.23.1 Sundry Debtors for the sale of power (Category-wise).

This entry will be passed to credit the R.R.Nos.of the consumers with the amount of interest due to them on the Security Deposit held by them.

Register of interest on 3 MMD of Rs.100/- and above Interest @ 10% p.a.

Sl. No.	Name of the consumer	RR No.	3 MMD held as on 1.2.86	1985-86 to 31.3.86	1986-87			1987-88			1988-89		
					Add. deposits with date	Total Deposits (4+6)	Interest payable	Add. deposits with date	Total Deposits (7+9)	Interest payable	Add. deposits with date	Total Deposits (10+12)	Interest payable
1	2	3	4	5	6	7	8	9	10	11	12	13	14

NOTE : Interest is not admissible for 3 MMD less than Rs.100/-

13.No.Cys-199/87-88.

Dated 2.2.88.

Sub:-Payment of interest on consumers Meter Security Deposit.

Ref:-Board Notification No.KEB/B.10/3046/81-82 (Vol.II) dt.9.7.87.

A reference is invited to the above notification amending Electricity Regulations 1987, adding clause (g) under Regulation 26 of the said Regulation, according to which simple interest at 10% per annum is payable with immediate effect, on the meter security deposits held by the consumers. This is effective from the date of issue, i.e., 9.7.87. The payment of interest shall be by adjustment against power supply bills of the consumers and not in cash.

2) Calculation of interest: Interest is payable with effect from 9.7.87 and onwards only. Interest for the month of deposit where it is less than 30 days may be ignored for the purpose of calculation of interest. The interest so arrived at may be credited to the respective RR Nos. of the consumers in the month of April of each year. The first payment will cover the period from 9.7.87 to 31.3.88 only. If any bills are not sent during April, the adjustment should be made in the first bill to be sent immediately after April.

3) The amount of interest credited should be shown distinctly in the energy bill for the information of consumers. A statement in the format given in Annexure shall be sent in duplicate by each revenue accounting office to the Division Office, for accounting the expenditure and for return of the copy of the Statement for information and record. Each bill where credit towards interest is given may be stamped with a note highlighting viz., "Interest on Meter Security deposit due is given credit against your RR.No..... in this,bill".

4) Accounting at the Division Office: The Division Office shall pass the following accounting entries for incorporating the interest payment.

a) 78.640 Interest to consumers on meter equipment deposits.

To 48.350 Interest payable to consumers on meter Security Deposits.

The entry will account for the interest payable to the consumers.

b) 48.350 Interest payable to consumers on meter Security Deposits.

To 23.1 Sundry debtors for sale of power-category wise.

This entry shall be passed to afford credit to the R.R.Nos. of the consumers with the amount of interest due to them on meter Security Deposits.

14. No.C(A/c)/DCA/Comml.Accts/E.Tax.Cys-212/87-88.

Dated 2.3.88.

Sub:-Accounting procedure - withdrawal of Electricity Tax demand.

Ref:-This Office letter No.C(A/c)/DCA/Comml.Accts/Cys.59/26.5.1986.

In 1986-87 Trial Balance submitted by many of the Divisions, there is some difference between the amount shown under Account code 46.300(Tax Demand) and Tax demand shown as per DCB. The reason for the same is explained in the Trial Balance as withdrawal of Tax demand. This clearly shows that the withdrawal of tax demand both in DCB and accounts are not properly depicted. Hence the following guidelines are issued for needful action.

(1) The withdrawal of Electricity Tax Demand should be incorporated in the DCB and B & E statement first.

(2) To bring the Electricity Tax demand into account the following accounting entry shall be passed (without withdrawal)

Dr. 23.202 | Sundry Debtors for Electricity Tax LT/HT
201 |

To 46.300 Electricity tax and other levies payable to Government.

(3) To bring into account the withdrawal of tax demand, the entry will be

Dr. 46.300 Electricity tax and other levies payable to Govt.

To 23.201 | Sundry Debtors for Electricity Tax LT/HT
23.202 |

(Reversal of entry as shown above)

After effecting these two entries the tax demand (Consolidated figure) in the DCB and the credit balance under Account Code 46.300 in the Trial Balance will be the same. This should be ensured. The same should be transferred to Head office at the year end in March supplemental Trial Balance.

(4) In case of LT installations, since the Demand itself is shown as Collection, simultaneously the tax collection is also to be withdrawn (both DCB and accounts) by debit 23.202 account by credit cash. Since the refund to consumer is by way of adjustment against future energy bills Account code 23.1 is to be credited instead of cash.

The entry will be Dr. 23.202 Sundry Debtors for Electricity Tax LT installations.

To 23.101 to | Sundry Debtors for sale of power categorywise
23.114 | (as per tariff applicable).

(5) In case of HT installations the question of refund arises only when the amount has already been collected or otherwise the above entry need not be passed.

I hope the above clarification will avoid all confusion with regard to depiction of withdrawal of tax demand and collection.

15. FCAO/SPA/39954

Dated 28.2.90

Office Memorandum

Sub:-Accounting of Banks main accounts transactions and other transactions in the office of the Financial Adviser and Chief Accounts Officer.

Ref:-This Office OM No.FA & CAO/132/34/3.4.1989.

Further to this office Memorandum dated 3.4.1989, wherein the procedure was laid down for streamlining the issue of cheques in the office of the Financial Adviser and Chief Accounts Officer, the following working procedure is prescribed for accounting of all the transactions made in the office of the Financial Adviser and Chief Accounts Officer. The procedure is to be adopted for all the transactions which have taken place from 1.4.1989. The general principles on which these procedures are evolved are (1) the Accounts Officer Resource Section will have to maintain relevant registers and render accounts for all the transactions affecting the main bank accounts of the Board. However, he will not deal with physical cash transactions, and (2) the Accounts Officer (Admn) Section will maintain registers and records and render accounts for all the physical cash transactions and transactions other than those affecting the main Bank accounts.

Though detailed procedures are prescribed in the succeeding paras for accounting of all the transactions, any transaction which is not specifically dealt with shall be accounted in the relevant section based on the general principles laid down.

1) No physical cash transaction shall be done in Resource Section. All cash transactions are to be done in Admn. Section.

2) Bank Register (i.e., Cash Book for each bank) shall be maintained for main bank accounts separately in the Resource Secn. P.D. Transactions of the Treasury shall also be maintained in the same manner in a separate Register.

3) Remittances received from different branches by the main bank account of each Bank and funds transferred from Head Office to operative accounts of the accounting units shall be accounted in the Bank Register maintained for each bank separately, and the balances struck every day with the attestations of Accounts Officer, Resource Section.

4) Transfer of funds from one bank's main account to another bank's main account should also be treated as transfer of funds under Head of Account 34.

Remittances received by main banks accounts and funds transferred from head office to accounting units shall be accounted separately each Division/Accounting unit-wise (location code-wise) in the general ledger. Funds transferred Statement shall be sent every month to all the accounting units by Resource Section.

5) Drawal of receipt for having received cash/cheque will be done only in Admn.Section.

6) Payments made towards monthly pension through Banks shall be accounted in the Resource Section irrespective of the amount, since the main account is debited on payment.

7) Cheques of more than Rs.one lakh/Rs.two lakhs in respect of supply bills/civil engineering bills/village electrification bills, etc., shall be issued from Resource Section and accounted thereon las funds transferred. The cheque and duplicate copy of the bill will be sent to accounting unit for incorporating the payment in their accounts by making necessary entries in the cash book. A cheque statement shall be sent to the accounting unit every month by Resource Section.

8) Electricity Tax payment to Government of Karnataka every month shall be made from Resource Section and accounted.

9) Cheques in respect of payment of interest on public loans and bonds, and repayments of loans, bonds and debentures shall be issued by the Security Section on SBI Main account only. The Security Section shall send the duplicate copy of the voucher to the Cash Branch in the administration section on the same day itself for accounting the transaction as funds transferred and cheques issued, since the consolidated loan accounts are maintained in the Admn.Section. The Resource Section shall account the debits made to the main Bank Account and send cheque statement monthly to the Admn.Section.

10) Interest received on short term deposits/fix deposits shall be accounted only on receipt of pay orders from the Banks. These pay orders shall be accounted in the Admn.Section duly drawing receipt after pay orders are cleared by the Security Section. The Security Section shall immediately send journal vouchers in respect of IT recovered or any adjustment made, to the Admn.Section for accounting and the TDS vouchers /Certificates to the Controller,(Accounts) Section for claiming refund.

11) IDBI refunds which include both principal and interest shall be made through Bank adjustment by Resource Section after obtaining Bank Advices from Security Section. The Security Section shall simultaneously send a copy of the Bank Advice to Chief Engineer, Electricity, (MM&P) also. On adjustment of these amounts by Banks, the Resource Section shall account the payments on the basis of pass sheets received from Banks. The repayments so made shall be treated as funds transferred to Chief Engineer, Elec., (MM & P) and cheques statement sent to Chief Engineer, Electricity, (MM&P) by Resource Section. In the office of the Chief Engineer, Electricity, (MM&P) these repayments are to be accounted in the cash book in the same manner as other FA & CAO'S cheques are accounted. If the cheques issued pertain to the bank other than the one operated in the office of the Chief Engineer, Electricity, (MM&P), the entries in the cash book shall be made separately and accounted against the specific bank account.

12) Cheques statements shall be sent from Resource Section for the transactions for which fund transfer advices are not sent, to all the accounting units every month for accounting the transactions in their accounts through cash book.

13) Interest on overdraft/commission/bank cheque/telegram charges/LC Commission, etc., debited by the bank to the main account shall be accounted in the Resource Section by debiting the same to the relevant expenditure head of account, directly.

14) Power purchase payments through LC and standing instructions shall be initially accounted in the Resource section and treated as funds transferred to the concerned accounting unit and included in the cheque statement sent every month.

15) Amounts debited by the Syndicate Bank to main account on account of retirement of bills of suppliers sent by Chief Engineer, Electricity, (MM&P) shall be accounted initially in the Resource Section on the basis of the entries in the pass sheets given by the Bank and treated as transfer of funds to Chief Engineer, Electricity, (MM&P) as the debit advice is sent by the bank to Chief Engineer Electricity (MM&P) also, the same should be accounted immediately in the cash book in the office of Chief Engineer, Electricity, (MM&P) as funds transferred from the office of the Financial Adviser and Chief Accounts Officer on Syndicate Bank. However, Resource Section shall include these payments in the cheque statement sent to Chief Engineer, Electricity, (MM&P) every month for cross verification and incorporation of any differences in the office of the Chief Engineer, Electricity, (MM&P).

16) The Receipts and payments recorded in the Bank Register of all the main accounts and the PD Register shall be analysed account head-wise in the Resource section every month and posted into the ONE GENERAL LEDGER, maintained and balances of each account code struck once in every quarter.

17) One quarterly Trial Balance for all the transactions in the Resource Section shall be prepared separately and sent to Controller, (Accounts) as is being done by other accounting units for incorporation of the same in the Board's accounts.

18) First payment of retirement benefits in respect of the officers who seek for payment in Bangalore shall be made by the Accounts Officer, (Admn) Section.

19) The amounts received against Electricity Tax rebate bills shall be accounted in the Admn. Section duly drawing receipts and treating the remittance to treasury as directly made to PD Account. Similarly, the payment of Sales Tax and T.O.T. shall be made in the Admn. Section, irrespective of the amount.

20) All the cheques in respect of HPA, HBA, MCA, CA, etc., and refund of Security Deposits shall be issued from Admn. Section only irrespective of amount, and charged off in the cash book to the direct head of account. Since proper instructions are not issued to all the accounting units well in advance, the transactions during 1989-90 shall be treated as FA & CAO's cheques issued to other accounting units and cheques statement sent to all the concerned accounting units for incorporation of the same in their accounts by the Admn. Section. In the accounts these amounts shall be debited to 34. Location code during the year 1989-90 only. From 1.4.90 and onwards, no cheque statements shall be sent by Admn. Section and such payments shall be charged off to direct head of account. A modified circular to this effect will be issued to all the accounting units in March, 1990.

21) The Admn. Section shall transfer the main bank account balances to Resource Section by reversing the entry which was passed to bring the bank balances into accounts.

22) The Admn. Section shall continue to render accounts for the remaining transactions as before.

16. No.ACA/AO(A/cs)/Sn.V(a)Cys-81/90-91

Dated:12.11.90

Sub:-Showing demand and collection of electricity Tax in respect of Municipalities/Corporations/State Government Installations.

Ref:-CA(Hq)AOC/Sn.IV/Electricity Tax/Cys.178/dated 20.2.82.

The Accounts Officer, Madikeri Division has sought for clarification on showing of entire demand of electricity tax in respect of installations pertaining to Municipalities, Corporations and State Government as recovered even though actual collection is not made, as is being done in case of other L.T.Category installations. The payment of energy Bills from Municipalities, Corporations, State Government installations are not regular and it is a fact that heavy arrears will always be outstanding against these installations until the Government passes on a portion of the grants to be released to these bodies; as payment towards arrears of electricity charges by adjustment.

The issue of exhibiting the tax demand and recovery separately, in respect of these installations is examined in the light of the above facts and the following instructions are issued for further guidance.

As per this office Circular Lr.No.CA/Hq/AOC/Sn.IV/Elec.Tax / CYS.178 dated 20.2.82, the tax demand shall be shown as recovery in respect of L.T.Installations in anticipation of collection. This arrangement is due to the fact that we have to pay Electricity Tax to the Government, on total consumption of each category, as per the amendment to the taxation on consumption Act 1959 issued by the Karnataka Government on 29.12.81 and consequently dispensing with depiction of tax demand and collection separately in the ledger. However the Section-4 of Karnataka Electricity (Taxation on consumption) Act 1959 prescribes that the Board has to pay the tax collected by it from the consumers to the Government besides levying interest on tax at the relevant rate on belated payments. This Office Circular dated 20.2.82 could be followed in respect of specific category of installations where the collections are regular from the majority of consumers in the category.

As already mentioned above, the energy charges pertaining to Municipalities /Corporation/State Government installations are never paid regularly and carrying over the balance for months is a normal feature. Under these circumstances, it is not proper on the part of the Board to show the electricity tax as recovered immediately on raising the demand without actual recovery from these installations and pay the tax to the Government, since the recoveries are expected after months/years. This essentially requires us to maintain electricity tax demand and recovery separately in respect of these installations pertaining to Municipalities/ Corporation/State Government, wherever collections are not regularly forthcoming under above categories.

The above instructions may be followed without fail.

17. No.C(A/cs)/AO.C/Sn.Va/Cys-54/91-92

Dated:6.8.91

Sub:-Clearance of outstanding cash suspense balance for the period ending 31.3.1990 - regarding.

On an analysis of the cash suspense balances as at the end of 31.3.91, furnished by the accounting units, it is found that many are continuing for the last 10 to 12 years in respect of some divisions. Most of them relate to salaries and travelling allowances etc., pertaining to the employees of the Board. Some of the

accounts Officers have represented/stated that the amounts could not be charged off as the paid acquittances are not available/missing at the concerned Sub-Divisions/Sections/ accounting Units. It may be a fact that employees have actually received the payments and such payments have been brought within the cash account of the last paying office, but the paid acquittances have not been either despatched to the concerned division office or if despatched they are lost at some level. When the payments are actually made and the facts are fully supported by the entering in the cash books, it is not correct to continue such balances for a long time. It is therefore necessary that all such payments relating to salaries and travelling allowances etc., pertaining to period prior to 31.3.90 where acquittances are not traceable/missing may be cleared in the manner indicated in the next paragraph.

The concerned Divisional Accounts Officers have to visit the Unit offices under their jurisdiction with a list of outstandings as per divisional cash accounts, preferably with an assistant from the Division Office. He has to prepare a statement at the unit office covering details of B.R.No.and date, vouchers numbers, date of payment duly certified by the Cashier and Cash Officer of the Sub-Division/Section Office and also duly verified by him.

It forms sufficient authority for charging off such items in the Divisional cash book and by adopting this method a large amount of cash-suspense can be cleared and Accountant General's audit observations can be avoided/eliminated. It may please be noted that procedure evolved is exclusively for the cash suspense outstanding as on 31.3.90 and should not be taken as regular established procedure for the suspense amounts of succeeding years which has to be cleared in routine way as per the codal rules. The Accounts Officers of the accounting units have to keep a close watch, and must arrange to maintain a Register of Cash Suspense and check the same on each day while closing the cash. He must also be responsible to get the vouchers as per rules and charged off in the cash book. He is also required to review the pendency of vouchers in the sub-Divisions/Sections during inspections invariably. In future any amounts are allowed to accumulate under cash suspense without the vouchers etc., and such amounts will be recovered proportionately out of the salary of Cashiers/Accounts Officers which may be noted. The cash suspense pertaining to their office should not be allowed to accumulate, except one month's cash suspense in their divisional cash accounts.

I hope that all the Accounts Officers/Deputy Controller of Accounts will implement this procedure in order to clear the long outstanding cash suspense and strive hard to keep minimum cash suspense in their cash accounts in future.

18. CA/AO(A/cs)Sn.14/Cys-66/91-92.

Dated 26.8.91

Sub:-Wrong booking of payment under workmen's compensation Act.

It is observed at the time of acceptance of Annual Accounts during the previous years that, many Accounting Units are not booking the payments made as per the provisions of the workmen's compensation Act under the correct Head of Account provided for the purpose i.e., "75.629-payment under Workmen's Compensation Act". It is found that in most of cases the same is being booked under the Head of Account 79.530-Compensation for injuries, death and damages staff, which is not correct. Hence, Workmen's Compensation paid may be booked as under.

The payments made in accordance with the provisions of Workmen's Compensation Act may be booked to "75.629 - Payment under Workmen's Compensation Act".

The compensation paid to staff for injuries, death and damages not covered under the Workmen's Compensation Act, may be booked to "79.530 - Compensation for injuries, death and damages-staff".

The above instructions may be scrupulously followed in future.

19. No.C(A/c)/DCA/Comml.A/cs/cs/Cys.92/91-92

Dated : 30.10.91

AMENDMENT

The existing Account head and description of Account Code 76.103 is amended as follows :

Existing

A/c Code	Account Head	Description
76.103	Expenses incurred towards security arrangement at Generating station / Transformer Centres / Receiving Stations etc.,	The Expenses incurred towards security arrangements at Generating stations Receiving Stations / Transformer Centres / in respect of police/army personnel are debitible to this account

As Amended

A/c Code	Account Head	Description
76.103	Expenses incurred towards security arrangement at Generating station / Receiving Stations / Transformer Centres / and other board offices.	The Expenses incurred towards security arrangements at Generating stations Receiving Stations / Transformer Centres / and other board offices in respect of police/army personnel are debitible to this account

20. No.C(A/cs)/Cys-107/91-92

Dated:11.12.91

Sub:-Quick disposal of letters addressed to FA & CAO - stream lining the procedure thereon.

The office of FA & CAO consists of 3 Controllers who are dealing with Accounts, Finance, Budget and Resources. A number of AOs and AAOs are working under each Controller and the Controllers in turn are heading 3 to 4 sections each. The field offices situated throughout the State are regularly corresponding with the Office of FA & CAO on various matters, and a sizeable number of letters are received daily. It is observed that all these letters are addressed to the FA & CAO irrespective of the area to which the correspondence relates, causing unnecessary confusion and delay in distribution of the papers to the relevant Controllers and the respective Sections. Many a times, number of letters are being lost in the present system and it has become a practice at times to ask for copies of letters and statements.

The Controllers are designated functionwise and they are independent of each other in discharging these functions, though they are working under the administrative control of the FA & CAO. In addition, the Controllers are also making correspondence related to their areas with all the offices independently. In view of eliminating blocking of entire tappal and to avoid misplacing of letters and statements received in this office as also inordinate delay in opening of tappal and distribution to each Controller and the respective Sections, it is

necessary that the correspondence from the field offices are directly addressed to the function-wise Controllers depending on the nature of the correspondence and sent to the relevant Controllers in separate covers by post.

All the Officers are hereby requested to note the above procedure and follow the same. The address and functions of each Controller are noted below for their reference and making correspondence directly with the Controllers.

Address	Functions
1. Controller (Accounts), K.E.B. 7th Floor, Cauvery Bhavan, Bangalore-560 009.	1) Compilation of Accounts (Trial Balance). 2) Compilation of Annual Accounts of the Board. 3) Compilation of D.C.B. 4) AG's Audit Report related to Annual Accounts. 5) Matters relating to Commercial Accounting System. 6) Monitoring Clearance of ATs. 7) Asset Accounts and WIP Accounts pertaining to period prior to 1.4.85. 8) Loans to KEB Co-op. Societies. 9) Matters related to Capital and Revenue Expenditure. 10) Monitoring of clearance of balance under various suspense accounts. 11) Correspondence with other State Electricity Boards on Accounts matter. 12) preparation of monthly inventory. 13) Central Excise matters. 14) Sales Tax matters. 15) Income Tax matters. 16) Electricity Tax matters. 17) Statistical information to State Govt., (i.e.,) Bureau of Public Enterprises, Bangalore. 18) Preparation of cost of Generation/cost of power statement. 19) Statistical information to CEA on-accounts matter. 20) C.B.R's of accounting Units.

Address	Functions
2) Controller (Finance) K.E.B., 6th Floor, Cauvery Bhavan, Bangalore-9.	<ol style="list-style-type: none"> 1) Forecast of cash flow, Administration of Finance of the Board. 2) Reconciliation of Accounts in Main Banks. Watching Reconciliation work in field units. 3) Bank Reconciliation statement of operative and non-operative accounts. 4) Arranging payment on bills exceeding Rs.one lakh. 5) Pension/Family pension/DCRG/FBF and all pensionary benefit claims. 6) Establishment and Accounts of O/o FA & CAO 7) Matters relating to REC Schemes-Loans, outlay etc., 8) A.G.'s Inspection Reports other than relating to Accounts. 9) Establishment matters of A & B Officers and Service Records. 10) Bills and Accounts pertaining to Advances to staff (HBA/HPA/MCA/MA etc.,) and staff security deposit. 11) All provident fund claims and matters relating to settlements. 12) Consolidated Bank Remittance Statement. 13) All establishment matters of special nature requiring clarification and guidance. 14) Revenue arrears of KUWS & DB, TMC, CMC, Govt. installations and private consumers etc., & recovery of the amt. & other Revenue matters. 15) Power purchase, and payments to be made thereon. Any other related matters on power purchase. 16. Requisition for funds.
3) Controller, (Budget & Resources), K.E.B., 5th floor, Cauvery Bhavan, Bangalore-560 009.	<ol style="list-style-type: none"> 1) Preparation of Annual Financial Statement and close follow up of actual revenue and expenditure. 2) identification and Mobilisation of external resources other than issue of securities. 3) Mobilisation of subsidies, deposits for specified and centrally sponsored schemes.

- 4) Maintenance of Financial Statements based on Budget/ Forecast.
- 5) Plan projection revenue.
- 6) Scrutiny and certification of estimates at Head office level.
- 7) Forecast of financial position.
- 8) Supervising the work of special section in matters relating to stores.
- 9) Work related to Finance Commission.
- 10) Matters relating to World Bank/NABARD/CEA etc.,
- 11) issue of Debentures, Bonds, etc., and maintenance of accounts of securities.

However it may be noted that any correspondence requiring attention of FA & CAO shall be addressed to the FA & CAO only, by a D.O.letter.

The above procedure is laid down with the main intention of avoiding mis-placement of papers in FA & CAO's Office as also to ensure quick disposal of the correspondences.

21. No.CA/DCA/Comml.A/cs)Cys-124/91-92

Dated:24.1.92

Sub :- Maintenance of dismantled asset register in the new format.

The dismantled asset register has been supplied to all the accounting units in the prescribed format already, for recording the transactions and for maintenance of the dismantled asset account w.e.f. 1.4.85.

The Accounting Units have time and again expressing difficulties in recording the entries in this register as the columns provided in the register do not satisfy the requirements of the nature of various transactions involved in these activities.

Further the Task Force during their inspections of all the accounting units for implementation of Commercial Accounting System w.e.f. 1.4.85 over a period of past 6 years have also found that the format prescribed for maintenance of dismantled asset in the existing register is not fulfilling the requirement of various transactions of the dismantled asset accounts and have therefore felt that it is necessary and expedient to revise the existing format, in such a way that it embraces all activities of dismantled asset account.

Keeping in view of the existing inadequacy of the format prescribed and to overcome the deficiencies therein, a new format is devised to cover all the activities of dismantled asset account.

All the accounting units are hereby requested to maintain the dismantled asset register in the enclosed new format only with immediate effect.

It may be noted that the existing register should be completely made use of, by pasting the new format on the previous format in the register available at present for maintenance of dismantled asset till the stock of

existing registers are exhausted and new registers are procured.

The Task Force will be visiting each accounting unit to verify the implementation of the above instructions and to ensure maintenance of dismantled asset register properly. Any lapse on the part of the accounting units in this regard will be viewed seriously besides holding AO/AOs responsible for the same.

Any clarification required on the maintenance of dismantled asset register in the new format may be obtained from this office.

The receipt of this Circular may be acknowledged.

ಕರ್ನಾಟಕ ವಿದ್ಯುಚ್ಛಕ್ತಿ ಮಂಡಳಿ
ಕಳಚಿದ ಆಸ್ತಿಯ ಪುಸ್ತಕ

ಕಳಚಿದ ಆಸ್ತಿಯ ಹೆಸರು

ಮೌಲ್ಯ ಖಾತೆ ಸಂಖ್ಯೆಯ ಉಲ್ಲೇಖ

ವಿವರ						ಜಮಾ						
						ಸವಕಳಿ ನಂತರ ಮೌಲ್ಯ						
ಕ್ರ. ಸಂ.	ಸ್ವೀಕೃತ ಫೋಟೋ/ ಎಸಿಕೆ ಇನ್ವಾಯ್ ಸಂಖ್ಯೆ	ಮೂಲ ಆಸ್ತಿ ಖಾತೆಯ ವಿಟ/ ವರ್ಕ ಆಡರ್ ಉಲ್ಲೇಖ	ಸಜ್ಜು ಗೊಂಡ ವರ್ಷ	ಮೂಲ ಬೆಲೆ	ಸವಕಳಿ	ನಮ್ಮ ವಿಭಾಗದ ಕೆಲಸದಿಂದ ಕಳಚಿದ ಆಸ್ತಿ (ಪರಿಮಾಣ / ಬೆಲೆ)	ರಿಪೇರಿಯ ನಂತರ ಕಂಟ್ರಾಕ್ಟರ್ ರಿಂದ ಬಂದ ಆಸ್ತಿ ಪರಿಮಾಣ/ ಬೆಲೆ	ಮಂಡಳಿಯ ಸಿಬ್ಬಂದಿ ಯಿಂದ ರಿಪೇ ರಿಯ ನಂತರ ಬಂದ ಆಸ್ತಿ ಪರಿಮಾಣ/ ಬೆಲೆ	ಬೇರೆ ವಿಭಾಗ ದಿಂದ ಅಥವಾ ಸೆಂಟ್ರಲ್ ಸ್ಟೋರ್ಸ್ ಬಂದ ಆಸ್ತಿ ಪರಿಮಾಣ/ ಬೆಲೆ	ನಮ್ಮ ವಿಭಾಗದ ಬೇರೆ ಬೆಲೆ ಒಟ್ಟು (7ರಿಂದ 11 ವರೆಗೆ)	ಒಟ್ಟು ಬರ್ಸಲ್ (7ರಿಂದ 11 ವರೆಗೆ)	ಒಟ್ಟು ಬರ್ಸಲ್ ಉಲ್ಲೇಖ
1	2	3	4	5	6	7	8	9	10	11	12	13

ನೀಡಿ										ಶಿಲ್ಪ				
ಸವಕಳಿ ನಂತರ ಮೌಲ್ಯ														
ನೀಡಿ	ಕಳಚಿದ ಆಸ್ತಿಯನ್ನು ಮುಕ್ತ ಮತ್ತು ವಿಭಾಗಕ್ಕೆ ಕಳುಹಿಸಿದ ಪರಿಮಾಣ/ ಬೆಲೆ	ಕಳಚಿದ ಆಸ್ತಿಯನ್ನು ಮಂಡಳಿಯ ಕೆಲಸಕ್ಕೆ ಕೊಟ್ಟಿದೆ ಪರಿಮಾಣ/ ಬೆಲೆ	ಕಳಚಿದ ಆಸ್ತಿಯನ್ನು ರಿಪೇರಿಯ ಸಲುವಾಗಿ ಕಂಟ್ರಾಕ್ಟರ್ ರವರಿಗೆ ಕೊಟ್ಟಿದೆ ಪರಿಮಾಣ/ ಬೆಲೆ	ಕಳಚಿದ ಆಸ್ತಿಯನ್ನು ರಿಪೇರಿಯ ಸಲುವಾಗಿ ಮಂಡಳಿಯ ಸಿಬ್ಬಂದಿಗೆ ಕೊಟ್ಟಿದೆ ಪರಿಮಾಣ/ ಬೆಲೆ	ಕಳಚಿದ ಆಸ್ತಿಯನ್ನು ಬೇರೆ ವಿಭಾಗಕ್ಕೆ ಅಥವಾ ಸೆಂಟ್ರಲ್ ಸ್ಟೋರ್ಸ್ ಬೇರೆ ವಿಭಾಗ ಉಗ್ರಾಣಕ್ಕೆ ಕಳುಹಿಸಿದ ಪರಿಮಾಣ/ ಬೆಲೆ	ಕಳಚಿದ ಆಸ್ತಿಯನ್ನು ಕಳಪೆಯನ್ನು ತೀರ್ಮಾನಿಸ ಲಾಗಿದೆ 21 ರವರೆಗೆ ಪರಿಮಾಣ/ ಬೆಲೆ	ಒಟ್ಟು (15 ರಿಂದ 21 ರವರೆಗೆ)	ಪರಿಮಾಣ	ಬೆಲೆ	ಪಡಾ				
14	15	16	17	18	19	20	21	22	23	24	25			

22. No.CA/DCA/Comml.A/cs)Cys-125/91-92

Dated:24.1.92

Sub:-Dismantled Asset Register - Procedure to be followed.

It has come to the knowledge of the Task Force during the inspections that the Dismantled Asset Register is not properly maintained in all the Divisions of the Board. The very purpose of maintenance of Dismantled Asset Register is that the position of released assets shall be available in this register for verification and monitoring. The Dismantled Asset Register should have all the dismantled assets held by the Division on a particular date irrespective of whether the asset is dismantled in the same division or received from other

Division/Central store division or returned by Contractors/Suppliers/Departmental personnel after repairs. It is observed that many of the Divisions are not bringing into this register the dismantled assets received from other divisions/Central Stores division/returned by contractors after repairs/returned by departmental personnel after repairs etc., which is not correct. In fact the written down value of the dismantled assets held in the division as shown in this register shall invariably tally with the value shown under relevant head of account in the Trial Balance. Similarly the balance shown in the pricing ledger under the folios of released Assets which are maintained separately shall also tally with the balances shown in the Trial Balance and Dismantled Asset Register.

The EEs/AOs in the division shall monitor the issue of released assets scrupulously as per B.O.No.KEB/B19/345/85-86 dated 18.6.1987, wherein it is clearly laid down that the released assets shall be issued first, and only after the stock of released asset is exhausted, new material shall be issued. This could be ensured by verifying the balances regularly in the Dismantled Asset Register.

In view of the above deficiencies observed in the field, it is felt that the detailed guidelines are required for posting and maintenance of Dismantled Asset Register, and hence the following procedure is prescribed.

1. The Dismantled Asset Register shall be maintained categorywise and capacitywise (wherever transformers are involved).

2. All the dismantled assets held by the division on a particular date irrespective of whether the same is dismantled in the division or received from the other division/Central Store Division/Other stores in the same division or returned by contractors/suppliers/departmental personnel after repairs shall be exhibited in the Dismantled Asset Register invariably. The dismantled asset register shall contain the following references recorded for receipt of released assets from various sources.

Source	Ref. to be recorded
1. Asset dismantled in the same division and returned to stores.	Acknowledgement invoice only.
2. Received from other division/Central Stores Division.	R.V/ & A.T.
3. From contractors after repairs.	R.V. & P.O. or acknowledgement invoice with W.O./P.O.
4. From departmental personnel after repairs.	Acknowledgement Invoice & w.o.
5. From a store within the Division.	R.V. only.

3. After noting the reference of the source of receipt in the Dismantled asset register as noted above, other columns of the dismantled asset register namely, original value, accumulated depreciation and written down value should be posted from the details available in the RV/acknowledgement invoice/AT etc.,

4. Likewise, when the dismantled asset is issued for works/contractors for repairs/Departmental personnel for repairs/sent to central stores/other divisions/issued to the sub-divisions etc., the same shall be noted under the appropriate column in the dismantled asset register. The particulars to be noted are ref. to Invoice No. & date, quantity issued, written down value etc., The postings in the register shall be invariably made chronologically on the lines of pricing ledger and balances struck after each transaction.

5. After posting the receipts and issues in the dismantled asset register, the closing balance of each category of the dismantled asset both in quantity and value should be struck and the sum total of closing balances of all categories of dismantled assets should tally with the balances shown in the Trial Balance against the relevant Account Head under 16 series and the balance in the pricing ledger respectively.

To ensure this aspect, at the end of each quarter, an analysis of receipts and issues of dismantled asset on the basis of dismantled asset register shall be made in the Annexure-1, enclosed to this Circular. The analysis shall be made for each Account Code under 16 series separately. After analysis, an abstract at the end of each quarter has to be put up in the dismantled asset register clearly showing the opening balance, total of different sources of receipts and issues and closing balance as shown in the Annexure-1.

While making analysis for the subsequent quarter in the Annexure-1, it may be noted that the receipts and issues during the quarter should alone be considered for analysis.

However, it is to be noted that the issues during the quarter may relate to the receipts during the previous quarter.

6. When the dismantled assets are issued to/received from the stores within the Division, the relevant heads of accounts under 16 series and 22.450 shall be invariably operated.

7. Based on the details recorded in the asset dismantled register, the assets released in the division during the year shall be removed from the Asset Register at the end of the financial year duly making necessary entries in the relevant page.

To enable to arrive at the quantity and value to be withdrawn from the asset register, an analysis for arriving at yearwise figures shall be made in Annexure-2, enclosed to this Circular. This annexure-2 should be prepared for assets dismantled within the division whose particulars are noted in column no.4 of annexure-1.

It could be seen that the annexure-2, clearly indicates the assets released during the year with particular reference to the year in which the asset was categorised. After making analysis in this form only, the quantity and the value shall be removed from the original asset register. It may be noted that the analysis must be made every quarter immediately after Annexure-1 is prepared; and the total of four quarters is arrived at before the closure of the accounts of the year for making necessary entries in the original asset register.

The analysis shall be made for each category of assets separately.

8. The annexure-I & II prepared during the financial year shall be utilised properly for preparing the supplementary statements to be enclosed to the final accounts of the year in respect of dismantled assets. It may be noted that these annexures form the basis for preparation of such statements.

9. The above guidelines should be followed with immediate effect. For the existing items in the Dismantled asset Register, the details of abstract should be recorded as shown in Annexure-1 and kept ready for verification. The annexure I & II shall invariably be prepared for each quarter after 1.4.91 and necessary entries made in the Dismantled asset register as also in the original asset register at the end of the year.

The Task Force will be visiting the division after January 1992 to verify whether these instructions are followed or not and if the guidelines are not implemented, the concerned A.O. and A.A.O. will personally be held responsible for the lapses. The receipt of this Circular may be acknowledged.

KARNATAKA ELECTRICITY BOARD

Analysis for transactions under Account Code 16.201 to 16.209 (separate statements shall be prepared for each code) for each quarter (Annexure - 1)

Sl. No.	Description of the asset	RECEIPTS (Written down value only)				ISSUES (Written down value only)										Remarks		
		3	4	5	6	7	8	9	10	11	12	13	14	15	16		17	18
		Q.V. Rs.Ps.	Q.V. Rs.Ps.	Q.V. Rs.Ps.	Q.V. Rs.Ps.	Q.V. Rs.Ps.	Q.V. Rs.Ps.	Q.V. Rs.Ps.	Q.V. Rs.Ps.	Q.V. Rs.Ps.	Q.V. Rs.Ps.	Q.V. Rs.Ps.	Q.V. Rs.Ps.	Q.V. Rs.Ps.	Q.V. Rs.Ps.	Q.V. Rs.Ps.	Q.V. Rs.Ps.	Q.V. Rs.Ps.
1	Transformers																	
2	having a																	
3	rating																	
4	of 25 KVA																	
	TOTAL of 'A'																	
B.	Transformers																	
1	having a																	
2	rating																	
3	of 50 KVA																	
4																		
	TOTAL of 'B'																	
C.	Overheadline																	
	including																	
	supports																	
	TOTAL of C																	
D.	Self Propelled																	
	vehicles																	
	TOTAL of 'D'																	
E.																		
	Total of 'E'																	
	Total of																	
	A+B+C+D+E + etc.,																	

ABSTRACT : Opening Balance xxx
 Add : (9th column) xxx
 Total xxx
 Less : Credits during the month (Col. 18) xxx
 Closing balance xxx

Certificate : Certified that the Closing Balance as shown in the abstract tally with the closing balance under Account Code No.
 Asst. Accounts Officer
 Accounts Officer

Analysis for removal of dismantled asset from the Asset Register

Description of the Asset	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	Total
Reference to Item No. in the Asset Dismantled Register	Quantity	O.V. Dep.	W.D.V. O.V. Dep.	W.D.V. O.V. Dep.	W.D.V. O.V. Dep.	W.D.V. O.V. Dep.	W.D.V. O.V. Dep.
Prior to 1.4.1985							
Total of 1st quarter							
Total of 2nd quarter							
Total of 3rd quarter							
Total of 4th quarter							
Total of the year i.e. 1+2+3+4) Qrs.							

O.V. = Original Value
 Dep. = Depreciation accumulated
 W.D.V. = Written down value

NOTE: The total arrived at for every quarter should tally with the figures shown under the column "Assets released from the works in the Division" of Annexure-1 for each asset.

23. No.C(A/cs)/AO(A/cs.)/Sn.IV/Cys-127/91-92

Dated:28.1.92

Sub:-Accounting of Materials received from suppliers under Head of Account 22.450 - Materials transfer within the Division -Correct procedure - Regarding.

The transfer of materials between one store to another Store in the same Division are accounted under the Head of Account "22.450 - Materials transfer within the Division". This Account is continuously depicting huge balance, inspite of the fact that these transfers are effected within the same Division and balances could be cleared immediately after the transferee store receives the material and accounts the same.

On a detailed examination of the transactions accounted under this Account as also the feed back report given by the Task Force after inspection of the Accounting Units, it is revealed that in many of the Divisions, the RCC/PCC poles supplied by the suppliers directly to Sub-Divisional Stores are also being accounted under this Account treating such receipts as transfers from the Divisional Stores to the Sub-Divisional Stores instead of receipt from suppliers. This may be probably with the wrong understanding that the M.A.S. has to be given by the Divisional Stores only. This has led to booking of credits first against this Account and debits from the Divisional stores are awaited for. On the other hand the Divisional Stores also will be unable to account these materials until Invoice-cum-Indent from the Store Keeper/Assistant Store Keeper/Field staff, who has acknowledged the receipt of materials is received. On one or the other pretext the concerned officials fail to give indents in time, and the transaction stands unregularised for an indefinite period contributing to accumulation of balance under this Account.

This Accounting procedure is not correct as the materials are directly received at Sub-Divisional Stores (or at Workspot of the Sub-Division) and there is no necessity of accounting such materials as formally received at the Divisional Stores, though the Divisional Stores would be the consignee stores as per the terms of the purchase order. To ensure proper accounting, the Division shall send the Xerox copies of such purchase orders to all the Sub_Divisional Stores in advance. The correct accounting procedure is to account receipt of such material as purchases from the suppliers under Account Code 22.210 (Dr.)/42.101 (Cr.) directly at the receiving stores and the MAS shall also be prepared in the receiving Store itself. In case the copy of the purchase order is not available in the Sub-Divisional stores, the Asst.Store Keeper/Store Keeper shall note the purchase order No.and date as noted in the suppliers Delivery challan on Receipt Voucher along with the reference to the authority which has diverted the material to a particular store. Unless there is a specific order in writing by the competent authority, the materials supplied by any supplier shall not be accepted by the Asst.Store Keeper/Field Officer. The payment of supplier's bill i.e., either advance payments against delivery challan or final payment based on MAS will also be smooth and easy in this arrangement, besides ensuring proper accounting of materials.

Therefore, all the Divisional Officers are requested to follow the above procedure scrupulously by instructing the concerned Officers/Officials suitably and avoid any accounting abnormalities in future.

24. No.C(A/cs)/AO(A/cs.)/Sn.IV/Cys-131/91-92

Dated:1.2.92

Sub:- Dismantled Assets-Accounting procedure.

On the basis of inspection of Accounting Units conducted over a period of 6 years from the date of implementation of Commercial Accounting System with affect from 1.4.1985 as also after issue of instructions

regarding the procedure for accounting of dismantled Assets vide B.O.No.KEB/B19/345/86-87, dated 18.6.87. The following stages in dismantling of Assets are identified as the specific areas in which doubts are raised by the Accounting Units frequently and requires clarification for implementation of the procedure properly.

1. Preparation of estimates for dismantling of Assets.
2. Recording details of released Assets in the Return Article Invoice.
3. Procedure and value for accounting released Assets at the time of receipts and issues.
4. Accounting of accessories released and returned to Stores along with the main Asset.

The matter has been examined in detail and the following clarifications are issued on each issue.

1. Preparation of estimates for dismantling of Assets.

The estimates shall be prepared as per guidelines issued vide Board orders dtd. 29.6.85 and 16.9.86. It is learnt that some of the Accounting Units are showing cost of the released Assets as credit in the estimate sanctioned for dismantling the Assets under "Account Code 77.5 - Asset de-commissioning cost" which is not correct. Only decommissioning cost i.e., labour charges to be incurred for dismantling of Asset shall be included in the estimate. However the details of the Asset being dismantled shall be recorded on this estimate, with particulars such as year of commissioning of the Assets, original cost and depreciation earned as per VII Schedule to Indian Electricity (Supply) Act 1948. In respect of replacement works sanctioned under Revenue Expenditure and taken up under "Minor replacements" as per B.O.Dated 18.6.87 referred above, the method of showing credit for the released materials in the same estimates shall be continued. Wherever major replacements are involved, a separate estimate under CWIP - 14 series shall be sanctioned for installing new Asset and cross reference of the estimate/work order has to be mentioned in both the estimates sanctioned i.e., for de-commissioning of Asset and installing of the new Asset.

2. Recording details of released Assets in the Return Article Invoice.

The major bottleneck at present in proper accounting of released assets as per instructions issued in the Board Order is non-availability of the essential details of the Assets released, which have to be furnished by the field staff. Irrespective of whether the work is taken up under regular work order or tentative work order, the details of year of commissioning of the released Asset, original value and depreciation earned by the Asset shall be invariably noted in the Return Article Invoice through which, the materials are returned to Stores. If the details are not available for any reason the concerned Executive Subordinate should clearly certify on the Return Article Invoice that the details are not available for specific reasons, and the value may be assessed by the Accounts Officer and the Executive Engineer as per Board Order dtd. 18.6.87. There should not be any lapse on the part of the field staff in recording this information on the Return Article Invoice, since this is a vital information required for the purpose of accounting of released Asset and removal of original Asset from the gross block of the Assets i.e., Asset Account.

3. Procedure and value for accounting released Assets at the time of receipts and issues:

It is the experience of all the Accounting Units that there is no difficulty in accounting of released Asset at written Down Value at the time of receipt, as per the guidelines issued vide paras 4 to 6 of the Board order dated 18.6.87. However all the Accounting Units are expressing difficulty in correlating the written down value with that of the physical Asset at the time of issue in as much as each released Asset would be having a

different written Down value. This is a fact and practically it is not possible to assign the same written down Value at which the released Asset was receipted at the time of issue, because the transformers and other Assets are being received and re-issued for repairs or reuse or to other Divisions etc., in large numbers frequently.

In view of overcoming this difficulty the released Asset shall always be issued at "Running Average Rate" at the time of issue. The running average rate shall be arrived at on the basis of the total balance value in the pricing ledger divided by the total number of transformers\released Assets in the relevant folio at the end of the preceeding day of issue of material. It shall also be ensured that separate ledger folios are maintained for each category of released Asset both in numerical and pricing ledger.

4. Accounting of accessories released and returned to Stores along with the main asset:

There is no uniformity in accounting the accessories released and returned to Store along with the main Asset. The main Assets are those which are defined as Asset in the VIIth Schedule to Indian Electricity (Supply) Act 1948 as also itmes specified vide Secretary, KEB, letter No.KEB/B7/9335/86-87 dtd. 9.10.1986. The Written Down Value of the main Asset is assessed or arrived at on the basis of original value. But the value of the accessories is either left unremoved from the gross block of the Asset itself or loaded on the main Asset released leading to over stating of the Written Down Value. If the accessories released are in good condition, they are reissued to works, or otherwise treated as scrap if the same cannot be reused. Therefore while the released accessories are accounted as reusable material or as scrap, it is not correct to either leave this value unremoved from the gross block of the Asset or to load it on the written Down Value of the released main Asset. In view of removing this accounting abnormality, a new Head of Account namely "22.370 - Accessories (other than main asset) returned on dismantling of Asset" is opened and intimated separately for accounting the accessories returned along with the main Asset on dismantling of Asset. The journal entries for accounting of the relased Asset returned without accessories and with accessories are spcified below separately for the guidance of the Accounting Units.

A. When no accessories are returned along with the main Asset :

16.20 - Written Down Value faulty/dismantled asset.	Dr....
12. -Depreciation provision ...	Dr....
To 10 - fixed Asset....	Cr.....

B. When accessories are also returned along with the main Asset:

1. When the accessories are reusable :

16.20 - Written Down Value faulty/dismantled Asset. (for main Asset).	Dr...
12. Depreciation provision	Dr.....
22.370 Accessories returned (at .S.R)	Dr.....
To 10 ... Fixed Asset..	Cr.....

2. When the accessories are not reusable:-

16.20	Written Down Value faulty/Dismantled Asset (For the main Asset).	Dr
12.	Depreciation provision	Dr....
16.10	Written Down Value Obsolete/scrapped Asset (10% of S.R.)(For Accessories)	Dr....
77.710	Written Down Value of Assets scrapped 90% of S.R.) (For Accessories).	Dr....
To 10.	Fixed Asset.	Cr.....

However it shall be noted that in all the above examples 32.802 has to be substituted in place of 12 and 10, if the Assets categorised before 1.4.85 are released, as already laid down in Board Order dated 18.6.87.

It may be noted that whenever accessories are returned, the same shall be accounted at the existing schedule of rates, if they are reusable. If the accessories are not reusable then the same shall be accounted as scrap at 10% of the existing schedule of rates under 16.10 - by debiting the remaining 90% value at existing schedule of rates to the Account Code "77.710 - Written Down Value of Asset Scrapped", as shown above. Whenever lines on RCC poles, PCC poles and wood/steel supports are permanently dismantled, both the poles and wire shall be treated as main Asset only and removed from the original Asset Account. Materials other than the pole and wire shall be treated as accessories. If the work is taken up under "Minor repairs", this question does not arise and the pole/wire released shall not be removed from the original Asset Account but value shown as credit in the same estimate itself.

The above guidelines shall be followed scrupulously in accounting of dismantled Asset. The receipt of this letter may be acknowledged.

25. No.C(A/C)/AO(A/C)/Sn.IV/Cys-165/91-92

Dated:31.3.92

*Sub:Credit balance under Account Codes 26.603 and 27.201 -
Furnishing Breakup details with March'92 Final Accounts.*

In many of the Accounting Units credit Balances are shown under Heads of Account "26.603 Contractors Material Control Accounts" and "27.201 Loans and Advances to Staff - Advance of Pay" in III/IV Quarter Trial Balance. It is reported that the main reason for depiction of credit balance under these accounts is non-transfer of debits by the Transfer units. Even after effective & continuous persuasion from this office during 1991-92, there is no improvement in the State of affairs. Therefore the breakup details for the credit balance outstanding under these Accounts may be furnished alongwith March'92 Final Accounts without fail, to enable this office to takeup the issue with the concerned Accounting Units and wipe off this accounting abnormality.

I. Breakup details for credit balance under A/C Code 26.603

Sl. No.	Name of the Unit from which material is issued to the contractor	Material issued	Invoice No. and Date	Qty.	Amount	Recovery made from the bill during (month / Year)	Remarks
TOTAL							

II. Breakup details for credit balance under A/C Code 27.201

Sl. No.	Name of the Transferer Unit	Name of the Official / Employee	Recovery of Advance commenced from (Month / Date)	Amount recovered upto 31.3.1992	Remarks
Total					

Separate Statements shall be prepared and sent for Item I and II. The Accounting Units where debit balances are shown under these Accounts as on 31.3.1992 NEED NOT furnish the Breakup details.

26. No.C(A/cs)/AO(A/cs.)/Sn.IV/Cys-10/92-93

Dated:20.4.92

Sub:-Accounting of lines and other assets taken over by the Board from the promoters of layouts.

Ref:-Notification NO.KEB/B11/B10/6948/90-91 / 16.1.92

The procedure regarding considering the request of promoters of the newly formed layouts to allow themselves to carry on the work of extending distribution lines etc., in the newly formed layouts through Licensed Electrical Contractors, are laid down in Regulation 10.09 of the Electricity Supply (Amendment) Regulations 1992. The following guidelines are laid down for accounting the assets taken over by the Board in such cases.

After the works are completed and the lines are put into use, the inventory of assets to be taken over by the Board shall be taken jointly by an Officer not below the rank of AEE(EI) preferably the concerned sub-Divisional officer with a person nominated by the promoters for this purpose. The inventory shall be separately taken for each category of the Assets as specified in seventh schedule to the I.E.(supply) Act 1948 duly measuring the quantity of the Asset. The joint inventory so taken shall be signed by representatives from both the sides and countersigned by the concerned Executive Engineer, (EI), of the Division. One copy of the statement shall be handed over to the promoters for reference and records.

The Engineer who takes the joint inventory shall value each asset at the prevailing schedule of rates and hand over the original copy of the statement of inventory, clearly showing the total cost of each category of Asset taken over, to the Accounts Officer of the Division for incorporating the same in the Accounts and Registers of the Board. The Statement shall also have details such as date of completion of work, date of commissioning of work, date of taking over, full description of each category of asset with quantity in appropriate units of measurement etc., A blue print showing the sketch and location of the assets laid in the layouts and taken over by the Board shall also be given along with the Statement.

Immediately on receipt of the above statement in the accounts section all the details of the statement shall be copied to a separate register called as "Assets taken over Register" with the attestation of the A.A.O., A.O. and Exe.Engineer, (EI). Afterwards the following journal entry shall be passed to bring into account the assets taken over.

10.603	Overhead lines (for 11 KV. lines)	Dr.
10.541	Transmission plant-(Transformers having a rating of 100 KVA & above)	Dr.
10.542	other transformers	Dr.
10.	(for each category of asset the relevant account code under Account Group 10 as shown above shall be operated).	Dr.

To 55.1 Consumers contribution towards cost of capital assets.

(Being the cost of the assets taken over from ...
(Name of the promoter)accounted).

The details of assets taken into account in the above manner shall be entered in the relevant asset register and depreciation charged as per rules.

The above guidelines shall be followed scrupulously.

27. No.C(A/cs)/AOC/Sn.V/Cys-61/92-93

Dated:9.7.92

Sub:-Discrepancies in maintenance of Asset Registers from 1.4.1985 in lthe Accounting Units.

Eventhough clear instructions have been issued in Board Circular No.B7/9335/86-87 dated 9.10.1986 regarding maintenance of fixed asset registers, it is observed during verification of March (Final) 1992 Accounts of various Divisions that these instructions are not properly complied with.

It appears that the Accounts Officer and the Asst.Accounts Officers concerned are not evincing keen interest in this item of work, thereby allowing this important register to be in arrears. It is noted with much displeasure that in most of the Divisions, these registers are written improperly, thus giving unnecessarily scope for Accountant General to comment.

It is not understood as to why the officers concerned are not serious in maintaining this important register which will serve as the basic record of assets created, released and the assets in use.

If the asset Registers are not properly maintained and brought upto -date by all the Divisions before 31.8.1992, I am constrained to propose for disciplinary action.

A team of officers from this office will visit each Division in the first week of September 1992 and ensure the correctness of maintenance of Asset Register, which the officers concerned may please note.

While doing this exercise the following points may be kept in view:

1) Ensure that the Asset Registers(both individual and group) are posted upto-date from 1985-86 to

1991-92 with full particulars duly tallying with the categorisation Statement of respective years and the figures under 10 series as per Trial Balance/General Ledger.

2) For the Assets created and posted into the Asset Register every year, an abstract has to be put up in the last few pages of the Asset Register foliowise duly tallying with the Accounts.

3) The correctness of depreciation provided from 1985-86 to 1991-92 has to be ensured once again by putting an abstract as per the annexure enclosed.

4) Based on the entries in the dismantled asset register or the statement prepared for released assets, the asset register has to be updated every year by posting the released asset into the asset register by making red ink entries. The corresponding figures under depreciation for the year, cumulative depreciation and the written down value should also be changed.

5) Ensure that the life of the Asset is properly taken for working out the depreciation. In this connection you may refer this office circular dated 9.10.1986 wherein the life of both the individual and group assets are given. In order to ensure accuracy, a ready reckoner indicating the life of the Asset for each account Code under account group 10, is enclosed to this Circular, which is self explanatory.

6) Finally the result of entire exercise is to confirm whether the Asset Registers are properly posted, depreciation is correctly worked out, released assets are posted to the Asset Register from time to time, and the Written Down Value is correctly arrived at. This can be ensured by putting an abstract for each year and tallying with accounts.

A/c Code	Description	life in years
10.202	Building containing Hydro Electric Power Generating plant.	35
10.207	Building's containing Transmission plant	35
10.208	" " Distribution Plant	35
10.211	Office Building	50
	Internal wiring for Office Buildings	15
10.222	Residential Colony to for staff	50
	Internal wiring for Residential colony	15
10.223	Other Buildings	50
	Internal wiring for other buildings	15
10.315	Sweet Water arrangement including reservoir etc.	50
10.320	Plant & Pipe lines for Water Supply in Residential Colony.	50
10.322	Drainage and sewerage in residential colony	50
10.401	Pucca Roads	100
10.402	Kutchra Roads	50
10.541	Transmission Plant transformers having a rating of 100 KVA & above	35
10.542	other Transformers	25

10.543	Other transmission Plant transformers Kiosks, substation equipment & other apparatus.	25
10.552	Material handling equipment Cement Mixer	25
10.553	Material handling equipment Cranes	25
10.561	Switchgear including Cable connection	20
10.563	Batteries including charging equipment	10
10.565	Fabrication shop/Workshop Plant and equipments	25
10.567	Lightning Arresters (Pole Type)	15
	(Station type)	20
10.571	Communication Equipment - radio and high frequency carrier system	15
10.572	Communication Equipment - Telephone lines and telephones	20
10.576	Air conditioning Plant - Static	15
	Air conditioning plant - portable	7
10.578	Computers	10
10.580	Refrigerators and Water Coolers	10
10.581	Meter Testing Laboratory tools and equipment	10
10.583	Tools and Tackles	10
10.584	Weighing Scales	15
10.585	Drawing Board instruments	10
10.586	Fire Extinguishers	20
10.599	Other miscellaneous equipment	10
10.601	Over headline on Fabricated steel supports Operating at nominal voltage higher than 66 KV	35
10.602	Over headline on Fabricated steel supports Operating at nominal voltage higher than 13.2 KV but not exceeding 66 KV	30
10.603	Over head line on reinforced concrete support	25
10.604	Over head line on treated Wood support	20
10.611	Under Ground Cables including Joint boxes and disconnecting boxes	40
10.612	Under Ground cable duct system	60
10.621	Service connection	15
10.631	Metering equipment	15
10.641	Street lighting and signal system	15
10.685	Miscellaneous equipments	10
10.710	Trucks, Tempos, Truckers etc.	7
10.720	Buses including Mini Buses	7

10.730	Jeeps, Vans and Motor Cars	7
10.740	Other vehicles	7
10.8	Furniture and Fixtures	20
10.901	Calculators	10
10.902	Typewriters	10
10.903	Cash Register	10
10.904	Duplicators/Xerox copiers francking Machine	10

ABSTRACT OF DÉPRECIATION AS PER ASSET REGISTER

Sl. No.	Name of the Asset	A/c Code	Page/ Folio No.	Original value	90% value	Depreciation provided during the year
1.	Transformers					
2.	Below 100 KVA					
	Above 100 KVA					
3.	Meters					
4.	Lines above 66 KV					
5.	Lines below 33 KV					
6.	Lines under 11 KV					
	Lines on RCC Poles					
7.	Switchgear					
8.	Lightening Arresters					
	Pole type					
9.	Station type					
10.	Vehicle					
11.	Office furniture					
12.	Office equipment					
13.	Other Assets as per					
	I.E. Act					

Note: 1. Original value shown in the Asset Register should tally with Trial Balance figure of repsective years.

2. For the Assets created in each year separate statements have to be prepared. i.e., from 1985-86 to 1991-92

28. CA/AO(A/cs)/Sn.14/Cys-69/92-93.

Dated 20.7.92

Sub:-Difference in Stock balance as per Trial Balance and Stock abstract.

It is learnt that in many of the Accounting Units the stock balance as per Trial Balance and the balance as per stock abstract (Stock Compilation Register) are not agreeing with each other. Some Accounting Units are stated to be considering only the receipts and issues for compilation of stock accounts and ignoring the opening balance and closing balance for putting up the abstract in the stock compilation register. This is totally wrong. In the stock abstract the opening balance and closing balance of stock shall be invariably shown, and the balances of the stock related account as per Trial Balance put together should agree to the balance struck in the stock abstract.

As the stock abstract is maintained in the Divisions and is not susceptible for verification at Head Office, you may please ensure that the balance as per accounts and stock abstract tally and any difference outstanding is reconciled immediately. The Accounts Officers/Dy. Controller of Accounts shall send a compliance report in this regard within 15 days from the date of receipt of this letter. Any lapse in this regard will be construed as failure in their duties and further action initiated.

29. No.FA&CAO/CA/AO(A/cs)Sn.14/Cys-81/92-93

Dated:12.8.92

Sub: Reconciliation of differences in the balance shown in the DCB of Divisions and sub-Divisions.

It has been found recently in Shimoga Division that the Electricity Tax Collection was wrongly appropriated as revenue in the D.C.B. Accounts and the Tax Balance is continued to be shown for more than 6 years as unrecovered in the D.C.B. This Office had to investigate and find out reasons for the same for effecting necessary rectification subsequently.

Non-depiction of Tax Collection under the tax column of both the sub-divisional D.C.B. and the Divisional D.C.B. results in non-payment of tax collected from the consumers to the Government of Karnataka as per statutory requirements. So also wrong depiction of amounts under tax collection column would lead to incorrect payments of tax to the Government at this Office, which is most undesirable. The above situation was the result of non-reconciling the balances shown in the Sub-Divisional DCB to that of balance maintained in the Division office and exhibited in their DCB's sent to this Office. Exhaustive instructions regarding reconciliation of difference in balance between Sub-Division DCB and Division DCB have been issued vide this office letter No.CA/ADCA/AOC/SN.IV/Cys-87 dated 1.7.1986. It was clearly instructed in the circular that any difference as on 1.4.1985 shall be frozen both at the Sub-Divisional and Divisional level and no further difference should crop up subsequent to this date. Accordingly the Divisions should not have allowed any more difference to crop up after 1.4.1985. It may be verified thoroughly to ensure that the Divisions have followed these instructions and reconciled the differences outstanding, if any; pertaining to the period after 1.4.1985. If the differences are not yet reconciled, the Audit may take up the issue to accomplish this job by offering proper guidance.

In addition to the above the audit has to ensure during the audit of revenue ledger accounts that proper appropriation of amounts collected from the consumers to the revenue and tax is made in the ledgers in respect of installations, where tax is exhibited exclusively and brought on to the DCB of the Sub-Divisions and Divisions correctly without fail.

The Accounts Officers (Internal Audit) may send a compliance report in respect of their division in this regard. The receipt of this letter may be acknowledged.

30. C(A/cs):AO(A/Cs):Sn.14/Cys-106/92-93.

Dated.30.9.92

Sub:-Observance of Central Excise formalities.

Ref:-Board ltr.No.KEB/B7/9364/86-87/1.12.1986.

In the above letter instructions were given by the Board to observe all the Central Excise formalities in connection with fabrication of workshop materials and RCC/PCC Poles, in consultation with jurisdictional Superintendent of Central Excise. Though instructions have been given time and again from this office on this matter, several Executive Engineers are seeking clarifications as to observance of Central Excise formalities.

In view of the above facts, the formalities to be observed in respect of Central excise matters, are reiterated below. These instructions shall be followed scrupulously to avoid any legal complications.

1) Registration:-Every assesee is required to get himself registered under rule 174(1) and rule 233 of Central Excise Rules.

2) Filing classification list:- A classification list shall be filed initially i.e. in the year in which Central Excise formalities have begun duly noting the names of the materials intended to be manufactured and cleared during the year and a revised classification list has to be filed whenever the rate of duty changes. If a new material which is not included in the earlier classification list has to be manufactured, then also a classification list has to be filed for such material before manufacture. Since we are disputing the excisability of certain items viz., cross arms, clamps, Single/Double top supports, E.G.Stirrups etc., the classification list in respect of disputed items shall be filed under protest duly noting the following remarks. It shall be noted that no chargeable tariff item shall be noted against such materials.

"Items Nos.from SI.No.....to SI.No.....are not Excisable, since no element of manufacture is involved". The classification list shall be filed only after getting the same approved by this Office, so as to avoid legal complications.

3) Filing Price list:-A price list of the materials manufactured in Part-VII has to be filed for the purpose of valuation of goods cleared and to calculate the duty payable to the Government. The price on which the duty is calculated may be arrived at by preparing an estimate for manufacture of the material. It may be noted that the price so arrived at shall not exceed the schedule of rate prescribed by the Board. The price list shall be filed only after getting the same approved from this office to avoid any complications that may arise in future.

4) Clearance of Goods:- The goods shall be cleared from the workshop/RCC Centre, only under valid gate passes duly countersigned by the Central Excise Authorities. Before, clearing the goods, the duty on the disputed goods shall be paid under protest.

5) Personal Ledger Account (PLA) :-A personal ledger Account may be opened with the Central Excise Authorities by paying an amount equal to one or two months duty requirement for paying duty. As and when the duty paid goods are cleared, debit to that extent shall be taken in the Personal Ledger Account. When the credit in P.L.A. exhausts, the same has to be recouped. Each time when the clearance of goods on

which payment of duty is disputed as per statute are to be made, a protest letter stating the grounds of protest has to be delivered to the Assistant Collector under due acknowledgement and quoting the reference of the acknowledged protest letter, debit entries shall be made in the P.L.A. For Excisable goods the protest procedure as stated above need not be followed and such goods can be cleared by debiting P.L.A. with the amount of duty on such goods. P.L.A., shall be maintained in the prescribed format.

6) Writing Gate Passes:-(G.P.I.) As Stated above, clearance of goods for the workshop/RCC Centre shall be made under the valid gate passes. Gate Pass shall be drawn for all the materials irrespective of the fact whether they are Excisable or not. For non-Excisable goods, reference of the order of the authority holding them as non-excisable shall be quoted in the gate passes. For Excisable/disputed goods reference of the entry in the personal ledger Account may be quoted.

7) Maintenance of Certain Registers in the Workshop/R.C.C. Centre:-

(a) R.G.I.Register: It is a record of daily stock of finished goods and shall be entered therein, balance at the beginning of the day, quantity manufactured, Quantity removed after payment of duty and finished stock at the end of the day. This has to be maintained in the prescribed form.

(b) R.G.-23 in Part-I & II:- This register is maintained for the purpose of availing modvat credit. Detailed instructions have already been issued vide Board letter No.KEB/B19/2662/89-90 dated 6.6.92, which may be referred and modvat credit can be availed only after filing declaration under Rule 57-G with the Assistant Collector of Central Excise.

8) Periodical returns:-Monthly return in the form RT-12 shall be filed with the Central Excise Authorities before 5th day of the subsequent month, stating the details of the Excisable goods, such as opening balance, Quantity manufactured during the month, quantity removed from the Workshop/R.C.C. Centre, duty paid on goods cleared etc.

The above, Central Excise procedures shall be followed in consultation with Central Excise authorities. For any doubts/clarifications on the above matter, you may consult this office and if necessary the concerned Official/Officer may be deputed to this Office for necessary guidance in the matter. The forms, registers and returns referred above are sold by the Stationers and the same may be purchased at your end.

31. No.CCA/AOC/Sn.V/Cys.170/92-93

dated 30.1.93.

Sub:- Remittance of Income Tax deducted at source from salary bills and Contractor's/Suppliers bills.

The Income Tax Auditor's of the Board in their Tax Audit Report for 1991-92 (Assessment year 1992-93) have observed several instances of delay in remittance of Income Tax deducted at source in almost all the Accounting Units.

The Deputy Commissioner of Income Tax, special, Range-5, Bangalore has also commented on the inordinate delay in remittances of tax deducted at source and has requested this office to issue specific instructions to all the Accounting Units to remit the Income Tax deducted at source as per provisions of Section 200 of Income Tax Act, 1961, and Rule 30 of Income Tax Rules.

It is therefore strictly instructed that:

i) Deductions of Income Tax at source from the salary bills shall be remitted within one week from the date of deduction,

and

ii) Deductions of Income Tax at source from the Contractor's/suppliers bills shall be remitted within one week from the last day of the month.

Any failure to comply the instructions will be viewed seriously and the interest payable, on delayed remittances of tax, if any, will be to the personal account of the concerned officer, which may be noted.

32. CCA/AO(c)/Sn.V/Cys.171/192-93.92-93.

Dated.30.1.93

Sub:- Provision for depreciation on fixed Assets from 1992-93.

Kindly refer to this office circular No.CCA/AOC/Sn.V/Cys.123/92-93, dtd.29.10.92, wherein instructions have been issued not to provide for depreciation on the Assets created during 1991-92 as the Board have sought clarification from the Central Electricity Authority, New Delhi, on the methodology to be adopted for working out depreciation as per the revised formula prescribed by Government of India in Notification no.7/A-6/91-92 PC dated 23.1.92. We have now received an oral clarification from Central Electricity Authority. The procedure indicated below has to be followed for providing depreciation on Assets from 1992-93.

1. The Government of India in consultation with Central Electricity Authority have issued a Circular to provide depreciation in the Accounts Commencing from 1st April 1992, such sum as may be calculated in accordance with straight line method of depreciation in respect of Assets at the rates indicated against each, subject to the condition that the cumulative depreciation of any Asset does not exceed 90% of the Original cost, less sum, if any, written off.

2. A schedule showing the existing life of the Assets, the percentage of depreciation on straight line method and the revised life with percentage thereon is enclosed to this Circular. The depreciation has to be worked out on the percentage of depreciation indicated at column-5 of the schedule with reference to the original value of the Asset in future. i.e.rate of depreciation X original value.

3. The revised rates are to be applied for all the Assets in use from 1.4.92, which means to say that the revised rates of depreciation are applicable to all the Assets in use as on 1.4.92 and also to the assets created on or after 1.4.1992.

4. For the new assets on which working out depreciation starts from 1.4.92 only, the Divisions should provide for depreciation at the rates indicated in column-5 of the schedule every year from 1992-93 and onwards and stop providing for depreciation when the accumulated depreciation of the Asset reaches 90%.

Example:

The life of an Hydro Electric Plant and Machinery is 35 years. The depreciation on straight line method per annum at the revised rate is 3.40% and the Asset will be earning 90% of the depreciation in 26.471 years.

Though the asset may be physically in use and continued to be shown as asset in the books of Accounts for 35 years or even beyond, the provision for depreciation will be made upto 27 years only and from 28th year and onwards, no provision for depreciation has to be made as the Asset would have earned accumulated depreciation to an extent of 90% at the end of 27th year itself. (i.e. at 3.40% of the original value for 26 years and the balances required to make the accumulated depreciation to 90% in 27th year).

5. For the Assets in use as on 1.4.92 and depreciation has already been accumulated in the old method to some extent but not upto 90% of the cost of the asset, the provision for depreciation has to be worked out as under:

a) **Example:** Hydro Electric Power Plant

Life	35 years.
Original value of the Asset	Rs.10 crores
90% value	Rs.9 crores
10% residual value	Rs.1 crore
Year of commission	1985-86

Accumulated depreciation from 1986-87 to 1991-92 at the old rate;

$$\frac{\text{Rs.9 crores} \times 6 \text{ years}}{35 \text{ years}} = \text{Rs.1.54 crores}$$

The depreciation for the above Asset every year from 1.4.92 i.e. from 1992-93 will be original value of the Asset X rate of depreciation.

$$\text{Rs.10 crores} \times 3.40\% \text{ per annum} = \text{Rs.0.34 crores.}$$

As the Asset has already served for 6 years as on 31.3.92 and the accumulated depreciation at the old rate is Rs.1.54 crores., the revised depreciation of Rs.0.34 crores per annum has to be provided for next 22 years. The calculation of no. of years is made as under.

$$\frac{\text{Rs.9 crores} - \text{Rs.1.54 crores}}{\text{Rs.0.34 crores}} = 21.941 \text{ years.}$$

i.e. the depreciation at Rs.0.34 crores has to be provided from 1992-93 to next 21 years. In the last year only Rs.0.32 crores (7.46 crores - 7.14 crores i.e. 3.40% x 21 years) has to be provided.

6) In the Government Notification the life of some Assets have been revised. The calculation of depreciation for such Assets will be as follows:

Example:

The life of an office equipment has been revised to 15 years from 10 years. For all the office equipments which are in use as on 1.4.92 the rate of depreciation from 1992-93 shall be 8.24 % of the original value of the Asset, and this rate shall be the depreciation per annum till the cumulative depreciation of the Asset reaches 90% of the Original value.

7. Similar procedure has to be adopted for the Assets released during 1992-93, the revised rates of depreciation are effective from 1.4.92 itself. While calculating the accumulated depreciation for the released assets, the sum of the depreciation provided for at the old rates upto 31.3.92 and the revised depreciation from 1.4.92 has to be considered as total accumulated depreciation and then the written down value has to be arrived at after deducting from the original value.

Example:

One 100 MVA transformer costing Rs.2 crores commissioned in 1975-76 is released in 1992-93.

The accumulated depreciation from 1976-77 to 1992-93 will be:

i) 1976-77	90% of Rs.2 crores	
to	<u>i.e.1.80 crores</u>	
1991-92	35 years	= Rs.5.14 lakhs p.a.

16 years x Rs.5.14 lakhs = Rs.82.24 lakhs

ii) 1992-93 - 1 year at 5.06% of Rs.2 crores = Rs.10.12 lakhs

iii) The total accumulated depreciation is (i +ii) = Rs.92.36 lakhs

iv) The written down value is Rs.2 crores - 0.92 crore = 1.08 crores.

Whenever the Assets created after 1.4.85 are also released, the depreciation has to be worked out in the same manner indicated above. The journal entries for the Assets created earlier to 1.4.85 and after 1.4.85 have to be passed as per the instructions already given, as only the rates of depreciation are revised with effect from 1.4.1992 without any change in the accounting entries.

8. If the depreciation has already been provided for in 1992-93 at the old rates the same may be withdrawn and fresh entries passed at the revised rates.

9. The change in the rate of depreciation from 1992-93 and the no. of balance years upto which this rate has to be charged has to be distinctly noted in the Asset register to enable the Inspecting Officers to verify the correctness of depreciation provided upto 31.3.92 at the old rates and from 1.4.92 at the revised rates.

10. While bringing March 1993 (Final) Accounts, THE ASSET REGISTERS FROM 1985-86, CALCULATION SHEET FOR DEPRECIATION PROVISION AT THE REVISED RATES AND COPIES OF JOURNAL ENTRIES HAVE TO BE BROUGHT TO THIS OFFICE FOR VERIFICATION AND CONFIRMATION OF CORRECTNESS OF ENTRIES PASSED.

11. Officers from this Office will visit Divisions in the last week of February 1993/First week of March 1993 to personally verify the calculations made and to ensure the correctness of depreciation provided for.

Instructions contained in this circular have to be gone through carefully and correct implementation of the instructions shall be ensured, without giving any scope for excess/short provision of depreciation. Any difficulties/problems encountered may be brought to the notice of this office for immediate clarification.

SCHEDULE

Sl. No.	Description of Assets	Account Code	EXISTING		REVISED		Approximate years by which the Accumulated Depreciation will be 90%	Remarks
			Fair life (years)	Depreciation (Straight line)	Fair life (years)	Depreciation (Straight line)		
1	2	3	4	5	6	7	8	9
A.	Land owned under full title	10.101	Infinity	-	Infinity	-	-	-
B.	<u>Land held under lease</u>							
	a) For investment in the land	10.102	The period of lease or the period remaining un-expired on the assignment of lease	-	The period of lease or the period remaining un-expired on the assignment of lease	-	-	-
	b) For cost of clearing site		The period of the lease remaining un-expired at the date of clearing the site	-	The period of the lease remaining un-expired at the date of clearing the site	-	-	-
C)	<u>ASSETS PURCHASED NEW :</u>							
	a) Plant and Machinery in Generating stations including plant Foundations							
	1) Hydro-Electric	10.531 10.532 10.535	35	2.57	35	3.40	26.47	
	2) Steam-Electric & NHRB Waste Heat Recovery Boilers/Plants		25	3.60	25	5.06	17.79	

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1	2	3	4	5	6	7	8	9
3)	Diesel-Electric and Gas Plant		15	6.00	15	8.24	10.92	
b)	Cooling towers and Circulating water systems		30	3.00	25	5.06	17.79	
c)	Hydraulic works forming part of Hydro-Electric system including							
1)	Dams, spillways, weirs							
	Canals, reinforced concrete flumes & syphons	10.301	100	0.90	50	1.95	46.15	
2)	Reinforced concrete pipe lines and surge tanks, steel pipe lines, sluice gates, steel surge (tanks) hydraulic control valves and other hydraulic works	10.305	40	2.25	35	3.40	26.47	
d)	<u>Building & Civil Engineering Works of a permanent character, not mentioned above</u>							
i)	Office & Show-Rooms	10.211	50	1.80	50	1.95	46.16	
ii)	Containing Thermo-Electric Generating Plant		30	3.00	25	5.06	17.79	
iii)	Containing Hydro-Electric Generating Plant	10.202 10.207 10.208	35	2.57	35	3.40	26.47	
iv)	Temporary erection such as wooden structures		5	18.00	5	21.55	4.18	
v)	Roads other than kutcha							
	Roads	10.401	100	0.90	50	1.95	46.16	
vi)	Others	10.402	50	1.80	50	1.95	46.16	
e)	<u>Transformers, Transformer Kiosk, sub-stations equipment & other fixed</u>							

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1	2	3	4	5	6	7	8	9
	<u>Apparatus (including Plant foundations)</u>							
i)	Transformers (including foundations) having a rating of 100 KVA and over	10.541	35	2.57	25	5.06	17.79	
ii)	Others	10.542 10.543	25	3.60	25	5.06	17.79	
f)	Switchgear, including cable connections	10.561	20	4.50	25	5.06	17.79	
g)	Lightning Arresters							
i)	Stations Type	10.567	20	4.50	25	5.06	17.79	
ii)	Pole type	10.567	15	6.00	15	8.24	10.92	
iii)	Synchronous condensers		35	2.57	35	3.40	26.47	
h)i)	Batteries	10.563	10	9.00	5	21.55	4.18	
ii)	Tools & Tackles	10.583, 10.578, 10.580 10.581, 10.584, 10.585 10.586, 10.599, 10.552 10.553, 10.565	10	9.00	15	8.24	10.92	
iii)	Under Ground Cable including joint boxes & disconnected boxes	10.611	40	2.25	35	3.40	26.47	
iv)	Cable Duct system	10.612	60	1.50	50	1.95	46.16	
i)	<u>Over head lines including supports :</u>							
	Lines on fabricated steel supports operating at nominal voltages higher than 66 KV	10.601	35	2.57	35	3.40	26.47	

1	2	3	4	5	6	7	8	9
ii)	Lines on steel supports operating at nominal voltages higher than 13.2 KV but not exceeding 66 KV	10.602	30	3.00	25	5.06	17.79	
iii)	Lines on Steel or reinforced concrete supports	10.603	25	3.60	25	5.06	17.79	
iv)	Lines on treated wood supports	10.604	20	4.50	25	5.06	17.79	
j)	Meters / Service connection	10.631/10.621	15	6.00	15	8.24	10.92	
k)	Self propelled vehicle	10.710 to 10.740	7	12.86	5	21.55	4.18	
l)	Air conditioning plant	10.576	15	6.00	15	8.24	10.92	
l)	Static	10.576	15	6.00	15	8.24	10.92	
ii)	Portable	10.576	7	12.86	5	21.55	4.18	
m))	Office Furniture & Fittings	10.8	20	4.50	15	8.24	10.92	
ii)	Office Equipments	10.901 to 10.904	10	9.00	15	8.24	10.92	
ii)	Internal wiring including fittings and apparatus		15	6.00	15	8.24	10.92	
iv)	Street light fittings	10.641	15	6.00	15	8.24	10.92	
o)	<u>Apparatus let on hire</u>							
i)	Other than motors		7	12.86	5	21.55	4.16	
ii)	Motors		20	4.50	15	8.24	10.92	
n)	<u>Communication Equipment</u>							
i)	Radio & High frequency carrier system	10.571	15	6.00	15	8.24	10.92	
ii)	Telephone lines and Telephones	10.572	20	4.50	15	8.24	10.92	

1	2	3	4	5	6	7	8	9
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o) Assets purchased second hand and assets not otherwise provided for in the schedule	Such reasonable period as the competent Government determines in each case having regard to the nature, age and condition of the assets at the time of its acquisition by the owner.
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NOTE :

- i) The depreciation at the rates indicated at column-5 has to be worked out with reference to the original value of the Asset.
- ii) The depreciation has to be rounded off to the nearest rupee for the purpose of calculation.
- iii) As the Assets have to be depreciated till the accumulated depreciation reaches 90% of the original value, the depreciation at the rates indicated in column-5 has to be provided every year. In the last year, the provision has to be limited to the extent the accumulated depreciation of the Asset reaches 90%.

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For Example :

If depreciation at the rate of 3.40% of the original value is provided every year for an Asset, the Asset will earn 88.4% depreciation in 26 years (i.e. 3.40 x 26) . In the 27th year only 1.6% depreciation has to be provided.

Sub:-Preparation of Capital expenditure and Assets related Annexures in March Final Accounts.

During the last three years, it is observed that the Accounting Units are finding it difficult to prepare and tally the figures in some of the Annexures related to Capital expenditure and Assets. The difficulty was more visible in preparation of "Annexure-8 - statement of Reconciliation of Capital Expenditure for the year".

In view of making preparation of the statements more easy, a method has been evolved wherein the Units have to simply record the debits and credits pertaining to these transactions during the year in a separate Register and total the transactions for mere transfer of these totals into the Annexure. In the process, the Units can ensure the correctness of the figures entered in other Annexures also. Such Annexures identified are Annexure—3, 5, and 7(a) and 7(b) prescribed for March 1993 Final Accounts. The register shall be divided into Left hand portion and Right hand portion to record debits and credits respectively under each Account Group. It shall be noted that the debit/credit occurring in each Journal Voucher against a particular Account Code is recorded under the respective Account Group in the Register.

The Register should be maintained in the proforma enclosed to this circular.

After passing each and every Journal Voucher pertaining to Account Group shown in the proforma, the entry in the Register shall be made separately against each Journal Voucher duly noting the NO. and Date. The total amount entered against a Journal Voucher in debit column shall invariably tally to the total amount entered in the credit column. The Register should be posted from the 1st day of the Accounting year and closed on the last working day. The final totals under each Account Group shall be drawn up after closure of the Register and totals of debits and credits tallied.

The following points shall be noted and considered for posting of the Register and tallying the figures with related Annexures in March Final Accounts.

1) For posting any rectification entry under misclassifications, the related account Codes for the amounts in this column shall be noted in the space provided for specifically by the side of the amount.

2) In respect of transactions relating to 22.450 and 26.604, those which are connected to 16 series only shall be posted in the Register and not any other transactions relating to materials.

3) The total of debits minus Credits under Account Group-10 in the Register shall tally to column-9 of Annexure-3.

4) The total Debits minus credits under Account Group-16 in the Registers shall be equal to the sum total of column-7 of Annexure-4 and debits total under 22.450 in the Register minus credits totals under 22.450 and 26.604 in the Registers.

5) The total of debits minus credits in the Register under Account Group-12 shall tally to the total of column-9 of Annexure-5.

6) The debits total under Account Group-32 in the Register shall tally to 'Total-A' of Annexure 7(a). Similarly, the credits total under Account Group-32 in the Register shall tally to 'Total-B' of Annexure-7(a).

7) The debits and credits total under Account Group-32.802 in the Register shall tally to 'Total-A' and 'Total-B' of Annexure 7(b) respectively.

8) Annexure-8.

i) The debits minus credits under Account Group-10, 14, 32, 32.802 and 16 in the Register shall be posted against items A(1) to (5) respectively in Annexure-8. If the resultant is minus it shall be taken as minus item only, in the Annexure.

ii) Item A6 of Annexure shall be posted from column-6 of Annexure-5.

iii) The debits total of 22.370 in the Register shall be posted against item A(7) in the Annexure.

(iv) Item A8 in Annexure shall be posted from column-8 of Annexure-3 and column-6 of Annexure-4.

v) The total of Debits minus Credits in the Register under Account Code 26.604 shall be the figure for item A(9) of Annexure.

vi) The total of Debits minus Credits in the Register under Account Code 22.450 shall be added as A(10) to item 'A' in the Annexure.

vii) Item B(i) of Annexure shall be posted from the total column of "ROW-F" of Annexure-1.

viii) Item B(2) of Annexure shall be posted from column-14 against 55.1 in Annexure-2.

ix) Item B(3) shall be posted from the total of column-4 of Annexure-4.

The above instructions are issued only to facilitate easy preparation of Annexure by the Units. The maintenance of this Register is not mandatory. Wherever the Units are not confident of the correctness of these Annexures prepared by them, they shall bring the Register also to the Head Office if called upon for reconciliation of Accounts.

**RECONCILIATION OF CAPITAL EXPENDITURE FOR THE YEAR
DEBITS**

J.V. No. Date	10	12	14	16	32	32.802	22.370	22.450	26.604	74	77	83.6	Mis- Classification A/c code		Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14		15

CREDITS

10	12	14	16	32	32.802	22.450	26.604	55.1	65.6	Mis- Classification A/c code		Total
17	18	19	20	21	22	23	24	25	26	27	28	

Sub:-Observance of Central Excise formalities - search and seizure.

Ref:- 1. Board letter No.KEB/B7/9364/86-87, dated 1.12.1986.

2. T.O. Lr. No.C(A/cs)/AO(A/cs)/Sn.14/Cys-106/92-93 dated 30.9.1992.

In this office letter dated 30.9.1992 detailed instructions are given on observance of Central Excise formalities. It is learnt that the Central Excise Authorities are visiting our Workshops/R.C.C.Centres where the formalities are not being observed and demanding documents and other information on the activities conducted therein. In the background of these instances, it is felt that our Unit Officers shall be educated beforehand in dealing with such search and seizure. At the first instance the Unit Officer who faces the Central Excise Authorities shall not give any wrong information to the department, but also simultaneously need not involve in any uncalled for commitment, which may affect the interest of the Board at a future date. The Central Excise Authorities have under the Statutory provision, power to stop and search, to seize, to enter and search premises and to issue written summons. The following points may be kept in mind while the Unit Officers face the Central Excise Authorities on account of search and seizure.

1) The important aspects and pre-requisites concerning seizure/search are:

i) The Authorised Officer of Central Excise Department must have reasonable grounds for believing that anything necessary for the purpose of recovery of tax may be found in any place within his jurisdiction.

ii) He must be of the opinion that such thing cannot otherwise be got without undue delay.

iii) He must record the grounds of his belief.

iv) He must specify in writing so far as possible, the thing for which search is made. After he has done these things, he can make the search.

2) Whenever the Central Excise Authority demand Registers, records and files, it shall be obtained in writing from them as to which are the records required by them and the purposes for which the same is required. Only xerox copy of the Registers/Records/Files shall be given and originals need not be given. However, xerox copy may be attested and acknowledgements obtained for having given the records.

3) Whenever statements are recorded by asking questions, precaution shall be taken in answering leading questions or question suggesting answers. Answering such questions shall be tactfully avoided. It may be noted that it is not necessary to answer all questions. While giving written statements, it shall be noted that at the end of the statement, the following sentence is invariably added.

"The above has been given on a rough understanding of the situation, the accuracy would be checked up subsequently".

The copy of the written statement given shall be obtained then and there itself.

4) Summons, interrogation and recording of statement at odd hours may be as far as possible avoided. Convenient time may be fixed in writing by both the parties, if possible.

5) Wherever statements are required, it shall be ensured that nothing is given in duress or hurry. All the implications shall have been considered. Statements need not be given at odd hours or under threat or coercion. We can always ask for time to give full statement.

6) Whenever goods are seized, it shall be noted that you can obtain provisional release.

7) Whenever there is any technical omission, inform the department before an objection is raised by them. If this is done, the department cannot levy penalty.

Immediately after any such instance takes place, this office shall be intimated of the events with all the relevant records for issue of further instructions and guidance. The concerned Officer/Official may also be deputed in case of exigencies for obtaining guidance on the matter.

35. No.CCA/AO(A/cs)/Sn.14/Cys.180/92-93.

Dated 5.2.93

Sub:-Availing MODVAT credit on the materials manufactured in the workshops of the Board - check list and other important points.

Ref:-Additional Secretary, KEB, letter No.KEB/B19/2662/89-90, dated 06.06.1992.

Detailed instructions are already issued vide Board letter dated 06.06.1992 to all the officers on availing MODVAT credit on the materials manufactured at the workshops of the Board. In the Board letter it has been very clearly instructed that the Chief engineer Elec.(MM&P) and the Unit Officers in the field shall ensure availing MODVAT credit invariably wherever admissible as per Central Excise rules, so that unnecessary expenditure to the Board on payment of duty can be reduced.

Several letters have been received in this office from the workshops and R.C.C. Centres expressing doubts and seeking clarifications on the specific points regarding availing MODVAT credit. In view of clarifying such doubts raised, as also prescribing uniform norms for availing MODVAT credit, the following guidelines are issued. The concerned officers shall go through the guidelines scrupulously and ensure that the MODVAT credit is availed in all the Units wherever applicable.

1. Immediately on receipt of materials in the store, it shall be verified whether the particular material is eligible for availing MODVAT credit and shall be identified as such.

2. The receipt voucher/invoice/any other store document relating to the receipt of materials so identified as eligible for MODVAT credit shall be given to the Junior Engineer/Assistant Engineer/Assistant Executive Engineer, incharge of Central Excise matters.

3. It shall be ensured that a declaration for such receipts under Rule 57G has been given and acknowledgement obtained from the Central Excise Department. The declaration shall be in the prescribed proforma i.e. Trade Notice No.44 CE(26 Misc.), 1986, dated 04.06.1986. It shall be ensured that the classification of final products and those of inputs (materials used for manufacture), has been given including sub-heading of the tariff. This classification should match with classification of final product as given in the classification list filed earlier.

4. Any one of the following recognised documents should be available for taking MODVAT credit.

a) Original Gate pass in Form GP-I

b) Subsidiary Gate pass.

5. Immediately on receipt of materials eligible for availing MODVAT credit in the store, it shall be ensured that all particulars are entered in part-1 of RG-23A Register maintained in the workshop. Making necessary entry in part-1 of RG-23A Registration full particulars is most important for the reason that the credit can be availed in Part-2 only if the entry is available in Part-1. Materials taken in Part-1 may not figure in part-2 in cases where credit is not availed, but, materials taken in Part-2 shall find a place in Part-1 also. If the material is not found in Part-1, the department will not allow taking credit. It shall be understood that there is no harm in taking materials first in Part-1 of RG 23A even if credit cannot be taken on such items afterwards.

6. The workshop Division, Bangalore is expected to take off such materials from Part-1 of the RG 23A and expunge the credit instead of taking credit in Part-2 in respect of materials transferred to other workshops and R.C.C. Centres along with Gate Pass. If the materials are used in workshop Division, Bangalore itself for manufacturing purposes then the credit shall be taken under part-2 of RG-23A. Relevant Gate pass NO. and the quantity shall be noted under column 12 and 13 of Part-1, whenever the raw materials are sent as such to other workshop/R.C.C. Centres. The same procedure shall be followed in all the workshops/R.C.C. Centres in respect of such transactions.

7) The monthly returns shall be submitted to the Central Excise Department as per Rule 57G4. Details shall be obtained from the Department.

8) In the case of materials held as non-excisable in the workshop, the credit should not be taken in Part-2 of RG 23A, but shall be expunged in part-1 itself.

9) The quantum of duty actually paid and mentioned in the incoming Gate pass shall only be taken in Part-1 in RG 23A Register. Whenever the material is used for manufacture or transferred to other workshops/R.C.C.-Centres, the same quantum of duty shall be taken as credit in Part-2 or noted in the outgoing Gate passes respectively.

10) It shall be noted that the MODVAT credit cannot be denied by the department merely on the ground of technicalities and such instances if any shall be referred to this Office.

11) It shall be noted that once entry is made in Part-1 of the RG 23A Register, there is no time limit to take credit under Part-2 B. However, it shall be noted that the entry in Part-1 of RG 23A shall be invariably made immediately on receipt of Gate pass in which the material is received.

12) Finally, it shall be noted that, it is always prudent to follow all the above procedures to the last detail, so that the benefit available to the Board is not denied by the department under any circumstances.

The Forms and Registers referred above are available in the Book Shops and General stores. The same shall be purchased and made use of. As regards other minute details on the formalities to be observed, the Central Excise Department shall be consulted.

The above guidelines prescribed are not exhaustive but only indicative. The Unit Officers dealing with the Central Excise matters shall contact this office whenever they feel doubt or want clarification on the points other than those elaborated above.

Sub:-Role of Executives in preparation of March '93 Final Accounts.

The Board have assured the Committee on "Papers laid on the table" which is a representative body of the Legislature during its visit in November 1992 that the Annual Accounts of the Board will be finalised in time here afterwards. The involvement of executives from the cadre of Junior Engineer to that of Executive Engineers is very essentially required for preparation of final accounts of the Board, in time.

The preparation and finalisation of the Annual Accounts involve closure of capital works and categorisation thereon, counting of stores and passing of final orders and obtaining the DCB-cash accounts from all the Revenue Units. The final accounts will not be completed and the Accounts Officer in the Division will be unable to accomplish this work unless the above works are attended in time by the Officers/employees concerned. If there is any delay in attending to the requirements, it will result in consequential delay in preparation of final accounts at the Division and compilation of annual accounts at the Head Office which will put the Board in an embarrassing position of not fulfilling its commitment to the Legislature Committee. The seriousness of these aspects shall be taken note of by all the executives who are expected to involve in this yearly drill and complete their portion of work without any delay.

In view of this situation, I request you to give your utmost attention to the following points and ensure timely action on the same.

1. Rendering the completion reports/list of works completed in respect of completed capital works to the Accounts Section in the Division Office before 15th March 1993.

2. Completion of annual store counting as per circulars already issued by the Board and obtaining final orders on the same from the Superintending Engineer. Personal efforts may be put forth particularly in this area and the concerned Superintending Engineer prevailed upon to pass the orders and send the same to the Division Office within the prescribed time, if the orders are not passed within that time.

3. The Sub-Divisional and Sectional Officers shall be informed of the commitment of the Board in finalisation of accounts; and the DCB, cash accounts and other returns specifically required for March Final accounts shall be obtained from all the revenue units. The DCB for March and April '93 shall be obtained before 10th April '93 and 10th May '93 respectively. The other returns required and sought for from the Division Office shall be sent by the Revenue Units before 5th April '93 itself, as they have no bearing on compilation of the DCB.

The above areas may be discussed in the monthly meeting during February and March 1993 and the status of each work assessed for achieving the progress in time with your personal involvement wherever necessary.

Note : This letter is incorporated in the compendium, as the contents are relevant and applicable for all March Final Accounts. Year '93 mentioned may be ignored and circular regarding preparation of March Final Accounts issued every year followed.

Sub:-Provision for Depreciation on Fixed Assets from 1992-93.

Ref:-This Office circular No.CCA/AO(C)/Sn.5/Cys-171/92-93 dtd.30.1.1993.

Further to this Office Circular No.Cys.171 dated 30.1.1993 the Revised Rate of Depreciation for different types of buildings accounted against the following Account Code may be taken as 1.95 for item Nos.:(i) to (vi) and 8.24 for item No.(vii).

Nomenclature	Account Code	Fair life (years)	Revised Depreciation (straightline method)
i) Buildings Offices & Show Rooms	10.211		
ii) Residential Colony for staff	10.222		
iii) Other Buildings	10.223	50 Years	1.95
iv) Sweet Water arrangements including reservior etc.,	10.315		
v) Plant & Pipe lines for Water supply in Residential Colony	10.320		
vi) Drainage & Sewerage residential colony	10.322		
vii) Internal wiring in respect of A/c Codes	10.211 to 10.223	15 Years	8.24

Sub:-Deduction of Income Tax at source from the bills of Contractors/ Suppliers.

During the course of verification of March '93 (Final) Accounts of the Accounting Units, it is observed that Income Tax deduction at source is made at 2% from the bills of contractors/Suppliers instead of 2.24% in case of payments to a resident other than a company and at 2.30% in respect of payments to a domestic Company.

The relevant extract from the Income Tax Act is furnished below:-

Rates of Tax deduction at source: payments to Contractors:

"Any person responsible for paying any sum to any resident (hereafter referred to as the contractor) for carrying out any work (including supply of labour for carrying out any work) in pursuance of a contract between the Contractor and

- a) The Central Government or any State Government or
- b) Any local authority; or
- c) Any Corporation established by or under a Central, State or Provincial Act; or
- d) Any Company; (or)
- e) Any Co-operative Society,

shall at the time of credit of such sum to the account of the Contractor or at the time of payment thereof in Cash or by issue of a Cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to,

A. In case of payment to a resident other than a company -	
payment to Contractors -	2.24%
B. In the case of payment to a domestic Company-	
Payment to Contractors" -	2.30%

No deduction shall however be made, if the same paid to a contractor/supplier in pursuance of any contract does not exceed Rs.10,000/- in a year. If the amount payable to a contractor exceeds Rs.10,000/- in the year the Tax deduction at source has to be effected for the earlier bills also. For example: if 5 bills of a contractor amounting to Rs.9000 have been paid during the year without a Tax deduction at Source and the 6th bill is for Rs.1,500/- the Income Tax at the prescribed rate has to be deducted at source for Rs.10,500/- (i.e. Rs.9,000/- + Rs.1,500/-) and not for Rs.1,500 only.

Therefore, any short collection made in the Accounts for 1992-93 should be collected immediately from the contractors and remitted to Income Tax Department before 6/93 since Section 271 C of the Income Tax Act prescribes a penalty of a sum equal to the amount of the Tax which is not deducted.

It is ascertained from the Income Tax department that these rates have remained unchanged for 1993-94 also. You may therefore continue to deduct Income Tax at source at the rates mentioned above.

Since, it is the responsibility of the Drawing Officers" to deduct the Income Tax at the appropriate rates in force from time to time, the jurisdictional Income Tax Officers have to be periodically approached and the rates of 'Tax Deduction at Source' confirmed.

For any short deduction of Income Tax the concerned Drawing Officer will be held responsible.

The Tax Deduction at source made shall be remitted to the Government within the due dates prescribed, without giving any scope for delay, as Section 201 (IA) of the Income Tax Act prescribes that, if the person responsible does not deduct or after deducting fails to pay the Tax as required, shall be liable to pay simple interest at 15% per annum on the amount of such Tax from the date on which such Tax was deductible to the date on which such Tax is actually paid. An Annual return in Form NO.26 C has to be filed with the jurisdictional Income Tax Office on or before 30th June of every year. If any person fails to furnish the return in due time shall be liable to pay by way of penalty a sum which shall not be less than Rs.100/- but which may extend to Rs.200/- per day during which the failure continues.

The above instructions shall be followed scrupulously. In case of any doubt, requiring clarification, the jurisdictional I.T.Os may be approached. In future, the correct rate of 'TDS' to be made has to be confirmed from the respective Income Tax Offices before effecting recoveries.

39. No.CCA/AO(A/Cs/Sn.IV/Cys.53/93-94.

Dated 13.7.93

Sub:-Deduction of Income Tax at Source from the bills of Contractors/Suppliers.

Ref:-T.O.Circular No.CCA/AOC/Sn.V/Cys.20/93-94, dtd.12.5.93.

Clarifications are being sought from many of the Accounting Units as to whether income tax has to be deducted at source on the bills of the Suppliers, who are supplying materials to the offices of the Board as per the purchase orders placed on them. The word Suppliers in the first para of this office Circular dtd.12.5.93 is not used in the context to mean that the income tax has to be deducted from the bills of Suppliers of materials to the Board, but in the context that where the contractors are awarded work on turn key basis or composite work basis which involves both the supply of labour and material by the contractor to accomplish the contract entered into with the Board.

It should be noted that the contracts made only for supply of goods will not be subject to deduction of tax. In other words, it would mean that wherever the materials are supplied to the Board by the Suppliers which do not involve any work to be executed by them should not be brought under the perview of the Circular dtd. 12.5.93 and no income tax shall be deducted at source from the bills of such suppliers.

40. No.CCA/AO(A/Cs)/Sn.V/Cys.101/93-94

Dated 25.9.93

*Sub:-Deduction of Income Tax at source under Sec.194 of
I.T.Act 1961 from the bills of contractors.*

Ref:-1.T.O.Circular No.CCA/AOC/Sn.V/Cys.20/93-94 Dated 12.5.93

2.T.O.Circular No.CCA/AOC/Sn.IV/Cys.53 Dated 13.7.93.

Further to this Office Circulars referred above, the following clarifications are issued as to the scope and applicability of the Sec.194 of the Income Tax Act 1961, so that clear distinction can be made between the contracts for supply of materials and the works contract, for recovery of Income Tax at Source according to the statutory provisions.

1. The contract for only supply of materials (entered into through a Purchase Order) will not attract any tax under the above Section, as such contract comes under the purview of 'Sale of goods Act'.

2. In case, the Board has entered into a contract on turn key basis or composite work basis, which involves both the supply of material as a supplier and employment of labour as a contractor for carrying out the awarded work, clear distinction shall be made between the two aspects. It shall be noted that in such cases the materials are initially treated as the property of the Board. The portion of contract involving supply of materials will not attract any tax under the said Section. The work portion involving deployment of labour and carrying out the work is subject to tax under the section. Even if a combined bill for the materials supplied and treated as property of the Board initially and for the labour employed is tendered; the cost of materials supplied and utilised for the work in such cases shall not be considered for the purpose of recovering tax under this Section.

3. In case, the contract is for the entire work wherein, the contractor employs the materials also on the work as a part and parcel of the contract without initially supplying the material to the Board as a supplier and carries out the work duly incurring labour, then the total cost of the work including the materials cost is liable for deduction of tax at source under the Section. (For example: works such as civil contracts awarded etc.,)

4. In the case of materials supplied by the Board, the recovery of Income Tax at source shall be as follows:

i) When the materials such as cement, steel etc., are issued to the contractor treating the same as sale to the contractor at stipulated prices and the cost of the sale is recovered from the bills of the contractor as per rules, then the total cost of the work including the cost of materials sold and included in the bill of the contractor is liable for deduction of tax.

ii) When the materials are directly issued to the works and handed over to the contractor for the purpose of execution of the sanctioned work duly employing labour, then the bills submitted by the contractor will be naturally for labour charges incurred only and hence the question of deduction of Income Tax on the cost of the material does not arise.

41. No.CCA/AOC/Sn.V/Cys.7/94-95

Dated 18.4.1994.

Sub:-Deduction of Income Tax at source from payment of contractors and sub-contractors - Reg.

Ref:- 1. T.O.Circular No.CCA/AOC/SN.V/Cys-20 / 12-5-93
2. " Cys.53/13.7.93
3. " Cys.101/25.9.93
4. " Cys.180/2.3.94

Clarifications are being sought from many of the Accounting Units as to whether Income Tax has to be deducted at source from the bills of the Suppliers, who are supplying materials against 'Purchase Orders'

In this connection, please refer the Circulars cited under reference (2 & 3) wherein it is made crystal clear that the Sec.194C of Income Tax Act, is not applicable to purchase of materials against Purchase Orders.

Accordingly, no Income Tax shall be deducted at source from the amount payable to suppliers for having supplied materials against our purchase orders.

42. No.CCA/AO(A/c)/Sn.IV/Cys.52/94-95

Dated 25.7.94

**Sub:-Enhancement of contribution to Karnataka Labour Welfare Fund -
remittance of balance amount - reg.**

Ref:-Board Circular No.KEB/CLO/SA.VII/4327/94-95/28.6.94

As per Board Circular dated 28.6.94, the contribution to Karnataka Labour Welfare Fund has been enhanced with effect from 1993. The contribution of each workman has been increased from Rs.1/- to Rs.3/- and that of Employer from Rs.2/- to Rs.6/- with effect from the year 1993 retrospectively pursuant to amendment to Karnataka Labour Welfare Fund Act 1965.

The difference between the enhanced rate of contribution and the amount already recovered from workman during December in 1993 shall be recovered immediately. The difference amount in respect of Employer's contribution for the year 1993 shall be debited to Head of Account "83.5 - Employee costs relating to previous years" and remitted along with contribution of workmen to the Welfare Commissioner, Mysugar Co., Annex Building, II Floor, J.C.Road, Bangalore-2.

From 1994-95 and onwards, the recoveries shall be made at the enhanced rates only during December every Year and remitted to Welfare Commissioner. The employer's (Board) contribution shall be debited to Head of Account "75.763 Board's contribution to Labour Welfare Fund" as usual.

43. CCA/SPA/Cys.156/95-96

Dated 1.3.95.

Sub:- Maintenance of Cost Registers for works pertaining to Revenue Expenditure.

Hitherto the instructions were not to maintain Cost Registers in respect of works relating to Revenue Expenditure for the reason that no completion reports are being submitted after completion of these works. During my recent inspection of Bangalore Divisions, it is seen that number of works under Revenue Expenditure are being undertaken drawing materials from Store Houses and that too drawal of materials is over and above the estimated quantities. Hence there is an urgent need to open the Cost Registers for the works under Revenue Expenditure also with immediate effect wherever drawal of materials are involved to essentially watch excess drawal of materials, if any. The Cost Registers are not necessary for works which are towards Repairs and Maintenance and do not involve drawal of materials from Store Houses. Arrangements may be immediately made to open Cost Registers for all the works which necessitate drawal of materials from Store Houses and compliance reported.

44. No.CCA/AO(A/c)Sn.IV/Cys.123/95-96.

Dated. 19.12.1995

Sub:- Clearance of balances under IUA pertaining to materials, personnel and others.

The Zonal Controllers and Dy.Controllers of Accounts of O & M circles were instructed vide this Office Circular No.CA/AO(C)/Sn.V/Cys.93/91-92, dtd.2.11.91 to conduct meetings at the Zonal/Circle level periodically and monitor clearance of IUA balances. As no substantial progress was found from the field in reducing the balance in this manner and the system of maintenance of IUA Accounts had to be reinforced further, a new

procedure for exhibiting clearance of IUA balances in the Accounts was introduced w.e.f. 1.7.93 vide this office circular No.CCA/AG(A/cs)/Sn.IV/Cys.52/93-94, dtd.8.7.93. The introduction of new procedure has become an effective tool in the hands of AOs to control balances under IUA Accounts. On the other hand monitoring and clearance of balances has to be continuously pursued at the level of Zonal Controllers and respective Dy.Controllers of each Circle. It is observed that the Zonal Controllers and Dy.Controllers of Circles are not playing any supporting role in clearance of IUA balances inspite of specific instructions issued in the meetings held at Circle level and Zonal level. Unless they ensure clearance of balances at their level besides making efforts to contact other jurisdictional area officers like Controllers of other Zones, and Dy.Controllers of Accounts of other Circles, the mounting balance under IUA Accounts of the Accounting Units in their Zones/Circles cannot be brought down. The monitoring is also very simple in the new system of maintenance of IUA Accounts in as much as the Accounting Units will have minute details of pendency of ATs and locations to where the materials have been sent in their location codewise IUA ledger Accounts as also in the quarterly progress statements prepared by them. If these statements and location codewise IUA ledgers are monitored along with the respective months Trial Balance of the Accounting Units in their jurisdiction, the Zonal Controllers/ Dy.Controllers of Accounts will be able to identify bottlenecks in clearance of balances and suggest proper remedial measures to Units. In most of the cases, they will come to know that the balances can be cleared on the spot provided the Accounting Units are properly instructed to bring sufficient records like Stock Compilation Register, AT Register, IUA Location Codewise ledgers and the monthly and quarterly progress statement prepared for the meetings invariably. Such a congregation and clearing-house activity atleast once in 3 months by them at the circle and Zonal level is the requirement and need of the hour. The Circles can have such a meeting in the month, preceding the month in which the Zonal meetings are scheduled to be held.

Non-clearance of IUA balances has attracted severe comments from Accountant General and also Member (Finance). The Zonal Controllers and Dy.Controllers of Accounts of each Circle cannot sleep over the matter any longer. Therefore the Zonal Controllers and the Dy.Controllers of Circles are hereby instructed to conduct a meeting-cum-congregation-cum-clearing house activity of all the Accounting Units in their jurisdiction once in 3 months without fail and send a progress report indicating the quantum of balances cleared against each IUA Account Code vis-a-vis Accounting Units to this office, immediately after the meetings. For the purpose of holding the meetings at Circle and Zonal level, it is hereby prescribed that each Circle shall hold the Circle level meeting between 15th and 20th of May, August, November and February positively and the Zonal Controllers shall hold the same exercise for all the Accounting Units at Zonal level between 15th and 20th of June, September, December and March of the year. The intention of holding circle level meetings one month in advance is that they should have cleared the balances at Circle level itself for such of the items which are pertaining to the Accounting Units within Circle. After the meetings are over the DCA/CA shall correspond with their counterparts in other Circles and Zones giving specific details regarding the pendency in their jurisdictional area and pursue clearance till finality.

The above instructions shall be followed with immediate effect. To start with, the first congregation/ meeting/clearing house activity shall be held at Zonal level in the last week of December '95 by all the Zonal Controllers and report sent.

The progress report of meetings held shall be sent by a D.O.letter to me by the DCA/Controller before the end of month in which meetings are held by them as per schedule fixed above.

45. CCA/SPA/Cys.155/95-96.

Dated 1.3.96

Sub:-Heavy suspense balances in Divisions/Accounting Units.

The Accountant General is continuously commenting on heavy suspense balance shown in the Annual Accounts of the Board during every year. This is mainly due to the non-maintenance of Cash Suspense Register in the prescribed format recording details of moment of acquittances with money and also non-monitoring of receipt of paid acquittances after payments duly noting these facts in the respective columns in the register. The Cash Officers are not able to monitor this item primarily in the absence of Cash Suspense Register with complete details. It is therefore very necessary to open and maintain the Cash Suspense Registers in the prescribed format only in all the Divisions and Accounting Units where Cash is being sent under suspense for arranging payments outside their offices. Necessary format is enclosed with a request to get the required registers printed in this format or purchase Blank Registers and paste the typed format and maintain Cash Suspense Registers with day to day entries with immediate effect to avoid delay in charging off the Cash Suspense and also to avoid accumulation of Cash suspense completely in future. This is also the primary responsibility of the Cash Officers and they are directed to comply with the above requirements and ensure maintenance of Cash suspense Registers correctly atleast in future.

Karnataka Electricity Board
Register of details for cash suspense for the month of

Date	Particulars in brief. Ch.No. DD No. etc., for each BR No. & its amount	Debits	Credits		Balance
		Rs. P.	CBV No.	Rs. P.	Rs. P.

46. No.CCA-/AO/(A/cs)/Sn.IV/95-96/Cys.163

Dated 14.3.96

Sub:-Maintenance of Cost Register of works.

During my inspection of O&M and M.W.Divisions, it is seen that the maintenance of Cost Registers are not in accordance with prescribed procedure and are being maintained in a very shabby manner contrary to the laid down norms. This is serving no useful purpose and resulting in waste of precious and costly stationery on one hand and causing unnecessary work on the other. The supervisory staff such as Sr.Assistnats, AAOs and AOs are very rarely guiding the staff in posting and closing the Cost Register of Works. This work is almost left in the hands of Case workers who generally may not know the prescribed procedure for writing the cost register. Wherever I had an occasion to see the cost register of works, I have discussed this subject with the Case Workers, Sr. Assistants, AAOs and AOs and instructed them to maintain the cost registers as per the procedure, since the cost registers are to be preserved for longer peirods. The codal procedure for writing the cost register of works are enclosed to this letter which is self explanatory. The supervisory staff and operational staff are instructed to go through the procedure completely and do open and maintain the cost register of works accordingly with immediate effect. The receipt of the Circular may be acknowledged and the fact of implementation of these instructions may be confirmed.

PROCEDURE FOR USING THE COST REGISTER OF WORKS

1. A cost register of works has to be opened for works after receipt of the sanctioned estimate or outlay before sanction to estimate. Separate registers have to be maintained for works under different block grants in the Budget showing the same currency of sanction. But this Register is not necessary for service connection works executed through contractors.

2. Details such as Name of Division, Name of the work, reference to sanction to estimates, currency of sanction to estimate, estimated cost and work order number assigned to the estimate are to be written in their respective places on each page.

3. Each estimate consists of different parts such as Transmission lines, Distribution lines, Transformers, Switchgear etc., etc., Each of the works is made up of various items (Sub-heads) bearing distinctive work orders against which outlay has to be watched against provisions in the estimate. It may be seen from the register that each page provides for eight columns with provision to record eight items of work (work orders). In each column, particulars such as work order No., name of the material, quantity and amount provided in the estimate are to be noted. Similarly consecutive columns and pages are to be utilised for all items of works (work orders) mentioned in each part of the estimate.

4. After providing columns for all items of work orders (materials) in the consecutive pages, the next column has to be captioned as "Works Cost" to enter horizontal total of amounts booked under all items (work orders) in the month. The total of this column is "Works Cost".

5. Monthly Postings:

It can be seen from the form of the register that under each work order, there are columns for Inv./ Vr. Adj. Number, quantity and amount. Invoice/Voucher/Adjustment Number only (but not date) under which expenditure is incurred has to be entered in this column. Amount as shown in the invoice/adjustment/voucher and chargeable to the work order has to be noted in the money column. No narration need be written but only figures. Store transactions in respect of return of materials should be noted in red ink. Space provided under each work order for one month is sufficient to note atleast three entries. If there is a single entry, in any column in a month, monthly total need not be struck again because that single entry under the work order in the column serves as total expenditure booked for the month. If entries exceed one, monthly total in the column has to be struck in pencil only for quantity as well as for amount.

6. It may be seen from the register, that there is column for progressive totals for each month. After noting the monthly totals as detailed in para 5, progressive totals are to be entered in ink every month for each work order for quantity as well as amount. The progressive total helps check against provisions in estimates both for quantity and cost.

7. Works cost

As already mentioned in para 4, monthly expenditure (amount) booked under affected work orders has to be totalled and the total figures so arrived at, has to be noted in the column meant for works cost. The figure so posted for each month has to tally with horizontal monthly totals of all the affected work orders. Progressive totals under this column should tally with the sum of horizontal progressive totals under all the work orders.

8. Total outlay on works.

The figures posted every month under the columns works cost, construction staff, General Staff and P&L contribution and bonus on Construction and General Staff are to be totalled and the total so arrived at has to be noted under the column "Total outlay on works". Progressive totals under this column show total outlay on works but it should also tally with the sum of horizontal progressive totals under the different columns viz., works cost, construction staff, general staff, and P & L Contribution and bonus on construction and general staff.

9. It may be seen from the Register that one page can be used for recording expenditure against work orders for six months. After every six months, details of the work orders with progressive totals in respect of quantity and amount are to be carried forward to the following vacant pages in the same consecutive order and expenditure in subsequent months recorded.

10. Having ascertained the number of pages required for six months vide para 9 above, total number of pages that may be required to book expenditure till completion of work has to be ascertained as follows:

(i) If the currency of the estimate is one year, total number of pages required are three times that for six months.

(ii) If the currency of the estimate is two years, total number of pages required are six times that for six months.

(iii) If the currency of the estimate is three years and above, total number of pages required are ten times that for six months.

11. After the last page required to be left blank as in para 10, subsequent pages are to be used for recording expenditure against next estimate/work.

12. Verification of completion Reports.

When the work is completed, figures in respect of total quantity of materials drawn under each work order and total outlay are available from progressive totals of quantity and amount booked under each work order. With reference to these figures, completion report can be verified and accepted.

13. Categorisation of Assets.

When the assets erected as per estimate are commissioned and the total outlay is accepted as in Para 12, the total outlay on works has to be categorised and categorisation statement prepared according to the nature of asset. This work does not present much difficulty as the expenditure on each asset as described in 7th schedule to Electricity (Supply) Act 1948 is found in the column 'Total outlay'.

14. Service connection works.

Sometimes service connection works involving extension of distribution lines are carried out departmentally, as per the sanctioned estimate. Outlay on such works also can be recorded in the Cost Register of Works. Outlay against estimated cost and total outlay representing cost of the asset can be arrived at in the same manner as detailed above in respect of other works.

15. Stock manufacture works.

Similarly, the Cost Register can be used for stock manufacture and workshop estimates also to book the outlay and verify Completion reports and ascertain cost of manufactured articles.

16. Cost Register of Works can also be used to record the outlay on Deposit Contribution and Maintenance Works.

47. No.CCA/AO(A/cs)/Sn.IV/Cys/35/96-97

Dated 10.6.96

Sub : Accounting procedure for arranging power supply to the individual houses in the layouts where promoters have vanished after disposing the sites

Ref. 1 letter No. KEB/B11/B10/6941/90-91 dtd.16.9.95 from Addl. Secretary to CEE(G) and copied to CCA.

2) Letter No.KEB/B11/238/92-93 dtd.26.2.96 from Addl.Secretary to CEE(G), copied to CCA.

In the letter No.KEB/B11/238/92-93, dtd.29.2.96 from Addl. Secretary addressed to Chief Controller of Accounts, this office has been directed to evolve accounting procedure and issue suitable instructions in respect of arranging power supply to individual houses in the layouts, wherever the promoters of layout have vanished after disposal of sites, without ensuring supply of electricity to the layouts so formed by them. Specific directions have been given in the Board letters under reference above regarding the manner in which the electricity has to be supplied to such individual houses taking up the example of the case of residents of Mission Compound Layouts at Khanapur. The policy decision taken vide Resolution No.IMC(T)/102/378, dtd. 1.8.95 in the IMC(T) meeting held on 1.8.95 has also been considered as the basis for giving directions vide Board letter dtd.26.2.95. In the background of directions contained vide these two Board letters i.e. dtd. 16.9.95 and 26.2.96 accounting procedure has been evolved and following instructions are issued in respect of arranging supply to such houses. The instructions and procedure shall be applied only to the cases wherein the promoters of layouts have abandoned the cause of welfare of residents of the layout and fled away and the residents are representing to KEB either individually or in group for supply of electricity to their houses.

(1) A detailed estimate for electrification of entire layout has to be prepared as per standard rate prevailing during the year in which the first case arises. The total cost of the estimate has to be kept as the base cost. Sanction to estimate shall be accorded as per instructions given vide item (8) below.

(2) Proportionate capital cost has to be collected from each individual owner based on the proportion of total cost of the estimate prepared for arranging power supply to the entire layout bears to the total No. of sites in the layout. For example if the total cost of the estimate is Rs.2,03,200,00 and the No. of sites in the layout is 40, then the "Base capital cost" to be collected from each site holder is Rs.5,080/-.

(3) Only after collecting proportionate cost from such prospective consumers who come for availing power supply, the work shall be executed ONLY TO THE EXTENT REQUIRED FOR GIVING POWER SUPPLY TO THE PERSONS WHO HAVE DEPOSITED THE AMOUNT. It shall be noted that the entire work as estimated shall not be carried on immediately.

(4) If any prospective consumer comes up seeking for power supply subsequent to "Schedule of rates year" during which "Base capital cost" was collected, (now the schedule of rates year is from October to September of each year), then the amount to be collected from such individuals shall be the basic capital cost per site 10% escalation per year compounded each year without recasting the initial estimate prepared and sanctioned.

Ex: (a) Basic capital cost = Rs.2,03,200/-

(b) NO. of sites in the layout is 40

(c) Basic capital cost Rs.2,03,200
40 5080=00

(d) If the individual seeks power supply in the first year next to the year in which basic cost was calculated, the charges to be collected is equal to:

Basic Capital cost Rs.5,080 + $\frac{\text{Rs. } 5,080 \times 10}{100}$ = Rs.5,080/- + 508/- = Rs.5,588/-

(e) If an individual comes up seeking for power supply during the second year succeeding to the year in which basic cost was calculated, the amount to be collected will be equal to:

Rs.5,588- + $\frac{\text{Rs. } 5,588/- \times 10}{100}$ = Rs.5,588.00 + 558.80 i.e. = Rs.6,146.80

In the same manner, the amount has to be calculated and collected from individuals at compound rate of interest at 10%.

(5) Energy meters have to be fixed duly assigning RR Nos.

(6) All other Board formalities have to be observed.

(7) The amount collected from owners of each site shall be credited to 55.104 - Capital cost collected from consumers of layouts abandoned by promoters".

(8) The estimate prepared for the electrification of entire layout in the first year i.e. "Base cost year" shall be sanctioned under "14.140 - CWIP 11 KV Transmission lines Extension in the same year. It shall be noted that while sanctioning the estimate, it should not be considered as a sanction against Budget grants allotted to Extensions and hence no reduction in budget grants under the specific head is necessary owing to sanction of estimate. However, the entry shall be made in the same book where sanctions of estimate are accorded for extension works with specific note that the amount is not charged of against budget grants as per this letter.

(9) Once the work is taken up the execution shall be strictly limited to only the absolute requirement of supplying electricity to the consumers who have paid capital cost and no further infrastructure shall be built in advance in the layout. Whenever subsequent consumer comes during the year of currency of the first Base estimate; work can be executed against already sanctioned estimate. If the currency of the estimate is over, then the same estimate should not be operated. In such an event, where the currency of original estimate has been lapsed and work has to be executed to meet the requirement of the consumer who come up subsequently and pay capital cost, another estimate has to be sanctioned for execution of works to the requirement of supplying energy to the consumer seeking power supply only. Such estimates shall be sanctioned by assigning

the same No. of original estimate but with the year of sanction as an affix to the work order No. Estimates so sanctioned shall be executed within the currency period and supply given.

(10) As and when the works are completed; the outlay booked shall be categorised in the routine manner and amount transferred to relevant Account Code in 10 series by credit to A/c Code 14.140. To keep track on the collection of proportionate cost from each of the site holder in the layout before availing permanent power supply, a separate register in the following proforma for each layout shall be maintained exclusively at the Division Office.

REGISTER OF CAPITAL COST COLLECTED AND EXPENDITURE INCURRED ON ELECTRIFICATION OF HOUSES IN THE LAYOUT WHERE PROMOTERS HAVE VANISHED.

Name & Address of the Layout
 Initial W.O. No. & Date
 Total Base Capital Cost
 No. of sites
 Basic Capital cost per site

Sl. No.	Name of the Consumer	Ref. to power sanction	Site No. & address	Area of site in sq. meters	"Basic Cost" to be collected per site from owners as per estimate prepared during the year
1	2	3	4	5	6
	After how many years the consumer has approached for service	Total compounded cost at 10% escalation charges on the basic cost to be collected from consumers	Amount collected from consumers towards capital receipts	Receipt No. & date	
	7	8	9	10	
	If approved for supply of power in subsequent year	Date of service	Outlay incurred		
	W.O. No. & Date	Estimate cost			
	11	12	13	14	

11) Till such time the last consumer in the layout is given supply of electricity and infrastructure for supplying electricity to all the consumers in the layout is built up, the register shall not be closed, but yearwise totals in respect of columns "Amount collected from consumers" and "outlay incurred" shall be put up. After the register is closed as said above, if the capital receipts collected from consumers is excess over capital expenditure incurred as per register, the difference shall be credited to Miscellaneous revenue by passing a journal entry to that effect. If the capital expenditure is more than the capital receipts collected from consumers, no entry is necessary.

12) To avoid any complication on the issue and uncertainty among consumers in future a paper Notification in any of the local newspaper may be issued duly informing that layout will be electrified duly collecting the proportionate cost based on the total cost of estimate prepared for electrification of layout, from each of the applicant concerned in the layout.

The above guidelines should be scrupulously followed and register maintained without fail in the Division. Information on the issue whenever called for shall be sent on the basis of register maintained.

48. CCA/AO(C)/Sn.V/Cys.36/96-97

Dated 10.6.96

Sub:-New procedure for exhibiting clearance of transactions under Account Code 32.

Ref:-T.O.Circular NO.CCA/AO(A/Cs)/Sn-IV/95-96/CYS.115, DATED 1.12.1995.

While prescribing the new procedure for exhibiting clearance of transactions under Account Code 32 vide this office Circular dated 1.12.95, New Heads of Account 32.1 and 32.2 were opened for accounting transfer of Released Assets. In addition to Released Assets, Moveable Assets and C.W.I.P. items (New) like vehicles, Furniture and Fixtures, Office Equipment and Tools and Tackles are also being transferred through stores and hence the following modifications are issued to the Circular dated 1.12.1995.

(1) The Account Codes 32.1 and 32.2 are renamed as follows:-

32.1 (L.C.) I.U.A. Released Assets/Moveable Assets and other Equipments - Acceptance not received.

32.2 (L.C.) I.U.A. Released Assets/Moveable Assets & other Equipments - A.T. not received. Separate O.M. is being issued to this effect.

(2) These Account Codes shall be operated only in respect of Released Assets, Moveable Assets and C.W.I.P. Items transferred through stores (i.e., through Issue Invoice and Receipt Voucher).

(3) The Accounting entries at the Transferor and Transferee units are as follows:-

(a) At Transferor unit:-

(i) On Issue

0	32.1	(L.C)	I.U.A. Released Assets/Movable Assets & other Equipments- Acceptance not received	Dr.
	To 16		W.D.V.Faulty/Dismantled Assets (Categorywise)	
	To 10		Fixed Assets (Assetwise)	
	To 14		C.W.I.P.(14.607,14.708, 14,809 or 14.810 only)	

(ii) On receipt of Acceptance for Debit A.T.sent

32.3	(L.C)	I.U.A.Released Assets/Capital Expenditure	Fixed Assets/ Depreciation-clearance	Dr.
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To 32.1	(L.C.)	I.U.A.Released Assets/ Movable Assets & other Equipments- Acceptance not received.
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(b) At Transferee Unit:-

(i) On receipt

16.....W.D.V.Faulty/Dismantled Assets

(Categorywise)

Dr.

10.....Fixed Assets (Assetwise)

Dr.

14.....C.W.I.P.(14.607,14.708,
14,809 & 14.810 only)

Dr.

To 32.2 I.U.A.Released Assets/
Movable Assets & other
Equipments-A.T. not received.

(ii) While accepting the Debit A.T. received.

32.2 I.U.A.-Released Assets/Movable Assets

Dr.

and other equipments - A.T. not received

To 32.3 I.U.A.Released Assets/

Capital Expenditure /

Fixed Assets / Depreciation

Clearance.

(4) The Fixed Assets & C.W.I.P. Transferred other than through Stores shall be accounted under A/C Codes 32.4 or 32.5 as already prescribed.

(5) Except the C.W.I.P. items under Account Codes 14.607, 14.708, 14.809 and 14.810 all other store materials transferred shall be accounted under 31 series as is being done at present.

Except the changes narrated above all other instructions prescribed in this Office Circular dated 1.12.1995 stands unaltered.

49. CCA/AO(A/Cs)/Sn.IV/Cys.63/96-97

Dated 1.8.96

Sub:-Clarification regarding disbursement of service charges paid by the LIC of India.

Ref:-Circular NO.KEB/B5/3941/95-96/26.3.96

In the Board Circular dated 26.3.1996 it has been instructed that service charges paid by LIC of India has to be distributed equally among all the establishment assistants. Clarifications are being sought regarding account of incentive received from LIC and paid to our staff. The following procedure is laid down for accounting these transactions.

As soon as account payee cheque is received from LIC of India towards incentive, the cheque should be remitted to Operative Bank Account duly taking the same under Operative Bank Account Column on the receipt side of the Cash Book. The allocation shall be given to head of account 46.966. The effect of this transaction in the Cash Book would be "24.4 - Disbursement Bank Account (Operative) Debtor to 46.966".

A bill may be prepared and passed by debiting Account Code 46.966 for arranging payment to the concerned assistants. However when the Cheque is drawn on the Operative Bank Account, the transaction shall be treated as contra and actual payment to concerned charged off under other amounts column on the payment side of Cash Book by allocating the payment to Account Code 46.966 - Miscellaneous Deposits.

50.CCA/AO(A/O)/SN.14/Cys.64/96-97

Dated 6.8.96

Sub:-Electric Tariff 1996-changes and readjustment in the DCB among different Tariffs/Head of Accounts.

You are aware that the Board vide Notification No.KEB/B10/321/94-95 Dtd.31.7.96 have revised Electric Power Tariffs with effect from the first meter reading date on or after 1st of JULY 1996. There is no change in the structure of the revised Tariff except in case of HT2 and HT3. The present HT2(c) category - Industries with Contract Demand of 50MVA and above and which are 100% export oriented has now been merged with HT2(a) - Industrial Non-Industrial and Non-Commercial. HT3 Tariff has now been grouped into two categories HT3(a) and HT3(b).

As a consequence of the changes so made in 1996 Tariff, following action has to be taken:

(i) Balance under Tariff HT2(c) Account Code 23.129/61.316 shall be transferred to HT2(a) Account Code 23.115/61.310.

(ii) Balance maintained under HT3 Tariff of 1993 Account code 23.116/61.330 shall be segregated on the basis of type of Installations now classified under Tariff HT3(a) & HT3(b) and distinctly maintained. For the said purpose new Account Code 23.130 & 61.332 are being assigned for HT3(b) Tariff by a separate O.M.

(iii) Balance if any against Coffee and Tea plantation Installations hitherto maintained in the applicable Tariff of 1993 shall be transferred to Tariff LT4(c) Account Code 23.128/61.265.

The DCB format duly modified to meet requirement of new Tariff of both English and Kannada version along with statement showing comparison of old Tariff Schedule to new Schedule and corresponding Head of Accounts are enclosed for reference of all concerned.

The DCB in new format duly effecting transfer of Balances as indicted in para 2 ante shall be sent to this Office from August-96 and onwards. The Divisional Officers may get the required forms printed locally treating this letter as approval for getting new form printed. The new form should perfectly match existing form in columns and printed and be in Kannada version enclosed to this letter. Quantity of forms to be printed shall be one pad of 100 forms for each Sub-Division/Accounting section and Two pads of 100 forms each for Division Office. The limit prescribed shall in no case be exceeded.

It is to be noted that in the new form of DCB separate space is to be provided for furnishing details in respect of Installations of Employees billed under Concessional rates. The concerned shall furnish details of such installations (Including No.of Installations) every month hereafter without fail. Further in respect of Unmetered category of installations (like Bhagya Jyothi/Kuteera Jyothi, IP Sets (10 H.P. & Below) & Street Lights) consumption is being shown in the D.C.B. statement by some of the Units. Since the basis for assessment of consumption is not being adopted Uniformly by all the Accounting Units, total Consumption projected every

month is not realistic. Therefore in future, Accounting Units need not show in their Monthly D.C.B., consumption in respect of unmetered category mentioned above.

Needful action be taken by Divisional Officers to supply revised form of DCB to Sub-Division/Sub-Section under their jurisdiction and also guide the Junior Assistants/Assistants in charge of Revenue Ledgers properly regarding changes detailed above.

ವಿಭಾಗದ ಹೆಸರು :

ಲೋಕೇಷನ್ ಕೋಡ್ :

ತಿಂಗಳ ರೆವಿನ್ಯೂ ಡಿಮ್ಯಾಂಡ್, ವಸೂಲಿ ಮತ್ತು ಬಾಕಿ ವಿವರಣೆ ಪಟ್ಟಿ

ಲೆಕ್ಕದ ಕೋಡ್	ಜಕಾತಿ ವಿವರ	ಜಕಾತಿ ಅನುಸೂಚಿ	ಪ್ರತಿ ತಿಂಗಳ ಕಡೆಯಲ್ಲಿನ ಸ್ಥಾವರಗಳ ಸಂಖ್ಯೆ
23:61	ವಿದ್ಯುತ್ ಮಾರಾಟದಿಂದ ಬಂದ ಆದಾಯ		
23:101 / 61.210	ನೌಕರರಿಗೆ ರಿಯಾಯಿತಿ ದರದಲ್ಲಿ ಸರಬರಾಜು (ದೀಪ)	ಎಲ್.ಟಿ.1(ಬಿ)	
23:101 / 61.210	ಗೃಹಬಳಕೆ ಮತ್ತು ವಾಣಿಜ್ಯೇತರ ದೀಪ	ಎಲ್.ಟಿ.1(ಬಿ)	
23:102 / 61.220	ಭಾಗ್ಯಜ್ಯೋತಿ ಮತ್ತು ಕುಟೀರ ಜ್ಯೋತಿ	ಎಲ್.ಟಿ.1(ಎ)	
23:103 / 61.230	ವಾಣಿಜ್ಯೇತರ ಸಂಯುಕ್ತ ದೀಪ ಮತ್ತು ತಾಪನ ವ್ಯಕ್ತಿಪರರು ಮತ್ತು ಅನುದಾನ ಪಡೆಯದ ವಿದ್ಯಾಸಂಸ್ಥೆಗಳೂ ಸೇರಿದಂತೆ	ಎಲ್.ಟಿ.2 (ಎ/ಬಿ)	
23:103 / 61.230	ನೌಕರರಿಗೆ ರಿಯಾಯಿತಿ ದರದಲ್ಲಿ ಸರಬರಾಜು (ಎಇಹೆಚ್)	ಎಲ್.ಟಿ.2 (ಎ)	
23:104 / 61.240	ವಾಣಿಜ್ಯದೀಪ, ತಾಪನ ಮತ್ತು ಮೋಟಿವ್‌ಪವರ್	ಎಲ್.ಟಿ.3	
23:104 / 61.240	ಮಂಡಳ ಕಛೇರಿ ದೀಪ ವ್ಯಗೃಹ	ಎಲ್.ಟಿ.3	
23:105 / 61.250	ನೀರಾವರಿ ಪಂಪುಸೆಟ್ಟುಗಳು / ಏತ ನೀರಾವರಿ ಯೋಜನೆಗಳು ಸಂಘಗಳು (10 ಅಶ್ವಶಕ್ತಿ ಮತ್ತು ಅದಕ್ಕೂ ಕಡಿಮೆಯವು)	ಎಲ್.ಟಿ.4ಎ (i)	
23:106 / 61.252	ನೀರಾವರಿ ಪಂಪುಸೆಟ್ಟುಗಳು / ಏತ ನೀರಾವರಿ ಯೋಜನೆಗಳು ಸಂಘಗಳು (10 ಅಶ್ವಶಕ್ತಿ ಮತ್ತು ಅದಕ್ಕೂ ಹೆಚ್ಚಿನವು)	ಎಲ್.ಟಿ.4ಎ (ii)	
23:108 / 61.261	ನೀರು ಸರಬರಾಜು ಮತ್ತು ಒಳಚರಂಡಿ ಪಂಪಿಂಗ್ ಸ್ಥಾವರಗಳು, ಗ್ರಾಮ / ಪಟ್ಟಣ / ಮಂಡಲ ಪಂಚಾಯಿತಿ ಪಟ್ಟಣ ಮುನಿಸಿಪಾಲಿಟಿ ಮತ್ತು ಧರ್ಮಾದಾಯದ ಮೇಲೆ ನಡೆಸುವ ಸಂಸ್ಥೆಗಳು	ಎಲ್.ಟಿ.4ಬಿ (i)	
23:109 / 61.262	ನೀರು ಸರಬರಾಜು ಮತ್ತು ಒಳಚರಂಡಿ ಪಂಪಿಂಗ್ ಸ್ಥಾವರಗಳು, ನಗರ ಮುನಿಸಿಪಾಲಿಟಿ / ಮುನಿಸಿಪಲ್ ಕಾರ್ಪೊರೇಷನ್‌ಗಳು / ರಾಜ್ಯ ಮತ್ತು ಕೇಂದ್ರ ಸರ್ಕಾರ / ಏಪಿಎಂಸಿ ಸ್ಥಾವರಗಳು	ಎಲ್.ಟಿ.4ಬಿ (ii)	
23:126 / 61.264	ನೀರು ಸರಬರಾಜು ಸ್ಥಾವರಗಳು, ವಾಸದ ಲೇಔಟ್‌ಗಳು	ಎಲ್.ಟಿ.4ಬಿ (iii)	
23:128 / 61.265	ಖಾಸಗಿ ತೋಟಗಾರಿಕೆ ನರ್ಸರಿಗಳು, ಕಾಫಿ ಮತ್ತು ಟೀ ತೋಟಗಳು	ಎಲ್.ಟಿ.4ಸಿ	

ಲೆಕ್ಕದ ಕೋಡ್	ಜಕಾತಿ ವಿವರ	ಜಕಾತಿ ಅನುಸೂಚಿ	ಪ್ರತಿ ತಿಂಗಳ ಕಡೆಯಲ್ಲಿನ ಸ್ಥಾವರಗಳ ಸಂಖ್ಯೆ
23.110 / 61.271	ಕೈಗಾರಿಕೆ, ಕೈಗಾರಿಕೇತರ ತಾಪನ ಮತ್ತು ಮೋಟೀವ್‌ಪವರ್, ದೀಪಬಳಕೆಯೂ ಸೇರಿದಂತೆ	ಎಲ್.ಟಿ.5	
23.111 / 61.281	ಸಾರ್ವಜನಿಕ ದೀಪಗಳು ಗ್ರಾಮ / ಮಂಡಲ / ಹಂಗಾಮಿ ಮಂಡಲ / ಪಟ್ಟಣ / ಪಂಚಾಯತಿ / ಪಟ್ಟಣ ಪುರಸಭೆ	ಎಲ್.ಟಿ.6 (ಎ)	
23.112 / 61.282	ಸಾರ್ವಜನಿಕ ದೀಪಗಳು - ಇತರೆ	ಎಲ್.ಟಿ.6 (ಬಿ)	
23.113 / 61.291	ತಾತ್ಕಾಲಿಕ ವಿದ್ಯುತ್ ಸರಬರಾಜು	ಎಲ್.ಟಿ.7	
23.123 / 61.320	ಸಾರ್ವಜನಿಕ ನೀರು ಸರಬರಾಜು ಮತ್ತು ಒಳಚರಂಡಿ ಪಂಪಿಂಗ್ ಸ್ಥಾವರಗಳು	ಹೆಚ್.ಟಿ.1	
23.115 / 61.310	ಕೈಗಾರಿಕೆ, ಕೈಗಾರಿಕೇತರ, 50 ಎಂ.ವಿ.ಎ. ಮತ್ತು ಮೇಲ್ಪಟ್ಟ ಕಾಂಟ್ರಾಕ್ಟ್ ಡಿಮ್ಯಾಂಡ್ ಇರುವ ಸಂಪೂರ್ಣ ರಫ್ತು ಉದ್ದೇಶಿತ ಉದ್ಯಮಗಳು ಸೇರಿದಂತೆ	ಹೆಚ್.ಟಿ.2 (ಎ)	
23.122 / 61.315	ವಾಣಿಜ್ಯ	ಹೆಚ್.ಟಿ.2 (ಬಿ)	
23.116 / 61.330	ನೀರಾವರಿ ಮತ್ತು ಕೃಷಿ ಫಾರಂಗಳು, ಏತ ನೀರಾವರಿ ಸಂಘಗಳು / ಯೋಜನೆಗಳು ಹಾಗೂ ಸರಕಾರಿ ತೋಟಗಾರಿಕಾ ನರ್ಸರಿಗಳು	ಹೆಚ್.ಟಿ.3 (ಎ)	
23.130 / 61.332	ಖಾಸಗಿ ತೋಟಗಾರಿಕೆ ನರ್ಸರಿಗಳು, ಕಾಫಿ ಮತ್ತು ಟೀ ತೋಟಗಳು	ಹೆಚ್.ಟಿ.3 (ಬಿ)	
23.117 / 61.340	ಗ್ರಾಮೀಣ ವಿದ್ಯುತ್ ಸಹಕಾರಿ ಸಂಘಗಳು	ಹೆಚ್.ಟಿ.4	
23.124 / 61.350	ತಾತ್ಕಾಲಿಕ ವಿದ್ಯುತ್ ಸರಬರಾಜು	ಹೆಚ್.ಟಿ.5	
23.119 / 61.370	ರೆಲ್ವೆ ಟ್ಯಾಕ್ಸ್	ಹೆಚ್.ಟಿ.6	
ಎ.	ವಿದ್ಯುತ್ ಮಾರಾಟದಿಂದ ಬಂದ ಒಟ್ಟು ಆದಾಯ		
23.7 / 61.9	ಬಳಕೆದಾರರಿಂದ ಬಂದ ಸಂಕೀರ್ಣ ಶುಲ್ಕಗಳು		
23.7 / 61.901	ಪ್ಯೂಸ್ ಹಾಕಲು ಶುಲ್ಕ		
23.7 / 61.902	ಪುನರ್ ಸಂಪರ್ಕ ಶುಲ್ಕ (ಡಿಮ್ಯಾಂಡ್ ಆರ್)		
23.7 / 61.903	ಸಾರ್ವಜನಿಕ ದೀಪ ನಿರ್ವಹಣೆ		
23.7 / 61.904	ಸೇವಾ ಸಂಪರ್ಕ (ಮೇಲ್ವಿಚಾರಣಾ ಶುಲ್ಕ)		
23.7 / 61.905	ಬಳಕೆದಾರರು ತಡವಾಗಿ ಪಾವತಿ ಮಾಡಿದ್ದಕ್ಕೆ ಶುಲ್ಕ		
23.7 / 61.906	ಬಳಕೆದಾರರಿಂದ ಬಂದ ಇತರ ಜಮಾ		
ಬಿ.	ಬಳಕೆದಾರರಿಂದ ಬಂದ ಒಟ್ಟು ಸಂಕೀರ್ಣ ಶುಲ್ಕಗಳು ಒಟ್ಟು ಮೊತ್ತ (ಎ+ಬಿ)		

KARNATAKA ELECTRICITY BOARD

NAME OF THE DIVISION

LOCATION CODE DCB for the month of

ACCOUNT CODE	TARIFF DESCRIPTION	TARIFF SCHEDULE
	23.1 / 61.2 & 61.3 REVENUE FROM SALE OF POWER	
23.101 / 61.210	Domestic & Non-Commercial Lighting	LT1(b)
23.101 / 61.210	Domestic & Non-Commercial Lighting (Supply to Employees at Concessional Rates)	LT1(b)
23.102 / 61.220	Bhagyajyothi & Kutirjyothi Schemes	LT1(a)(BJ)(KJ)
23.103 / 61.230	Non-Commercial combined lighting & Heating (AEH) & for Private Professional Unaided Educational Institutions	LT2(a&b)
23.103 / 61.230	Non-Commercial combined lighting & Heating (AEH) (Supply to Employees at Concessional Rates)	LT2(a)
23.104 / 61.240	Commercial lighting, heating & Motive Power	LT3
23.104 / 61.240	Commercial lighting, heating & Motive Power (Supplied to Board Insts. Colony Street Ltg. Etc.,)	LT3
23.105 / 61.250	Irrigation Pumpsets, Lift Irrigation schemes / Societies (10 H.P. & Below)	LT4a(i)
23.106 / 61.252	Irrigation Pumpsets, Lift Irrigation schemes / Societies (10 H.P. & Above)	LT4a(ii)
23.108 / 61.261	Water Supply & Sewerage Pumping Installation VPs / TPs / MPs / TMCs & Organisation run on Charitable basis	LT4b(i)
23.109 / 61.262	Water Supply & Sewerage Pumping Installations, City Municipalities / Municipal Corporations / State & Central Govt., / APMC Yard Installations	LT4b(ii)
23.126 / 61.264	Water Supply Installations - Residential Layouts	LT4b(iii)
23.128 / 61.265	Private Horticultural Nurseries, Coffee & Tea Plantations	LT4c
23.110 / 61.271	Industrial, Non-Industrial heating & Motive Power including lighting	LT5
23.111 / 61.282	Street Lights / Public lighting / VPs / TPs / MPs / TMCs	LT6(a)
23.112 / 61.282	Street Lights / Public lighting - Others	LT6(b)
23.113 / 61.291	Temporary Supply	LT7
23.123 / 61.320	Public Water Supply & Sewerage Pumping	HT1-
23.115 / 61.310	Industrial, Non-Industrial, Non-Commercial & Industries with CD of 50 MVA and above and are 100% Export Oriented Units	HT2(a)
23.122 / 61.315	COMMERCIAL	HT2(b)
23.116 / 61.330	Irrigation & Agricultural Farms, Lift Irrigation Societies, Lift - Irrigation schemes and Govt. Horticultural Farms	HT3(a)
23.130 / 61.332	Private Horticultural Nurseries, Coffee and Tea Plantations	HT3(b)
23.117 / 61.340	Rural Elec, Co-op. societies	HT4
23.124 / 61.350	Temporary Supply	HT5
23.119 / 61.370	Railway Traction	HT6
	(A) TOTAL REVENUE FROM SALE OF POWER	
	23.7 / 61.9 Miscellaneous receipts from consumers	
23.7 / 61.901	Fuse of Call Charges	
23.7 / 61.902	Reconnection Fee (D&R)	
23.7 / 61.903	Public Lighting - Maintenance Charges	
23.7 / 61.904	Service Connection (Supervision Charges)	
23.7 / 61.905	Delayed Payment Charges from Consumers	
23.7 / 61.906	Other Receipts from consumers	
	(B) Total Miscellaneous Receipts from Consumers	
	(A) + (B) GRAND TOTAL OF REVENUE FROM SALE OF POWER	

**COMPARATIVE STATEMENT SHOWING THE ACCOUNT CODES AND
APPROPRIATE ELECTRIC POWER TARIFFS OF 1993 AND 1996.**

A/C Code as per 1993 Power Tariff			TARIFF DESCRIPTION	A/C Code as per 1996 Power Tariff		
Tariff	Account Code			Tariff	Account Code	
	Collection	Demand			Collection	Demand
LT1(b)	23.101	61.210	Domestic & Non-Commercial Lighting	LT1(b)	23.101	61.210
LT1(a)(BJ)	23.102	61.220	Bhagyajyothi & Kutirjyothi Schemes	LT1(a)(BJ)	23.102	61.220
LT2(a&b)	23.103	61.230	Non-Commercial Combined lighting & Heating (AEH) & for Private Professional Unaided Educational Institutions	LT2(a&b)	23.103	61.230
LT3	23.104	61.240	Commercial lighting, heating & Motive Power	LT3	23.104	61.240
LT4a(i)	23.105	61.250	Irrigation Pumpsets, Lift Irrigation schemes / Societies (10 HP & Below)	LT4a(i)	23.105	61.250
LT4a(ii)	23.106	61.252	Irrigation Pumpsets, Lift Irrigation Schemes / Societies (10 HP & Above)	LT4a(ii)	23.106	61.252
LT4b(i)	23.108	61.261	Water Supply & Sewerage Pumping Installations VPs/TPs/MPs/TMCs & Organisations run on Charitable basis	LT4b(i)	23.108	61.261
LT4b(ii)	23.109	61.262	Water Supply & Sewerage Pumping Installations, City Municipalities, Municipal Corporations / State & Central Govt., / APMC Yard Instns.	LT4b(ii)	23.109	61.262
LT4b(iii)	23.126	61.264	Water Supply Installations - Residential Layouts	LT4b(iii)	23.126	61.264
LT4(c)	23.128	61.265	Private Horticultural Nurseries, * Coffee & Tea Plantations	LT4(c)	23.128	61.265
LT5	23.110	61.271	Industrial, Non-Industrial heating & Motive Power including lgt.	LT5	23.110	61.271
LT6(a)	23.111	61.281	Street Lights / Public lighting / VPs /TPs /MPs /TMCs	LT6(a)	23.111	61.281
LT6(b)	23.112	61.282	Street Lights / Public lighting - Others	LT6(b)	23.112	61.282
LT7	23.113	61.291	Temporary Supply	LT7	23.113	61.291
HT1	23.123	61.320	Public Water Supply & Sewerage Pumping	HT1	23.123	61.320
HT2(a)	23.115	61.310	Industrial, Non-Industrial, Non Commercial, ** Including Industries with C.D. of 50 MVA and above and are 100% Export Oriented Units	HT2(a)	23.115	61.310
HT2(b)	23.122	61.315	Commercial	HT2(b)	23.122	61.315
HT2(c)	23.129	61.316	Inds. with CD of 50 MVA & above and are 100% Export Oriented Units	HT2(c)	Merged with HT-2(a)	
HT3	23.116	61.330	Irrigation & Agricultural Farms, Lift Irrigation Societies Lift - Irrigation schemes and Govt. Horticultural Farms	HT3(a)	23.116	61.330
--	--	--	*** Private Horticultural Nurseries, Coffee and Tea Plantations	HT3(b)	23.130	61.332
HT4	23.117	61.340	Rural Elec. Co-op. Societies	HT4	23.117	61.340
HT5	23.124	61.350	Temporary Supply	HT5	23.124	61.350
HT6	23.119	61.370	Railway Traction	HT6	23.119	61.370

NOTE : 1) * Additions incorporated in Tariff LT-4(c) (61.265 / 23.128) in 1996, Power Tariff
2) ** Merged with Tariff HT-2(A) - (61.310/23.115) in 96 power Tariff, hitherto accounted in Code 23.129/61.316.
3) *** New Tariff Incorporated in 1996 Power Tariff.

Sub:-Dismantling of Fixed Assets-Adoption of Original value - regarding.

During verification of March 96 Final Accounts, it was observed that most of the Accounting Units are not reckoning correct original value of Fixed Assets for calculating written down value at the time of dismantling of such Assets. Schedule of Rates of respective years (i.e., year of commission) are being wrongly adopted contrary to instructions issued already that the unit rate of Asset as per asset register only shall be the basis for arriving at W.D.V. Due to this deviation, the balance under Fixed Assets Account, Depreciation Account and Dismantled Asset Account are being depicted wrongly besides carrying irrelevant values regarding fixed assets both in Asset Register and Accounts (General ledger).

Though, this deviation may not pose much of a problem in the beginning it has severe adverse effect on the asset account at later stages, which may ultimately become irreparable. If such wrong procedure is continued, the units may land in a situation where it holds Fixed Assets (Physical balance) without exhibiting any corresponding value or exhibits only value in the asset register without holding assets physically. Therefore, the units shall give a serious thought to this issue and follow the guidelines given below to avoid landing in a pathetic situation.

1. Immediately after finalisation of March Final Accounts, the details of assets released during the year (both number and value) shall be entered in the Asset Register (preferably in Red ink) to withdraw the original cost and depreciation under relevant folios. After making such entries the accumulated Depreciation shall be cross verified with reference to the computed percentages given in Ready Reckoner.

2. The Assets categorised during the immediate preceding year shall be entered into the Asset Register as per the guidelines already issued duly noting the quantity and value correctly.

3. Afterwards, the Abstract of Fixed Assets and Depreciation as prescribed in this office Circular No.CCA/AO(A/Cs)/Sn.IV/Cys.124/94-95, Dated 17.1.95 shall be put up to tally the values as per Asset Register to that of Trial Balance. The computed rate of Accumulated Depreciation as per Ready Reckoner already supplied, shall be the basis for tallying Accumulated Depreciation.

4. The Depreciation for the current year shall be provided and entered in each folio of the Asset Register.

5. Dismantling of transformers and over head lines are the works generally taken up in most of the units. Therefore the value of such assets should be readily available for accounting purpose. The value of each transformer or for each kilometer of over head lines shall be worked out as follows and "Ready made Chart" made available to the pricing section staff and concerned Senior Assistant in the month of April itself every year.

Original cost of transformer	=	Total value as per Asset Register
O.H.lines		No.of Transformers or length of O.H.lines (in Kms.)

* This calculation may be done for each folio of Asset Register and for all previous years from 1985-86 to 1995-96 separately. These calculations shall invariably be made by a Senior Assistant and verified by Assistant Accounts Officer (Accounts) to ensure accuracy.

6. The Ready made chart prepared based on the workings made as in item 5 above shall be in the following format.

(1) Transformers ofKVA

Chart showing original value and Accumulated depreciation as per Asset Register as on 1.4.....applicable for the year (For each capacity of Transformers this shall be separately prepared)

Year of Commissioning	Original Value	Accumulated Depreciation
1985-86		
1986-87		
1987-88		
& so on.		

Accumulated Depreciation shall be worked out based on Ready Reckoner sent from this Office.

Separate chart shall be prepared for each capacity of transformers and overhead lines.

7. Whenever an asset is dismantled (transformer or over head lines) and returned to stores, the appropriate value as per the above chart shall be considered for passing entries for accountal of released assets.

8. These guidelines shall be applied to blockwise assets only. In respect of Individual Assets the correct value shall be adopted directly from Asset Register as separate folios for each individual asset will be available in Asset Register.

9. Under no circumstances the value other than what is arrived at on above lines shall be adopted in respect of Blockwise Assets.

These instructions shall be followed scrupulously from 1996-97 and onwards.

52. No.CCA/AO(A/Cs)/Sn.IV/Cys.90/96-97

Dated 4.10.96

Sub:-Sale and lease back of Board's assets - agreement with M/s I.L. & F.S. and M/s. H.D.F.C. - Accounting procedure.

Board's assets like switchgears, transformers and allied electrical equipments have been sold to M/s. Infrastructure Leasing and Financial Services Limited (I.L. & F.S.) and M/s.Housing Development Finance Corporation Limited (H.D.F.C.) as per agreements made during February 1996 and March 1996 respectively, and the assets sold have been obtained back on lease basis. The lease value is Rs.20.07 crores with M/s.IL & FS and Rs.10.00 crores with M/s.HDFC. The switchgears and transformers commissioned during 1995-96 or which were proposed for commissioning before 31.3.96 have been specifically selected for sale and lease back arrangement as per the statement of assets enclosed to the agreements. The lease period is EIGHT years and the liability on the part of the Board is payment of lease rent at the rate of Rs.60.00 per quarter per Rs.1000.00 of acquisition cost of the equipments sold and obtained back on lease. After the initial lease period of 8 years are over, the rate of lease rent will be Rs.1 lakh per annum in the case of M/s.I.L. & F.S. and

Rs.50,000.00 per annum in the case of M/s.H.D.F.C. for a further period of 22 years, if the lease period is renewed by K.E.B.

The following accounting procedure is prescribed for the assets sold and obtained back on lease from M/s.I.L. & F.S. and M/s.H.D.F.C. as per lease agreement No.105/16.2.96 and 051/18.3.96.

1. Each Unit/Division will be separately addressed giving details of nomenclature, cost and location of the asset sold and obtained back on lease coming under their jurisdiction for making necessary entries and exclusively maintaining the equipments obtained back on lease. On receipt of the letter, they have to follow the procedure prescribed in this Circular carefully without fail.

2. All the equipments sold are commissioned during 1995-96 or were proposed to be commissioned before 31.3.96. In all probability, these assets might have been categorised during 1995-96 as our assets or in remote cases awaiting categorisation as asset in 1996-97. As the assets commissioned during 1995-96 are sold, the same shall be removed from our asset account in the same year in which they are categorised. It shall be noted that no depreciation is charged on these assets during 1996-97 and the relevant assets are taken out of asset register in opening balance shown for the year 1996-97, duly passing necessary entries, if the same are already categorised as assets in 1995-96. If the assets are categorised in 1996-97, they should be removed from the asset register immediately after categorisation.

3. As per agreement the lessee (K.E.B.) has indemnified the Lessor against all risks including transit, erection, fire, riot, lightning, explosion, earthquake, strike, storm, tempest, flood, war, malicious damage, theft, civil commotion and such other risks including third party risks. The Divisions/Units shall not meddle with the equipments if they are damaged due to any reason mentioned above. They should intimate CEE(MM&P)/CEE(M.W.)/Controller (B&R) for further course of action to be taken in the event of irreparable damages

4. On receipt of materials/equipments at the Unit, which are identified for sale and obtained back on lease from M/s.I.L. & F.S. and M/s.H.D.F.C., shall be priced at purchase rate and not at S.R. as the lease rent is paid on the cost of these equipments. The same principle applies for drawal of ACKs in respect of returned/released equipments/Assets. While removing the assets from the asset register, the actual cost of the equipment as per P.O. only shall be removed.

5. It shall be ensured that all the I.L. & F.S. and H.D.F.C. equipments obtained on lease invariably contain a name plate or an indelible mark on each equipment regarding following details as per terms of the agreement.

- | | |
|--------------------------|------------------------------------|
| 1) Owner | IL & FS or HDFC as the case may be |
| 2) Lease period | 8 years from |
| 3) Lease ends on | |
| 4) Date of commissioning | |
| 5) Ref.to P.O.No. & Date | |

This shall be scrupulously ensured by the Executive Engineer, (El.), of the Unit. These details are essentially required for identifying IL & FS and H.D.F.C. assets/equipments.

6) On categorisation of works which include IL & FS and HDFC equipments, the cost of such equipments which are not our asset shall be separately posted in another asset register maintained exclusively for IL & FS and HDFC assets on lease. Whenever these equipments are released, the releases shall be shown in this register only.

7) The released IL & FS and HDFC assets shall not be taken to account group 16 as none of these transactions enter Board's accounts. Entries shall be made only in the separate register of IL & FS and HDFC assets" and "IL & FS and HDFC released assets" and the movement of released IL & FS and HDFC assets are to be watched.

8) The cost of all the released IL & FS and HDFC assets shall be taken at its original value/purchase price only and not at written down value as the depreciation is claimed by the Lessor and we will be paying lease rent on the original cost of the equipment. Exclusive numbers, other than regular serial numbers shall be assigned to the ACK invoices and Invoices relating to these transactions.

9) Following separate registers shall be maintained in the concerned offices.

(a) Register of receipt and issue of IL & FS and HDFC equipment with quantity and cost.

(b) Register of IL & FS and HDFC assets on lease with quantity and cost.

(c) Register of IL & FS and HDFC released assets with quantity and cost.

(d) Register of payment of lease rent on IL & FS and HDFC assets.

(10) Whenever IL & FS and HDFC assets or released assets are sent from one Division to other Division, the entries shall be made in the registers and a "Bold specific note" shall be made on the invoice that "these are IL & FS and HDFC property and shall not be taken to Board's accounts in the normal course". No AT shall be sent for such transactions, but entries shall be made in all the registers on the basis of invoice/acknowledged invoice /receipt voucher. However the sending division shall send a letter along with invoice to the transferee division and watch acceptance of the asset/released asset without fail and make necessary entries in the register.

11. As the lease rent is being paid by Controller (B & R), all the Units shall send a monthly statement of IL & FS and HDFC equipments/assets/released assets on lease, to Controller (B&R) duly indicating the condition of equipment/asset/released asset i.e., whether they are in proper usable state or not and if any equipment is damaged beyond maintenance repairs, the same shall be indicated.

12) To account the transactions arising out of the above deal, the following new Heads of accounts are opened.

a) 28.117 - Sundry Debtors for sale of Assets-M/s.IL & FS

b) 28.118 - Sundry Debtors for sale of Assets - M/s.HDFC

c) 46.427 - Lease rent and all other dues payable to M/s.HDFC

d) 78.814 - Lease rent to M/s.HDFC

e) 78.588 - Interest on advance payments made to manufacturers/suppliers/sellers by lease financing companies.

f) 74.115 - R & M expenses - Assets on lease obtained from lease financing companies.

13) As per agreement, the K.E.B. has to use and operate the equipment carefully and maintain the same in good working condition and get the materials/equipments repaired at its own cost for maintaining equipment in good working condition. The expenditure on such maintenance of IL & FS and HDFC assets shall be debited to A/c Codes "74.111 - R&M expenses on lease hold assets of M/s. IL & FS" and "74.115 - R & M expenses - assets on lease obtained from lease financing companies respectively.

14) Entry to be passed at Units for removing the Assets sold and obtained back on lease basis.

	Dr.	Cr.
28.117 - Sundry Debtors for sale of Assets-M/s. IL & FS	(Sale price intimated by H.O.)	
28.118 - Sundry Debtors for sale of assets - M/s. HDFC	-- " --	
To 10 series		Sale price intimated by HO
(Appropriate head of a/c under 10 series to be operated)		

After the above entry is passed, one more entry has to be passed as noted below to transfer the sale value to be recovered from each lease financing company.

37.1 (702) IUA - Other transactions adjustments (Debit AT sent)

To 28.117 - Sundry Debtors for sale of Assets M/s.IL & FS	
To 28.118 - Sundry debtors for sale of Assets - M/s. HDFC	

The advice of transfer shall be sent immediately to Controller (B&R). If the assets are sold to more than one lease financing company in a particular Division, the details of Assets with cost recoverable from each lease financing company shall be distinctly noted in the advice of transfer.

15) Entry to be passed at FA & CAO's Office for accepting the Advice of Transfer received from Units.

28.117 - Sundry Debtors for sale of Assets - M/s.IL & FS

28.118 - Sundry Debtors for sale of Assets M/s.HDFC

To 37.3 IUA - Other transactions/ adjustments(clearance)

16) The lease rent paid to M/s.IL & FS and M/s.HDFC every month shall be debited to Account Code "78.810 - Lease rent to M/s.IL & FS", "78.814-Lease rent to M/s.HDFC" respectively. The interest on advance payments made by M/s.IL & FS and M/s. HDFC shall be debited to Account Code "78.588 - Interest on advance payments made to manufacturers/suppliers/sellers by lease financing companies". All expenses other than the above shall be debited to A/c Code "78.867 - Other charges for raising finance". For creating liability for payment of lease rent, interest on advance payments etc., Account Code "46.420 - Lease rent and all other dues payable to M/s.IL & FS" and 46.427 - Lease rent and all other dues payable to M/s.HDFC" shall be made use of.

Separate O.M. is being issued to open the above Heads of Accounts.

The procedure prescribed shall be followed scrupulously.

53. No.CCA/AO(A/Cs)/Sn.IV/Cys.91/96-97

Dated 4.10.96

*Sub:-Accounting procedure in respect of transformers/switchgears/
breakers taken on lease from M/s.I.D.B.I.*

I. Board has entered into two agreements on 29.3.96 and 4.6.96 with M/s.IDBI for obtaining transformers/switchgears/breakers on lease for a period of 7 years. The equipments are proposed to be purchased from suppliers identified by K.E.B. on placing purchase orders by C.E.E.(MM&P) or C.E.E.(M.W.) and payments are made by M/s.I.D.B.I. on receipt of the materials. The equipments are obtained on lease for supply to various locations throughout the state. The total lease assistance is restricted to Rs.100 crores. The CEE(MM&P)/CEE (M.W.), will send the copy of P.O. to each location/Division, whenever equipments are ordered to be supplied to such Divisions.

II. The following procedure shall be followed for accounting of equipments, maintenance of the same during lease period and Receipt/Issue of the equipment.

i) As the equipments belong to M/s.IDBI and shall remain to be the property of M/s.IDBI during the period of lease, these equipments shall not enter any stock, asset or liability account of the Board on purchase/receipt/issue of the equipment. The liability on the part of the Board is only payment of lease rent at the rate of Rs.17.40 per month per Rs.1000/- of acquisition cost for the first 24 months and at the rate of Rs.22.90 per month per Rs.1000 - of acquisition cost for next 60 months.

ii) After the initial lease period is over the rate of lease rent changes as per agreement if the lease period is renewed further.

iii) If the lease period is not renewed, but the equipments are purchased by K.E.B., then necessary entries will have to be passed at each Unit/Division for accounting the equipments as our asset from the date of purchase. For this purpose the Units shall ascertain the rate and cost at which assets are purchased from Controller (B&R), after the lease period is over.

iv) As per agreement clauses 4.7 to 4.9 the equipments are to be got insured either by CEE (M.W.) or CEE (MM&P) as the case may be. As the equipments are to be got insured against all risks including transit, erection, fire, riot, lightening, explosion, earthquake, strike, storm, tempest, flood, war, malicious damage,

theft, civil commotion and such other risks including third party risks, the Divisions/Units shall not meddle with the equipments if they are damaged due to any, reason mentioned above. They should intimate CEE (MM&P)/CEE(M.W.) for further course of action to be taken in the event of irreparable damages, since M/s.IDBI is empowered to apply and claim insurance proceeds against such damages.

v) As per clause 4.5 of the agreement, the K.E.B. has to use and operate the equipment carefully and maintain the same in good working condition and get the material repaired at its own cost for maintaining equipment in good working condition. The expenditure on such maintenance work shall be debited to Account Code "74.115 - R&M expenses - assets on lease obtained from lease financing companies".

vi) On receipt of the material the concerned unit shall receive the material and verify whether the materials received are in accordance with purchase order and send the bill of the supplier to C.E.E.(MM&P)/C.E.E.(M.W.) duly certifying on the bill regarding description of the material, quantity, quality of the material received. It shall be noted that no regular receipt voucher is drawn for receipt of these materials and no M.A.S. is prepared and sent with the bill. The question of transferring liability does not arise as the materials are neither purchased by us nor remains property of the Board. However exclusive receipt voucher with prefix IDBI shall be drawn duly assigning separate numbers for the purpose of making posting in the registers. All IDBI equipments on lease shall be priced at purchase rate and not at S.R. as the lease rent is paid on the cost of these equipments. The same principle applies for drawal of ACKs in respect of returned IDBI equipments/Assets.

A separate register has to be maintained noting all the details of receipt and issue of IDBI equipments on lease. Any indent for issue of IDBI material shall not be invoiced and accounted against any account code but kept separately from Board's account duly recording entries in the said registers separately maintained. Separate series of invoice numbers with prefix as IDBI shall be assigned for indents given for supply of IDBI materials. If the IDBI equipments are also included along with other materials in the regular indent, IDBI equipments shall be deleted/struck off from such indents and the indenter asked to give exclusive indents for IDBI equipments.

VII) In the CEE, (MM&P), CEE (M.W.) Office the bills so received shall be sent to IDBI duly putting the pass order for arranging payment. Here also none of the Board's account codes shall be operated. However details shall be recorded in a separate register.

viii) It shall be ensured that all the IDBI equipments obtained on lease invariably contain a name plate or an indelible mark on each equipment regarding following details as per clause 4.2 of the agreement.

- | | | |
|------------------------------------|---|-------------------|
| 1) Owner | : | IDBI |
| 2) Lease period | : | 7 years from..... |
| 3) Lease ends on | : | |
| 4) Date of commissioning | : | |
| 5) Reference to P.O.
No. & date | : | |

This shall be scrupulously ensured by CEE (MM&P)/CEE(M.W.)/Exe.Engineer of the Unit. These details are essentially required for identifying IDBI assets/equipments.

ix) Whenever IDBI equipments are drawn towards sanctioned work orders against provision of similar material in the estimate, the same shall not be charged off in the numerical/pricing ledger in the folio of similar equipments but entries shall be made only in the separate register maintained for this purpose. However the cost shall be recorded in the 'C' Register on the basis of the separate invoice which again is not debited to any of the 14 series.

x) On categorisation of works containing IDBI equipments, the cost of IDBI equipment which is not considered as our asset shall be separately posted in another asset register maintained exclusively for IDBI assets on lease. Whenever these equipments are released the releases shall be shown in this register only.

xi) The released IDBI assets shall not be taken to Account Group 16 as none of these transactions enter Board accounts. Entries shall be made only in the separate register of IDBI assets and IDBI released assets and the movement of released IDBI assets are to be watched. When the released good or repaired IDBI asset is again issued to works, the procedure as laid down in item (ix) above shall be followed.

xii) The cost of all the released IDBI assets shall be taken at its original value/purchase price only and not at written down value as the depreciation is claimed by the Lessor and we will be paying lease rent on the original cost of the equipment.

xiii) If under any circumstances it is known in advance that IDBI materials are being provided for in the estimate before preparation and sanction of the estimate, then the cost of the IDBI equipment shall not be considered for charging off the estimate cost against grants, but however considered for application of powers of sanction.

xiv) Following separate registers shall be maintained in the concerned offices.

a) Register of receipt and issue of IDBI equipments with quantity and cost.

b) Register of IDBI assets on lease (with quantity & cost)

c) Register of IDBI released assets (with quantity & cost)

d) Register of payment of lease rent on IDBI assets.

xv) Whenever IDBI equipments or IDBI assets or IDBI released assets are sent from one Division to other Division, the entries shall be made in the registers and a 'Bold specific note' shall be made on the invoice that "these are IDBI property and shall not be taken to Board's accounts in the normal course" No A. T. shall be sent for such transactions, but entries shall be made in all the registers on the basis of invoice/acknowledged invoice/receipt voucher. However sending Division shall send invoice with a letter to transferee division and watch clearance.

xvi) As the lease rent is being paid by Controller (B&R), all the Units shall send a monthly statement of IDBI equipments/assets/released assets on lease, to Controller (B&R) duly indicating the condition of equipment/asset/released asset that is, whether they are in proper usable state or not and if any equipment is damaged beyond maintenance repairs, the same shall be indicated so that arrangements are made to return such equipments to lessor for claiming insurance and making replacements wherever necessary.

xvii) The lease rent paid every month shall be debited to new A/c Code "78.815 - Lease rent to M/s.IDBI". The interest on advance pay ments made by M/s.IDBI shall be debited to new A/c Code "78.588-Interest on

advance payments made to manufacturers/suppliers/seller by lease financing companies". All other expenses other than the above shall be debited to A/c code "78.867 - Other charges for raising finance". For creating liability for payment of lease rent, interest on advance payments etc. The new A/c Code "46.428 - Lease rent and all other dues payable to M/s.IDBI", shall be used. Separate O.M. is being issued to open the above new Heads of Accounts.

xviii) If any procedure other than the above prescribed is followed in respect of IDBI equipment already received and if the Board account codes are operated the same shall be reversed without fail immediately duly giving effect to the above guidelines.

54. No.CCA/AO(A/Cs)/Sn.IV/Cys.94/96-97

Dated 5.10.96

Sub:- Valuation of released assets - discrepancies observed by Technical Member.

Ref:- 1) B.O.No.KEB/B19/345/86-87/18.6.87

2) T.O.Circular No.CA/AO(A/Cs)/Sn.IV/Cys.131/91-92, dtd.1.2.92.

3) T.O.Circular No.CA/DCA/Comml.A/Cs/Cys.124/91-92, dtd.24.1.92.

4) T.O.Circular No.CA/AO(A/Cs)/Sn.IV/Cys.176/94-95, dated 31.3.95.

5) T.O.Circular No.CA/DCA/Comml.A/c/cys.125/91-92, dtd.24.1.92.

Exhaustive instructions have been issued for valuation of released /dismantled assets vide Board Order and other Circulars from this office referred above. In spite of very clear instructions available on this issue, many of the Units seems to be not accounting the value of released assets properly. This aspect has been brought to the notice of Technical Member by Superintending Engineer (MM&P), after inspecting 5 to 6 divisions. In the report of CEE(MM&P), it is observed that each Division Unit is adopting different procedure which is not in accordance with the guidelines issued. The Technical Member has taken serious note of this aspect and has directed this office to again reiterate the guidelines and instructions so that there should not be any deviation or lapse in accounting procedure as also in valuation of released assets.

The valuation aspect has been very clearly dealt in this office circular dtd.1.2.92 vide Item 3 on Page 3 and it is not understood as to how, many of the Divisions are not assigning proper value to the released dismantled assets. Owing to this discrepancy and deviation, the value of released assets gets boosted in the Accounts submitted by Units and this has become a target for comment by the Board. In view of completely eliminating any confusion prevailing in the field and also to refresh the memory of the concerned who are dealing with this subject, in Accounting Units, the procedure for valuation of released/dismantled assets are again reiterated below. It shall be ensured that there is no deviation in assigning correct value to released/dismantled assets in future and any irregularity that comes to the notice will be severely dealt with.

1. Immediately on releasing of an asset and return of the same to stores, it shall be accounted at written down value as per guidelines issued vide paras.4 to 6 of Board Order dtd.18.6.87.

2. Exception in the case of individual assets, the released assets (till it is declared as scrap by the competent authority), shall be issued at "Running Average rate" at the time of issue. The running average rate shall be arrived at on the basis of total balance value in the Pricing ledger divided by total Nos.or units of transformers/released assets in the relevant folio at the end of preceding day of issue of materials. This

procedure is brought into effect from 1.2.92 since, it was practically not possible to assign the same written down value at which the released asset was received at the time of issue also.

3. Individual assets shall however be issued at the same written down value at which they were received without adopting any "Running Average Rate".

4. Whenever scrapped assets like iron, copper and aluminium are to be accounted, the standard rate fixed in the book of standard rates issued every year shall only be adopted duly transferring the difference between the written down value and fixed scrap value to loss or gain as the case may be.

5. While arriving at the written down value of a transformer or any other asset, it shall be noted that the original value at the time of commission shall be considered and accumulated depreciation removed from the original value. In case the original value is not available even after exhausting all avenues available to obtain the same, then the standard rate of the material prevailing at the time of commissioning of the asset shall be considered for arriving at depreciation and written down value. If the date of commissioning is also not ascertainable by any means then the Exe. Engineer, and Accounts Officer of the Division shall assess the date of commissioning and written down value of released asset as per provisions in Board order dtd. 18.6.87 and issue an O.M. to that effect narrating details of assessment made for the purpose of accounting and further transactions. Under no circumstances, the standard rate prevailing on the date of releasing of the Asset shall be adopted for arriving at written down value.

6. It has come to the notice of this office that some of the Units are considering the total value of the entire asset for arriving at written down value of released asset even when only one asset or part of the asset out of the whole asset is removed. This is wrong. Only the original value of a particular asset which is released shall be taken excluding all other materials/assets/accessories available in the entire set of asset. For eg. if a transformer is released from a transformer centre, the original value of a particular transformer shall only be taken for calculation of written down value and not the total value of transformer centre which includes poles, TC sets, GOS and DOLO cutouts etc.,

7. Due to constraints in the system, when released assets are transferred from one Division to other Division, the released asset comes to the store and to the Accounts of the receiving unit first and the respective AT is received after some period. In the event wherever released assets received from other Divisions are valued on average basis tentatively for the purpose of accounting, such average value adopted shall be loaded or deloaded again depending on the actual written down value when respective AT is received.

It may be noted that the AAOs & AOs in the Units are responsible for proper assigning of value to released dismantled assets and they should scrupulously monitor this issue and ensure correct account of values. The DCA of the Circle shall keep a close watch on this issue and invariably check the values assigned during inspections and ensure correctness without fail. If the value is not properly accounted, the stock value gets exaggerated leading to misconception. Therefore these officers shall guarantee correct account of value in respect of released dismantled assets. If any deviation or wrong account of value is found in future, these concerned officers will be personally held responsible and action will be instituted against them for lapses and negligencies, which may please be noted.

**Sub:-Loan obtained from Small Industries Development Bank of India
(SIDBI) under Bill Rediscounting Scheme (BRS) - Accounting procedure.**

I. Obtaining loan from SIDBI, Lucknow, under BRS for arranging payment to suppliers coming under small scale sector has been approved vide Board Order No.KEB/B7/309/96-97, dated 13.9.96.

II. The following accounting procedure has been prescribed for accounting of Receipt of loan, Repayment of loan, payment of interest and passing of bills of suppliers chosen for arranging payment under this scheme.

1. New Head of Accounts as noted below are opened for the purpose of accounting transactions under the BRS. A separate O.M. will be issued regarding opening of these Head of Accounts.

- (a) 51.132 - Repayments due on loans from SIDBI.
- (b) 51.232 - Interest accrued and due on loans from SIDBI
- (c) 53.951 - Loans from SIDBI
- (d) 78.511 - Interest on loans from SIDBI

2. As and when the bills of suppliers presented for arranging of payment under this scheme is passed for making 90% advance payment, a journal entry debiting account code "25.501 - Advance to suppliers "Interest free", and crediting account code "53.951 - Loans from SIDBI shall be passed in CEE (MM&P)'s/CEE(M.W.)'s office for the entire amount of advance.

3. When 10% bills are received along with MAS and liability is accepted for arranging balance 10% payment, the debit outstanding in advance account code 25.501 shall be cleared in CEE (MM&P)'s/CEE (M.W.)'s office.

4. After the bills are got discounted by suppliers in Suppliers Bank and sent to SIDBI for rediscounting and arranging payment, the SIDBI arranges payment and sends an intimation to that effect to the FA & CAO, KEB for treating the payment as loan to K.E.B. Immediately on receipt of this advice, the repayment schedules are to be drawn up and watched, so as to send necessary advices to Bank under intimation to CEE (MM&P)'s/ CEE(M.W.)'s office, in the 'Security Section', Office of the FA & CAO, KEB. It shall be noted that commission paid by suppliers and stamp duty borne by them while discounting bills with their Bankers or rediscounting bills with SIDBI do not form part of loan to KEB under any circumstances. Only 90% advance payment made to suppliers as per purchase order has to be treated as loan from SIDBI.

5. On receipt of advice sent to the Bank from "Security Section", the CEE (MM&P)/CEE(M.W.)'s office has to incorporate repayment of loan and payment of interest in the accounts through cash book duly opening respective Account Codes.

6. As the repayment of first instalment of loan starts after nine months and second instalment of loan after twelve months from the drawal of loan and subsequent instalments every half year afterwards, the reconciliation of loan Accounts shall be made by CEE (MM&P) /CEE(M.W.)'s office in co-ordination with 'Security Section' and 'Resource Section', office of the FA & CAO without fail periodically.

56.No.CCA/AO(C)/Sn.V/Cys.107/96-97

Dated 16.11.96

*Sub:-Accounting procedure in respect of Transformers/Switchgears/
Breakers taken on lease from M/s.I.D.B.I.*

Ref:-T.O.Circular No.CCA/AO(A/Cs)/Sn.V/96-97/CYS.91/4.10.96.

In this office circular dated 4.10.96 detailed procedure for accounting the equipments obtained on lease from M/s.I.D.B.I. and other related issues are given to all the Accounting Units.

The Accounting Units have to keep track of the equipments obtained on lease from M/s.I.D.B.I. separately and ensure that these items do not enter the Board's books of accounts as our property at any point of time. In this regard, the details of any such equipments supplied to your Unit by the Suppliers against purchase orders placed by the Office of Chief Engineer (MM&P)/Chief Engineer (Major Works) may be obtained immediately in case the same is not identifiable at the Unit level.

Further, the accounting procedure given in this office Circular dated 4.10.96 shall be followed strictly to avoid any complications at a later date and resorting to corrective action subsequently.

Any clarification or additional information required in respect of such equipment may be obtained directly from the O/o Chief Engineer (MM&P)/Chief Engineer (Major Works).

57.No.CCA/AO(C)/Sn.V/Cys.108/96-97

Dated 19.11.96

Sub:-Deduction of tax at source on fees for professional or Technical services.

Recently the Board is entrusting the work of opening and maintenance of ledger account, shift and minor maintenance duties of stations etc., on contract basis to certain contract agencies. While arranging payment to these agencies on this account, tax at source has to be deducted as per Sec.194-J of the Income Tax Act, 1961 inserted with effect from 1st July 1995. The provisions relating to tax deduction at source on fees for professional or technical services are narrated below for information and guidance of the Unit Officers.

1. Person liable to deduct tax at source under Section 194 J - Any person, not being an individual or a Hindu undivided family, who is responsible for paying to a resident any sum by way of fees for professional services, or fees for technical services shall deduct tax at source with effect from July 1, 1995.

2. Time of tax deduction - Tax shall be deducted at the time of credit of such sum to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier.

Where any such sum 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 sum, such crediting shall be deemed to be credit of such sum to the account of the payee.

3. Rate of tax deduction- Tax shall be deducted at the rate of 5 per cent (plus surcharge if the recipient is a domestic company). The above rate is applicable to total payment (reimbursement cannot be deducted out of bill amount).

4. When tax is not deductible -

In the following two cases tax is not deductible;

a) if any such sum is credited or paid before July 1, 1995; or

b) Where the amount of such sum or, as the case may be, the aggregate of the amounts of such sums credited or paid or likely to be credited and paid during the financial year by the aforesaid person to the account of, or to, the payee, does not exceed Rs.20,000 in case of fees for professional services or Rs.20,000 in the case of fees for technical services.

5. When tax is deductible at lower rate - Where the Assessing Officer is satisfied that the total income of any person in receipt of the said fees justifies deduction of income tax at any lower rate or no deduction of income-tax, as the case may be, he shall, on an application made by such person in this behalf in Form 13E, give to him such certificate as may be appropriate. Where any such certificate is given, the person responsible for making the payment of the said fees to that person shall, until such certificate is cancelled, deduct income-tax at the rate specified in the certificate or deduct no tax at source, as the case may be.

6. Meaning of professional/technical services - The expression "professional services" has been defined to mean services rendered by a person in the course of carrying on legal, medical, engineering or architectural profession or the profession of accountancy or technical consultancy or interior decoration or advertising (i.e. models, artists, photographers providing services to an advertising agency) or such other profession as is notified by the Board for the purposes of Section 44 A (i.e. authorised representative, film artist or company secretary) or of this section.

58.No.CCA/AO(C)/Sn.V/Cys.109/96-97

Dated 19.11.96

Sub:-Deduction of Income Tax at source on payment of rent.

The Unit Officers are expressing some doubts regarding deduction of tax at source on rent paid and seeking clarification on certain specific issues. Hence the provisions relating to deduction of tax at source from income by way of rent as per Sec.194-I of Income Tax Act are narrated below in detail for the information and guidance of the Unit Offices.

1) Any person (not being an individual or Hindu Undivided Family (HUF) responsible for paying rent is required to deduct tax at source under provision of Sec.194-I.

2) Tax is to be deducted at source either

(a) at the time of credit of such income to the Account of payee.

OR

(b) At the time of payment thereof in cash or by issue of a cheque or draft or by any other mode whichever is earlier.

3) No tax is deductible if the amount of rent credited/paid during the Financial year does not exceed Rs.1,20,000.00

4) Rates for deduction at source are as follows:

(i) Rent to an individual or HUF - 15%

(ii) Rent to a person other than an Individual or HUF - 20%

5) Further, the essential features of "Rent" are as follows:-

(i) Payment is made under lease, sub-lease, tenancy or any other agreement or arrangement.

(ii) Payment is made either for the use of only land or building (including factory building) or for the use of any land or building (including factory building) together with furniture, fittings and the land appurtenant thereto.

(iii) It is immaterial whether or not such building is owned by the person to whom rent is paid.

The deduction of tax at source on rent paid may be regulated on the lines of the above provisions correctly.

59.No.CCA/AO(A/Cs)/Sn.IV/Cys.121/96-97

Dated 1.1.1997

Sub:-Booking of expenditure for having paid remuneration to Chartered Accountants for auditing cash and Revenue Accounts of the Board.

Ref:-B.O.No.KEB/CLO/SA.VII/6260/96-97 dtd. 16.11.96.

Payments made to Chartered Accountants for auditing cash and Revenue accounts of the Board, shall be debited to new head of account "76.128-Remuneration paid to Chartered Accountants for auditing cash and Revenue Accounts".

The existing liability account Code "42.401-Contractors Control Account" shall be made use of as corresponding liability head of account.

Separate O.M. is issued to open the above new Head of account.

60.No.CCA/AO(A/Cs)/Sn.Va/Cys.129/96-97

Dated 18.1.1997

Sub:-Reversal entries to be passed in respect of transformers/switchgears/breakers taken on lease from M/s.IDBI and already accounted under Board Account Codes.

Ref:-This office Circular No.CYS.91/4.10.96

This Office Circular dated 4.10.96 on accounting procedure in respect of equipments taken on lease from M/s.IDBI as per agreement dated 29.3.96 and 4.6.96 with M/s.IDBI may please be referred to. In the last para it was instructed that if IDBI equipments received under above agreement are already accounted under

Board account Code, the same shall be withdrawn without fail duly giving effect to the guidelines given in the Circular. In view of making the issue more clear, the specific reversal journal entries which are to be passed in case the materials are already accounted under Board Account Codes are prescribed below.

I. In the office of Chief Engineer (M.W.)/Chief Engineer (MM&P).

(a) It is learnt that the following entry is passed already in these offices as and when the M.A.S. pertaining to equipments taken on lease from M/s.IDBI were received.

37.3 - IUA - Other transactions/Adjustments (clearance) Dr.

To 25.501 - Advance to suppliers - Interest free.

(b) If the above entry is passed the same shall be reversed in the CEE(M.W.)/CEE(MM&P) office by passing the following entry, since the advance would not have been paid by K.E.B. and all the payments are made by M/s. IDBI directly to suppliers on the basis of bills passed and sent to them from the consignee units.

25.501 - Advance to suppliers - Interest free A/c Dr.

To 37.3 - IUA - Other transactions/Adjustments (Clearance)

II. In the accounting units where equipments are received.

(a) It is ascertained that the following entries are passed in the Accounting Units operating Board Account Codes.

(i) On receipt of equipments.

22.210 - Material purchase A/c Dr.

To 42.101 - Liability for supply of materials.

(ii) When liability is transferred to CEE (M.W.)/CEE(MM&P) and AT sent with M.A.S.

42.101 - Liability for supply of materials A/c Dr.

To 37.2 - IUA - Other transactions/Adjustments (credit at sent)

(iii) When acceptance is received for the AT sent.

37.2 - IUA - other transactions/Adjustments(credit AT sent) Account - Dr.

To 37.3 - IUA - other transactions/Adjustments (clearance)

(iv) When CWIP was categorised

14.....series Account Dr.

To 22.310 - Material issue - Capital

(v) When CWIP was categorised

10 ... series Account Dr.

To 14..... series.

(b) If the journal entries shown under Sub-para (a) above are already passed in the Units, the following reversal entries have to be passed to ensure that Equipments are not taken into Board' account.

1) To withdraw the equipment from stock account, as also from IUA Clearance Account.

(a) If the equipments are taken to stock during the year.
37.3 - IUA - Other transactions/adjustments(Clearance)
To 22.210 - Materials purchase account

(b) If the equipments were taken into stock during previous year.
37.3 - IUA - Other transactions/adjustments(Clearance)
To 22.510 - Materials stock /adjustment account.

2) To withdraw the equipments booked under CWIP during the year only (This entry shall not be passed, if equipments were booked during previous year).

(a) 22.310 - Material issue - Capital - Dr.
To 14 series.

(b) To withdraw equipments from Asset Account.
(This entry shall not be passed for assets categorised during previous year).
14..... series Account Dr.
To 10 series.

(3) For equipments booked under CWIP and categorised during previous year. (This entry shall not be passed for equipments booked and categorised during the year for which entries under Sub item 2(a) and (b) shall be passed).

22.310 - Material issue - Capital account Dr.
To 10 series.

The above guidelines shall be followed without fail and all the reversal entries passed and accounted before finalisation of March '97 Final Accounts.

If the entries shown under para I(a) and II (a)(i) to (v) are not already passed in the Units then none of the reversal entries indicated in this Circular shall be passed. Such Units shall write to this office clearly giving all the entries they have passed already to guide them regarding reversal entries to be passed.

61.No.CCA/AO(A/Cs)/Sn.14/Cys.133/96-97

Dated 4.2.1997

Sub:-Furnishing of consumption in respect of I.P.Set installations of 10 HP & below.

Ref:-Board Circular No.KEB/B11/B10/6948/90-91/31.12.96.

Inviting your attention to Board Circular under reference, I write to inform you that Board desires to have information in respect of I.P.Set's consumption for accurate assessment of T&D Loss etc. and as a first step has issued instructions to service all I.P. set installation from 1.1.97; only after fixing energy meters.

It has been instructed vide Para -5 of the said circular to take meter readings of I.P.Sets upto 10 HP once in three months and to furnish a consolidated statement of their consumption with other details along with monthly D.C.B. statement submitted to this Office regularly.

I therefore request you to furnish the details in the following proforma without fail along with monthly D.C.B. statement from the month of January '97 and onwards.

Statement showing consumption details of I.P.Sets of 10 HP & below for the month of....

Sl. No.	No. of IP Set Installations 10 HP & Below		No. of IP Sets of 10 HP. & Below whose meter readings are taken in the month with total sanctd. load.			Total recorded consumption as per Meter Rdgs. taken	Whether meters of all the installations are in good working condition. If not how many are defective	Remarks
	Not metered	Metered	Nos.	Sanctd.	Load			

62.No.CCA/AO(C)/Sn.Va/ST/Cys.138/96-97

Dated 1.3.1997

Sub:-Details of materials sold and sales tax collected - Annual return 1996-97.

The Annual Sales Tax returns for the year 1996-97 have to be filed with the Deputy Commissioner of Commercial Taxes (Assessment-9), City Division-I, Bangalore, before 30th May'97. The Sales Tax collected for the period from April'96 to March '97 on sale of scrap materials shall be sent to this office in the prescribed form given in Annexure-12. If there is no sale, you are requested to submit a 'NIL' statement and it should reach this office on or before 15.4.1997. This should be compiled without waiting for compilation of accounts for the month of March 1997.

For your guidance, certain checks to be exercised for preparation of statement are given below:

A) Ensure that the Sales Tax collected on sale of scrap materials and the percentage of the tax collected is in accordance with K.S.T. Act 1957.

The percentage of sales tax to be collected on sale of scrap materials and tender form in accordance with K.S.T. Act. 1957 for the year 1996-97 are as follows. The cess of 5% on sales noted below shall be collected on all sales in Bangalore City only.

(1) Scrapped Voltage Regulators, Telephone Parts, Transformer, Metering cubicles, Meters, Street Light Fittings, Scrap PVC Pipe and other scrap electrical items and Tender Forms, Waste papers and RCC Poles, Baliga Poles etc., 12% Sales tax +15% surcharge on sales tax + 5% cess on Sales Tax.

(2) Scrapped Iron only. 4% Sales Tax at point of last purchase, if sold to a manufacturer and at point of first sales if sold to others. No surcharge and cess.

(3) Scrapped non-ferrous materials - 8% Sales Tax + 15% surcharge on sales tax + 5% cess on Sales Tax.

(4) Empty Gunny bags (in torn condition) 2% Sales Tax + 15% surcharge on Sales Tax + 5% cess on Sales Tax.

(5) Sales of Scrap Vehicles (without R.C.)

Scrapped old Jeeps and Vans, Trucks and Lorries - 12% of Sales Tax + 15% surcharge and on sales tax & 5% cess on Sales Tax

(6) Sales of Scrap Vehicles (with R.C.book)

That is sale as Second hand vehicles. The rate of Sales Tax is 8%+15% surcharge of sales tax + 5% cess on Sales Tax.

It may be noted that if the goods specified at item (1) are sold for their scrap value by weight, tax payable would be 12% as nonferrous scrap. If however the goods are sold as they are (i.e. not as scrap) and if the same can be repaired and put to use, then regular rates applicable to each item would have to be levied.

B) Statement should include only the sales made and sales tax collected for the period from 1.4.1996 to 31.3.1997. The (Form No.37) collected against the sale of scrap during the year from bidders, if any may be sent in duplicate along with the statement.

C) Ensure that no part of sale in any month is omitted while preparing the statement.

D) The sale value and sales tax collected may be furnished in Annexure -12 with other details therein.

E) Ensure that total sales tax collected on sale of scrap tallies with that of credit balance appearing under A/c code 46.926 in the March 1997 Final Accounts.

F) Information may be sent by a D.O.letter addressed to the Chief Controller of Accounts, by name before 15th April 1997.

"HOWEVER IN RESPECT OF SALES TAX COLLECTED AT SOURCE AS PER SECTION 19(A) OF K.S.T. ACT 1957 AND REMITTED TO THE COMMERCIAL TAX DEPARTMENT DULY ACCOUNTING THE SAME UNDER 46.927, A SEPARATE CONSOLIDATED STATEMENT IN THE PRESCRIBED PROFORMA FOR THE YEAR 1996-97 MAY BE SENT AS DESIRED IN THIS OFFICE LETTER NO.CYS.27/92-93 DATED 28.4.1992".

Karnataka Electricity Board

Name of the Division

Statement showing the details of Sales Tax (K.S.T.) collected on sale of Scrap materials /
Tender forms for the month of

Month	Name of the party	Name of the Materials sold	Invoice No. and Date	Rt.No. & Dt	Sale Value	Percentage - 12% surcharge +15%	Sales Tax collected
1	2	3	4	5	6	7	8

NOTE : The total of column No.8 should tally with Account Code 46.926 (Credits)

Asst. Accounts Officer
K.E.B.

Accounts Officer
K.E.B.

Executive Engineer (EI)
K.E.B.

63.No.CCA/AO(A/Cs)/Sn.14/Cys.147/96-97

Dated 13.3.1997

*Sub: Heavy Revenue Arrears outstanding against consumers,
which are included in closing balance of monthly DCB.*

Closing Balance shown in monthly DCB statement incorporates revenue arrears which are outstanding against major power consumers for various reasons and may not be recoverable in full. Few reasons are listed below:

- Disputes regarding application of Tariff rate,
- Dispute about levy of F.E.C.,
- Cases pending before Board,
- Cases pending before Hon'ble High Court,
- Sick Industries,
- Industries under liquidation.
- Revenue withdrawal cases, etc.

In some cases involving Government installations, though there may not be any dispute, payments are not received regularly resulting in accumulation of arrears. Therefore, in order to facilitate proper analysis of DCB position, it is requested that in future a statement in the proforma given below be sent without fail every month separately along with monthly DCB statement.

Statement showing revenue arrears of Rs.50.00 lakhs and above included in closing balance of DCB statement for the month of

(Rs.in lakhs)

Sl. No.	Consumer's Name and R.R. No.	Tariff	Amount		Remarks
			Principal	Interest	

* Indicate reason for arrears and action taken for recovery.

64.No.CCA/AO(A/c)/AAO/Sn.VA/CYS.154/97-98.

Date: 2.5.1997.

Sub: Recovery of Sales tax and 5% Cess on Sales Tax w.e.f. 1.4.1997.

The Commissioner of Commercial Taxes, Govt. of Karnataka, in his Notification in the daily newspaper, dtd: 1.4.1997, under the caption "Modified Tax Rates and Amendments to Tax Laws to take effect from 1.4.1997. (For details refer to Relevant Acts)" has issued certain modification to the rates of sales tax leviable under provisions of Sales Tax Act 1957.

The percentage of sales tax to be collected on sale of scrap materials and Tender Forms in accordance with K.S.T.Act 1957 are as follows. The cess of 5% on sales noted below shall be collected on all sales in Bangalore City only.

1. Scrapped Voltage Regulators, Telephone parts, Transformers, Metering cubicles, Meters, Street light fittings, scrap PVC Pipe and other scrap Electrical items and Tender Forms, Waste papers and RCC Poles, Baliga Poles etc., 4% sales tax + 5% Cess on sales tax.
2. Scrapped Iron only: 4% sales tax at point of last purchase, if sold to a manufacturer and at point of first sale if sold to others - No surcharge and cess.
3. Scrapped non-ferrous materials - 4% sales tax + 5% cess on sales tax.
4. Empty gunny bags (in torn condition) 4% sales tax + 5% cess on sales tax.
5. Sale of scrap vehicles (without R.C.)
Scrapped old jeeps and vans, trucks and lorries - 4% of Sales value + and 5% cess on sales tax.
6. Sale of scrap vehicles (with R.C.Book) That is sale as Second hand Vehicles. The rate of sales tax is 4% + 5% cess on sales tax.

Further in respect of sale of all scrap materials, it shall be clearly indicated as scrap in the Invoice in order to avoid objections by sales tax authorities, while submitting returns during the Annual Assessment of Sales Tax.

65.No.CCA/AO(A/c)/Sn.IV/97-98/Cys.165/97-98

Dated. 28.5.97

Sub:-Submission of Cash Balance Report in time.

The Cash Balance Report (CBR) of each Unit has to be submitted to this office on or before 15th of succeeding month. During a detailed discussion with Accounts officers and Asst.Accounts Officers of 16 Units in Bangalore as per directions of Chairman, it was informed by most of the Divisional Accounts Officers that the delay in submission of CBR of their Unit is mainly due to delay in obtaining Sub-divisional/Section cash accounts and DCB Accounts. However on a detailed analysis, it is found that this is not a valid reason for delaying submission of CBR.

The Divisional Officers shall not wait for receipt of DCB Accounts for the purpose of preparation of CBR of their Division, in as much as the Sections/Sub-divisions in the Division shall submit their Cash Accounts to Divisional office on or before 5th of succeeding month. On the basis of the cash Accounts received, total

collection of a particular Section/Sub-division shall be accounted in the Cash Book of the Division duly allocating collections to "A/c Code 47-606 - Revenue collection pending classification over sundry debtors" and remittances to "A/c Code 24.3 series - Collecting Bank Account (Non-operative) (respective Bank)". Refer this office circular No.Cys.11, Dated 26.4.90 in this regard. After receipt of DCB, detailed allocation to respective Sundry Debtors Account Codes under different tariff and also to other deposit and receivable accounts shall be made duly passing necessary adjustment by debiting Account Code 47.606 and crediting respective Sundry Debtors Account Codes etc. This aspect may be taken note of and CBR sent to this Office within the date prescribed as a report is regularly obtained by the Chairman every month.

66.CCA/Ao/(C)/Sn.V/Cys.171/97-98.

Dated 9.6.97.

*Sub: Categorisation of Assets Monthly and submission of
Capital Expenditure Statement - Revised procedure.*

*Ref:-1) T.O.Circular No.C(A/cs)/AO(A/cs)/Sn.IV/Cys.63/92-93, dated 10.7.92
2) T.O.Circular No.C(A/c)/AO(A/cs)/Sn.IV/Cys.65/92-93, dtd:13.7.92.*

The instructions issued from this office regarding categorisation of Assets on a continuous basis from the beginning of the year and submission of monthly status report on CWIP balance and Assets categorised are not being followed scrupulously. Thereby, neither the data on categorisation of outlay nor the status position of Capital Work-in-progress Accounts are available at the end of each month. The MIS Reports on capital programme of the Board also could not be sent regularly due to the said lapse on the part of most of the Accounting Units.

To overcome all these problems, revised guidelines are issued below superceding all instructions given earlier in this regard.

- (1) The categorisation of Assets shall be done regularly as and when the Assets are commissioned duly obtaining the Technical Certificate/Asset commissioned Report/Completion Report as per Reg.2.47 of KEB Accounts Manual Vol.III.
- (2) The details of Assets categorised shall be posted in 'Categorisation Register' as usual.
- (3) The Accounting entries for categorisation of Assets i.e. debiting 10 series and crediting 14 series shall be passed at the end of each month (but before finalising and preparing Trial Balance of that month) and incorporated in the Trial Balance of each month.
- (4) The details of assets categorised every month shall be recorded each assetwise in a separate register called Categorisation Register for the purpose of posting Assets categorised into Asset Register at the end of the year.
- (5) The details of amount categorised every month and recorded in 'Categorisation Register' shall not be posted into 'Fixed Assets Register' every month. The posting of 'Asset Register' shall be done only once in a year after finalisation of March Final Accounts of that particular year.
- (6) The 'Status Report of CWIP Accounts' shall be sent in the proforma enclosed herewith before 20th of the following month regularly.

(7) The submission of Monthly CWIP Statement, Quarterly CWIP Statement and Categorisation Statement prescribed in this office Circular No.Cys.63, dtd.10.7.92 are dispensed with and need not be sent in future.

(8) The 'Status Report of CWIP Accounts' in revised format shall be sent regularly from April 1997 and onwards by all the Accounting Units (irrespective of whether O&M Division, M.W.Office or any other Administrative office).

Under no circumstances, the categorisation work and passing of entries thereon shall be treated as an year end work, as the Capital programme and the progress achieved is being monitored closely by Government and all other Financial Institutions/Lending Agencies, regularly.

It may be noted that the figures furnished in 'Status Report' will be consolidated and sent to Board regularly besides intimating the names of defaulting Units to Chairman for action besides highlighting the poor progress in categorisation of outlay, if any.

Karnataka Electricity Board

STATUS REPORT OF CAPITAL WORK-IN-PROGRESS ACCOUNTS FOR THE MONTH OF

Name of the Accounting Unit :

Location Code :

Sl. No.	Account Code	Opening Balance at the beginning of the month	CWIP incurred during the month	Total of O.B. and CWIP incurred (3+4)	CWIP categorised during the month	CWIP Transferred to other Units during the month	Total of CWIP categorised & transferred to other Units during the month (6+7)	Closing Balance of CWIP at the end of the month (5 - 8)
1	2	3	4	5	6	7	8	9
1.	14.110							
2.	14.111							
3.	14.112							
4.	and so on							
	Total							

Asst. Accounts Officer,
..... Division / office

Accounts Officer,
..... Division / office

NOTE :

- The figures under 'Opening Balance' column should tally to balance as per previous month's Trial Balance (March Final Trial Balance in respect of Status Report for the month of April).
- The figures under Column.4, 6 and 7 shall be entered analysing the Debits & Credits booked in the General Ledger separately.
- The total figures under Column.6 shall tally to total amount categorised and posted into "Categorisation Register" during the month.
- The figures under 'Closing Balance' (Col.9) shall tally to balance as per Trial Balance of that particular month.

67.CCA/AO/(A/cs)/Sn.14/97-98/Cys 176

Dated 11.6.97.

Sub:- Submission of periodical returns relating to MIS.

Ref:- T.O.Ltr.No.CCA/AO(A/cs)/Sn.IV/96-97/Cys.125, dated 6.1.97.

Consequent on issue of this office letter cited under reference, it is observed that many of the Divisional Heads and Accounts Officers have started (a) marking copies of correspondence relating to delay in submission of periodical reports etc., by their subordinate offices (b) requesting this office to permit consolidation of details excluding information from one or two Units who have not submitted details and (c) requesting this office to grant more time for submission of reports.

It is for your information that the Hon'ble Chairman has made officers of this office personally responsible for furnishing a status report duly indicating names of officers of defaulting Units regarding receipt or otherwise of periodical returns due to be received by this office and analysis thereof on specific dates in the month. Non-furnishing of reports on dates indicated by Chairman invites serious action against officers of this office whose names are already with him.

In view of this, we cannot hold brief on behalf of any defaulting Unit for whatever reason. There is absolutely no necessity of marking copies of letters etc., addressed to any one for information of this office on this issue, in as much as such action will not absolve concerned from any lapse regarding delay in submission of reports.

Action as per CDCA Rules may be taken against any employee who is not discharging Board's work in time and efficiently.

68.CCA/AO(Acts.)/Sn.IV/97-98/Cys. 178

Dated 11.6.97.

Sub:- Depiction of Initial Security Deposit (ISD) and Additional Security Deposit (ASD) separately in accounts under exclusive head of accounts.

Ref:- 1. Bd.ltr.No.KEB/B11/B10/5015/85-86 dtd.21.5.96.

2.Bd. Circular of even number dtd. 19.5.1997.

You are aware that Additional Security Deposit has to be collected every year on the basis of 3 times average bill amount of preceding financial year from all the consumers except domestic lighting, and AEH consumers and in the case of domestic lighting and AEH consumers, the Additional Security Deposit shall be collected on the same analogy once in 5 years, i.e., in 1999, 2004, etc., as per amended regulation clause 31.02 of Electricity Supply Regulations 1988.

The Board desires to have separate account of ISD and ASD collected from consumers. The ASD collected hitherto is available in account code 48.1 along with ISD. The ASD collected every year in future is also required to be ascertained from the accounts of each Division/unit as and when necessary.

To fulfill the above requirement, three new sub account codes under account group 48.1 are opened for recording ISD, ASD collected upto 31.3.1997 and ASD collected from 1.4.97 and onwards as follows,

1. 48.101 Initial Security Deposit collected from consumers (in cash)

2. 48.102 Additional Security Deposit collected from consumers (in cash) upto 31.3.1997.

3. 48.103 Additional Security Deposit collected (in cash) from 1.4.1997 and onwards.

Separate OM is being issued in connection with opening of the above account codes.

All the Divisions/units shall immediately identify the ISD and ASD collected from consumers upto 31.3.1997 and already accounted under account code 48.1 and bifurcate the ISD and ASD by crediting 48.101 and 48.102 respectively and debiting 48.1. It shall be noted that this exercise shall be done within a specific time period of three months from 1.7.1997 and under any circumstances balance under account code 48.1 shall not be carried in the Trial Balance for the month of October 1997 and onwards in as much as the entire balance under this code will have been transferred to 48.101 and 48.102 by that time.

Any ASD collected from 1.4.1997 and onwards shall be credited to 48.103 only and it shall be ensured positively that no misclassifications occur.

The Sub-divisions and Sections shall also take note of this change in procedure and show ASD collected under the assigned account code without fail in their monthly cash accounts submitted to their respective Divisions.

This circular is also directly sent to AEEEs of all Sub-divisions for the purpose of implementation of new procedure. However, circular is not directly sent to independent accounting O&M sections in the Divisions for want of details of such unit. Hence, the Division may arrange to send copy of the circular to Sections.

The instructions shall be scrupulously followed as statistics are sought by Board every month in this regard.

69.CCA/AO(A/cs)/Sn.IV/Cys. -185/97-98

Dated 30.6.87

CORRIGENDUM

Sub:-Accounting procedure for arranging power supply to the individual houses in the layouts where promoters have vanished after disposing the sites.

Ref:-T.O.Circular No.CCA/AO(A/cs)/Sn.IV/Cys-35/96-97/10.6.96.

Refer page 3 item 7 of Circular dated 10.6.96 and effect the following corrections:

Existing:

To be corrected as

55.104 - Capital cost collected from consumers of layouts abandoned by promoters.	55.105 - Capital cost collected from consumers of layouts abandoned by promoters.
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Consequent to change in account code, the transactions already accounted against account code No. 55.104 in respect of Capital cost collected from consumers of layouts abandoned by promoters shall be corrected as 55.105 and compliance reported.

NEW LOCATION CODES ISSUED

No. C/AC/Com. Accts/Cys.19

Dated : 26.4.1986

In exercise of the powers conferred on the undersigned vide Board Order No.KEB/B7/1969/81-82 dated 1.4.85 the following location code number is allotted to the newly formed accounting unit Master Plan Division, KEB, KR Circle, Bangalore vide BO No.KEB/B5/2885/85-86 dated 17.1.1986.

Sl. No.	Name of the accounting unit	Location Code
III.	Divisions O&M (inclusive of Receiving Stations)	
46	Master Plan Division, KEB, KR Circle, Bangalore	446

No. CCA/AO(A/Cs)/Su.IV/97-98/Cys.179

Dated : 17.6.1997

Ref. : B.O. No.KEB/B5/WLIC-125/76-77 dt. 5.5.1997

Following location code is allotted to O/o Executive Engineer, Elec., Major Works Division, Kavour, Mangalore w.e.f. 29.5.97

Name of the accounting unit	Location Code
Executive Engineers, Elec., M.W. Division, K.E.B., Kavour, Mangalore	612
Amendment No.116	

No. ACA/CA/Cys.138/88-89

Dated : 13.10.1988

OFFICE MEMORANDUM

The Munirabad Generating Station is allotted Location Code No.121 (TRANSMISSION) for recording separately the transmission activity. This is effective from 1.4.1988.

NEW HEADS OF ACCOUNTS OPENED

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
1	5	46.967	Provision for bad and doubtful debts	Provision for Bad and doubtful debts pertaining to consumers / Suppliers / Contractors etc., is credited to this account.
2	9	46.911	Un-issued cheques	This account will reflect the total value of the cheques which have been drawn but not issued to the payees at the end of the year.
3	31	76.103	Expenses incurred towards security arrangement at Generating Stations, Receiving Stations / Transformer Centres etc.	The expenses incurred towards security arrangements at Generating Stations, Receiving Stations and Transformer Centres in respect of police / army personnel are debitible to this Account.
4	35	51.129	Repayments due on loan from KIADB	The repayments due on the above loan shall be recorded in the re-payment due Account.
5	35	51.229	Interest accrued and due on loan from KIADB.	This Account will be operated to record the total amount of interest due on the above loan.
6	35	53.970	Loan from KIADB	Loan received from KIADB will be recorded in this Account.
7	35	78.585	Interest on loan from KIADB	Interest on the above loan is booked against this Head of a/c
8	48	27.210	Transformers/Meters etc., issued for repairs to the Board personnel.	Issue of Transformers, Meters and other equipments to Board personnel for repairs shall be debited to this account and return of the same after repairs shall be credited to this Account.
9	50	22.370	Accessories (other than Main Asset) returned on dismantling of Asset.	This account will be debited with the value of the accessories (other than Main Asset) returned on dismantling of Assets. The balance under this account will be transferred to material stock account at the year end.

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
10.	51	23.125	Sundry debtors for sale of power - Lift Irrigation schemes registered under Co-operative Societies Act & Lift Irrigation Schemes of Government HT-3(b)	
11.	51	23.127	Sundry Debtors for sale of power-Lift Irrigation Schemes registered under Co-operative Societies Act & Lift Irrigation Schemes of Government LT-4(c).	
12.	51	61.331	Revenue from sale of power - Lift Irrigation Schemes registered under Co-operative societies Act and Lift Irrigation Schemes of Govt. HT-3(b)	
13.	51	61.263	Revenue from sale of power - lift Irrigation Scheme registered under Co-operative Societies Act and Lift Irrigation Schemes of Govt. LT-4(c)	
NOTE : The existing account codes 23.116 & 61.330 shall be utilised for HT3 (a) irrigation & Agricultural Farms				
14.	53	75.630	Payment to Helpers / Employees of storm and monsoon gangs	Payments made to Helpers for storm and monsoon gangs etc., is debitable to this Account.
15.	54	54.5	Equity capital under Section 66A of Electricity (Supply) Act 1948.	Equity Capital declared by Government of Karnataka from time to time will be accounted under this Account.
16.	55	23.126	Sundry Debtors for sale of power - Water Supply installations in residential layouts	These reflect the amount due from consumers of the Board on account of power sold to them. It excludes dues on account of Electricity tax and dues for theft of energy and any other miscellaneous recoverables.
17.	55	23.128	Sundry Debtors for sale of power - private Horticultural Nurseries.	
18.	55	61.264	Revenue from sale of power-Water supply installations in residential layouts.	These accounts reflect the revenue earned by the Board from sale of power by LT installations. These will show the total value of bills raised for revenue only by various offices of the Board.
19.	55	61.265	Revenue from sale of power private Horticultural Nurseries.	
20.	55	23.426	Provision for unbilled revenue Water supply installations in residential layouts.	These accounts represent the value of unbilled revenue provisionally credited to revenue account at the year end.
21.	55	23.428	Provision for unbilled revenue-Private Horticultural Nurseries.	

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
22	55	23.526	Dues from permanently disconnected consumers - Water supply installations in residential layouts.	These accounts represent the amount due from permanently disconnected consumers. Individual consumers balances in the sundry debtors for sale of power account or in the other sundry Debtors account shall be transferred to this account on effecting disconnection.
23	55	23.528	Dues from permanently disconnected consumers - Private Horticultural Nurseries.	
NOTE : The existing account codes 23.119, 23.519, 23.419, 23.919 and 61.370 shall be utilised for booking transaction in respect of "HT6 - Railway traction".				
24	60	14.380	CWIP - HKDP Works	The expenditure on Hyderabad Karnataka Development programme works shall be recorded under this account. The outlay shall be transferred to appropriate Asset Account after completion of the works.
NOTE : 1) This head of account shall be operated only in the Accounting Units of Gulbarga Zone.				
2) The expenditure booked against Head of Account "28.825 Recoverable from State Government (HKDB)" as on date shall be transferred to the above CWIP account. The Account Code : 28.825 shall exhibit 'NIL' balance in the Divisions henceforth.				
3) The operation of Account Code : 28.825 in the Divisions is dispensed with in future.				
25	96	24.406	Disbursement Bank (Operative) Account - Global Trust Bank Ltd.,	All transactions by FA & CAO (Administration Section) with M/s. Global Trust Bank Ltd., shall be recorded under this account. This A/c Code shall be operated for the purpose of operating L.C. only as per B.O. No.KEB/B7/2495 / 95-96, dtd. 16.1.96

I. Renamed Head of Account :

As existing	Renamed as
24.601- Transfer from Head office	24.601 - Transfer from Head office In-transit account - State Bank of Mysore.

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
26.	97	24.501	Remittances to HO In-transit A/c-State Bank of Mysore	These accounts shall be operated by Resource Section in FA & CAO's office to account for the remittances made by various branches of the Banks to Main Bank account at Bangalore but not accounted in the respective Main Banks at B'lore during the same year. These accounts will be debited by crediting A/c Code 33 during March (Final) Accounts. The entry so passed shall be reversed in the beginning of next accounting year.
27.	97	24.502	Remittances to HO In-transit A/c-State Bank of India	
28.	97	24.503	Remittances to HO In-transit A/c - State Bank of Hyderabad	
29.	97	24.504	Remittances to HO In-transit A/c - Canara Bank.	
30.	97	24.505	Remittances to HO In-transit A/c - Syndicate Bank.	
31.	97	24.601	Transfers from HO In-transit A/c - State Bank of Mysore.	
32	97	24.602	Transfers from HO In-transit A/c - State Bank of India.	
33	97	24.603	Transfers from HO In-transit A/c - State Bank of Hyderabad.	
33	97	24.604	Transfers from HO In-transit A/c - Canara Bank.	
33	97	24.605	Transfers from HO In-transit account - Syndicate Bank	
34	98	27.209	Loans & advances to staff-Bicycle Advance.	This account will record the amount advanced as Bicycle Advance to employees. This account is debited with the Advance taken by the employees. Recoveries made in the employees salary bills towards the Advance are credited to this account. The balance in this account thus represents balance of loans yet to be recovered from the employees. This loan account will be maintained at Accounting Units / Divisions.
35	99	27.890	Loans to KEB Societies-Ramadurga	The loan drawn from KEB by KEB Employees' Co-operative Society and the repayment of loan by the Society is accounted under this Head of Account.

Sl. No.	Amendment No.	A/c Code	A/c Head.	Description
36	100	46.928	Amount recovered from salary of Board Employees and payable to other Departments / other institutions.	Recoveries like water charges / Court attachment / any other approved recoveries made from Employees' salary & payable to concerned department / Institutions shall be credited to this account. on payment this account shall be debited.
37	101	32.1 (L.C.) IUA	Released Assets - Acceptance not received.	32.1 (L.C) - IUA - Released Assets / Moveable Assets & other Equipments' Acceptance not received.
38	101	32.2 (L.C.) IUA	Released Assets - AT not received.	32.2 (LC) - IUA - Released Assets / Moveable Assets & other Equipments - AT not received.
<p>NOTE : (1) The Moveable Assets or CWIP (new) items like Vehicles, Furniture & Fixtures, Office Equipment & Tools & Tackles transferred through Stores shall be accounted under 32.1 @ the Transferer Unit & under 32.2 @ the Transferee unit, on issue and receipt respectively.</p> <p>(2) Except the items stated above, all other CWIP transferred shall be accounted under A/c Code 32.4 and 32.5 as already prescribed.</p> <p>(3) The Moveable Assets transferred through Stores shall also be accounted under A/c Codes 32.1 (Issue) & 32.2 (Receipt)</p> <p>(4) The Fixed Assets transferred shall be accounted under A/c Codes 32.4 & 32.5 as already prescribed.</p>				
39	102	27.891	Loans to KEB Societies - Gangavathi	The loan drawn from KEB by KEB Employees Co-operative Society and the repayment of loan by the Society is accounted under this Head of Account.
40.	103	41.110	Sundry creditors for purchase of power - M/s. Ugar Sugar Works Limited Co-generation Plant (USWLCGP), Ugar.	This account will reflect the amount due for power purchased from M/s. USWLCGP Cys 53/2.7.96
41.	103	70.101	Power purchased from M/s. Ugar Sugar Works Limited Co-generation Plant (USWLCGP), Ugar	This account reflects the cost of power purchased by the Board from M/s. USWLCGP, Ugar.
42.	104	70.191	L.C. charges / Other Bank commission paid for purchase of power	Bank commission / Bank charges paid for operating the letters of credit opened for arranging payments towards power purchase are debitible to this head of account.

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
43.	105	41.121	Wheeling charges payable to other Electricity Boards, and other Bodies	This account will reflect the wheeling charges due to other Electricity Boards, and other Bodies.
<p>NOTE : In the office of the Load Despatch Circle, Bangalore, General ledger account shall be maintained separately for each Electricity Board, and other Bodies by suffixing letters a, b, c, d and so on to the existing Account Code 70.4 and the above Account Code 41.121.</p> <p>eg : 70.4 (a) Wheeling charges - Tamilnadu Electricity Board 41.121(a) Wheeling charges payable to Tamilnadu Electricity Board. 70.4 (b) Wheeling charges - Kerala State Electricity Board. 41.121(b) Wheeling charges payable to Kerala State Electricity Board and so on.</p>				
44.	106	23.130	Sundry Debtors for sale of power - Private Horticulture Nurseries, Coffee & Tea Plantations.	This reflects amount due from consumers of the Board on account of power sold to them. It excludes dues on account of electricity tax and dues from theft of energy and any miscellaneous recoveries.
45.	106	61.332	Revenue from sale of power- Private Horticulture nurseries, coffee & tea plantations.	This reflects revenue earned by the Board from sale of power. This will show the total value of bills raised for revenue only by various offices.
46.	106	23.430	Provision for unbilled revenue - Private Horticulture Nurseries, Coffee & tea plantations.	This reflects the value of unbilled revenue provisionally credited to revenue account at the end of the year which shall be reversed next year.
47.	106	23.530	Dues from permanently disconnected consumers - Private Horticulture Nurseries, Coffee & tea plantations.	This represents the amount due from permanently disconnected consumers. Individual consumer's balance in Sundry Debtors for sale of power or in the other Sundry Debtors Account shall be transferred to this account on effecting disconnection.
48.	107	76.126	Remuneration to contract agencies for opening and maintenance of ledger accounts.	The remuneration paid to contract agencies for opening of ledger a/c of pending test reports, Meter reading, billing and maintenance of consumer ledger accounts shall be debited to this head of account.

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
49.	107	78.127	Remuneration to private contractors for shift and minor maintenance duties of Station / MUSS.	The remuneration paid to private contractors / agencies engaged for shift and minor maintenance duties of stations / MUSS shall be debited to this head of account.
NOTE : The existing liability account Code "42.401 - Contractors Control Account" shall be made use of as "corresponding liability head of account" for both of the above new heads of account.				
50.	108	28.117	Sundry debtors for sale of assets - M/s I.L. & F.S.	The amount due from these firms in respect of sale proceeds on sale of assets shall be debited to this a/c.
51.	108	28.118	Sundry debtors for sale of assets - M/s H.D.F.C.	On recovery of the amounts balance in this account shall be cleared.
52.	108	46.427	Lease rent and all other dues payable to M/s. H.D.F.C	Lease rent and other expenses on lease hold assets due to M/s. HDFC. shall be credited to this account. On arranging payment to M/s. HDFC. this account shall be debited.
53.	108	46.428	Lease rent and all other dues payable to M/s. IDBI	Lease rent and other expenses on lease hold assets due to M/s. IDBI: shall be credited to this account. On arranging payment to M/s. IDBI. this account shall be debited.
54.	108	74.115	R&M expenses - Assets on lease obtained from lease financing companies.	R&M expenses on lease hold assets of lease financing companies shall be debited to this account if the expenditure is not debited to Account Codes 74.111; 74.112; 74.113 and 74.114.
55.	108	78.588	Interest on advance payments made to manufacturers / suppliers / sellers by lease financing companies.	*Interest paid on advance payments made to manufacturers / suppliers / sellers by lease financing companies shall be debited to this account.
56.	108	78.814	Lease rent to M/s. H.D.F.C.	Lease rent to M/s. H.D.F.C. in respect of equipments taken on lease shall be debited to this account.
57.	108	78.815	Lease rent to M/s. I.D.B.I.	Lease rent to M/s. I.D.B.I. in respect of equipments taken on lease shall be debited to this account.
58.	109	51.132	Repayments due on loans from SIDBI	Repayment of loan due to SIDBI during the year shall be credited to this Account.
59.	109	51.232	Interest accrued and due on loans from SIDBI	Interest accrued and due to be paid to SIDBI during the year shall be credited to this account.

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
60.	109	53.951	Loans from SIDBI	Loan obtained from SIDBI during the year shall be credited to this account.
61.	109	78.511	Interest on loans from SIDBI	Interest due on loan from SIDBI during the year shall be debited to this account
62.	110	76.128	Remuneration paid to Chartered Accountants for auditing Cash and Revenue accounts.	Remuneration paid to Chartered Accountants for auditing Cash and Revenue a/cs shall be debited to this head of account.
NOTE : The existing liability Account Code "42.401 - Contractors Control Account" shall be made use of as "Corresponding liability head of Account".				
63.	111	47.603 (a)	Meter security Deposit collected from A.E.H. installations serviced from 1.1.97.	Meter Security Deposit collected from consumers of AEH installations serviced from 1.1.97 shall be accounted against this head of a/c
64.	111	47.603(b)	Meter Security Deposit collected from A.E.H. installations serviced prior to 1.1.97	Meter security deposit collected from consumers of AEH installations serviced prior to 1.1.97 shall be accounted against this head of account.
65.	111	47.603(c)	Meter Security Deposit differential amount collected from A.E.H. installations serviced prior to 1.1.97 on fixing electronic meter.	Differential amount of Meter Security Deposit collected from consumers of A.E.H. installations serviced prior to 1.1.97 on fixing electronic meter, shall be credited to this head of account.
66.	112	14.116	CWIP - 66 KV to 400 KV Transmission lines - Non - Plan	
67.	112	14.117	CWIP - 33 KV Transmission lines - Non-Plan	Capital Expenditure incurred out of Non-plan budget allocation shall be exclusively booked under this Head of Account. The outlay shall be transferred to appropriate Asset Head in Account Group 10 on Commission of asset
68.	112	14.126	CWIP - 66 KV to 400 KV stepdown stations - Non-plan	
69.	112	14.127	CWIP - 33 KV / 11 KV step down stations - Non-plan	
70.	112	14.141	CWIP - 11KV Transmission lines Transformers etc. - Extension Non-plan	
71.	112	14.151	CWIP - 11 KV Transmission lines Transformers etc. - Improvements Non-plan	
72.	112	14.461	CWIP - Generating Stations - Non-plan	

IMPORTANT NOTE : The new heads of accounts opened above shall be operated for booking the expenditure under non-plan works specifically classified as such and exclusive grants under non-plan budget allocation for the same.

The existing Head of Account in respect of Account Codes 14.110, 14.115, 14.120, 14.125, 14.140, 14.150 and 14.450 stands amended as follows w.e.f. 1.4.97.

<u>A/c Code</u>	<u>Existing Head of Account</u>	<u>Revised Head of Account</u>
14.110	CWIP - 66 KV to 400 KV Transmission lines	CWIP - 66 KV to 400 KV Transmission lines - (GP)
14.115	CWIP - 33 KV Transmission lines	CWIP - 33 KV Transmission lines - (GP)
14.120	CWIP - 66 KV to 400 KV Step-down stations.	CWIP - 66 KV to 400 KV Stepdown stations (GP)
14.125	CWIP - 33 KV / 11 KV Step-down stations	CWIP - 33 KV / 11 KV Stepdown stations - (GP)
14.140	CWIP - 11 KV Transmission lines - Extension	CWIP - 11 KV Transmission line, Transformers etc. - Extension (GP)
14.150	CWIP - 11 KV Transmission lines - Improvement	CWIP - 11 KV Transmission lines, Transformers etc. - Improvement (GP)
14.450	CWIP - Generation stations	CWIP - Generating Stations (GP)

NOTE : G.P. indicates "General programme" of the Board.

<u>Sl. No.</u>	<u>Amendment No.</u>	<u>A/c Code</u>	<u>A/c Head</u>	<u>Description</u>
73.	113	10.412	Railway Sidings	This account includes the cost of Railway track, including clearing, labour etc.
74.	114	83.830 (a)	Withdrawal of revenue demand of previous years principal component - IP sets 10 HP & below	Demand raised during previous years, but withdrawn during current year in which the entry is made is to be accounted.
75.	114	83.830(b)	Withdrawal of revenue demand of previous years - Interest component - IP sets 10 HP & below	

NOTE : Accounting units shall operate the above accounts to record benefits / concessions availed by IP set consumers of 10 HP & below in terms of B.O. of 1.3.97

76.	115	48.101	Initial security Deposit from consumers (in cash)	This account will reflect the Initial Security Deposit received in cash from consumers as security deposit. It will be cleared on repayment of the deposit or on adjustment against 'Dues from permanently disconnected consumers'.
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Sl. No.	Amendment No.	A/c Code	A/c Head	Description
77.	115	48.102	Additional Security Deposit collected from consumers (in cash) up to 31.3.1997.	This account will reflect the ASD collected from consumers in cash upto 31.3.1997. It will be cleared on repayment of the deposit or on adjustment against 'Dues from permanently disconnected consumers'.
78.	115	48.103	Additional Security Deposit collected from consumers (in cash) from 1.4.97 and onwards	This account will reflect the additional Security Deposit collected from consumers in cash from 1.4.97 and onwards. It will be cleared on repayment of the deposit or on adjustment against 'Dues from permanently disconnected consumers'.
79.	117	55.104	Consumers contribution towards regularisation of unauthorised IP set installation.	Amount collected from consumers towards regularisation of unauthorised IP sets as per Board Circular No. KEB/B19/6723/95-96 dt.2.1.97 shall be credited to this head of account. Opened w.e.f. 2.1.97
80.	117	55.105	Capital cost collected from consumers of layouts abandoned by promoters	Capital cost collected from consumers of layouts abandoned by promoters shall be credited to this head of account. Opened w.e.f. 16.9.95

KARNATAKA ELECTRICITY BOARD

Read :

1) Board Order No.KEB/B7/1969/81-82 dated 1.4.1985, according approval for the introduction of Commercial Accounting systems and procedures with effect from 1st-April, 1985.

2) Board Order No.KEB/B19/345/85-86 dated 28.6.1985, according approval for adoption of new procedures for preparation of estimate for capital works and allocating the expenditure in line with the revised accounting policies.

3) U.O. Note No.C/Ac/Comml. Accts/64 dated 11.6.1986 of the Financial Adviser and Chief Accounts Officer regarding issue of clarifications on various points raised by the Division / Circle Officers.

ORDER No.KEB/B19/345/85-86

BANGALORE, DATED : 16th September , 1986.

1. Approval is hereby accorded to adopt the enclosed formats as Annexure I to IV in place of the formats given in Annexure I and II to the Board Order No.KEB/B19/345/85-86 dated 28.6.1985.

2. The existing Annexure III may be numbered as Annexure V.

3. To adopt the format given in Annexure VI for preparation of estimates for repairs and maintenance works.

4. The doubts / points raised by the Divisional Officers are clarified in Annexure VII for uniform adoption in the preparation of estimates.

ANNEXURE - I

KARNATAKA ELECTRICITY BOARD

Form of estimate for capital works of O&M Division

Name of the Work :

Sl. No.	Particulars	Unit	Qty.	Rate	Amount
1.	Cost of material as per data sheet or as estimated				
2.	Cost of labour as per data sheet or as estimated (casual)				
3.	Employees' cost at 60% on item 2.				
4.	Electrical Inspectorate charges.				
5.	Contingencies at 3% (on item 1 to 4)				
6.	Total cost of the estimate				

ABSTRACT

PART 'A' - Lines
PART 'B' - Transformers
PART 'C' - Lighting arresters - pole type - Station type
PART 'D' - Switchgear
PART 'E' - Service line / connections
PART 'F' -
PART 'G' -

PART 'H' - etc., are to be separately prepared assetwise as per VII schedule.

NOTE : GOS, HG fuses and DOLO, cutouts of 11 KV shall be brought under assets 'lines' instead of 'switchgear' Report of the estimate -

ANNEXURE - II**KARNATAKA ELECTRICITY BOARD****FORM OF ESTIMATE FOR REG WORKS ONLY**

Name of the Work :

Sl. No.	Particulars	Unit	Qty.	Rate	Amount
1.	Cost of material as per data sheet or as estimated				
2.	Cost of labour				
	a) Casual				
	b) Regular at 100% of 'A'				
3.	RE Zone charges at 1% (casual) on item (1+2)				
4.	Depreciation charges at 0.5% on item (1)				
5.	Electrical Inspectorate charges				
6.	Contingencies (on item 1 to 5) at 3%				
TOTAL					

ABSTRACT

PART 'A' - Lines
PART 'B' - Transformers
PART 'C' - Lighting arresters - pole type
- Station type
PART 'D' - Switchgear
PART 'E' - Service lines / connections
PART 'F' -
PART 'G' -

PART 'H' - etc., are to be separately prepared assetwise as per VII schedule.

NOTE : GOS, HG fuses and DOLO, cutouts of 11 KV shall be brought under assets 'lines' instead of 'switchgear'

Report of the estimate -

KARNATAKA ELECTRICITY BOARD
**FORM OF ESTIMATE FOR CAPITAL WORKS OF MAJOR
 WORKS DIVISION**

Name of the Work :

Sl. No.	Particulars	Unit	Qty.	Rate	Amount
1.	Cost of material as per data sheet or as estimated				
2.	Cost of labour as estimated				
	a) Labour - Casual				
	b) Contribution to PF, etc., at 9.5% on 2(a)				
3.	Electrical Inspectorate charges				
4.	Employees' cost and other expenses at 10% on item 1 to 3.				
5.	Contingencies at 3% (on 1 to 4)				
6.	Total cost of the estimate				

ABSTRACT

PART 'A' - Lines

PART 'B' - Transformers

PART 'C' - Lighting arresters - pole type
- Station type

PART 'D' - Switchgear

PART 'E' - Service line / connections

PART 'F' -

PART 'G' -

PART 'H' - etc., are to be separately prepared assetwise as per VII schedule.

NOTE : GOS, HG fuses and DOLO, cutouts of 11 KV shall be brought under assets 'lines' instead of 'switchgear'

Report of the estimate -

KARNATAKA ELECTRICITY BOARD

FORM OF ESTIMATE FOR DEPOSIT CONTRIBUTION WORKS

Name of the Work :

Sl. No.	Particulars	Unit	Qty.	Rate	Amount
1.	Cost of material as per data sheet or as estimated				
2.	Cost of labour as estimated				
3.	Employees cost and other expenses at 20% on item Nos. 1 and 2.				
4.	Electrical Inspectorate charges.				
5.	Contingencies on item 1 to 4 at 3%				
TOTAL :					

Report :

KARNATAKA ELECTRICITY BOARD

ESTIMATE FOR DE-COMMISSIONING OF ASSET

Name of the Work :

Sl. No.	Particulars	Unit	Qty.	Rate	Amount
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A. Cost of de-commissioning of Asset :

1. Labour for dismantling as per cost data sheet or as estimated inclusive of employees PF and FPF, DLI and etc.

NOTE : (a) In case of labour charges incurred by the Board, it will be debited to 'Employees Costs'. Only labour charges payable to contractors will be booked under 'Asset De-commissioning Cost' (77.5)

- b) Estimate to be sanctioned under Account Head - 77.5 Asset De-commissioning cost.

B. DATA TO BE FURNISHED BY FIELD STAFF

- i) Particulars of asset dismantled.
- ii) Year of commission or assessed
- iii) Month / year of dismantling
(value need not be given for item(i) above)

C. DATA TO BE FURNISHED BY ACCOUNTS SENCTION BEFORE SENDING ESTIMATE :

- i) Original / Cost / assessed value* of the asset to be dismantled.
- ii) Depreciation earned.
- iii) Written down value of the asset dismantled.
* based on standard rate / purchase rate of the year or any other data available.

Report :

KARNATAKA ELECTRICITY BOARD

ANNEXURE - VI

Estimate under repairs and maintenance

for

Reference

Chargeable to

Name of materials, etc.	Unit	Qty.	Rate	Amount	Remarks
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Total value of the estimate

Certificate

Report

KARNATAKA ELECTRICITY BOARD

Ref. : Board Order No.B19/345/85-86 dated 28.6.1985 Revised formats
for the preparation of Estimates.

Reference made by Field Officers	Points raised	Clarifications
CEE / MZ/T/16230 dated 2.12.1985	1) Whether both the Labour charges (A) & (B) indicated in the S.R. and the employees cost at 60% of labour charges (both A & B) and contingencies at 3% are to be incorporated in the estimate for works under Board's programme to make up the works cost while preparing and sanctioning the estimates.	1) As may be seen from the cost sheet for O&M works, the figures under labour charges 'B' Regular is 60% of labour charges 'A' Casual. Similarly, the cost sheet for REC works indicates labour charges 'B' Regular at 100% of 'A' casual. Thus employees cost at 60% (O&M works) or 100% (REC) of labour prescribed under B.O. No.KEB/B19/345/85-86 dated 28.6.1985, is already worked out and included in the cost sheet to facilitate easy preparation of estimates. The labour charges 'A' casual as per cost sheet also includes contribution to P.F. etc., at 9.5%. Hence, the cost as per cost sheet may be adopted straight-way and no percentage addition need be made in arriving at labour cost or employees cost in preparing the Estimates. As far as 'contingencies' are concerned, the cost sheet does not indicate a separate item, as it has to be calculated separately for each estimate. This may be added while preparing the estimates as per orders in force.
	2) If S.R. is followed for preparation of estimates, there will not be proper provision for the following items in the sanctioned estimates : 1) Stock Incidentals 2) General Establishment charges 3) Construction Establishment charges 4) Pension and Leave contribution	2) Stock Incidentals, General Establishment charges, construction establishment charges pension and leave contribution, bonus, Travelling Allowance and Transportation charges are not to be provided in the Estimates, since they are chargeable to natural heads of expenses under revenue expenditure and get charged to revenue account directly and do not

Reference made by Field Officers	Points raised	Clarifications
	5) Bonus 6) Travelling Allowance 7) Tools and Plant	<p>form part of works (capital) expenditure. Thus, these items should not find a place in the estimates. It is sufficient if employees cost 60% / 100% of labour are provided in the estimates to take care of the expenditure of employees of works units who are directly engaged on works. Their salary / other payments should be passed under Work Orders concerned and debited to works through cost registers.</p> <p>As far as Major Works are concerned, these items of expenditure incurred by Major Works Divisions and Circles get capitalised and allocated to works. The provision for this is made in the estimate at 10% of the works cost, as indicated in the separate format for Major Works estimates being issued separately.</p>
	3) Whether R.E. Zone charges at 1% of charges and depreciation charges on vehicles and T&P at 0.5% on materials is to be charged as per Cost Data sheet.	3) R.E. Zone charges at 1% on cost of materials plus labour charges and Depreciation charges at 0.5% on cost of materials are to be provided in the REC estimates. This was not indicated in the Abstract Estimate enclosed to the Board order. Now, a separate format for REC works is being issued indicating these items as well as contingencies.
	4) Confirm, is there any necessity of providing 15% of labour towards supervision charges.	4) Not necessary.
Executive Engineer, Mangalore Letter No. 1902-5, dt. 4.10.85	5) Whether P.F. at 9.5% and labour charges as per B.O. should be included in the Estimates.	5) Labour charges indicated in the S.R. include provision towards P.F. etc, at 9.5% of labour. Hence, they need not be again provided in the estimates of O&M Division and REC works.
Executive Engineer, O&M Dvn. Chitradurga letter No.P1/568 dated 6.5.1986.	6) Please clarify whether to include employees' cost of 60% on labour charges or not for deposit contribution works (R-7 head) in addition to the employee cost on other charge at 20%	6) Item 3 of the form of estimate (Annexure of the Board Order) showing the employees cost at (60% / 100%) (for O&M and REC works separately) is intended for O&M works and REC works

Reference made by Field Officers	Points raised	Clarifications
	on the works cost of the estimates.	only. As far as Major Works are concerned, provision for the employees cost and other expenses are to be made at 10% of works cost only arrived at after excluding item 3 which is not applicable to Major Works. Similarly, for deposit contribution works also item 3 "employees cost" is not to be included in the estimate and works cost (arrived at excluding item 3) at 20% of all those items forming part of works cost should be added to cover employees cost and other expenses.
Superintending Engr. Elect., Belgaum letter No.BGM/SEE/ EEO/PA-1/295/ 302/dt. 4.4.1986	7) Estimates are being received in the revised proforma, as per the B.O. duly segregating DOLO., H.G. fuses, G.O.S., Lightning Arrestors from the cost data sheet for the distribution transformer centre. Please clarify the method of preparation of estimates, so as to keep uniform procedure. They are also preparing sub estimates for the above materials. Is it correct ?	7) Estimates are to be prepared asset-wise for proper control and record of expenditure and proper categorisation. If any data sheet contains more than one asset, then, they have to be segregated and estimates prepared separately.
SEE / Belgaum letter No. EEE/O/TA/1 1659 dated 30.12.1985	8) Whether individual sub-estimates have to be prepared in respect of transformer Centres for each of the categorised assets:- i) Under lines - GOS, DOLO, HG fuses, DP structures including its accessories for mounting of transformers.	8&9) In accordance with the B.O. No.KEB/WLIC/28/75-76 dt. 25.4.75 and B19/345/85-86 dt.28.6.85 and para 227(a) of KEB Accounts Manual Vol.II, separate subwork orders asset-wise are to be assigned in order to facilitate control and record of expenditure on works and proper categorisation of the Board's work in the Asset Records.
	9) Lightning Arrestors, Switchgear, Transformers - whether individual sub-work order is necessary.	
	10) Whether employees cost at 60% / 100% is to be provided in the estimate or else whether the same has been included in the regular labour already provided in the cost data sheet for the year 1985-86	10) Please see the clarification for item(1) above.
	11) Further, Electrical Inspectorate charges are to be provided to REC Works or the same will be met out of contingencies.	11) Yes, to be provided separately, since unforeseen expenses can only be met out of contingencies.

Reference made by
Field Officers

Points raised

Clarifications

12) Whether labour provision has to be made in repairs and maintenance estimates.

12) The R&M works are executed only by engaging the Regular / Maintenance staff and as such the employees cost and other expenses are directly booked under Natural Head of expenses.

No.KEB.B11/B10/2195/84-85.

Dated.8.5.1987

In exercise of the Powers conferred by Section-49 and 79(j) of Electricity (Supply) Act, 1948, (Act No.LIV of 1948), the Karnataka Electricity Board hereby makes the following Regulations further to amend the Karnataka Electricity Board Electricity Supply Regulations.

I. Title and Commencement.

(a) These Regulations may be called the Electricity Supply (Amendment) Regulations 1987.

(b) This will come into force with immediate effect.

Note: This will not apply to prospective consumers for whom work orders have already been issued on the date of this Notification i.e. 8.5.87.

II. Amendment to Regulation -5 of Electricity Supply Regulations.

The existing Regulation-5 will stand amended as follows:-

(a) Upon receipt of an application, subject to availability of power, an Engineer will inspect the premises and fix the point of entry of the Service Line and the position of the service cut-outs and Meters in consultation with the consumer and/or his Licensed Electrical Contractor, prior notice of which will be sent to the consumer. The position of the supply point, main cutout or circuit breakers and the meter shall be so fixed as to permit easy access to the employees of the Board at any time.

(b) The service line works from terminal pole upto Meter Board, whether over head or underground including fixing of Meter Board and sealable cutouts shall be got done by the consumer through the Contractor. The Contractor shall make use of quality materials - conforming to the relevant I.S.I. as prescribed. Wherever materials with ISI markings are available, the same shall be used.

(c) In Bangalore, Mysore, Mangalore, Hubli - Dharwad Corporation Limits and other places notified by the Board from time to time, the service main shall be laid by underground Cable only.

(d) If the consumer wishes to have power supply by means of underground Cables at any place other than the places specified under Clause-(c), the consumer has to bear the entire cost of service line from the point of tap off. The rectification of any fault in the cable subsequent to serviceing of the installation, shall be got done by the consumer at his cost.

(e) Supervision Charges:- The prospective consumer shall pay supervision charges as indicated below:

(1) For overhead Service Lines for each Installation:

(a) Bhagyajyothi Installations. -Nil-

(b) Other single phase Installations. Rs.50/-

(c) Three phase Installations. Rs.100/-

Note:- The Supervision Charges payable by the consumer in respect of Overhead service lines is after adjusting the amount refundable towards Board's portion of service line works.

(2) Underground Cable Service Lines for each Installation:

(a) For Single Phase Installations. Rs.100/-

(b) For 3 Phase Installations. Rs.150/-

(f) Refund of Service Line Cost:- Cost of Service Line got carried out by the prospective consumer through a contractor and chargeable to the Board, will be refunded to the consumer by way of adjustment towards power supply bills as indicated below:

(i) Overhead Service Lines -NIL-

(ii) Underground Cables (Applicable to areas where U.G.Cable service Line is obligatory)

(a) For single phase Installation . Rs.250/- per service line.

(b) For 3 phase Installation . Rs.500/- per service line.

(g) The consumer shall stand guarantee for a period of one year from the date of service, for the portion of work carried out through the contractor. Any defects arising during this period due to bad workmanship or usage of substandard - materials shall be got rectified by the consumer.

If the service line is to be replaced consequent on additional load requirements, then the entire cost is to be borne by the consumer.

No.FA&CAO/C(A/c)/ADCA/AO(C)/Sn.IV/Cys.210/87-88.

Dated 26.2.88

Sub:-Amendment to Regulation 5 of KEB Electricity Supply Regulations-changes in procedure for arranging supply to LT installations, accounting procedure, thereon.

Ref:-(1) Notification No.KEB/B11/B10/2195/84-85 dated 8th May, 1987.

(2)Circular No.KEB/B11/B10/2195/84-85 dated 8th May, 1987.

Consequent on major changes in the procedure to be followed for power supply to LT installations due to amendment to Regulation 5 of KEB Supply Regulations, the following further instructions are issued as regards the accounting procedure, in conformity with the changes envisaged.

1.Overhead service connection.

Since there is no refund of Board's portion of service connection work carried out by the consumer through his contractor, no adjustment need be passed at the revenue units. The Sub-Division/Section shall ensure that all estimate-cum-completion reports of the installations serviced are immediately forwarded to the Division Office. The Division Office after scrutiny of completion reports, will arrive at the cost of both Board's portion and consumer's portion and pass an entry bringing them to account as follows:-

W.O.No.....

14.400 CWIP - Service connection Dr.
 To 55.1 Consumers' contribution towards cost of
 capital assets (both Board and consumers' portion) Cr.

2. Underground service connection.

(i) As adjustments for fixed refund as per paras 6 and 7 of the Board's circular are to be effected by the revenue units, the Asst.Accounts Officer/Senior Assistant incharge of the unit should pass the bill-cum-completion report of new service connection for adjustment only towards power supply bills along with the first bill to be issued. The adjustment entries with details are to be entered in the sub-division/Section Adjustment Book for reference, entering Sub-Division/Section BR.Nos. The bills should be crossed with the enforcement "passed for adjustment only" with cross reference to Adj.No. and date, and signed by Senior Assistant/Asst.Accounts Officer. Necessary entries should be made in the RR File and ledger and the bill filed in the RR Docket.

(ii) From the adjustment book, the revenue unit will also prepare the following statement and forward it to the Division.

Statement of lumpsum refund of service connection adjustments to consumer's account and the total cost of both Board's and consumer's portion of the work.

A.						B.	
Sl. No.	Name of consumer	W.O. No. & date	RR. No. & date	Sub-Dvn. BR / Date	Adj. No. & date	Amt. adjusted to consumer account	Cost of total UG cable (Board + consumers portion)
1	2	3	4	5	6	7	8
Total							

Tariff-wise abstract should be prepared towards revenue adjusted and incorporated in the Sub-Divisional/Sectional DCB. The above statement in duplicate should be forwarded to the Division for incorporation of adjustments in the Divisional accounts during the same month.

(iii) Entries at the Division.

An entry has to be passed to bring into account the cost of total UG cable (both consumer's portion and Board portion) (i.e., item 'B' (column 8) of the above statement) calculating the cost, based on the length and size of the cable, etc., as furnished by the Service Engineer.

14.400 CWIP service connection Dr.
 To 55.1 Consumers' contribution towards cost of
 capital assets. Cr.

For adjustment of refund (lumpsum) towards the consumer account another entry as under has to be passed i.e., item 'A' (column 7) of the above statement.

55.1 Consumers contribution towards cost of capital assets. Dr.
 To 23.1 Sundry debtors for sale of Electricity,category-wise Cr.

3.Further, in terms of Board Order No.KEB/B10/2264/84-85 dated 23.4.1986, when the meter is procured by the consumer, the refund of an amount of Rs.160/- or the actual price paid supported by a cash receipt/voucher, whichever is lower, towards the cost of meter so installed has to be refunded to the consumer. This amount of refund should also be adjusted by the revenue units towards power supply bills. The revenue units will send a statement of amount adjusted with details of meters, RR.No., WO No., Tariff category etc. The Division Office will pass a JV debiting 14.400 'CWIP service connection' and crediting 'Sundry Debtors for sale of electricity' category-wise.

Further, at the Division Office, all refunds given towards the cost of meter procured by the consumer himself for his installation should be recorded in a separate register called 'Refund of Meter Cost' to have sufficient check and avoid subsequent refunds. The following format is prescribed.

Sl. No.	W.O. No. & date	R.R. No. & date of service	Name & address of consumer	Meter details No. Capacity	Cost	Amount of Bill
1	2	3	4	5	6	7

Amount payable Cost of meter or Rs.160/- whichever is less	B.R. No.	J.V. NO. & date	Remarks
9	10	11	12

No.KEB/CLO/SA.VII/4327/94-95

Dated 28.6.94

Sub:-Enhancement of contribution of Karnataka Labour Welfare Funds from 1993.

Ref:-Government of Karnataka Notification G39:LGN/91 dated 15.3.94.

I am directed to state that Sec.7 A.of Karnataka Labour Welfare Fund Act 1965 has been amended and pursuant to this to the Board is pleased to accord approval for enhancement of contribution to Karnataka Labour Welfare Fund from Re.1/-(Rupee one) to Rs.3 (Rupees three) being the contribution of each workman and that of employer from Rs.2/- (Rupees two) to Rs.6/- (Rupees six) w.e.f. 1993.

The Pay Drawing Officers are therefore, hereby directed to recover the difference between the enhanced rate of contribution and the amount already recovered from workmen immediately and remit the same along with Employer's contribution at the revised rate to the Welfare Commissioners, Mysugar Co., Annex.Bldg., II Floor, J.C.Road, Bangalore-2, as prescribed.

No.KEB/B19/877/93-94.

Dated 16.7.1994.

Sub:-Servicing of IP sets outside priority under 'self financing scheme'.

Representations are received from several Co-operative Sugar Mills, Sericulture and other Government Departments, Institutions/Organisations to service the IP sets of the beneficiaries sponsored by them out of priority. These mills, Department etc., are ready to bear a portion of the cost of the estimate for servicing their I.P.Sets.

Now, the Board, after carefully examining the issue, is pleased to permit to service the IP sets sponsored by Co-Operative Sugar Mills, Sericulture and other Government Departments, Institutions/organisation out of priority after collecting the entire cost of the estimate under a scheme called 'Self Financing Scheme'. The work of such IP sets should be taken immediately after collecting the cost of estimate irrespective of number of poles required for the work. However, other usual formalities of the Board have to be observed for sanctioning the estimate.

No.KEB/B11/B10/6948/90-91

Dated:28.1.1997

Sub:-Collection of MSD in respect of existing AEH installations.

Ref:-Board circular of even no.dated 31.12.1996.

There have been some press reports about collection of Meter Security Deposits from AEH installations. The following clarifications are issued.

1. Meter Security Deposit at the rate of Rs.1,300/- shall be collected from new AEH installations serviced from 1.1.1997. This amount shall be credited to a separate Account Code 47.603(a).

2.(a) Meter Security Deposit at the rate of Rs.405/- towards Single Phase Electro Mechanical Meter shall be collected from all AEH installations in service prior to 1.1.97. The amount shall be credited to a separate Account Code 47.603(b).

(b)The Asst.Executive Engineers (Ele) O & M Sub-Divisions are authorised to give three (3) equal monthly instalments i.e., Rs.135/-PM without levying any interest for the Meter Security Deposit of Rs.405/-.

(c) As and when the Electro Mechanical meters are replaced, the differential amount between Electronic and Electro Mechanical, shall be collected in three (3) equal monthly instalments without levying any interest. This amount shall be credited to a separate Account Code 47.603(c)

All Meter Security Deposits in respect of other category of installations shall continue to be credited in the existing Account Code 47.603.

The other instructions detailed in the Circular cited under reference remain unaltered.

You are requested to take action accordingly.