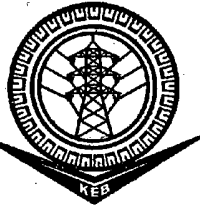


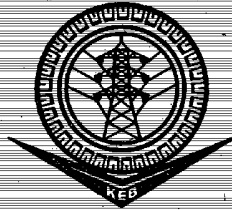
COMPENDIUM OF CIRCULARS
AND
CLARIFICATION LETTERS ISSUED ON ACCOUNTS
FROM
1-4-85 TO 28-2-96

VOLUME - I



KARNATAKA ELECTRICITY BOARD
BANGALORE

COMPENDIUM OF CIRCULARS
AND
CLARIFICATION LETTERS ISSUED ON ACCOUNTS
FROM
1.4.85 TO 28.2.96



KARNATAKA ELECTRICITY BOARD
BANGALORE

PREFACE

During the last ten years after introduction of Commercial Accounting system with effect from 1.4.1985, several circulars on new procedures evolved, clarifications rendered, existing systems simplified etc., have been issued. In addition to this, number of new Heads of Account have been opened besides assigning Location Codes for Newly opened Accounting Units. This unrelenting effort in improving the quality and standard of accounts maintained and compiled monthly in 96 Accounting Units (as at the end of February, 1996), as also in the accounts prepared at Head Office annually, has yielded tangible results. The Officers both in the Accounts wing and Executive wing were continuously pressurising this office to give them a Compendium of all such Circulars and letters relating to the Accounts of the Board, but it was not possible to meet their demand till now. Perceiving the important role of the instructions and clarifications issued from this office in compilation of Accounts and maintenance of all registers and books of accounts on one hand, and the fact that each and every circular may not be available at a place in any office on the other hand, this Compendium of Circulars is brought out. This Compendium not only consists of the information said in the above para. but also consists very vital and important information required on (1) checks to be exercised by the Units while preparing monthly Trial Balance (2) Advance action to be taken by all the Units in preparation of March Final Accounts every year and (3) Checks to be exercised by all the Accounting Units in preparation and submission of March Final Accounts every year.

I hope that this will serve the requirement of all the Accounting Units and Accounts fraternity in maintaining registers and books of accounts in perfect manner and rendering of accounts in time with quality.

I am extremely happy to record that this issue of Compendium is made possible before my retirement with the co-operation of all the Officers and Staff both in CCA's Office and those working in all the Accounting Units.

Bangalore
Date : 30th March 1996

M. Subbanna
Chief Controller of Accounts
KEB., Cauvery Bhavan

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1. No. C/AC/Com.Accts/Cys.74

Dtd. : 17-7-85

Sub : Commercial Accounting Systems - Implementation follow-up.

It has been brought to the notice of the undersigned by the Deputy Controller (Commercial Accounts) that there has been some confusion in the method of accounting of store materials issued in the same division i.e., from one stores to another stores. The materials issued from one stores to another stores within the same division will have to be accounted under 22.450 transfer of stores within the division both at the time of issue as well as on receipt of materials.

The discrepancies if any in store stocks i.e., stock shortages may be brought to account by posting the following journal entry.

Dr. 22.820 Stock shortages pending investigation

Cr. 22.510 To materials stock adjustment account.

The above procedure may kindly be followed in such cases and you may kindly advise all the Accounts Officers of your Circle. However, I am marking a copy of this letter to all the Accounts Officers of your Circle, for information and needful.

2. No. C/AC/DC/Comm.Accts./Cys/102

Dtd. : 16-8-85

Sub : Accounting of materials transfers within Divisions - Accounting procedure - Reg.

Please refer to your D.O. letter No. BGM/SEE/DCA/877-84 dated 20th July 1985.

The clarification issued by this office vide circular letter No. C/AC/Com.Accts/CYS-74 dated 17.7.1985 with regard to the accounting of materials transfer i.e., from one stores to another stores within the division as well as discrepancies in the store stocks in respect of transfer of materials from one Division to another Division. In this connection it may be reiterated that the Account Code No. 22.450 has been assigned to account the material transfers from one stores to another stores within the same division. The Receipts and Issues under stock approved in the same month will have to be rounded off and the net effect will have to be brought to this account i.e., 22.450 only.

The second paragraph of the Circular pertains to account the materials shortages found on physical verification and also on receipt of materials (short) received from one division to another division. Hence paragraphs 1 and 2 should be taken independently for purposes of accounting of materials transfer from one stores to another respectively. The discrepancies if any in store stocks i.e., stock shortages may be brought to account by effecting the following journal entry, pending investigation.

Dr. 22.820 - Stock shortages pending investigation

Cr. 22.510 - Material Stock Adj. A/c

I hope the points are now made clear.

3. No.C/AC/COM.Accts/Cys-148

Dtd. : 16-10-85

Sub : Revised procedure of accounting petrol, diesel and oil and settlement of supply bills i.e. petrol, diesel and oil bills.

You are aware that a revised procedure, of accounting of petrol, diesel and oil has been laid down in the Manual containing the Commercial Accounting Systems and procedures (effective from 1.4.85) vide Board Order No.KEB/B7/1969/81-82 dated 1.4.1985.

Under the revised procedure, the supplier will prefer his bills in duplicate at regular intervals, duly supported by the acknowledged copies of the coupons to the Store Office for having supplied the fuel on credit basis. The Store Keeper will verify the bills with reference to the indents and coupons and the details will be entered in the relevant columns in the "Fuel Bill Control Register". This register is maintained supplier-wise by setting apart separate pages for each one of them.

The Store Officer will submit the supplier's bill along with the indents (Account's Section copy) and the coupons to the Division Office for arranging payment. The Material Acknowledgement Statement (M.A.S.) need not be written and enclosed to the supply bills as was done earlier to introduction of the new procedure as the Store Keeper will not acknowledge the fuel in the Store House. The Division Office should not insist for the M.A.S. from the Store House for admitting the fuel bills under the new system.

However, the M.A.S. would be necessary where the petrol/diesel/oil is purchased and kept in the Store House and issued from the Store House by drawing the receipt vouchers and issue invoices respectively.

4. No.C/AC/Com.Accts/Cys-166

Dtd. : 16-11-85

I write to clarify the doubts item-wise as raised by various Division Officers with regard to implementation of Commercial Accounting Systems and procedures.

Doubts

Clarification

- | | |
|---|--|
| 1) Estimate to replace 100 KVA. faulty transfer by 100 KVA transformer is to be prepared under revenue Expenditure or Capital Expenditure. | Detailed Circular will be issued separately. |
| 2) Amount transferred from the Financial Adviser and Chief Accounts Officer, Bangalore is to be accounted under Account Code No.34.702 or 24.4 | Amount transferred from the Financial Adviser & Chief Accounts Officer, Bangalore, has to be accounted under the Head of Account 34.702 - Inter Unit Account - funds transferred from Head Office. |
| 3) Unpaid wages is to be accounted under operative account or non-operative account. If it is to be accounted under operative account detailed procedure is required. | Unpaid salaries and wages has to be remitted to non-operative account only. The existing procedure of accounting the unpaid salaries and wages and arranging payment subsequently has to be continued. |

<u>Doubts</u>	<u>Clarification</u>
4) Account head under which service connection materials for temporary connection are to be drawn.	The service connection materials for temporary connection are to be drawn under the head of account 28.111 - Sundry Debtors, Local and Private Bodies.
5) Previous years expenditure of 1984-85 if the amount is shown in the liability statement of March Final Account, whether the expenditure is to be charged to the natural head of accounts or 83.5	Salaries, Bonus and other allowances and other employees cost payable relating to the previous year has to be debited to 83.5 - employees cost relating to previous years' and need not be charged to natural head of account in the cases where liability is not created by crediting to 'P5'.
6) Transfer of revenue expenditure of major works circle office to divisions once in a quarter is not possible as compilation of Accounts of Major works divisions, is always late.	Under the accepted policy of the Board, expenses under the Major Works Divisions which are revenue in nature and booked under natural Heads of Accounts be transferred to capital works at the end of each quarter only.
7) Employees cost at 60% and 100% is provided in the estimate of Board works and REC works (executed by O&M Divisions) respectively. If the employees cost booked to REC works is less than 100% as per 'C' register whether J.V. is to be put up make up 100%.	No Journal entry need be passed to raise the outlay to that of the provision made in the estimate.
8) Acquittance roll of 3/85 to be charged off in cash book during 4/85 is to be analysed under 44.310 or 83.5.	The paid rolls of 3/85 to be charged off in the cash book during 4/85 under the head of account 44.310 only since the liability has already been created in such cases.
9) The word transmission is not defined, whether the salary of employees of 100 kV, 33 kV. stations etc., is to be booked to Transmission or Distribution.	The salary of employees who are working in the stations i.e., 220 kV, 110 kV. stations etc., has to be identified under location code assigned to Transmission.
10) Penalty recovered from the supplier is to be accounted under 62.917 or 28.108.	Penalty recovered from the supplier has to be accounted under 28.108. Sundry debtors for other miscellaneous income as the demand should have already been raised debiting 28.108 and crediting 62.917.
11) Model entry for receipt and issue of materials within division.	In respect of stock receipts the journal entry has to be passed by debit to 22.410 - materials transferred inward, and by credit

Doubts

Clarification

- (12) Issue of Account Code for T&P articles costing Rs.500/- and above.
- (13) Short accounting of materials will be known to the Division Office when A.T. is received. It is too late to take action, the S.K. & Store Officer must report the short receipt of materials immediately.

to '22.450 - materials transferred within the division'. For stock issues the journal entry would be to debit '22.450 - materials transferred within the division by credit to '22.420 - materials transferred outward.

A new Account Code '14.810 CWIP - Tools and tackles' is assigned.

The shortages accounted in the store house should be indicated in the stock receipts voucher in the form of a Note to facilitate the Division Office to account the shortages at the time of compilation. The shortages should be accounted under the head of account '22.820 - stock shortages pending investigation'.

15. No.C(A/c)/DCA/Comml.Accts./Cys.182

Dtd. : 17-12-85

Sub : Clarification issued vide our letter No.C(A/c)/Comml.Accts./CYS.166 DATED 16-11-85.

Please refer to your letter No.AA03/F.199/3889 dated 30-11-1985. Funds transferred from Financial Adviser and Chief Accounts Officer to various accounting units has to be accounted under the head of account 34.702 Inter Unit Account - Funds transferred from head office. The T.T. shall be treated as advice of transfer and the confirmation of receipt of T.T. from the Accounting Units itself to be taken as acceptance.

16. No.C(A/c)/Comml.Accts./Cys.186

Dtd. : 20-12-85

In exercise of the powers conferred on the undersigned vide B.O. No.KEB/B7/1969/81-82 DATED 11-4-1985 and consequent to the formation of the Major Works Circle at Shimoga vide No.KEB/SA III/120/85-86 (A) dated 18-11-1985, the Location code No.504 is assigned W.E.F. the date of functioning of the Major Works Circle Office at Shimoga.

17. No.C(A/c)/Comml.Accts/Cys. 202

Dtd. : 27-1-86

Sub : Preparation of estimates under the new system vide
B.O. No.KEB/B.19/345/85-86 dated 28-6-1985.

I write to inform you that the Board in the above order has accorded approval for the preparation of estimates in the new formats as per the Commercial Accounting Systems and Procedures with effect from 1-4-1985. Please refer to page 2 of the said Board Order under Deposit Contribution Works vide sub-para-3 under the heading Deposit Contribution Works for service connection. The Head of Account has been indicated as "47.305 Deposit Contribution Works for Service Connection of HT/LT Consumers". This may be read as 47.311 Deposit Contribution Works for Service Connection of HT/LT consumers as amended vide this office memo No.CA(A/c)/Comml. Accounts/CYS.19 dated 17-5-85.

8. No.C/(A/c)/Comml.Accts/Cys. 207

Dtd. : 28-1-86

Sub : Accounting of Inter Unit Transactions - 31 materials.

On a review of accounts maintained under the Commercial Accounting Systems and Procedures of your Division on 11-1-86, I observe that two Journal Entries have been passed in respect of Inter Unit transactions i.e. materials transfer account, one at the time of compiling stock accounts and again at the time of accepting the Advice of Transfer received from the issuing division as indicated below :

Debit	22.410	Materials transfer	inward
Credit	31	IUA Materials	

The above Journal Entry has been passed in all the monthly accounts from April 1985 on receipt of Advice of Transfer. Thus the transactions are accounted two times. This is incorrect. The above Journal Entry should be passed only at the time of compiling stock accounts with the help of store receipt vouchers only. However, on receipt of Advice of Transfer from issuing divisions, the details may be noted in the acceptance indicating the receipt voucher number under which materials are accounted in your division. No Journal entry need be passed. Only acceptances be sent to the sending divisions for their reference and record.

The Internal Audit also has not noticed this item while verifying the trial balance prepared by the division before transmission to this office.

I would therefore request you to review the accounts from April 1985 and effect necessary corrective entries in the accounts on hand.

8. No.CA/Comml. Accts/DCA(CA)Cys. 210

Dtd. : 31-1-86

Sub : Commercial Accounting systems & Procedures - clarification regarding excess / short valuation.

Please refer to your D.O. No.AO/AA03/501-02 dt. 10.1.86, The difference due to revaluation of stock materials due to late receipt of schedule of rates shall be accounted by passing the following journal entries.

- a) If the ledger value is more than the standard rate :
Debit 79.110 - Material cost variance Account
Credit 22.510 - Materials Stock Adjustment Account.
- b) If the ledger value is less than the standard rate.
Debit 22.510 - Materials stock Adjustment A/c
Credit 79.110 - Material cost variance Account.

9. No.C/AC/Comml.Accts./DC(CA)/Cys. 238

Dtd. : 17-3-86

Sub : Procedure of changeover to new form of accounts -
balance outstanding under Sundry Debtors and Creditors.

With reference to the above, I write to state that consequent to the implementation of the Commercial Accounting Systems and Procedures w.e.f. 1.4.1985 in accordance with the B.O. No.KEB/B7/1969/81-82 dated 1st April 1985, the account balances in respect of assets and liabilities of the Board must be

incorporated in the ledgers maintained at the respective Accounting units. The trial balance should, from 1.4.1985, include the balances as per the ledger and accounts figure. In the said Board Order it was envisaged that the balances will be worked out in this office as on 1.4.1985 and intimated to the Accounting Units. The Accounting Units will add and deduct the receipts and payments under each head of account for the year 1983-84 and 1984-85 to arrive at the balances as on 1.4.85. To simplify the procedure, it is now decided to work out the balances as on 1.4.1985 in this office only and intimate the balances under each head of account as on 1.4.1985 to the Accounting Units, so that the Accounting Units can support the accounts with the opening balance as on 1.4.1985 instead of doing any exercise at the Accounting Units as envisaged in the said Board Order. Accordingly the balances under each head of account and accounting units wise have been worked out and furnished in the statement enclosed for incorporation in the books of accounts of your Accounting Units. Brief guide lines with regard to the accounting of these balances are indicated below :

- 1) The debit/credit balances as shown in the statement should be accepted treating the statement as Advice of Transfer duly crediting or debiting to the head of account "37.702 - Inter unit Account - Head Office Transfer".
- 2) Balances as per the statement should only be shown as opening balance as on 1.4.85 notionally and included in the balance as on 31.12.1985/31.3.86 i.e., closing balance for the 3rd quarter ending/fourth quarter ending as the case may be.
- 3) Balances as indicated in the statement may not tally with the balances that are maintained at the Accounting Units. In such cases also the account balances as per the statement should only be included in the accounts for the year 1985-86. The balances at the Accounting Units must be the same as furnished in the statement, since the balances in the statement is based on the receipts and payment of the concerned Accounting Unit. But for some reasons, such as re-organisation of the divisions, formation of new divisions, arithmetical errors, omissions and commissions etc., the balance may not tally. In such cases the Accounting Units must re-concile the balances and arrive at the balances as per the statement. Even then the differences may subsists the same may be communicated to this office with remarks explaining the reasons for the difference for approaching the Board for orders to deal with such differences. This has to be done on a time-bound basis by December 1986.
- 4) Consequent to the re-organisation of the divisions, if the parent division had not transferred the balance to the bifurcated division the difference may arise as the balances furnished in the statement is based on the receipts and payments account of the Accounting Units. After verification if it is found necessary to transfer the balance if any may be intimated to this office with details. On receipt of the details this office will examine and re-transfer the balance to the bifurcated division if necessary.
- 5) The difference if any arrived as per the balances in the statement and the balances maintained at the Accounting Units should be constant throughout and there should not be any additions and deductions in the differences without the knowledge of this office.
- 6) The transactions that were being recorded in the old head of accounts are now bifurcated and additional number of head of accounts have been introduced. To have control over the items under different

head of accounts till they are cleared, the balances as on 1-4-1985 need to be continued under the head of account that are indicated in the statement. For example R-1 has been split up into 3 head of accounts i.e., "28.401 - amount recoverable from employees." "28.402 - amount recoverable from the ex-employees, "22.820 - Stock shortage pending investigation", but the balance as on 1-4-1985 is proposed to be continued under the one head of account "28.401- amount recoverable from employees".

- 7) For transactions under the head of account old D-6, D-8, A-2, P-1 and SA-1 new head of accounts have been assigned for the transactions to these heads from 1-4-1985. Simultaneously another set of head of accounts are given as indicated below for the transactions earlier to 1-4-1985. The balances as intimated in the statement should be accounted against these head of accounts till they are cleared.

D6- 46.965 - *Misce., Deposits (Old)*
 D-8- 44.130 - *Leave contribution (Old)*
 A-2- 25.505 - *Advances to suppliers (Old)*
 P-1- 42.202 - *Outstanding creditors for purchase of stores (Old)*
 SA-1- 22.520 - *Stock Incidental (Old)*

- 8) The balances which are furnished in the statement includes only upto March 85 accounts. As the annual accounts for 83-84 and 84-85 is not yet finalised, these balances are subject to the changes. Any changes after the finalisation of the Annual Accounts for the year 1983-84 and 84-85 will be intimated to the Accounting Units for effecting necessary changes if any.

It should be ensured that the schedules are posted upto-date with the balances duly tallied with the ledger accounts hereafterwards invariably and if the schedules are not maintained upto-date with the balances tallying with the Ledger Accounts, the main purpose of introducing commercial accounting systems will be defeated. This may be kept in view and prompt action is taken by the Accounts Section to keep these schedules posted upto-date duly tallied with the ledger accounts. It should be ensured that no posts are left vacant in the Division Office / Administrative Office.

Any difficulties encountered in following the guidelines given above may be referred to this office for clarification.

10. No.C/Ac/Dc/Comm.Accts/Cys.28

Dtd. : 5-5-1986

Sub : Cancellation of stale cheques and incorporating such transactions in the accounts.

Please refer to your letter No.BJP/AO/AA02/ACC/18189-90 dated 27.12.1985.

The stale cheques should be brought to account by passing the journal entry as indicated below :

	Cr.	Dr.
24.4 Disbursement Bank Account (Operative)	✓	
To 46.910 stale cheques.		✓

Simultaneously necessary entries may be effected by raising the balance under the bank column of the cash book on the date of passing the journal entry on the receipt side of the cash book. The account code 46.910 state cheques will be debited on payment when the party approaches for payment. This may be done on proforma bill and cheques drawn as usual.

11. No.C(A/cs)/DCA/Comml.Accts/Cys. 31

Dtd. : 6-5-86

Sub : Implementation of Commercial Accounting Systems and Procedures.

The Accounts Officer, (Commercial Accounts), attached to the office of the Chief Engineer, Electricity, Hubli zone, has brought to the notice of the undersigned that some of the Divisions are not effecting the transfer entries relating to employees cost in respect of Casual Labourers, Asst. Linemen (Works) and works unit staff on the ground that this item of work has to be attended to by the Assistants maintaining the Cost Registers of Capital Works as per the note indicated on page No.23 of the model entry issued under this office circular No.Cys.20 dated 18.5.1985.

After gaining experience in implementing the Commercial Accounting Systems and Procedures, it has been decided that the transfer entries should be done by the Bill Passing Assistants only and accordingly the note indicated in the said circular has been deleted in the Commercial Accounting Manual which is under printing and the same is made available to all the Accounting Units very shortly.

Therefore, the Transfer Entries shall be effected by the Bill passing Assistants only and the C-Registers will be posted based on the Accounting entries passed by the Bill Passing Assistants, which may be followed strictly in future.

12. No.C(A/cs)/DCA/Comml.Accts/Cys. 33

Dtd. : 7-5-1986

Sub : Implementation of Commercial Accounting Systems and Procedures with effect from 1.4.85.

On a review of the Books of accounts maintained under the Commercial Accounting Systems and Procedures by the Deputy Controller (Comml. Accts) on 6.4.1986, the following omissions / Commissions are noticed. Further, it is noticed that the proper accounting is not done with regard to inspection charges payable to Government.

- 1) Journal Entry, Book : The Journal Entry Book has been written without identifying the account heads. It should be noted that the account code as well as account head should invariably be written both on the journal voucher as well as in the journal entry book.
- 2) Journal entries have been passed in respect of payments 27.201 Loans and Advances to staff - Advances of pay made under the account code 27.203 Loans and Advances to staff - Festival Advance, 27.202 - Loans and Advances to staff - Travel Advance etc., Journal Entries need not be passed in such cases as envisaged in the procedure. Action taken on the above may be reported to this office.
- 3) Inspection charges payable to Government : First inspection charges may be debited to works concerned and the charges in respect of periodical inspections may be debited to revenue expenditure. On

receipt of bills from G.E.I., the following entries may be passed to create the liability in respect of inspection charges payable to Government.

(a) First Inspection :

Debit 14. Capital Work in Progress - Categorywise
To 46.440 - Inspection charges payable to Government

(b) Periodical Inspection :

Debit 74.1 - Categorywise
To 46.440 - Inspection charges payable to Government.
On payment 46.440 will be debited by credit to cash or Bank.

13. No.C(A/c)/DCA/Comml.Accts/Cys.35

Dtd. : 13-5-86

Sub : Bill passing - Contractors' Bills

It is envisaged in the model entries listed out vide circular letter No.Cys-20 dated 18-5-85 that the transfer entries pertaining to Civil contract bills are to be effected after passing the final bills. As a result, the capital works in progress account will not reflect the correct expenditure in the quarterly trial balance. It is therefore, necessary to pass the transfer entry simultaneously after passing the civil bills given on contract basis as indicated below on each occasion.

1. Passing of Intermediate and final bills :

a) Debit	: 15.121 to 15.127	Contract in progress (categorywise)
Credit	: 26.603	Contractors' material control Account
	42.401	Contractors' control account
b) Debit	: 42.401	Contractors Control account
Credit	: 25.601 & 25.602	Advances to contractors
	46.101	Security Deposit in cash from contractors/suppliers.
	46.924	Income Tax deducted at source

2. Transfer entry :

Debit	: 14.116 to 14.926	Capital work-in-progress (Category-wise)
Credit	: 15.120 to 15.128	Contracts in progress (Category-wise)

It should be ensured that the above two entries are passed simultaneously at the time of passing the contract bills.

14. No.C/AC/DCA/Comml/A/cs/Cys.59

Dtd. : 26-5-86

Sub : Depiction of withdrawals of Revenue Demand in the accounts.

With the implementation of the Commercial Accounting Systems and procedures with effect from 1.4.85, it has become necessary to issue guidelines with regard to the procedure to be followed for the

withdrawal of revenue demands under the new system. Some of the Divisions have also sought clarification with regard to this item of work. To have uniformity in the accounting procedure, the following guidelines are to be adopted for depicting the refunds / withdrawals of revenue demand in the accounts.

- 1) The usual accounting entry has to be passed at the time of compiling the DCB in the Division office as follows :

23.101 to 23.119 Sundry Debtors for Sale of Power (Category wise)
 To 61.210 to 61.370 Revenue from sale of power category wise

This entry has to be passed to raise the demand for sale of Electricity as per tariffs.

- 2) Whenever collections are made, account code No.23.1 - Sundry Debtors for sale of power (Categorywise) has to be credited by debiting the Cash account / Bank account. This will appear through Cash/Bank. No journal entry may be passed.

- 3) For any withdrawals of revenue demand which are approved by the competent authorities and pertain to the previous years, the following entry may be passed.

83.830 Withdrawal of Revenue Demand of previous year
 To 23.110 to 23.119 Sundry Debtors for sale of power (Categorywise).

If the demands of same year are withdrawn an entry has to be passed as follows :

61.210 to 61.370 Revenue from sale of power (Categorywise)
 To 23.110 to 23.119 Sundry Debtors for sale of power (Categorywise)

- 4) In case of withdrawals so approved to be refunded by Cash, the withdrawal statement may be passed by debit to 23.1 Revenue from sale of power (Categorywise). The withdrawal of revenue demand statement may be treated as bill for arranging refund to consumer.

The existing guide lines shall continue with regard to withdrawal of Tax Demand under new Account codes corresponding to the old P2 Electricity Tax payable to Govt. and R3 Sundry Debtors for Electricity Tax.

15. No.C(A/c)/DC/Comml.Accts/Cys. 60

Dtd. : 26-5-86

Sub : Accounting of unpaid salaries.

Please refer to your Lr. No.EE/GLB/AAO.II/85-86/22834 dated 4.3.86, on the subject cited above.

The unpaid salaries of the employees may be remitted to 24.3 Collecting Bank Account (Non-Operative) by a pay-in-slip.

Necessary entries may be recorded in the Cash book by showing the same as remittance to Bank under the column 'others' as unpaid salaries remitted to Bank.

In case of DDs received from Sub-Divisions/Sub-Sections, the same may be taken to the left hand side of the cash book under the column 'others' for encashment purpose and again shown as remittance on the right hand side of the cash book as stated above.

At the end of three months the amount outstanding under salaries shall be transferred from the Head of Account 44.310 salary payable to 44.210 unpaid salaries by passing the journal entry as indicated below.

Dr. Cr.

44.310 Salary payable
To 44.210 Unpaid Salaries

This account is cleared as and when the unpaid salaries are claimed by the respective employees and the balance under this account indicates the unpaid salary yet to be cleared.

16. No.C/AC/DC/Comml.Accts/Cys. 63

Dtd. : 27-5-86

Sub : Cancellation of stale cheques and incorporating such transactions in the accounts.

Please refer to this office circular No.C/AC/DC/Comml.Accts/Cys.28 dated 5-5-86. The journal entry as proposed in the said circular is not necessary on further examination of such cases practically. However, necessary entries may be effected by raising the balance under the Bank column of the cash book on the receipt side by allocating the transaction to 46.910 Stale cheques, on the basis of OM issued separately. The account code 46.910 Stale cheques, will be debited on payment when the party approaches for payment. This may be done through proforma bill and cheques drawn as usual. This circular supercedes the circular dated 5.5.86 cited above.

17. No.C/AC/DCA/Comml.Accts/Cys. 70

Dtd. : 30-5-86

Sub : Operation and transactions under Account Code No.33 IUA - Remittance to Head office.

Ref : This office circular No.C(A/c)/Comml.Accts/Cys.4 dated 4-4-86.

You are aware that inter unit transactions (IUT) will be recognised in Accounts when they are between offices linked to different accounting units. Inter Unit Account transactions pertaining to transfer of remittance to head office shall be recorded under the Account code 33 Inter Unit Accounts - Remittances to Head office. It was envisaged earlier in the chart of account in the accounting of the said transactions in the accounting units. Some Divisions have operated this account by transferring the entire remittance made to the collecting bank account i.e. under account code No.24.3 collecting bank account (non-operative) by passing the following journal entry.

Debit : 33 IUA - Remittance to Head office
To 24.3 collecting Bank account (non-operative).

According to the laid down procedure and as per the understanding with the bankers, they will mail transfer the balances twice weekly to the specified Bangalore Main account. The Bankers have been asked to transfer telegraphically daily if the balance exceeds Rs.25,000/- (Rupees twenty five thousand) at our cost. A close watch on all such transfers is very essential to have a control over the finances of the Board. The Bankers have been requested to send Bank statements weekly to the remitting unit offices to facilitate verification of the amounts remitted and amounts transferred (by them) to main account at Bangalore.

Accordingly the money transferred by the Bankers to their main branch at Bangalore only to be accounted under Account code 33 IUA remittance to Head office, by passing the following journal entry at the end of each month bankwise.

Debit : 33.702 IUA - Remittance to Head office
To 24.3 collecting Bank account (non-operative)

I would therefore request you to review the transactions from 1.4.85 and effect necessary accounting entries and incorporate the same in the Trial Balance on hand. This circular supercedes this office circular number under reference.

Action taken may be reported to this office.

18. No.C/AC/Comml.Accts/Cys.79

Dtd. : 20-6-86

Maintenance of C-Registers, Register of Estimates and Completion Reports, etc.,

During my inspection of several Division Offices, it was observed that Cost Registers are not being opened and maintained as per rules. This deviation has not been observed by the controlling officers such as Executive Engineers, Elect. Accounts Officers and Asst. Accounts Officers. It was also seen that the register of estimates and completion reports are not opened and maintained. These items of works have been left to the discretion of case workers. The Accounts Officers and Asst. Accounts Officers are not in the habit of reviewing the Cost Registers and the register of estimates and completion reports every month and no directions from them. With the result the Cost Registers are being maintained in an haphazard manner which is rendering it difficult to watch the excess drawal of materials and to prepare categorisation statements each year.

At present 2-3 months are being utilise for preparation of categorisation statements as the Cost Registers are not posted as per the prescribed procedure. If the cost Registers are to be posted as per the procedure categorisation statement of each Division can be prepared within a week.

Similarly, in the absence of maintenance of registers of estimates and completion reports, the correct position as to how many estimates and completion reports were received and for which work orders, how much accepted and how much are to be received are not known correctly.

The Cost Registers are very important documents to control excess drawal of materials and other discrepancies which are actually neglected. Such a position should not be allowed to continue further.

I therefore, request you to arrange for opening and maintenance of Cost Registers as per Appendix vide page 18 to 29 of KEB Accounts Manual Vol.II strictly in addition to opening and maintenance of registers of estimates and completion reports. It was also seen in some places that estimates are being pasted to the C-Registers which are not in order. Copies of estimates are to be filed in a separate file upto 100 number serially and maintained and kept with each case worker and should not be pasted hereafter to the Cost Registers. The procedure for using the Cost Registers of works as per Appendix of KEB Accounts Manual Vol.II are to be cyclostyled and distributed among the Asst. Accounts Officers and all case workers who are incharge of Cost Registers and arrange to maintain the registers with immediate effect in the

manner prescribed without any deviation. A register of estimates and completion reports may also be procured, opened and maintained by each case worker. It is also necessary that Cost Registers are to be reviewed by Executive Engineers, Elecl., Accounts Officers and Assst. Accounts Officers and also by the Chief Engineers, Superintending Engineers and Deputy Controllers of Accounts during their inspection every month to ensure the correct maintenance.

Please acknowledge the receipt and intimate the action taken.

19. No.C/AC/Comml.Accts/DCA/Sn.VA/Cys. 85

Dtd. : 27-6-86

Ref : Balances outstanding under Sundry Debtors and Creditors Account.

I invite your reference to Chapter IV (2) of the KEB Accounts Manual Vol.III and Commercial Accounting Systems and request you to intimate whether the balances as on 31-3-85, in respect of P-1-Outstanding Creditors for purchase of stores have been worked out and if so, the balances as on 31-3-85 have been transferred to separate account styled as 42.202 - Outstanding Creditors for purchase of stores - (old). The difference between the total individual balances as per your schedules and the general ledger balance arrived at as on 31-3-85, and intimated by Financial Adviser and Chief Accounts Officer, shall be communicated to this office to take further action in the matter.

The balance under D6 account as on 31.3.85, shall continue to be reflected under the account head styled as 46.965 miscellaneous liabilities (old) from 1-4-85. This old balance shall be adjusted by following action indicated below.

Action to be initiated :

- (i) As a first step every Division should pass entries in respect of undisputed invoices falling under an AT by debiting D6 and crediting SA IV.
- (ii) Next the list of disputed invoices with AT reference and reasons for dispute is to be prepared.
- (iii) The dispute in respect of an invoice is only in respect of value, then the difference can be taken under SA I account (Existing Account) in the receiving Division.
- (iv) The dispute is in respect of quantity then the shortage/excess can be accounted under Account Heads "28.401 Amount recoverable from employees" (old R1) and "46.965 Miscellaneous Deposit (old)" (Old D6) respectively."
- (v) After taking action as contemplated from (i) to (iv) above a list of pending ATs and Balances pending under D6 have to be taken by each Division. These statements are to be reviewed and decision of the Board has to be obtained for proper treatment of the differences.

These two items are to be analysed and items cleared to the extent possible if not already done and the position intimated immediately as already a year has passed since the introduction of commercial accounting systems from 1-4-85.

Please acknowledge receipt.

Sub : Maintenance of subsidiary registers / schedules with effect from 1.4.1985

Consequent on the introduction of Commercial Accounting Systems with effect 1/4/1985, the expenses / income / assets and liabilities are to be booked under natural heads of accounts. The balances in each quarter have to be tallied with the Trial Balance for each head of account in addition to tallying the debits and credits during the month. The detailed registers / schedules as per the Annexures I and II are to be maintained with effect from 1-4-1985, under the new system of accounts without fail.

The closing balances outstanding as on 31-3-1985, in respect of schedules which will be discontinued are to be cleared by the end of September, 1986, and the respective schedules are preserved till the clearance of the balances.

Action taken may be intimated.

Schedules to be maintained by Administrative offices and Division offices.

Annexure - I

Account code	Name of schedule
22.410	Materials transfer - Inward
22.420	Materials transfer - Outward
22.450	Material transfer within Division.
22.520	Stock incidentals (Old SA. I)
22.710	Worshop account
22.720	Materials issued to fabricators.
22.810	Stock shortage pending investigation.
25.101	Advance to suppliers - interest bearing.
25.501	Advance to suppliers - interest free.
25.505	Advance to suppliers - (Old A2) (SCL serves the purpose)
27.201	Loans and advances to staff - advance of pay.
27.202	Loans and advances to staff - travel advance.
27.203	Loans and advances to staff - festival advance.
27.206	Other loans and advances to staff (Old A8)
27.3	Loans and advances to Licencees.
27.8	Loans and advances to others.
27.861 to 27.877	Loan to KEB Societies - Respective Divisions.

Account code	Name of schedule
28.103	Sundry Debtors for sale of stores.
28.104	Sundry Debtors for rentals from property.
28.105	Sundry Debtors for miscellaneous works.
28.109	Sundry Debtors - KPC (Old R4).
28.111	Sundry Debtors - Local and private bodies (Old R7).
28.110	Sundry Debtors - Govt. (Old R6).
28.112	Sundry Debtors - Corporation.
28.401	Amount recoverable from employees.
28.402	Amount recoverable from ex-employee.
28.721 to 28.729	Claims for loss / damage to Material.
28.741 to 28.749	Claims for loss / damage to capital assets.
28.810	Expenses recoverable from suppliers / contractors.
28.811	Receivable - Research unit (Old R6a).
28.933	Deposit with Railways and others.
28.813	Receivable - Stipendiary scheme (old R6c).
28.935	Deposits with others.
31	Inter unit account materials
32	Inter unit account capital expenditure and fixed assets.
33	Inter unit account remittance to head office.
34	- do - Funds transferred from head office.
36	Inter unit account - personnel.
37	Inter unit account - Other transaction / adjustment.
42.202	Outstanding creditor (old) until full clearance of old PI prior to 31.3.85.
44.130	Leave contribution (old D8).
44.210	Unpaid salary, TA and wages.
44.310	Salary.
46.101	Security Deposit in cash from suppliers / contractors.
46.102	- do - other than cash.
46.440	Inspection charges payable to Govt. (for old balances only).
46.910	Stale cheques.
46.913	Railway Credit Notes (old P4).
46.922	Advance received for sale of store scrap.

Account code	Name of schedule
46.965	Miscellaneous deposits (old)
46.966	Miscellaneous Deposits (New)
47.301	Advance Power Charges
47.302	Additional advance power charges
47.303	New service connection deposit
47.311	Deposit for service connection works - LT/HT
47.603	Security Deposit for metering equipment
47.604	Revenue Deposit
76.281	Fabrication charges
77.610	T&P Register (small value of T&P costing less than Rs.500).

Annexure - II

Schedules to be maintained by the Financial Adviser and Chief Accounts Officer.

Account code	Name of schedule
27.101	Loans and advances to staff (interest bearing) HBA/HPA/Repairs.
27.102	Loans and advances to staff - vehicles
27.103	Loans and advances to staff - marriage
27.105	Loans and advances to staff - solar water heating system purchase advance
27.204	Loans and advances to staff - medical advances
27.840	Advance to consumers for IP sets issued prior to 1/10/1957 on Hire Purchase System.
27.850	IP sets and amount paid to consumers prior to 1/10/1957, payable to Government after recovery.
46.300	Electricity Tax and other levies payable to State Government.
46.920	Security Deposits from employees.
46.926	Sales Tax recovered on sale of store scrap, etc.
46.951	- do - other than scrap stores
46.953	HBA/HPA advances paid to employees prior to 1/10/1957, payable to Government.
57.150	Staff welfare fund (FBF)

Sub : Reconciliation of differences in balances between sub-division DCB and Division DCB figures.

The Board is seriously concerned with the fact that there are huge differences between the sum of the balances of individual DCBs and the total balance as per sub-division / Section DCBs. This indicates that the amounts shown as due to be realised for the Section / Sub-division as per DCB is not supported fully by details in the individual ledger balances whose consolidated total should form the balance as per DCB for that Section / sub-division. It is also seen that the totals of balances of all Sections / Sub-divisions under a Division do not tally with the balance as per Divisional DCB for that month. This aspect has been a point of severe criticism by the comptroller and Auditor General of India and the Public Undertakings Committee and have been pressing for urgent action.

The totals of all Divisional balances also shown a difference with the figures of the State total balances as per annual accounts. This difference was however frozen as on 1/1/1982, and no further difference has been allowed to exist between the totals of the Divisional balances and the balances as per our books since that date, pending reconciliation of earlier differences.

A number of circulars have been issued by this office, stressing the need for reconciliation of differences in balances, but there has been no positive response from the O&M Divisions.

In order to find out the main reasons for the occurrence of differences in the balances at various levels, a committee of three Accounts Officers was constituted in January, 1986, to go into the reasons for the differences in balances by a study of sub-divisional and Divisional accounts and to give suggestions to maintain the correct balances at all stages.

On the findings of the committee and the experience in this office, the following are the main reasons for differences in balances.

1. Arithmetical inaccuracies.
2. Wrong/non/delay in incorporation of withdrawals of revenue and tax.
3. Reorganisation of Divisions/sub-divisions/Sections O&M units and non-adjustment of balances in accounts arising thereon.
4. Conversion of installations from one category to another.

The committee of officers after a study of a few sub-divisions and Divisions have come to the conclusion that the ledger balances as shown against each consumer account are largely reliable and enforceable. This is the starting point in our effort to reconcile the balances.

This problem has to be tackled from the level of individual ledger Assistant / Junior Assistant right upto the Divisions and the following measures are to be taken.

1. It has been decided to freeze the differences as on 1st April, 1985, both at the sub-divisional as well as at the Divisional level and not allow any fresh differences to crop up in respect of balances in the DCBs for April, 1985, and onwards. However, in respect of Divisions, which have rendered DCB beyond April, 1985, the differences should be analysed from April, 1985, onwards and necessary adjustments made to wipe out the differences from that month onwards.
2. The ledger assistants / Junior Assistants in the sub-divisions / Sections should total up the closing balances of 3/85 of all the installations for which the ledger accounts are maintained by them and take such balances as the opening balance for submission of individual DCB to the Senior Assistant for April, 1985. Any difference between the balance so arrived at and the balance already taken for 3/85 DCB may be frozen at the level of the ledger Assistant / Junior Assistant.

3. The Senior Assistant incharge of DCB compilation should exercise the following checks and is fully responsible for ensuring the incorporation of correct balances as per ledger (as on 31.3.85) in the individual DCBs of the ledger Assistant / Junior Assistants for April, 1985, onwards.
- (a) After getting the individual DCBs, the Senior Assistant should first total up the balances given by each ledger Assistant / Junior Assistant (compiled as per the instructions in para (2) and arrive at the total balance categorywise as per the ledgers as on 31/3/1985).
 - (b) The balances so arrived at will be the opening balance for April, 1985, and the difference in balance between the figures so arrived at and the closing balance as shown in 3/85 DCB of the sub-division should be frozen temporarily for further investigation.
 - (c) The Senior Assistant should record in a register the details of amount so frozen to respect of each ledger and the total difference for the ledgers under his charge arrived at.
 - (d) Thereafter, the Senior Assistant is responsible to ensure that further differences do not creep in and the balances carried forward from month to month are tallied.

4. The Accounts Officer / Asst. Accounts Officer and the concerned Assistant in the Division Office should ensure the following.

- (a) That the opening balance of DCB from the sub-divisions/Sections of 4/85 depicts the balances arrived as per ledger and any differences between the closing balance of sub-division DCB for March, 1985, and the opening balances of April, 1985, DCB is separately identified and frozen at the Division level.
- (b) After totalling the opening balances categorywise of all the sub-divisions, the Division should adopt that as the opening balance for 4/85 for Division DCB and arrive at the categorywise differences in the opening balance of 4/85 between figures of closing balance of Divisional DCB for 3/85 and the opening balance now adopted for 4/85 based on the revised sub-divisional/Sectional figures.
- (c) The differences should be duly recorded categorywise sub-divisionwise in a register for further action. The differences so noted in the register should be indicated in red ink in the DCB for April, 1985, for information of the office of the Financial Adviser and Chief Accounts Officer.
- (d) No fresh difference should be allowed to crop up from 4/85 onwards between sub-division's balances and the Divisional balances.

The following further instructions also should be noted.

- (i) Whenever revenue/tax demands are withdrawn or any adjustments are passed affecting revenue/tax, by a journal entry in the Division office, such withdrawals/adjustments, should be incorporated in the DCB of that month only, in the Division office. A copy of the OM issued and extract of journal voucher should be sent to the sub-division for incorporation in the ledger and DCB in the same month.
- (ii) In case the Sub-division/Section has already sent the DCB to the Division office, the Division office should note the journal entries in the DCB copies of the Sub-division/Section and send a corrected copy of DCB to the sub-division/Section to make necessary proforma corrections in their DCBs. This should invariably be watched in the Division office, when the DCB for subsequent month is received. A register of withdrawals approved and other adjustments of D9(a), D9(b), D10 refunded by adjustment, D2 adjustment against arrears, etc., if any etc. should be opened to closely watch and monitor the incorporation of these adjustments and corrections in the DCBs of the sub-division / Section.

It is the responsibility of the Accounts Officer / Assistant Accounts Officer / Assistant to ensure that further differences do not crop up, while sending DCBs for subsequent months to this office.

In this office, after receipt of DCB for April, 1985, from all the O&M Divisions the total sundry 'Drs' as per the ledger will be available. This will be compared with the balances as per accounts and action proposed for write off or writeback of sundry debtors.

6. The list of certificates to be given from the level of Ledger Assistants / Junior Assistants and the certificate to be given by the Accounts Officer of the Division in the monthly DCBs, are enclosed.

Separate instructions will be issued after the differences as worked out are made available to this office.

Certificates to be furnished in the April, 1985 DCB and onwards.

- I. **Ledger Assistant/Junior Assistant :** I have correctly struck and totalled up the closing balances of all the ledger accounts maintained by me at the end of March, 1985, and taken such balances as opening balance for April, 1985, both for ledger and the DCB. A sum of Rs..... being the difference between total of closing balances as per ledger accounts (as arrived above) and closing balances as per DCB has been frozen and exhibited separately tariffwise. A register to this effect has also been maintained.
- II. **Senior Assistant/Asst. Accts. Officer of the Revenue Unit :** Verified the closing balances of all the ledger accounts for March, 1985, maintained by the above Ledger Assistant/Junior Asst. and found that actual ledger balances have been taken as opening balances for April, 1985, both for ledger and DCB. The above amount frozen is verified and found to be correct. Further differences have not cropped up and the frozen differences remain unaltered (or reduced due to reconciliation).
- 2) Certified that all the adjustments/journal entries affecting the revenue, tax, demand and collections, passed in the Divisional Office during month are incorporated in the DCB of that month only and necessary entries have been made in the ledger accounts of that month only.
- III. **Asst. Accounts Officer/Accounts Officer of the Division:-** I have ensured that the DCB for April, 1985, of the subdivisions/Sections of this Division will depict the balances arrived as per the ledger and the difference between sub-divisional/Sectional DCB balances tariffwise and the figures as per Division DCB is frozen duly recording differences (tariffwise in a register, as well as in the DCB, opening and closing balances).
2. Certified that I have ensured that all adjustments/journal entries affecting the revenue, tax, Demand and Collections, passed in the Divisional Office are incorporated in the DCB of the Division and certified that the same have been incorporated in sub-divisional/Sectional DCB and ledgers for the same month.

22. No.C(A/c)/DCA/Comml.Accts/Sn.VA/Cys. 93

Dtd. : 10-7-86

Sub : Procedures of change over to new form of accounts - transfer of balances outstanding under Sundry Debtors and Creditors and other suspense accounts - allotment of location code No.802.

Please refer to this office OM No.C/AC/Comml.Accts/DC/(CA)/Cys.238 dated 17.3.86, wherein the procedure to be followed in accounting the balances under Sundry Debtors and Creditors and other suspense balances in the accounts of your Division have been detailed. Accordingly, some of the Divisions have already accepted the balances by 'Dr' or 'Cr' to 37.702 - I.U.A. Head Office Transfer and forwarded the acceptances for our reference and record. To have proper control over the balances, these acceptances have to be filed and recorded in the Compilation Branch of the office of the Financial Adviser and Chief Accounts Officer. It has therefore become necessary to identify such advices sent from this branch separately by Debit or Credit to Account Code 37.802 instead of 37.702. Accordingly, a separate location code No.802 has been assigned vide this office OM No.CA/AC/Comml.Accts/Cys.84 dated 24.6.86 exclusively for year end entries which are to be maintained and controlled separately in this office. It is therefore

necessary to identify the transactions by indicating the location code No.802 in the connected records where the advices sent from Compilation Branch of this office to identify the year end entries. In other cases, the location code No.702 may be used to identify the normal transactions pertaining to Financial Adviser and Chief Accounts Officer's office proper. This aspect may be kept in view while sending the acceptances or advices from your office in future. Necessary corrections may be effected in the Trial Balance as well as in other records of your office.

23. No.C(A/e)/Comml.Accts/Cys. 103

Dtd. : 5-8-96

Sub : Implementation of Commercial Accounting Systems and Procedures -

Payment and Accounting of purchases less than Rs.100/-

The following discrepancies are brought to the notice of the undersigned by the Deputy Controller of Accounts, (Commercial Accounts).

- 1) The supply bills i.e., 10% Bills and 100% bills where advances made earlier have not been taken to Bill Booking Register. This is incorrect. All supply bills including balance bills if any where advances made earlier against the supplies should be taken to Bill Booking Register and accounting entries passed at the end of each month from the columnwise totals arrived at in the bill booking register.
- 2) The purchases made in respect of materials costing less than Rs.100/- have been taken to stock account and accordingly these bills also have been entered in the Sundry Creditors Ledger Account. These bills are recouped every month by following the purchase procedures. The petty purchases costing less than Rs.100/- need not be taken to stock account and also need not be posted into the Sundry Creditors Ledger Account. It is enough that such purchases are recorded in the Measurement Book and payment arranged / recouped in the imprest bills as per BO No.KEB/B8/833/77-78 dated 21.4.78, (copy enclosed).

Copy of Lr.No. P/Cir.38/29-5-78, of the CEE (gl) Bangalore.

AMENDMENT

Sub : This office memo No. Cir.22/20-4-78.

The date of the subject memo may be read as 26th April 1978 in place of 20th April, 1978.

Copy of BO No. KEB/B8/833/77-78 Bangalore, Dtd. 21st April, 1978

Sd/-

for Chief Engineer Elec. (Genl)

Approval is accorded for the following

- i) Not place local orders for petty cash purchase upto limit of Rs.100/- for each transactions and
- ii) To regularise the petty cash purchases upto Rs.100/- by entry in the measurement book instead of passing through stock ledgers subject to :
 - a) furnishing certificate as usual on the relative vouchers that an entry has been in the measurement book, and
 - b) making a note of payment invariably against the relative entry in the measurement book to guard against a second payment.
- iii) To issue necessary amendments/notification to Accounts Manual, etc.,

Sd/-

for Chief Engineer Electricity (Genl)

24. No.C(A/c)/DCA/Comml.Accts/Cys. 107

Dtd. : 6-8-86

Sub : Accounting of un-paid Salaries.

Ref. : T.O. Circular No.C/A/C/DC/Comml.Accts/CYS-60 dated 26.5.1986.

In continuation of this office letter cited above, I wish to inform you that the un-paid salaries of the employees may be remitted to 24.4 Disbursement Bank Account (Operative) by pay-in-slip, instead of 24.3 Collecting Bank Account (Non-Operative) as indicated in the Circular. In the case of un-paid Cash/D.Ds received from the Sub-Divisions/Sub-Sections, the same may be accounted under Bank Column of the Cash Book (left side) and again shown on the right side as remittance under the column 'Others' of the Cash Book percontra. However, at the end of 3 months the amounts outstanding under the Head of account 44.310 Salary payable shall be transferred to 44.210 - Unpaid Salaries by passing the Journal Entry as indicated below :

Dr. 44.310 Salary payable
To 44.210 Un-paid salaries

This account is cleared as and when the un-paid salaries are paid and the balances under this account indicates the unpaid salaries yet to be cleared. This modifies this office Circular under reference.

25. No.C(A/c)/DCA/Comml.Accts/Cys.110

Dtd. : 7-8-86

Sub : Implementation of Commercial Accounting Systems &

Procedures - Accounting procedure in respect of petrol, Diesel & Oil.

It is brought to the notice of this office that the cost of Petrol and Diesel supplied to the vehicles at the Central Stores Division, Bangalore is not being properly accounted by Major Works Divisions. It is also reported that the Receipt vouchers are not being drawn up against the petrol & Diesel drawn at Central Store Division, Bangalore and accounted in the Divisions under Account Code 31 I.U.A., materials. In this connection, I may draw your attention to the procedure laid down in the Board Order No.B7/1969/81-82 dated 1.4.1985 with regard to the procedure to be followed by the Divisions in respect of such Inter Unit transactions. Accordingly the expenses shall be absorbed by the Divisions in respect of cost of petrol/diesel/oil supplied to the vehicles of other O&M Divisions through A.T. when the transactions take place between O&M Divisions and Major Works Divisions or between two Major Works Divisions. It is to be noted that the receipt vouchers are drawn immediately on receipt of a copy of Invoice from the issuing divisions against the indents given by the vehicle drivers for drawal of petrol, diesel, etc., when they go for collection of materials to other Divisions.

26. No.C(A/cs)/DCA/Comml.Accts/Cys.115

Dtd. : 14-8-86

Sub : Maintenance of suspense schedules / subsidiary registers under the Commercial Accounting Systems.

Some of the Accounts Officers are seeking clarification regarding the maintenance of suspense schedules and subsidiary registers in the new formats until further instructions.

It may be stated that the present schedules / registers may be used for maintaining the various schedules and registers by identifying the heads of accounts and re-naming the schedules / Registers as per the new chart of accounts. Further, please refer to this office letter No.C/AC/DC/Comml./Accts/9586 dated 28-6-86 and the Annexure-I appended thereto. The head of account 22.410 - Materials transfer

inward and 22.420 - Materials transfer outward for which the detailed schedules need not be maintained. However, the registers in the same form as was in vogue may be maintained in detail, to watch the acceptances and to have control over the Inter Unit transactions.

27. No.C/Acs/DCA/Comml.Accs/Cys.117

Dtd. : 18-8-86

Sub : Write off of cash suspense as approved in B.O. No. KEB/B7/9283/86-87 dt.19.7.86.

I write to invite your reference to Board order cited above wherein approval has been accorded to write off of the Cash suspense outstanding prior to the period 1.4.1976. Accordingly the Accounts Officers of the Divisions are required to identify the details of cash suspense particularly with reference to Head of account for which these amounts were drawn for payment. With the help of the details available, the amounts under cash suspense may be charged off in the Cash Book so that the cash suspense will automatically be reduced. In cases where the details are not available the amount may be charged off to "44.310 Salary Payable (Old P-5)" by quoting B.O. reference by preparing a voucher.

28. No.KEB.B7/9335/86-87

Dtd. : 9-10-86

Sub : Maintenance of Asset Registers from 1-4-85 in the Accounting Units.

The Board have approved that the assets categorised during the year 1985-86 and onwards shall be brought into Fixed Asset Account in the books of each accounting unit and the prescribed records pertaining to such assets so created during the year 1985-86 and onwards shall be maintained at the level of the accounting units. It may be noted that the Asset Registers should be maintained 'individually' for certain major assets and 'Block-wise' for others. Annexures-I & II give the descriptive details of all assets of the Board coming under the 'individual' and 'block-wise' categories respectively. All the assets should be brought to account strictly within these Headings only before the postings are made in the Assets Registers. The Annexures I and II also indicate the life of each asset as prescribed by the Central Electricity Authority.

Separate Fixed Asset Registers have been supplied to all the accounting units for opening the Asset Registers as under :

1. **Fixed Asset Register (for individual assets)**
2. **Fixed Asset Register (for Blockwise assets)**

Fixed Asset Register (For Individual assets) :

There are fifteen assets (see annexure-A) for which the Asset Register has to show the detailed account individually. From 1985-86 onwards, every time any asset is acquired a separate page shall be opened for recording the particulars of the asset. Any partial dismantlement or addition to the value of the asset at a later date should also be recorded in that page and the written down value at that time should be suitably altered for providing revised depreciation in future years. In order to have a continuity of record of various assets of the same type, a set of two to five pages may be left for each item depending on the frequency with which fresh assets of the same type are acquired in the division so that all assets coming under a particular item are kept in successive pages.

Fixed Asset Register (For Block-wise assets) :

This Register should record the assets for which the fixed Asset Record has to be maintained only in 'Block-wise manner'. The items coming under this group with detailed narrative guidelines are given in

Annexure II comprising of thirteen items. All the assets coming under Block-wise category should be booked together for each year and recorded in one page for each sub group under each block of asset as detailed against each asset in Col.4 to work out in future years the depreciation earned and written-down value at the end of each year. Any dismantlement / Addition to any unit coming under each 'Block' categorised in a particular year should be noted in the descriptive columns of the concerned sub groups so that the depreciation for future years and the written down value could be suitably adjusted. Any addition to any block sub group in a subsequent year has to be noted in a separate page and in order to have continuity of entries a set of two to ten pages may be set aside for each 'Block' of assets depending on the frequency of additions in each 'block' so that all assets of the same type should be maintained together.

These Asset Records are expected to be operated in the same Registers for a period of not less than ten years.

All the details should be entered in the Fixed Asset Registers as per the columns, provided in the registers. The depreciation account will have to be opened in the register commencing from the year 1986-87 in respect of assets commissioned during the year 1985-86 under straight line method as per secn.68 of the Electy. (Supply) Act, 1948 i.e. the 90% of the value of the assets will have to be divided by the life of the asset to arrive at the depreciation per year. This account will have to be shown under the column 'Depreciation' year after year and the accumulated depreciation arrived at shown in the column provided for the purpose until the asset earns the full value of depreciation. Hence, the depreciation contribution is to be provided for the prescribed period of life from the year following opening of the year of account, next following. Where the asset account maintained individually, depreciation is calculated individually and entered in the asset registers by passing the Journal Entries as shown below.

10.101 to 10.685 fixed Assets (Category wise)

To 12.1 to 12.9 Provision for depreciation account (categorywise)

Where the asset account is maintained block-wise, the average unit cost of such an asset is to be worked out, depreciation calculated thereon. In the case of lines, the unit for assessment of cost is KM and for others the unit will be numbers. It will also be necessary to have unit cost as well as unit rate of depreciation for ascertaining the accounting value of dismantled assets at a later date. Though there is no specific column in the Asset Register for entering the unit cost it may be noted in the space below 'No. or Quantity'.

Transfer of Assets :

Where an asset is required to be transferred from one division to other due to re-adjustment of its jurisdiction or due to formation of new Division, the transferor division (sending Division) will furnish all the information, in particular the following, to the transferee division (receiving division) through an A.T., simultaneously making necessary entries in the Asset Register.

1. **Name of the Asset transferred**
2. **Date of commission**
3. **Original cost**
4. **Depreciation earned to date**

5. **Written-down value**
6. **Life span of the asset**
7. **Rate of depreciation**
8. **No. of years for which depreciation has been calculated.**

The following journal entries shall be passed for transferring of assets.

- (a) Debit 32 - I.U.A. capital expenditure & fixed Asset.
To 10.101 to 10.685
fixed asset account (for the transfer of original cost of account) (Category wise).
- (b) Provision for Depreciation to 32 I.U.A. capital expenditure and fixed assets.
(for the transfer of depreciation earned to date).

The transferee Division will accept the A.T. and open corresponding asset and depreciation accounts with the details furnished in the A.T.

The following Journal Entries shall be passed for accepting AT.

- (a) Debit : 10.101 to 10.685 fixed asset Account (Categorywise)
To 32 I.U.A. Capital Expenditure & Fixed Asset
- (b) Debit : 32 I.U.A. capital Expenditure and fixed asset.
To 12.1. to 12.9 provision for depreciation (Categorywise)

In respect of assets categorised earlier to 1-4-85, the assets registers are centrally maintained in the office of the F.A. & C.A.O. and that will continue to be maintained there as it is difficult to segregate the assets division-wise and transfer the particulars to the respective Divisions for the maintenance of initial records.

The procedure for accounting of dismantled assets has been worked out and final orders of the Board are likely to be issued soon. On receipt of the Board orders, the detailed accounting procedure thereon will be issued separately.

Any doubt felt in this behalf may be referred to F.A. & CAO for further clarification.

Annexure - I

THE ACCOUNTS OF THE FOLLOWING ASSETS TO BE MAINTAINED INDIVIDUALLY

Sl. No.	Description of Asset as reclassified	Life of the asset (years)	Brief description of the assets as recommended by the committee
1.	Transformers (including foundations) having a rating of 500 KVA and over.	35	Transformers including foundations having a rating of 500 KVA and above (excluding lightning arresters). This shall include the foundation for the transformers and all associated parts like on load tap changer, mechanism, OLTC remote control panel including out door structure with bus bars, insulators, foundation for structures, earth mat etc., of a station shall together form a single asset.
2.	(ii) Potential transformers (i) Land owned under full title	20 Infinity	Potential Transformer. Lands owned under full title. Note : Whether land is purchased, acquired under land acquisition Act or received free as gift should be identified. Area of the land in square meters should be shown.
3.	(ii) Lands held under lease (a) for investment in the land** (b) for cost of clearing the site** Plant and machinery in Generating Stations, including Plant foundations. (i) Hydro Electric	35	Lands held under lease. (The area should be noted in square metres) Plant and machinery in Generating Station Hydro-Electric; This will include all plant and machinery located within the generating station like turbine, generator, auxiliaries, transformers out door structure, excitors, governor, bus ducts, cable control panels, fire protection equipments, overhead cranes and all such associated equipments but excluding ceeling water system, air conditioning plant and batteries.
4.	(ii) Diesel Electro Hydraulic Works forming part of a hydro electric system including (i) Dams, spillways weirs, canals, reinforced concrete flumes and syphons. (ii) Reinforced concrete pipelines and surge tanks, steel pipe lines, sluice gates, steel surge tanks, hydraulic control valves and other hydraulic works.	15 100 40	Diesel Electric Hydraulic works forming part of Hydro-electric system. This include forebay channel, balancing reservoir head works etc., all to be considered together as an individual asset in respect of each generating station. This includes penstock pipes, gates, valves, steel tanks, Hydraulic control valves and all associated equipment of each generating station to be taken together as an individual asset.
2 (ii)	(a) * The period of lease, or the period remaining unexpired on the assignment of the lease. (b)** The period of the lease remaining unexpired at the date of clearing the site.		

Sl. No.	Description of Asset as reclassified	Life of the asset (years)	Brief description of the assets as recommended by the committee																
5.	Overhead lines including supports. (i) Lines on fabricated steel supports operating at nominal voltages, higher than 66 KV.	35	<p>OVERHEAD LINES. Overhead lines 66 KV, 110 KV, 220 KV, 400 KV to be identified separately. Separate pages allotted under (i) Each line identified as per sanctioned estimates noted as an individual asset (ii) Double / Single circuit to be shown distinctly. (iii) Interstate transmission line should be identified separately. Note : In case the line passes through two or more O&M Divisions / O&M Circles jurisdiction, the asset registers should be opened in the C&M Division at the receiving end of the line. Roads other than kutcha Self propelled vehicles.</p>																
6.	Roads other than kutcha	100	To be identified separately. Each vehicle such as lorry, jeep, trucks, trailers, cars, etc., and separate pages to be allocated.																
7.	Self propelled vehicles	7	(a) Switchgear (voltage wise to be maintained) 11 KV Switchgear.																
8.	Switchgear, including cable connection	20	The entire 11 KV Switchgear unit of a station comprising of bank and feeder panels with associated auxiliary panels, power and control cables, potential transformers, etc., will together form an individual asset. This will also apply to ring main units used in underground cable system. (b) Circuit breaker : This shall include the circuit breaker with its mounting structure, connectors, terminal blocks, MVA rating voltage and type of breaker shall be noted.																
9.	Static Machine Tools	20	<table border="1"> <tr> <td>Circuit Breaker</td> <td>220 KV</td> <td>Air Blast Circuit breaker</td> <td>Hindustan Brown Boveri,</td> </tr> <tr> <td>do -</td> <td>110 KV</td> <td>minimum oil circuit breaker</td> <td>Boveri, ASEA Ltd.,</td> </tr> <tr> <td>do -</td> <td>66 KV</td> <td>oil circuit breaker etc.</td> <td>BHEL., etc.</td> </tr> <tr> <td>do -</td> <td>33 KV</td> <td></td> <td></td> </tr> </table>	Circuit Breaker	220 KV	Air Blast Circuit breaker	Hindustan Brown Boveri,	do -	110 KV	minimum oil circuit breaker	Boveri, ASEA Ltd.,	do -	66 KV	oil circuit breaker etc.	BHEL., etc.	do -	33 KV		
Circuit Breaker	220 KV	Air Blast Circuit breaker	Hindustan Brown Boveri,																
do -	110 KV	minimum oil circuit breaker	Boveri, ASEA Ltd.,																
do -	66 KV	oil circuit breaker etc.	BHEL., etc.																
do -	33 KV																		
10.	Air conditioning plant (i) Static	15	Air conditioning plant. In case of central air conditioning plant, all plant and machinery, air ducts, water circulating system for the plant etc., should together be considered as individual asset.																

Sl. No.	Description of Asset as reclassified	Life of the asset (years)	Brief description of the assets as recommended by the committee
11.	Communication equipment (i) Radio and High Frequency carrier system. (ii) Telephone Lines and Telephones	15 20	Communication equipment (Radio and Higher frequency) This shall include wave trap, coupling capacitors, line matching units, coaxial cables, carrier cabinets, exchange etc. All such communication equipments installed in a particular station together shall constitute one individual asset. Telephone Exchanges Each telephone exchange manual or automatic along with protective system etc., has to be maintained individually.
12.	Cooling towers and circulating water systems.	30	Cooling towers and circulating water systems. All Circulating water pumps and pipe line system of generating station inclusive of valves, stainers, etc., shall be included as an individual asset.
13.	Batteries	10	Batteries, Ampere Hour Capacity and No. of calls shall be mentioned in the asset register. (P.S.) The batteries of vehicles not be included). Station battery with battery charger is considered as an individual asset.
14.	Building and Civil Engineering Works of a permanent character not mentioned in Sl. No.4 and 5.	50	Buildings for offices, stores, station, Guest Houses etc., will be maintained individually.
(i) Offices & Show rooms		35	Building connected with Hydro Electric Generating Plant.
(ii) Containing Hydro Electric Generating plant.		15	Internal wiring
15.	Internal wiring including fittings and apparatus.		Internal wiring of each individual assets (building) along with fittings, apparatus shall be maintained individually corresponding to item 14.

Annexure - II

THE ACCOUNTS OF THE FOLLOWING ASSETS TO BE MAINTAINED BLOCKWISE

Sl. No.	Description of Asset as per 7th Schedule of the supply Act, 1948 reclassified.	Life of the asset (years)	Brief description of the assets as recommended by the committee
1.	Lightning Arresters (i) Station type	20	Lightning Arresters 33 KV and above Station type. Lightning arresters 400 KV 220 KV 110 KV 66 KV 33 KV
	(ii) Pole type	15	Lightning arresters (13.2 KV and 11 KV)
	(iii) Synchronous condensers	35	Synchronous condensers.
2.	(a) Transformers (including foundations) having a rating of 100 KVA and above upto 500 KVA (100 KVA, 200 KVA, 300 KVA etc.) (b) Others, Less than 100 KVA	35 25	Transformers including foundations. For each capacity a separate block account shall be maintained. Note : One page is allotted for each capacity of transformer for each year. 5 pages may be allotted for each group to account for additions for five years in the consecutive year from 1985-86.
	Current Transformers.	20	The following assets to be maintained blockwise Current transformers 220 KV 110 KV 66 KV
3.	Under Ground Cable including joint boxes and disconnecting boxes	40	Isolators with or without earth blade 220 KV 110 KV 66 KV
4.	Cable Duct System	60	" " Underground cables including joint boxes and disconnecting boxes to be maintained separately for HT and LT cables voltages. Sizewise. Cable Duct System.
5.	Overhead lines including supports.		13.2 KV to 66 KV Over head lines conductorwise mentioned below. Overhead lines. 2.3 KV to 11 KV, 13.2 KV LT 400 V and below. To be identified distinctly and separate pages allotted as under. The overhead lines shall be grouped voltages and by the size of the conductor used irrespective of the type of supports.

Sl. No.	Description of Asset as per 7th Schedule of the supply Act, 1948 reclassified.	Life of the asset (years)	Brief description of the assets as recommended by the committee
1.	Lines on steel support operating at nominal voltage higher than 13.2 KV upto 66 KV	30	(i) 13.2 KV / 11 KV lines with Rabbit conductor
2.	Lines on steel or reinforced concrete supports	25	(ii) do -- Weasel conductor
3.	Lines on treated wood supports.	20	(iii) do -- Squirrel conductor
			(iv) 4.6 KV lines with Squirrel conductor
			(v) LT lines 3 ph. 5 wire Rabbit conductor
			(vi) do -- Weasel conductor
			(vii) LT line 5 ph. 4 wire Rabbit
			(viii) do -- Weasel
			(ix) LT line 3 Ph. 4 wire Squirrel
			(x) HT line single Ph.3 wire Rabbit
			(xi) do -- Weasel
			(xii) do -- Squirrel
			(xiii) LT line single Ph. 2 wire Weasel
			(xiv) do -- Squirrel
6.	Meters	15	Meters (Capacitywise)
			Single Phase 2.5 A to 5 A
			do -- 5 A to 10 A
			do -- 10 A to 20 A
			do -- above 20 A
			Three phase 5 A
			do -- 10 A
			do -- 20 A to 30 A
			do -- 50 A and above
			HT metering cubicles.
7.	Office furniture and fittings	20	(Office furniture and fittings) To be identified distinctly. Separate blocks for each different type of furniture shall be opened like tables, chairs, fans, etc.
8.	Office equipments	10	Office equipments, to be identified distinctly Separate blocks like typewriters, calculators, NCR machines, etc. to be maintained.

Sl. No.	Description of Asset as per 7th Schedule of the supply Act, 1948 reclassified.	Life of the asset (years)	Brief description of the assets as recommended by the committee
9.	Street light fittings	15	Street Light Fittings. Area wise to be identified 1. Gooseneck 2. Fluorescent fittings. 3. Sodium vapour lamps 4. Mercury vapour lamps Halogen lamps.
10.	Telephone Lines and Telephones	20	Telephone lines. The following lines will be taken as separate block. (i) Telephone line on independent supports. (ii) -- do -- underneath power lines. (iii) -- do -- Dial type telephones (iv) Telephone magnets. Buildings Residential buildings, constructed as per type, design will be grouped in blocks according to each type for each place.
11.	Buildings	5	Residential buildings, constructed as per type, design will be grouped in blocks according to each type for each place.
12.	(i) Temporary erection such as wooden structure (ii) Others.	50	Internal wiring of buildings as per type designs shall be grouped in blocks corresponding to the group to item No.11 above.
13.	Air conditioners (portable)	15	Window airconditioners.
		7	

Sub : Accounting of outstanding liabilities relating to Employees Cost.

Please refer to this office circular No.C(A/c)/DCA/Coml.Accts/Cys.76 dated 16.6.86. Further to the instructions contained in the said circular, the following guidelines are given for accounting the outstanding liabilities in respect of employees cost.

The liability has to be created in respect of salary bills pertaining to the period earlier to 31.3.85, paid after 1.4.85 and also not paid during the year 1985-86 by debit to 83.5 Employees Cost relating to previous years. The liability in respect of claims arising during the year 1985-86 but not paid during the year 1985-86 and also paid after 1.4.86, shall be debited to 75.1 salaries (categorywise).

The following sample entries are recorded for guidance.

I. Expenditure incurred during 1985-86

(a) Salary bills passed for payment	10,00,000
(b) Salary bills pertaining to period earlier to 31.3.1985	90,000
(c) Salary actually disbursed	10,65,000
(d) Outstanding salary on 31.3.1986	50,000

II. During 1986-87 (Upto 30.9.1986)

(a) Salary bills passed for payment (including the outstanding passed on 15.7.1986)	7,80,000
(b) Salary bills of period prior to 31.3.1985	1,00,000
(c) Salary actually disbursed	8,45,000

Journal Entries for the above

	Dr.	Cr.
1. 75.1 Salaries	10,00,000	
To 44.310 Salary payable		10,00,000
2. 83.5 Employees Cost relating to Previous years	90,000	
To 44.310 Salary payable		90,000
3. 75.1 Salaries	50,000	
To 44.310 Salary payable (outstanding salary accounted)		50,000
4. 37.802 Inter Unit Account	11,40,000	
To 75.1 Salaries year end transfer		10,50,000
To 83.5 Employees Cost relating to previous years.		90,000

1985-86		Dr.	Cr.
1.	44.310 Salary payable	50,000	
	To 75.1 Salaries		50,000
	(Reversal entry)		
2.	75.1 Salaries	7,80,000	
	To 44.310 Salary payable		7,80,000
3.	83.5 Employees Costs relating to previous years	1,00,000	
	To 44.310 Salary payable		1,00,000

Under the circumstances, it may be reiterated that the Employees Cost relating to period upto 31.3.85, only shall be debited to 83.5 - Employees cost relating to previous years, and afterwards the liability will have to be debited with concerned natural heads of accounts only as illustrated above.

30. No.C/AC/DCA/Cys.196

Dtd. : 5-12-86

Sub : Maintenance of Asset Registers from 1.4.1985 in the Accounting Units.
Ref. : Board's Circular Lr.No.KEB/B7/9335/86-87 dated 27.10.1986.

To record the annual charge of depreciation on various asset groups full amount of depreciation shall be recorded in the Account Code No.77.1 and 77.2 regardless of the adequacy or otherwise of revenue to absorb this charge.

As a partial modification to Board Circular cited above, the entry may be read as "Debit 77.1 and 77.2 - Depreciation to Fixed Assets (Categorywise)" at para 3 of the Circular in place of 'Debit 10.101 to 10.685 - Fixed Assets (categorywise)" Necessary corrections may please be noted accordingly for passing the accounting entries as indicated below :

77.1	Depreciation to Fixed Assets	
77.2	(Category-wise)	Dr.
To 12.1 to 12.9	Provision for depreciation on Fixed Assets (Category-wise)	Cr.

Errata For KEB Accounts Manual Vol.III

Commercial Accounting Systems

	Existing	To be read as
(1) Page No.95	Column No.2 25.405	24.405
(2) Page No.110 Column No.2	After 28.813 please add 28.814	Please insert in column No.3 28.814 Receivable - REC IP rectification work and please insert in column No.4 expenditure incurred for improving the efficiency of IP sets (energy conservation to be reimbursed by REC
(3) Page No.118	46.4 Liability for Expenses This account will not be operated for the present	This account will be operated.
(4) Page No.151	Under Account Group No.65 Column No.4 "Not to be operated for the present"	Delete the sentence
(5) Page No.351 item No.3 (ii)	42.202	May be read as 42.201
(6) Page No.363 item VI(b) (i)	After 12.1 to 12.9	Please add To 10.101 to 10.685 fixed assets (categorywise) (This will appear as a credit item in CI.No.5)
(7) Page No.368 under item F column 2, 9th line	42.307	May be read as 42.301
(8) Page No.373 item No.(i) last line Cr. side	10.101 to 10.605	May be read as 10.101 to 10.685

32. No.CYS/201

Dtd. : 18-12-86

Sub : Clarification regarding Indirect charges to be debited to workshop Account.

Ref. : Your Ir. No.EEE/CAD/AO/12487 dt. 10.11.1986.

Please refer to your letter cited under reference. Under the new Commercial Accounting System the cost of Asset includes only the following expenses in respect of Capital Works done by O&M Divisions.

- (1) Material Cost
- (2) Direct employees cost excluding Bonus and other Terminal Benefits.
- (3) Freight, Insurance, Octroi and Advertisement charges on Capital equipments.

Therefore, no over-head charges need be provided in the estimates since the new system provides only direct materials content and direct labour content i.e., employees cost only.

Under the new system a separate Head of Account No. "22.710 workshop Account" (Old SA-II-workshop Account and SA-III - Stock Manufacture Account) has been assigned to record the cost of materials issued for rerolling, fabrication, manufacture etc., The expenses capitalised will also be booked under this Account. Further the value of all returns of rolled, fabricated materials is grouped and credited to this account. This account will always reflect the balance value of materials issued to workshop awaiting rolling and fabrication. The expenses such as employees cost incurred for re-rolling/fabrication shall be capitalised on completion of each job to this account. Hence, the question of passing accounting entries in respect of 10% as provided in Board Order dated 16.9.1986 does not arise. Only the actual expenditure in the form of employees cost shall be booked to this account while passing the establishment bills/rolls of the personnel employed for such jobs.

In respect of estimates already sanctioned earlier to 1.4.1985 the indirect charges as provided in the estimate will have to be worked out and distributed on pro-rata basis by passing necessary adjustment entries upto the period ending 31.3.1985. In cases where the works are completed after 1.4.1985 in respect of estimates sanctioned earlier to 1.4.1985, the difference if any may have to be explained while closing the workshop account by indicating the explanation as "difference is due to the implementation of the new Commercial Accounting System from 1.4.1985". This point has also been made very clear vide this office Circular Ir. No.C(A/cs)/DCA/Comml.A/cs/CYS-146/86-87 dated 25.9.1986. Accordingly the difference if any on completion of each job shall be transferred to Account Code No.79.110 - Materials cost variance.

I, therefore, request you to pass the necessary accounting entries at the end of the year 1985-86 before the March 1986 (Supplemental) Accounts are closed by absorbing the difference under the Account Code 22.710 workshop Account to 79.110 Material cost variance.

33. No.C(A/cs)/DCA/CA/Cys-203

Dtd. : 18-12-86

Sub : Revised procedure for the maintenance of Festival Advance Schedules.

You are aware that the revised procedure has been adopted for maintenance of Festival Advance with effect from 1/4/85. Accordingly the advances sanctioned and recoveries made as per the Festival Advance accounts are to be posted against the respective employees in the establishment registers. At the end of the year an abstract in the following form has to be put up in each folio and attested by Asst. Accounts Officer incharge of establishment.

Abstract of Festival Advance Account.

Opening Balance as on 1.4.85

Advance sanctioned

Total Advance recovered

Balance outstanding as at 31.3.1986.

This will serve as a opening balance for the next year. It may be noted that the revised procedure involves posting of only one entry every year in the schedule instead of monthly postings as done in the past.

However, in cases of employees transferred from one place to another place the amounts to be recovered from the employees should be noted in the LPC and the Advice of Transfer of Debit sent along with the LPC itself. It is observed that in most of the Divisions even though the LPCs are issued on transfer of employees from one Division to another Division the ATs have not been sent along with the LPCs. It is therefore, necessary that the AT should invariably be sent to the Division to which the employee is transferred along with the LPC.

On receipt of the LPC and the AT, the transferee Division should pass an accounting entry by debit to Account Code No.27,203 Loans and Advances to staff-Festival Advance and Credit to 36 IUA personnel. Unless this procedure is adopted there is every possibility of resulting in minus balances due to the recoveries effected in the Division. Further the Debit Advice sent at a later date may go unaccounted in the Transferee Division.

The above procedure should be scrupulously followed in future and accounting entries passed for the year 1985-86 wherever necessary before finalising the supplemental trial Balance.

34. No.C(A/cs)/DCA/CYS-237

Dtd. : 17-2-87

Sub : Utilisation of Inventory Loans - Payment of firm bills towards supply of PCC AND RCC poles.

You are aware that REC is lending Inventory loan to KEB for execution of Rural Electrification and IP set works against the orders placed by the Chief Engineer, Electricity, (MM&P). In terms of the said orders, the firms will supply the materials to the various consignee Divisions and present the bills to obtain payments against the supplies effected by them towards 90% payment. These bills formally passed will be forwarded to the Chief Engineer, Electricity, (Material Management & Purchase), for further action. The Chief Engineer, Electricity, (Material Management and Purchase), will prepare a statement of such bills received from the consignee Divisions and the same will be made available to the REC authorities. The REC authorities will make payment direct to the firms by issue of cheques/DDs. In this connection, it may be noted that even though payments are made by REC, these payments shall be treated as loan to KEB as per the terms and conditions of REC. Hence, 90% payments made by REC shall be treated as paid by the Board itself. It is thus necessary that proper accounting entries are passed at various offices in order to bring into account the 90% payments made by REC against Inventory Loan.

The following accounting entries are to be passed at the office of the Chief Engineer, Electricity, (Material Management & Purchase).

- 1) On payment of 90% Bills by REC
Debit 25.501 - Advance to suppliers / Interest free
To 37.702 Inter-Unit Accounts - Other transactions / Adjustment.
- 2) Debit 37 (Division Location Code) - IUA - Other transactions / adjustments
To 25.501 - Advance to suppliers - Interest free.

It may be inferred from the entry 1 above that the advance payments made by REC have to be brought to KEB Account at Chief Engineer, Electricity, (Material Management and Purchase) office as if the advances are made by KEB and transferred to the office of the Financial Adviser and Chief Accounts

Officer (Loan branch), the following accounting entries shall be passed for having transferred the 90% payments made from Chief Engineer, Electricity, (MM&P) by treating the said advance as loan to KEB and loan records built up in the office of the Financial Adviser and Chief Accounts.

(3) Debit 37.703 CEE MM&P - IUA - Other transactions / adjustments
To 53.6 Inventory Loan from REC

(4) Debit 53.6 - Inventory Loan from REC
To 53.3 Loans from REC

The Divisions should follow the procedure as indicated below.

On receipt of materials from the firms, the liability will be created in the Divisions by passing the following entries.

(5) Debit 22.210 - Material purchase
To 42.101 - Liability for supply of materials.

The Chief Engineer, Electricity, (Material Management and Purchase) shall send the Advice of Transfer of Debit 90% payment made by REC and brought to KEB Account by means of an entry as shown at item No.2) The Advice of Transfer of Debit received in the Divisions shall be accepted by passing the accounting entries at the Divisions viz.,

(6) Debit 25.501 Advances to suppliers - Interest free
To 37.703 - I.U.A. other adjustments / Transactions

(7) Debit 42.101 - Liability for supply of materials
To 25.501 - Advance to suppliers - Interest free (90% payment made)
To 42.210 - Sundry Creditors control account.

The balance 10% shall be made by Debit to 42.201 Sundry Creditors Control Account. However, a separate register shall be maintained in the consignee Divisions in respect of bills received from the firms against Inventory Loan and watched for the clearance of 90% bills at the time of arranging payment towards 10% bills in addition to Sundry Creditors Ledger Account. Any difficulties encountered in following the procedure in arranging payments and bringing these transactions into account may be brought to the notice of the undersigned for further instructions / clarification. The above procedure is applicable only to Bills pertaining to Inventory Loans only.

35. No.C(A/c)/DCA/Cys-251

Dtd. : 16-3-87

Sub : Accounting of materials transferred in respect of Account Codes (1) 14.607 - CWIP vehicles; (2) 14.708 - CWIP - furniture and fixtures and 14.809 - CWIP Office equipment.

You are aware that a Receipt Voucher Register is maintained under the new accounting system in respect of materials purchased in the Divisions and the materials so purchased will have to be identified as per the columns provided and posted in the Receipt Voucher Register, such as 22.210 - Materials Pur-

chase, 14.607 - CWIP - Vehicles, 14.708 - CWIP - furniture and fixtures and 14.809 - CWIP - Office equipment and the following accounting entries shall be passed after closing the Receipt Voucher Register for a particular month.

22.210 - Materials purchase
14.607 - CWIP - Vehicles
14.708 - CWIP - Furnitures and fixtures
14.809 - CWIP - Office equipment
To 42.101 - Liability for supply of materials.

On payment of bills the liability will be discharged by following the regular procedure as in vogue. You may please note that the object of debiting "Capital Work-in-progress-Vehicles, Furniture and fixtures and office equipment would be to create an Asset Account on issue of these materials by Debit to Asset Account and Credit to Capital works in progress.

During my inspection, I have observed that this procedure is being followed in respect of purchases made by the Division itself. In cases where the materials are supplied by the Central Stores Dn. the same is not being properly accounted. When the said materials are purchased in the office of the Chief Engineer, Electricity, (Material Management & Purchase), the following accounting entries are passed.

Debit - 14.607 - CWIP - Vehicles
14.708 - CWIP - Furniture and fixtures
14.809 - CWIP - Office equipment
To 42.101 - Liability for supply of materials

The liability will be discharged on payment of bills in the above office. When these materials are issued to various accounting units, the following accounting entries have to be passed.

At Chief Engineer, Electricity, (MM&P) Office

Debit : 31 - Inter Unit Accounts - Materials
To 14.607 - CWIP Vehicles
To 14.708 - CWIP Furniture and fixtures
To 14.809 - CWIP - Office equipment

On receipt of the materials in the Divisions, the materials will be accounted by passing the following entries.

Debit : 14.607 - CWIP - vehicles
14.708 - CWIP - Furniture and fixtures
14.809 - CWIP - Office equipment
To 31 - Inter Unit Accounts - Materials.

On issuing the materials the following accounting entries are passed.

Debit : 10.583 - Tools and Tackles
10.7 - Vehicles (under appropriate sub-Account code)
10.8 - Furniture and fixtures.
10.9 - Office equipments (under appropriate sub-account code)
To - 14 Series (under appropriate account code)

The above accounting procedure shall be strictly followed in all the accounting units with regard to the above transactions.

36. No.C(A/c)/DCA/CYS 62/87-88

Dtd. : 9-7-87

Sub : Disclosure of unissued cheques.

In accordance with uniform accounting systems vide para 4.4 of Chapter III of KEB Accounts Manual Vol. III, cheques which are drawn under authorised payment vouchers but remain unissued at the year end i.e., not yet issued to payees will be debited to relevant liability account. Since such cheques are not issued to payees and therefore the liability not actually discharged, the total amount of such cheques shall be disclosed in Board's Accounts under a separate Account "liability under unissued cheques". Correspondingly, the bank balance shall be restored to the level existing before debiting such unissued cheques.

For this purpose an Account Code No.46.911 unissued cheques is assigned. It is therefore necessary to bring into account such unissued cheques at the end of the year.

In case of cheques drawn but not issued to payees, the same have to be taken in the Cash Book under the Bank column on the left hand side by crediting the Account Code No.46.911 unissued cheques.

During the month of April the same should be shown on the payment side under the Bank Column of the cash book as Debit to 46.911 unissued cheques.

The effect of the above transaction would be as follows :

- 1) For accounting the unissued cheques :
24.4 Disbursement Bank Account (Operative)
 To 46.911 unissued cheques.
- 2) On issue to the payees :
46.911 unissued cheques.
 To 24.4 Disbursement Bank (Operative)

There is not need to pass the above entries since this is a cash transaction.

37. No. C(A/c)/DCA/CYS-75/87-88

Dtd. : 30-7-86

Sub : Amendment to Regulation 9 (HT Supply) of E.S.R. - Accounting Procedure.

Ref : Board Order No.B11/5870/86-87/Misc/dated 27.11.86

Please refer to the Board Order cited above. As per the amended Regulation the extension of H.T. line for giving power supply to a HT Consumer is treated as service line extension. The applicant shall pay the cost of the line and hence is not liable to pay any line minimum charges.

The accounting procedure is detailed below.

- 1) The estimates shall be sanctioned under budget head "Service Connection".
- 2) The work can be taken up only on receipt of the estimated cost of the H.T. line proposed for extension and is treated as service line. The receipt No. and date, and the amount collected should be noted on the estimate conspicuously.
- 3) The amount collected as above should be credited to the Account head 47.304 - Deposits for Service Connection.
- 4) The expenditure on the work shall be ascertained from the 'C' Register. In case the amount collected is more than the expenditure, the excess shall be refunded to the consumer by credit to his R.R. No. If the deposit falls short of the actual expenditure, then the difference shall be collected from the consumer by preferring a separate bill. The line (i.e. extension) shall not be serviced till the entire cost of the line is collected from the consumer.
- 6) On completion of the work and collection of the entire cost of the line, the Accounts Section shall pass the following journal entries.
Dr : 47.304 - Deposits for Service Connection.
Cr : 55.1 - Consumer's contribution towards Capital asset for the actual cost of the line.
Cr : 23.1 - Consumers' Account (R.R. Nos.) for the excess amount to be refunded if any.

38. No.C(A/c)ADCA/DCA(Com)/Cys. 115/87-88

Dtd. : 2-9-87

Sub : Interest on Meter Security Deposit.

Please refer to para(m) of this office circular No.C(A/c)/ADCA/Cys.70/87-88/22.7.87, wherein instructions have been issued to provide for interest on Meter Equipment Deposits at 10% per annum in the supplemental accounts for 1986-87.

As per Board Notification No.KEB/B10/3046/81-82(Vol.II) dated 9.7.87, a simple interest at 10% per annum on the meter security deposit has to be paid by adjustment against power supply bills, w.e.f. 9.7.87. It is therefore clarified that no provision for interest on meter equipment deposit has to be created in the accounts for 1986-87. However, the provision for consumer security deposit may be made in the Accounts for 86-87 as already intimated. This may be noted.

39. No.C(A/c)/DCA/Cys.122

Dtd. 7-9-87

Sub : Execution of Temporary and Deposit contribution works by the Board.

Several Divisions have sought clarification regarding the accounting of deposits and the expenditure thereon in respect of the temporary and Deposit Contribution works carried out by the Board. On a detailed examination of the various aspects, the following clarifications are issued for guidance.

Account code :

- 1) 28.110 - Sundry Debtors Govt. Depts. - These accounts will record debtors for various activities of the Board. The balances under these accounts will show amounts due to Board.
- 2) 28.111 - Sundry Debtors Local & Private Bodies.

However, 28.110, 28.111 and 28.112 are not to be operated as no works can be taken up by the Board as per rules unless necessary deposits are paid by the parties. But 28.112, can be operated in the extreme cases in respect of City Corporation, Bangalore, only, where works are to be done before the deposits are paid. Immediate action is necessary in such cases to collect the deposits without delay.

- 47.305** - Deposit contribution works Govt. Depts. Local and Private Bodies and Corporations. Deposits received from Govt. Departments, Local and Private Bodies, Corporations for execution of works and refund thereon whenever due shall be booked under this Account.
- 47.311** - Deposits contribution work - HT and LT service connection - HT and LT consumers. Deposits received in respect of new works shifting of meters, lines, poles and allied works and refund thereon whenever due shall be booked under this Account.

It should be further noted that after the completion of such of the Deposit Contribution works the right of which are vested with the Board and are to be capitalised by Debit to the Asset Account under Account Group 10 and credit to "55.1 consumers contribution towards cost of capital assets". If the existing line is shifted at the instance of the consumers, such works need not be capitalised.

41. No.C(A/c)/ADCA/AOC/Sn.IV/Cys.146/87-88

Dtd. : 7-10-87

Sub : Execution of temporary works.

As per para 333 (a) (iv) of K.E.B. Accounts Manual Vol.II, Reprint 1976 temporary works which involve fixation or change of fuse boxes and meter in the existing installations should be carried out by collecting a fixed amount from the applicants. This fixed amount has to be determined by the Chief Engineer Electricity (General) and approval of the Board obtained. The same schedule of rate for recovery will apply throughout the State. The amount recovered from the consumers is to be credited to miscellaneous revenue and the expenditure incurred thereon debited to revenue expenditure itself. Materials required for such works such as meters cutouts etc., may be drawn from R&R of meters etc.,

However, it is noticed that in almost all the O&M Divisions, the amounts collected from the consumers for such type of works are being credited to the account head 28.111 - Demands recoverable from local bodies, private bodies for works, supplies, service, etc., thus deviating from the above instructions.

All the accounting units are, therefore, requested to review all cases of amounts booked under this head of account and to transfer them, wherever appropriate, to miscellaneous revenue under Account Code 28.105. Simultaneously one more Journal Entry has to be passed by debit to 28.105. to be passed by debit to 28.105 and credit to 65.9 -) Other income relating to previous periods (if the amount recovered

pertains to earlier period) and 62.360 - Other miscellaneous receipts from trading (if the amount recovered pertains to current year).

Action taken may be reported to this office.

42. No.C(A/cs)/DCA/CYS-148/87-88

Dtd. : 12-10-87

Sub : Balances under various Schedules and Registers.

During the inspection conducted by the undersigned, it is seen that the balances worked out under sundry Debtors and Creditors as per the schedules and Registers do not tally with the figures incorporated in the Trial Balance. Unless the books of accounts are properly maintained and the correct balances struck under various Account Codes, the purpose of maintaining balances will be defeated. This procedure of balancing the figures of various schedules with that of the figures booked in the monthly Accounts was in vogue even before the introduction of Commercial Accounting Systems.

I would therefore request you to ensure the balances under various account Codes before finalising the Trial Balance at the end of each quarter. This is possible only if the Registers and schedules are posted upto date. The arrears work in this behalf if any, may be brought upto date and the balances are tallied with the figures incorporated in the Trial Balance.

43. No.C(A/cs)/ADCA/AOC/Sn.IV/Cys-165/87-88

Dtd. : 26-11-87

Sub : Accounting of Bank Guarantees / Fixed Deposit Receipts, etc.

As per the Commercial Accounting Systems, all Bank Guarantees / Fixed Deposit Receipts, etc., received from the consumers as a Security Deposit against receivables shall be recorded under Account Code "48.2 Security Deposit from consumers (other than in cash)" and the corresponding Debit will be shown under Account code "28.932 Securities from consumers (deposits in the form of FDR, etc)".

It is therefore, necessary to pass an accounting entry as and when the Security Deposits received from suppliers / contractors and consumers which are not in cash but in the form of FDR/Bank Guarantee. The contra entry shall be passed to record the liability on one side and the Asset i.e., Securities on the other side. The Asset part is shown under Account codes 28.930, 28.932 and the liability part under Account code 46,102,48.2

Debit : 28.930	Security Deposits from consumers / contractors /
28.932	suppliers in the form of FDR
Credit : 46.102	Security deposit from contractors other than in cash from suppliers/contractors.
48.2	Security deposits from consumers (other than in cash)

The above accounting entries shall be ensured before the annual accounts for the year 1986-87 are finalised. The transactions of the type appearing in 1985-86 may be listed out and an accounting entry be passed in 1986-87 accounts only and copies of JEs may be sent for effecting suitable corrections in the accounts of this office. Separate circular instructions will be issued for the year 1987-88.

44. No.C(A/c)/DCA/Cys.182/88-89

Dtd. : 16-1-88

Sub : Procedure of change over to new form of accounts -

Balances outstanding under Sundry Debtors and Creditors - Reconciliation of balances.

Ref : This office letter No.C(A/c)/DCA/Cys.238/17.3.1986 and Cys.221/86-87/9/13.1.1987.

You are aware that the balances under Sundry Debtors and Sundry Creditors as on 31.3.1985, as per the books of accounts of this office (except asset balances) have been transferred to Divisions for incorporation of these balances in their books of accounts vide references mentioned above.

During the inspections, it is observed that the balances so transferred do not tally in some accounts with the schedule balances maintained at the Divisions. It was therefore, find out the difference between the balances transferred from this office and the balance as per schedules of the Divisions as on 31.3.1985. The difference so arrived at which may be plus or minus item may be taken to opening balance and closing balance as a separate item in the respective schedules and the accounts compiled and closed at the end of each month/quarter. It was also instructed to reconcile these differences duly tracing the reasons for the difference by starting the work right from 1984-85 and backwards. This is possible with the help of the general abstract, stock abstract and other subsidiary registers maintained in the Divisions earlier to 1.4.1985, for the purpose of compiling the accounts. There should not be any difference between the balance maintained by us and the schedule balances since the head office balances are maintained as per the accounts rendered by the accounting units. For this purpose, it is necessary that the monthwise/yearwise statement may be drawn up and the facts reported to this office. After exhausting all the means in reconciling the differences, a comprehensive report may be sent to this office for further needful action. If the figure incorporated in the head office were found to be incorrect, necessary accounting entries will be passed in this office. If no remedial action is available either in the Division Office or in the Head Office, we may have to freeze the difference by obtaining competent approval of the Board for which a comprehensive report along with yearwise breakup of the accounts figures is necessary from your end.

This verification in respect of all Accounts should be taken on top priority and the facts reported by the end of January, 1988, without fail.

45. No.C(A/c)/DCA/Cys.205/87-88

Dtd. : 18-2-88

Sub : Repairs and reconditioning of single phase energy meters.

Ref : Your letter No.CEE/BZ/DCA/AA01/BPA/18339/8.12.1987.

The following procedure may be adopted for repairs of energy meters/transformers etc. where the repair works is undertaken by private agencies:

An estimate has to be prepared for incurring the required repair charges of the transformers/meters by adopting the prevailing schedule of rates. Since the expenditure incurred does not relate to material related account the expenditure has to be charged to revenue account only.

However, to have control over the transformers, meters, etc., issued to contractor for repair work, the new Account code No."26.604 Transformers/Meters, etc., issued to contractor/suppliers for repairs and replacement" is assigned to book these transactions. Accordingly, when the transformers/meters are issued to contractors; their value shall be charged to Account Code No.26.604 at written down value in respect of transformers and at standard rates in respect of meters by drawing a regular issue invoice. On return of these materials after repair, the Account Code 26.604 is credited with the same amount. Thus the above account code controls the issue and receipt of these materials.

The following accounting entry shall be passed in the accounts section while compiling the store accounts.

a) In respect of transformers.

On issue at written down value.

Debit : 26.604 - Transformers/Meters issued to contractors/suppliers for repairs/replacement.
To 16.202 to 209 - Written down value of faulty/dismantled assets (categorywise)

On receipt after repairs at written down value

Debit : 16.202 to 209 Written down value of faulty/dismantled assets (categorywise)
To 26.604 Transformers/Meters, etc., issued to contractors/suppliers for repairs/replacement.

b) In respect of meters

On issue at standard rates only

Debit : 26.604 Transformers/meters, etc., issued to contractors/suppliers for repairs/replacement .
To 22.320 Material issues to O&M

On receipt after repairs at standard rates only

Debit : 22.320 Material issues to O&M
To 26.604 Transformers/Meters issued to contractors/suppliers for repairs/replacement.

The firm/contractor shall present the bill towards the repair work done as per the agreed rates and the bills may be paid by debit to Account code 74.101 - R&M to P&M - MT. The verification has to be made with reference to certificate rendered by the MT laboratory. A Local Order may also be placed to authorise the firm to carry out the works. The necessary entries for having performed the repair works may be obtained in the Measurement Book.

46. No.ACA/Cys.230/87-88

Dtd. : 24-3-88

Sub : Booking of expenditure in respect of survey and investigation - clarification.

The expenditure pertaining to the survey sub-divisions attached to the Major Works Divisions have to be booked initially under their respective natural heads of expenses and subsequently transferred to Account Code "17.3 expenditure on survey / feasibility studies of projects not yet sanctioned" till the project is approved by the Board. If the project is ultimately approved, such expenses will have to be capitalised under Account Code "14.910 CWIP survey and investigation expenses on projects". If, however, the project

is finally rejected, the expenditure should be written off in the year of rejection as infructuous capital expenditure under Account code "79.532 infructuous capital expenditure written off." It is ascertained that the present practice in the Major Works Division is that the entire expenditure, i.e., salary, TA, DA, petrol, vehicle repairs, purchase of materials in respect of survey and investigation, taking blue prints, xerox copies, etc., are being booked directly to CWIP under Account Group 14 except in the survey sub-division attached to Chief-Engineer, Electricity, Mangalore zone, where the expenditure on survey and investigation is debited to Account code "No.17.3 expenditure on survey/feasibility studies of projects not yet sanctioned," without passing through their natural heads of expenses. This is incorrect. The corrective entries for the above may be effected by reviewing the accounts from 1985-86. The details for the debits shown under 17.3 or 79.532 may be sent along with March Final Accounts 1987-88. The entries to be passed in respect of booking of the above expenditure are enumerated below.

1) When the liability for payments are to be created

74 Repairs and Maintenance	Dr
75 Employee costs	Dr
76 Administration and General Expenses	Dr
To 44.310 Salary payable	
To 46.410 Sundry Creditors for expenses	

2) Simultaneously another entry has to be passed

17.3 expenditure on survey/feasibility studies of projects not yet sanctioned.	Dr.
To 74.9 Repairs and Maintenance charged to capital works	
To 75.9 Employees cost charged to capital works.	
To 76.9 Administration and general expenses charged to capital works.	

3) When the project is finally sanctioned or approved

14.910 CWIP survey and investigation expenses on projects.	Dr.
To 17.3 Expenditure on survey/feasibility studies of projects not yet sanctioned.	

4) If the project is rejected, the expenditure has to be written off.

Debit 79.532 infructuous capital expenditure written off	
To 17.3 Expenditure on survey/feasibility studies of projects not yet sanctioned.	

47. No.ACA/AOC/Sn.IV/Cys.233

Dtd. : 26-3-88

Sub : Writing up of cash book in the Divisions.

During the course of inspection of various accounting units by the officers of this office, it has been seen that there is some confusion in the writing up of cash book and different Divisions are following different procedures. Certain receipts as well as payments are not being taken to cash book, thus affecting the preparation of accounts and Trial Balance. The non-accountal of certain receipts and payments has resulted in showing a distorted position of funds transfer to Divisions and remittances to Head Office. Had all the receipts and payments been accounted correctly in the Divisional cash book, the difference between

the cumulative balances under Account Codes 33 and 34 would have been equal to the balance in the main accounts at Bangalore. However, the factual position is entirely different.

All the Divisional Officers are, therefore, instructed to review the postings made in the cash book from 1/4/1985 to date and bring into account the misclassification or non-accountal, if any. All the rectifications shall be made in the accounts for 1987-88 itself.

The various types of transactions that are to be entered under different columns of the cash book have been analysed and are enclosed to this circular for guidance. All types of transactions have been covered and it will serve as the basis for writing up and maintenance of cash book hereafterwards. Any further problem in this regard may be brought to the notice of this office for suitable instructions.

Enclosure to Circular No.ACA/AOC/Sn.IV/Cys.233 dated 26.3.1988

I. A brief description of different columns in the Cash Book is given below.

RECEIPTS

- Column 1 Date
- do - 2 Receipt number | Self-explanatory
- do - 3 particulars
- do - 4 Cash and cheques received for remittances to non-operative account of the Board are to be taken to this column.
- do - 5 Divisional cheques :
- a) Imprest - Cheques in respect of Divisional, sub-divisional and section office imprest as and when recouped shall be taken to this column.
 - b) Others - Amounts drawn for disbursement other than imprest shall be taken to this column. The per contra column to this transaction is column 17.
- Column 6 Miscellaneous - Amounts received from other accounting units for disbursement which are not required to be included in the Divisional accounts.
- Column 7 Total - Total of columns 4 to 6.
- Column 8 Bank Account : i) The amount credited to the operative account of the Division office by the Banks, on account of telegraphic transfers received from the office of the Financial Adviser and Chief Accounts Officer shall be taken to this column. The entry in the cash book has to be made only on the authority of credit advice slip received from the Bank.
ii) The DDs/Cheques received from the office of the Financial Adviser and Chief-Accounts Officer for delivery to employees, suppliers, contractors, etc.
- Column 9 - Head of account - Self - explanatory.

PAYMENTS :

- 10) Date Self-explanatory
- 11) Voucher number Self-explanatory
- 12) Particulars Self-explanatory

13) Remittances : Remittances made into the Bank (Cash and Cheques) for crediting the non-operative account shall be taken to this column, corresponding to column 4 on the receipt side.

14) (a) Imprest : Disbursement made out of imprest shall be taken to this column corresponding to column 5(a) on the receipt side.

(b) Others : All other disbursement to be made by cash drawn from the operative account are to be taken to this column corresponding to column 5(b) on the receipt side.

15) Miscellaneous : Disbursement of amounts received from other accounting units which are not required to be included in the Divisional Accounts shall be taken to this column corresponding to column 6 on the receipt side.

16) Total : Totals of columns 13 to 15

17) Bank Account : i) Withdrawal from the operative account of the Division for disbursement shall be taken to this column. The per contra columns on the receipt side are 5(a) and (b).

ii) Cheques issued to others from the operative account of the Division shall be taken to this column.

iii) Any other debits the Bank has made in the operative account. The entry in the cash book should be made on the authority of debit advice memo received from the Banks.

18) Head of account : Self-explanatory.

II. Few specimen transactions.

1-2-1988 Advice of Transfer received from Financial Adviser & Chief Accounts Officer. Rs.6,00,000/-

1-2-1988 Self-cheques drawn for disbursement - Rs.1,50,000/- towards salary of staff.

6-2-1988 Cheques issued for supplies made - Rs.25,000/-

8-2-1988 Cancellation of cheques (stale) Rs.5,000/-

10-2-1988 Paid salary cheque of Exec.Engr.Elect - Rs.3,500/-

11-2-1988 Salary disbursed Rs.1,45,000/-

15-2-1988 Advice received from Bank for debiting the account with bank charges Rs.23/-

17-2-1988 Consumer cheques received in Division office remitted to Bank on 30.1.1988 returned dishonoured Rs.300/-

20-2-1988 Imprest amount of sub-division/section recouped Rs.1200/-

22-2-1988 DD from Financial Adviser and Chief Accounts Officer's office for Rs.50,000/- towards HBA/HPA of employees.

23-2-1988 DD from Financial Adviser and Chief Accounts Officer for Rs.2,00,000/- towards supply & bill of X, Y, Z co.

24-2-1988 Payment of LIC premium Rs.5,000/- deducted from salary bill.

25-2-1988 Division imprest Rs.1500/- recouped.

25-2-1988 Payment of Income Tax Rs.800/- deducted from Salary and civil bills.

27-2-1988 Unpaid salary remitted to Bank Rs.5,000/-

29-2-1988 DD received from Chief Engineer towards the salary of Mr.X who is undergoing training in this Division Rs.1850/-

29-2-1988 Revenue collection for February 1988 Rs.70,00,000/- and remittances for the month is Rs.65,00,000/- (This has to be taken as an overdate entry as the cash accounts normally get delayed from sub-divisions/sections).

NOTE : If the FA & CAO cheques received are on the Banks other than the operative bank of the Division these cheques should also be taken to cash book under 'Bank' column but while doing the cash analysis the bank-wise allocation has to be put up and taken to accounts.

DIVISIONAL CASH BOOK

RECEIPTS									
Date.	Rt No.	Particulars	Receipt	Dvl. cheque		Misc.	Total	Bank A/c.	Head of A/c
				Imp.	Others				
1	2	3	4	5a	5b	6	7	8	9
1.2.88		To TT's from FA& CAO's off.						6,00,000	34
1.2.88	C	To self cheque (Salary for (1/88)			1,50,000		1,50,000		C
8.2.88		To cancellation of cheques (stale) O.M. No..... date						5,000	46,910
17.2.88		To cheques dishonoured by the bank	300				(-) 300		C
20.2.88	C	To Imprest amt. recouped	1,200				1,200		C
22.2.88		To DD from FA & CAO's Office towards HBA / HPA of employees						50,000	34
23.2.88		To DD from FA & CAO towards supply Bill of X,Y,Z						2,00,000	34
25.2.88	C	To Recoupment of Dn. Imprest	1,500				1,500		
27.2.88		To unpaid salary remitted to Bank						5,000	C
29.2.88		DD from CEE (BZ) towards the salary of Mr.X who is on trg. in the Dn.				1,850	1,850		C
29.2.88		Revenue collection for 2/88	70,00,000				70,00,000		

DIVISIONAL CASH BOOK

PAYMENTS										
Date.	Vr. No.	Particulars	Remittances		Payments		Misc.	Total	Bank A/c.	Head of A/c.
			Cash	Cheques	Imp.	Others				
10	11	12	13a	13b	14a	14b	15	16	17	18
1.2.88	C	By self cheque (salary for 1/88)							1,50,000	C
6.2.88	1	By payment made towards supplies Ch. No.s							25,000	42.201
10.2.88	2	By Salary cheque issued to EE Electrical (GOs salary)							3,500	44.310
11.2.88	8	By salary to staff				1,45,000		1,45,000		44.310
15.2.88	4	By Bank Cheques							23	78.883
17.2.88	5	By cheque dishonoured by Bank		- 300/- (red ink)				300		C
20.2.88	C	By imprest amt. recouped			1200/-				1,200	74 to 76
22.2.88	6	By delivery by DD recd. from FA & CAO towards HBA / HPA Of employees.								27.101
23.2.88	7	By delivery of DD from FA & CAO towards supply bill of X, Y, Z							2,00,000	42.201
24.2.88	8	By payment to LIC							5,000	44.310
25.2.88	C	By recoupment of Dn. imprest							1,500	76.131 76.190
25.2.88	9	By payment of Income Tax deducted from salary & civil bills							800	44.310 46.924
27.2.88	6	By unpaid salary remitted to operative account					5,000		5,000	C
29.2.88		By payment of DD of Mr.X						1,850	1,850	C
29.2.88	10	By remittance of revenue collection of 2/88 to non-operative account.	65,00,000						65,00,000	24.3

48. No.ACA/DCA/(CA)/AO(CA)Cys. 234/87-88

Dtd. : 26-3-88

Please refer to Board Order No.KEB/CLO/B14/5003/82-83 dated 11/3/1988, wherein Board have introduced a new scheme i.e., "KEB Life Cover Scheme, 1987" with effect from 1.3.1988, covering all the 'employees' of the Board. The definition of the term 'employee' in the Board Order may be specially noted. Inspection charges of 0.02% of the basic wages (including MDA and DA) are payable to the Regional Provident Commissioner, Bangalore, directly by the accounting units. All the accounting units are therefore, advised to follow the guidelines given below with regard to passing of bills and arranging payment to Regional Provident Fund Commissioner.

At the end of each month a proforma bill has to be prepared by taking into account the total basic wages (including MDA and DA) of all employees and inspection charges calculated at 0.02% of the total wages so arrived at. The bill shall be passed by directly debiting the Account Code "75.870 - Contribution to KEB Life Cover Scheme, 1987". No Journal Entry is required in this regard and the payment shall be directly charged to Account Head 75.870 in the Cash Book. The necessary returns will have to be sent to the Regional Provident Fund Commissioner directly within 15 days from the close of the month. The Pay Drawing Officers of all the accounting units are requested to personally ensure prompt payment of the inspection charges to the Regional Provident Fund Commissioner, Bangalore.

49. No.ACA/DCA/Cys.4/88-89

Dtd. : 12-4-88

Sub : Implementation of Commercial Accounting systems and procedures
- Accounting of Gratuity / Pension / F.B.F.

Ref : C(A/c)/DCA/Cys.75/18.7.1985.

Please refer to the circular cited above wherein the accounting entries to be passed in respect of pension bills at the time of arranging payment have been indicated. The position has been reviewed in the light of the experience gained during the finalisation of accounts for the last 2 years and procedure for accounting of gratuity, pension, FBF has been revised as follows :-

In the KEB Accounts Manual Vol.III, two different series of account codes are provided under Reserve Funds and staff related liabilities and provision for accounting pension contribution and gratuity payments. In both the cases, it is mentioned that the total contribution received is credited and payment is debited accordingly. It is observed that Gratuity fund, Staff pension fund and FBF are not represented by any outside investments. The present practice of debiting and crediting Account Codes "57.130 Gratuity Fund", "57.140 Staff Pension Fund", "57.150 Staff Welfare Fund" for contribution and payment is contrary to the principles laid down in the Commercial Accounting Systems and Procedures. Hence, these funds are to be correctly shown under Account codes "44.110 Provision for Gratuity", "44.120 Provision for pension", "44.140 Provision for Family Benefit Fund" as the case may be as staff related liabilities and provisions distinctly.

The recovery of Family Benefit Fund contribution from the employees which was hitherto credited to 57.150 may also now be accounted under "44.140 - Provision for Family Benefit Fund". The payments made to the employees/legal heirs of the employees has to be regulated as under.

- i) On the retirement / resignation of an employee, the entire amount payable to the employee shall be debited to "44.140 - provision for Family Benefit Fund".

- ii) In case of death of an employee, the Account Code "44.140 - provision for Family Benefit Fund" may be debited to the extent of employee's contribution till his death and also the matching contribution of Board and the balance amount payable may be debited to Account Code "75.860 - Family Benefit Fund Contribution"

These instructions should be followed forthwith, All rectification entries from the year 1985-86 shall be ensured in 3/88 final accounts.

50. No.ACA/DCA/CA/Cys.13/88-89

Dtd. : 18-4-88

Sub : Preparation of estimates for capital works and allocating expenditure as per new accounting procedure - deposit contribution works.

In the present system of accounting we have assigned the following codes for the works taken up under "Deposit Contribution".

- | | | |
|-------------|--|--|
| i) 47.305 | - Deposit Contribution works
- others. | Deposits received from Government Departments, Local and Private Bodies and Corporations, etc., for execution of works and refund thereof whenever due are booked under this account code. |
| ii) 47.310 | - Deposit contribution works
- schemes outside the
state sector. | Deposits received from other States for inter-state line works and refund thereof whenever due are booked under this account code. |
| iii) 47.311 | - Deposit for service
connection - HT/LT
consumers. | Deposits received from consumers and refund on several accounts are booked under this head of account. |

From this, it is not possible for us to distinctly identify between (i) works the right of which are vested in the Board after completion and which are required to be categorised and (ii) the works taken up by the Board only on behalf of others and are required to be handed over to them for their use.

From the experience gained in the last three years after introduction of Commercial System of Accounts from 1.4.85, it is felt that separate account codes have to be assigned to distinctly identify these different categories of works. In order to avoid any confusion and to facilitate proper booking of amounts, a new Account Code 47.306 'Deposit Works' has been assigned. The criteria for identification of deposit works and deposit contribution works are as follows :

- i) Works which are taken up only on behalf of consumers or other parties and which are required to be handed over to them after the completion for their use, are to be classified as Deposit Works. These works should not be categorised as they are not the assets of the Board.
- ii) Only such of the works, the right of which after completion vests in the Board, are to be classified as Deposit contribution Works. These works are to be categorised as their maintenance is done by the Board.

The transactions that are to be brought against each account code are explained below.

47.305	- Deposit Contribution Works	The deposits received from Government Departments, Local and Private Bodies, Corporations, etc., for execution of various works and refund thereof whenever due shall be booked to this account. Only such of the works where the right of ownership of these works shall after completion vest in the Board have to be taken up under this account code.
47.306	- Deposit works	Deposits received from private parties, consumers, other organisations, etc., for works and refund thereof shall be accounted under this account code. Only such works which are to be handed over to the consumers / organisations for their use are to be accounted under this account code.
47.310	- Deposit works - Schemes outside the State sector	Deposits received from other states for inter-state transmission line works and refund thereof whenever due shall be booked under this account code.
47.311	- Deposit Contribution Works for service connection of HT and LT consumers.	Deposits received from consumers and refund thereof has to be booked under this head of account. Only such of the works where right of these works shall after completion is vested in the Board have to be taken up under this account code.

From this, it is very clear that the works taken up and completed under Account codes 47.305 and 47.311 only have to be capitalised and assets created. The works taken up under Account codes 47.306 and 47.310 are only deposit works and no categorisation is necessary.

The amount booked under various Deposit Contribution works from 1.4.85 may be reviewed and correct balance ensured in 3/88 final Accounts.

51. No.ACA/DCA/CA/Cys.45

Dtd. : 16-5-88

Sub : New Account Code No.44.140 - provision for Family Benefit Fund.

Please refer to your letter No.O&M II/AO/AAO 2/Accts.Comp/484-85 dated 15-4-1988, I write to clarify that the balance under Account Code 57.150 as on 31-3-1988 may be transferred to Account Code 44.140. This has to be again transferred to Head Office under "37.802 as year end transfer in 3/88 Final Accounts". There should be no balance under Account Code 57.150 in 3/88 Final Trial Balance.

52. No.ACA/DCA/CA/AO/Cys.48/88-89

Dtd. : 16-5-88

Sub : Accounting of Revenue Demand and collection - Application of tariff for 1985 and 1987.

You are aware that the Commercial Accounting System was introduced with effect from 1.4.1985. For accounting the revenue demand, account group "61-Revenue from sale of power (category-wise)" and for accounting Demand collections, account group "23 - Sundry Debtors for sale of power (category-wise)" are assigned and included in the chart of accounts.

Consequent to revision of tariff schedule of various categories of consumers in 9/85 and 5/87 there has been some changes in the classification of consumers, new tariffs have been introduced and some existing ones have been deleted.

In order to remove such confusion a statement showing the various account codes against which the revenue demand collection have to be accounted is appended to this circular. For easy comparison the tariff schedule of 1985 and 1987 are comparatively shown. Please make note of these changes before submission of DCBs.

Comparative statement showing the Account codes and appropriate Electric Power Tariffs for 1985 and 1987.

A/c as per Power Tariff 1985			Description	A/c as per Power Tariff 1987		
Tariff No.	Account code			Tariff No.	Account code	
	Collection	Demand		Collection	Demand	
LT.1(b)	23.101	61.210	Revenue from sale of power Non-commercial lights and fans.	LT.1(b)	23.101	61.210
LT.1(a)	23.102	61.220	do - BhagyaJyothi	LT.1(a)	23.102	61.220
LT.2	23.103	61.230	Non-commercial combined lights and heating	LT.2	23.103	61.230
LT.3	23.104	61.240	Commercial and non-industrial lights and fans (heating and motive power)	LT.3	23.104	61.240
LT.4a(i)	23.105					
LT.4a(ii)		61.250	Irrigation pumpsets (water lifting 10 HP and below)	LT.4a(i) a(ii)	23.105	61.250
LT.4a(iii)	23.106	61.252	Water lifting above 10 HP	LT.4a(iii)	23.106	61.252
LT.4(b)	23.107	61.253	Agricultural Operations	LT.4(b)	23.107	61.253
LT.4c(i)	23.108	61.261	Water supply village and town panchayats	LT.4c(i)	23.108	61.261
LT.4c(ii)	23.109	61.262	Water supply - others	LT.4c (ii)	23.109	61.262
LT.5(a&b)	23.110	61.271	Industrial Heating & Motive power	LT.5	23.110	61.271
LT.6(a)	23.111	61.281	Revenue from sale of power public lighting village & town panchayats	LT.6(a)	23.111	61.281
LT.6(b)	23.112	61.282	Public lighting & others	LT.6(b)	23.112	61.282
LT.7	23.113	61.291	Temporary power supply non-commercial lighting and fans and other small appliances.	LT.7	23.113	61.291
No. provision	23.114	61.292	Temporary power supply commercial & industrial lights & fans motive power and heating etc.	No provision	23.114	61.292

A/c as per Power Tariff 1985			Description	A/c as per Power Tariff 1987		
Account code				Account code		
Tariff No.	Collection	Demand		Tariff No.	Collection	Demand
HT.1A						
HT.1B1	23.115	61.310	Industrial, non-industrial commercial purposes	HT.1	23.115	61.310
HT.1B2				HT.2		
HT.4				HT.5		
HT.2	23.116	61.330	Irrigation and agricultural farms	HT.3	23.116	61.330
HT.3	23.117	61.340	Rural Electric Co-operative Societies.	HT.4	23.117	61.340

53. No.(A/cs)/AOC/Sn.XIV/CYS-89/88-89

Dtd. : 7-7-88

Sub : Calculation of Interest on Consumers Security Deposits of Rs.100/- & above.

Ref : 1) B.O. No.KEB/B10/5015/85-86 dt.23.7.1987

2) T.O. Ir.No.AO (A/cs)/AOC/Sn.XIV/CYS-195/29.1.88

3) T.O.Ir.No.AO(A/cs)/AOC/Sn.XIV/CYS-231/87-88

The details of interest at 10% calculated on consumers security deposit of Rs.100/- and above has not been received so far inspite of reminders.

While effecting the corrections in the accounts for the year 1987-88 the difference in interest calculation should be effected as given below :-

- a) Short provision towards interest on security deposit of Rs.100/- and above will have to be debited to 83.7 interest and other finance charges relating to previous years and corresponding credit to 48.340 - Provision for interest on consumers security deposit

Dr. Cr.

83.7 Interest and other finance charges relating to previous year

To 48.340 Provision for interest on consumers security deposit.

(Short provision towards interest on security deposit Rs.100/- & above now withdrawn).

- b) Excess provision on interest of Rs.100/- & above will have to be credited to 65.7 and corresponding debit to 48.340

48.340 - Provision for interest on consumers Security deposit. Dr. Cr.

To 65.7 Excess provision for interest and finance charges in prior period (Excess provision on interest of Rs.100/- & above made now withdrawn).

Therefore, I request you to make the above entries positively in the March (final) 1988 accounts and acknowledge the receipt of this letter by return of post. The instruction of debiting or crediting the short/

Excess provision of Interest to Account 83.3 conveyed in this office Circular No.CYS-231 dated 24.3.1988 may be read as above.

54. No.AO/PF/Sn.X/CYS-109/88-89

Dtd. 18-8-88

Sub : Payment of Inspection charges at 0.02% to the R.P.F. Commissioner.

Ref : Board Order No.KEB/CLO/B14/5003/82-83 dated 11.3.1988.

I wish to state that neither to the Inspection charges are being paid to the Regional Provident Fund Commissioner at 0.02% in respect of E.D.L.I. Scheme under A/c No.XXII directly by the Drawing Officers.

The R.P.F. Commissioner has decided that KEB should pay the consolidated Inspection charges and submit the consolidated returns in respect of all the offices of KEB. The Board has accepted this condition. Therefore I request you to stop the payment of Inspection charges at 0.02% in respect of A/c No.XXII to the R.P.F. Commissioner from August 1988 and onwards. On the other hand, you are requested to furnish the pay details in the following proforms to this office from August 1988 and onwards so as to reach this office on or before 3rd of the following month so as to enable us to pay the Inspection charges within the due date.

The details prescribed in this office Ir.No.AO/PF/Sn.X/CYS-163 / DATED 13.2.1985 need not be sent in future, as the information now required serves both the purposes.

It may please be ensured that the required information reaches this office on or before 3rd of every month without fail, so that we can pay the Inspection charges within the due date and thus avoid payment of penalty on belated payments to the R.P.F. Commissioner.

DETAILS OF PAY AND ALLOWANCES

Name of the Division :

for the month of :

	No. of Employees	Basic pay including M.D.A.	D.A.	Total
1. Monthly paid Employees				
2. Daily rated Employees				
<hr/>				

Sub : Maintenance of subsidiary registers/schedules with effect from 1.4.1985.

Doubts have been raised as to the procedure to be followed for maintenance of Registers and Schedules consequent to introduction of Commercial Accounting Systems and Procedures with effect from 1.4.1985.

The matter has been examined and it is clarified for the information of all the accounting units that the Registers and Schedules as given in the Annexures are maintained to comply with the requirements of Commercial Accounting Systems. All the Accounting units will further note and ensure that all the balances shown under respective schedules shall tally with that of the balances furnished in the quarterly Trial Balances.

In this connection, Controller, (Internal Audit) has also issued similar instructions as to the maintenance of various schedules and registers vide circular No.C(IA)/A0/AA01/F4/Cys.21/88-89 dated 9.5.1988. This may please be scrupulously followed.

ANNEXURE-I DEBIT SCHEDULES

1.	22.710	Workshop Account
2.	22.820	Stock shortage pending investigation
3.	25.101	Advances to suppliers - interest bearing
4.	25.501	Advances to suppliers - interest free
5.	25.505	Advance to suppliers - Old A-2
6.	26.601	Advances to contractors - interest bearing
7.	26.603	Contractors materials control account
8.	26.604	Transformers/Meters etc., issued to Contractors/suppliers for repairs/replacements.
9.	26.602	Advance to contractors - interest free
10.	27.201	Loans and advances to staff - Advance of pay
11.	27.202	Loans and advances to staff - Travel Advance
12.	27.203	Loan and Advances to staff - Festival Advance
13.	27.205	Advance to staff against expenses
14.	27.206	Other loans and advances to staff (old A-8) until clearance.
15.	28.109	Sundry Debtors - KPC
16.	28.110	Sundry Debtors - Govt. Department
17.	28.111	Sundry Debtors - Local and Private Bodies
18.	28.112	Sundry Debtors - Corporation
19.	28.401	Amount recoverable from employees
20.	28.402	Amount recoverable from ex-employees
21.	28.403	Cash found short due to theft etc., pending investigation.

22.	28.721	Claims for loss/damage to materials
to	28.749	
23.	28.741	Claims for loss/damage to capital assets
to	28.749	
24.	28.810	Expenses recoverable from suppliers/contractors
25.	28.933	Deposit with Railways
26.	28.935	Deposit with others
27.	39	Inter Unit Account - Old SA IV

Annexure - II

Credit Schedules

1.	22.810	Stock excess pending investigation.	
2.	42.101	Liability for supply of materials	
3.	42.202	Outstanding creditors for purchase of stores (old)	
4.	44.130	Leave contribution (old)	
5.	44.210	Unpaid salaries	
6.	44.220	Unpaid bonus	
7.	46.101	Security Deposits in cash from suppliers / contractors	
8.	46.102	Security Deposit other than in cash from suppliers / contractors	
9.	46.910	State cheques	
10.	46.913	Railway Credits Notes	
11.	46.922	Advance received for sale of stores, scrap, etc.	
12.	46.440	Inspection charges payable to Government (until clearance of old balances)	
13.	46.450	Royalty payable to Government	
14.	46.965	Miscellaneous liabilities (old)	
15.	46.966	Miscellaneous deposits	
16.	47.301	Advance power charges	until clearance of old items
17.	47.302	Additional Advance Power charges	
18.	47.303	New service connection deposits	
19.	47.305	Deposit contribution works - others	
20.	47.306	Deposit works	
21.	47.310	Deposit contribution works - schemes outside the state sector.	
22.	47.311	Deposit for service connection - HT/LT consumers	
23.	47.603	Security Deposit for metering equipment	
24.	47.604	Revenue Deposit	

Registers

1. 22.410 Materials transfer - Inward
2. 22.420 - do - Outward
3. 22.450 - do - within the Division
4. 28.103 Sundry Debtors for sale of stores
5. 28.104 - do - rental from property
6. 28.105 - do - other misc. income
7. 31, 32,
36, 37 Inter-Unit Accounts
8. 28.930 Security Deposit other than in cash from suppliers / contractors (Contra)
46.102 (like Bank Guarantee etc.)
9. 28.932
48.2 Security Deposit from consumers (other than in cash)
10. 46.440 Inspection charges payable to Government.

56. No.ACA/AOC/Sn.IV/Cys-141**Dtd. : 26-10-88****Sub :** Balance under Account code 22.450 - Material transfers within the Division.

Consequent on the introduction of Commercial Accounting Systems and Procedures in the Board with effect from 1-4-1985, an opening balance of Rs.1.59 crores under Account code 22.450 was transferred from Head office to various accounting units. In the Accounts for 1987-88, closing balance under this account code is Rs.2.71 crores. Thus there is an increase of balance of Rs.1.12 crores under this account code within a span of three years.

The Accountant General has severely objected to the continuance of the huge balance under this Account Code. Unless proper efforts are made to identify the reasons for balance under this account code, it would be very difficult to convince the audit. I, therefore, request you to specially examine the reasons for accumulation of balance under this account code and propose immediate corrective action so that the balance under this account code is considerably reduced in the accounts for 1988-89. Please report to me the progress made in this regard.

57. No.C(A/cs)/AO(C)/Sn.IV/Cys-195/87-88**Dtd. : 29-10-88****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 on the above amendments are issued :

1. Domestic installations :

In respect of domestic lighting installations, the Security Deposit (3MMD) should be limited to Rs.95/- only. Deposits held in excess of Rs.95/- may be refunded by credit to the 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 maybe 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 Deposit (3MMD)
Cr. 48.340 Interest payable on consumers' Security Deposit 3 MMD.

This 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 RR.Nos. of the consumers with the amount of interest due to them on the Security Deposit held by them.

58. No.CYS/199/87-88

Dtd. : 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 adjustments 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 high-lighting 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. No. of the consumers with the amount of interest due to them on meter Security deposits.

59. No.ACA/AOC/Sn.IV/Cys-177/88-89

Dtd. : 7-1-89

Sub : Accounting of stock excess and shortages.

On a review of the accounts of various Divisions, it is observed that there is some confusion at the Divisional level regarding passing of entries for stock excesses and shortages noticed during physical verification.

The correct entries that have to be passed are as under :-

(1) Where the stock excesses are noticed :

22.510 - Material Stock Adjustment Account Dr.
To 22.810 Stock excess pending investigation.

(2) When stock shortages are noticed :
22.820 - Stock shortages pending investigation account Dr.
To 22.510 Materials stock adjustment account.

(3) After completion of investigation if the source of receipt is not ascertainable and on obtaining approval of competent authority, the excess found has to be credited to miscellaneous revenue by passing the following entry.

22.810 Stock excess pending investigation
To 62.905 Excess found on physical verification of material stock.

(4) Cost of shortages found on physical verification of stock which cannot be recovered has to be charged to Revenue Account after obtaining the approval of competent authority. The entry will be -

79.510 shortages on physical verification of stocks
To 22.820 Stock shortages pending investigation.

All the Deputy Controllers of Accounts, Accounts Officers, Asst. Accounts Officers are instructed to ensure that the entries are passed correctly and the balances under Account Codes 22.810 and 22.820 are cleared as and when final orders are received from competent authorities. They may also review the balances under these heads from 1.4.1985 and set right the misclassifications, if any, in the accounts on hand.

60. No.ACA/DCA/Sn.V/Cys-182/88-89

Dtd. : 13-1-89

Sub : Provision for outstanding liabilities - Maintenance of Register.

While compiling the March final accounts, the Divisions have to provide for outstanding liability both for revenue and capital items in respect of various items of liabilities which arise after the end of the financial year but pertain to previous year. The Divisions are now doing this exercise by preparing statements of outstanding liabilities for capital and revenue items separately without recording these transactions in any permanent record and only entries are reversed in the beginning of the subsequent year. In the absence of a permanent record, it will be very difficult to identify items of liabilities which continue to remain undischarged for years together. The Accountant General has also made observations on such omissions and commissions in the outstanding liabilities provided by various accounting units.

It is therefore, suggested that a Register of OSL has to be maintained for all liabilities outstanding as at the end of the financial year by providing separate folios for recording the items coming under OSL Revenue and OSL Capital. For this purpose the blank ruled registers may be used duly providing columns as per the proforma in page 2. The above provision has to be reversed in the beginning of subsequent year. As and when the liabilities are discharged in the subsequent years, they have to be rounded off in the respective folios of OSL Register. The items which are not rounded off even at the time of compilation of next year's accounts have to be taken to OSL Register of that year and provision for OSL has to be made including the undischarged liabilities of that year. By doing this it would be easy to find out those items of

liabilities for which provision was made in the previous year/s and continue to remain undischarged in the next year also.

As it is the personal responsibility of the Dy. CA/A.O. and Asst. Accounts Officers of the Accounting Units to ensure that the outstanding liabilities are correctly provided for the Register of OSL has to be kept in the personal custody of Deputy-Controller of Accounts/Accounts Officer/Asst. Accounts Officer of the accounting unit. For any excess or short provision noticed the concerned officer will be responsible for such lapses.

61. No.ACA/AOC/Sn.V(a)/Cys-193/88-89

Dtd. : 4-2-89

Sub : Provision for unbilled revenue.

1. A reference is invited to item (g) of para V - Outstanding Liabilities of this office circular No.CAC/DCA/CA/Cys.146/86-87 dated 25.9.1986, wherein detailed instructions for the provision to be made for unbilled revenue as at the end of each year were issued. As per those instructions, the Divisions are required to provide for unbilled revenue for all categories of consumers at the end of each year, and the provision made for each year is required to be reversed in the beginning of the subsequent year.
2. While providing for unbilled revenue, many Divisions have committed gross mistakes leading to adverse comments from the Accountant General and as a result the accounts for 1987-88 had to be reopened.
3. In view of this, it has been decided that the provision for unbilled revenue in respect of all LT category of installation will be done in the Head Office instead of at Divisional level from 1988-89 annual accounts. However, the Divisions will continue to provide for unbilled revenue in respect of HT installations.
4. Therefore, the following procedure is to be followed in this regard with effect from 1988-89 March supplemental account and onwards.
 - a) The provision for unbilled revenue (both for LT and HT) category of installations already made in the accounts for 1987-88 has to be reversed in the accounts for 1988-89.
 - b) Provision for unbilled revenue in respect of any of the LT category of installations should NOT be made by the Divisions in March Final Accounts.
 - c) Provision for unbilled revenue in respect of HT category has to be made as per the instructions already issued.
5. Apart from this, it has to be ensured that the DCBs for the months of April and May every year are submitted to this office before 15th of May and June, respectively. There should be no delay in rendering the DCBs for these months as this office has to make a consolidated provision for unbilled revenue to finalise the accounts for each year, as the provision for unbilled revenue in respect of LT categories will be made at Head Office from this year based on these figures. Therefore, the Divisions do not have to wait for DCB for these months to close the March final accounts. It has to be strictly ensured that March final accounts are prepared and sent to this office before the end of May, every year.

62. No.ACA/AO/(A/c)/Sn.V(a)/Cys.202/88-89

Dtd. : 28-2-89

Sub : Pendency of test reports - March final accounts 1988-89.

It is observed that in many of the Divisions, there are quite a good number of test reports pending unopened thereby not reflecting the correct sale of energy and revenue demand in the accounts of the Board. In order to have a realistic effect, it is necessary to make arrangements to open the ledger accounts for all the pending test reports forthwith, I, therefore, request you to take action to open ledger accounts and to raise the revenue demand for the installations -

(i) already serviced, and

(ii) for the installations which are to be serviced during March, 1989.

before 31.3.1989, without fail.

If the test reports are large in number and the ledger accounts cannot be opened for all the installations for any administrative reasons, you have to ensure that -

i) The ledger accounts for all the installations serviced earlier to 31.3.1988 are opened before 31.3.1989 without fail, and

ii) The ledger accounts in respect of LT industries, street lights, IP installations and temporary connections of 1988-89 are to be opened at least.

However, continued efforts should be made to open the ledger accounts in respect of all new connections in order to realise the revenue due to the Board.

63. No.ACA/AO/(A/c)/Sn.Va/Cys-10/89-90

Dtd. : 21-4-89

Sub : Monthly DCB statements - errors and omissions.

On a review of the DCBs of various O&M Divisions certain important omissions and commissions were observed requiring immediate action. Therefore all the Accounts Officers and Asst. Accounts Officers are instructed to personally ensure the correctness of the DCB before it is submitted to this office. The following common errors and omissions may be looked into before submitting the DCB.

1) Whenever there is a transfer of balance between tariffs, the Divisions are in the habit of correcting the figures in the Opening Balance of the DCB itself. This is not correct. Instead of this, the Divisions are advised to pass corrective entries by preparing a Journal Entry to effect the transfer of balance between tariffs and to incorporate the effect of such transfer in the DCB under collection column of each tariff. With this the closing balance shown in the DCB will automatically tally with that of balances shown against each account code under 23.1 in the Trail Balance / General Ledger. This should be ensured.

2) Many of the Divisions are giving two or more sets of figures for the transactions of one account code. They are therefore advised to operate only one head of account for transactions in respect of each tariff as per Account code prescribed in KEB Accounts Manual Vol.III. However, as an exception to this,

consumption demand collection and balance in respect of free lighting installations coming under LT.1, LT.2 and LT.3 categories have to be shown separately in the DCB to enable us to know the magnitude of free lighting transactions in each O&M Division. The tax demand and collection in respect of free lighting installations has to be accounted correctly as per the instructions issued from time to time, especially in respect of energy consumed by Board Offices, Stations, etc.

- 3) Under the collection column of the DCB, cash and adjustment figures need not be shown separately. Only one consolidated figure is sufficient.
- 4) In the consumption column of the DCB, only gross consumption should be shown. However in 'B form' both gross consumption and exempted units have to be shown.
- 5) The Divisions are once again reminded that only printed forms of DCB are to be used while rendering DCB as the DCBs typed in thin sheets are not durable for handling and preservation.
- 6) The B&E forms for Electricity Tax should be sent in triplicate.
- 7) Only one copy of the DCB may be sent to this office.

64. No.(A/c)/Sn.IV/Cys-108/89-90

Dtd. : 8-1-90

Circular

On a review of the II quarter Trial Balance statements of all the accounting units for the period ending 30th sept. 1989, several discrepancies were pointed out and intimated to concerned accounting units for necessary corrections. Many of the discrepancies are recurring and found to have been continued inspite of similar observations from this office during last three years.

Some of the common observations noticed are listed below for the immediate reference of the Accounts Officers and Asst. Accounts Officers, so that they can avoid recurrence of such mistakes.

- (1) **Account Group.10** : Credit balances have been shown under this account. As this is an Asset Account, this should always exhibit a debit balance.
- (2) **Account Head 14.708, 14.809, 14.810** : Substantial balance is shown under these accounts. As the capital expenditure under these account heads should be capitalised and transferred to respective Asset Account immediately on drawal of materials for use, there should not be heavy balance under this account. Therefore the correctness of balance is to be ensured.
- (3) **Account Head 15.122, 15.124, 15.126** : Balance under these accounts should be transferred to respective capital work in progress account when the propriety of the Assets passes on to the Board as per terms of the contract. This will normally occur on installation / erection of the asset and passing of relevant bills for payment.
- (4) **Account Head 15.203** : The revenue expenses (employees cost) to be capitalised should be transferred to respective capital works in progress account simultaneously while passing the salary bill of the works unit/TTR without leaving this item of work till the end of the quarter or the accounting year.
- (5) **Account Head 16.205, 16.206, etc** : Heavy balances are being continued under these Account Heads. On re-issue of the released asset for works or on transfer, the balance under this account should be cleared. Therefore, the correctness of balance and the maintenance of separate account both in numerical and pricing ledger should be ensured.

(6) Heavy balances under the following Account Heads :

22.450, 22.710, 22.810, 22.820, 28.401

Suitable action to reduce the balances under these accounts should be initiated.

(7) Account Head 24.110, 44.310 and 46.410 : Heavy balances are shown under these Account Heads which comprises of huge amount of salary suspense. The paid vouchers should be collected from sub-division/Section and charged off in the cash book at the earliest to keep the salary suspense at the minimum.

(8) Account Head 24.301 to 24.305 : Huge balances are shown under these non-operative Bank accounts. The reason for this is not passing entry for transfer of funds to main account of Head Office.

The transfer entry should be put up at the end of each month and the same incorporated in relevant quarterly accounts invariably.

(9) Credit Balances shown under the Account Heads :

25.501, 25.505, 26.601, 26.603, 27.201, 27.202, 27.207, 28.103, 28.104, 28.105, 28.109, 28.813, 28.729, 28.935, 28.110, 28.111 and revenue expenditure accounts under Account Group 74, 75, 76, 77, 78, 79 and 83.

As these accounts should always exhibit debit balance, the reasons for credit balances are to be analysed and corrective entries passed immediately.

(10) Debit Balances appearing in account heads :

42.201, 42.202, 44.210, 44.220; 44.310, 44.320, 44.330, 46.410, 46.440 and 45.450.

The reasons for debit balances may be analysed and corrections effected immediately.

(11) The compensation paid under KEB Life Cover Scheme - 87 has been debited to Account Head 75.870 instead of 75.880, which may please be corrected in the Trial Balance on hand.

(12) The payment of pension and gratuity should be debited to Account Head 44.120 and 44.110, respectively instead of revenue expenditure account heads as instructed in this office circular No.ACA/DCA/Cys.4/88-89 dated 12.4.1988.

(13) In many of the Divisions, the entries in respect of DCB transactions (demand and collection) are not passed in respect of all DCBs on hand and incorporated in the accounts, thereby huge balance has been continued in Account Head 47.604 'Revenue Deposit'. The entries in respect of all the DCBs on hand shall invariably be passed and incorporated in the Trial Balance on hand without fail. A foot note in each Trial Balance shall be recorded indicating the month upto which the entries in respect of DCB has been incorporated in the accounts.

The accounts shall be thoroughly scrutinised by the Accounts - Officer and Asst. Accounts Officer for any of the above mentioned discrepancies and the Trial Balance of III and IV Quarter sent to this office only after suitable action to rectify the mistakes / misclassification is taken. Any recurrence of above mistakes in III and IV Quarter Trial Balance will be seriously viewed and the matter may have to be reported to the Board for further action.

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 Section. 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 Resources 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 as 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 / fixed 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 cheque statement sent to CEE (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) Cheque 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 accounts 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 1.4.1990 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.

66. No.FA&CAO/ACA/AO(A/c)/Sn.IV/Cys.115/89-90

Dtd. : 2-3-90

Sub : Heavy Balance under Account Head 22.450 Material Transfer within the Division.

The balance under Account Head 22.450 - "Material Transfer within the Division" has been steadily increasing over last few years and there is a huge balance of Rs.3.32 crores as at the end of March, 1989.

The Accountant General, vide his Audit Enquiry No.73 dated 31.10.1989, has commented on continuation of huge balance under this account. He has also commented on this in the Audit Report, which will be placed before the State Legislature.

As the store accounts of both the issuing and the receiving stores are compiled at the same office, there should be 'NIL' or meagre balance under this account at the close of each year. The reasons for accumulation of balances are, (a) not pairing off the issues and receipts correctly, (b) non-accounting of materials at the receiving end and (c) discrepancy in accounting of the materials. Had the Divisions maintained the "Schedules of materials transferred within the Division" correctly and pursued the pending items effectively with the concerned sub-divisions and initiated timely action to match and pair off the issue and receipts, the balance would have been reduced considerably.

In this connection separate letter has already been addressed to each Division bringing the amount of heavy balance outstanding under this account to their notice during Nov/Dec.1989. The following Divisions only have sent replies.

- 1) East Division
- 2) Chikballapur Division
- 3) Davangere Division
- 4) Rurula (South) Dn. Bangalore
- 5) Bidar Division
- 6) Chitradurga Division
- 7) Shimoga Division

Therefore, I request you to bestow your personal attention to analyse the reasons for accumulation of balances under this head and to take corrective action to bring down the balance considerably. It may be ensured that the balance under this account head is reduced to 'NIL' or minimum possible extent before 31.3.1990 to avoid further comments from the Accountant General.

A compliance report on the action taken and progress made in this regard may be sent to this office by the end of March, 1990.

67. No.ACA/AO(A/c)/Sn.IV/Cys-118/89-90

Dtd. 2-3-90

Sub : Payment of interest on consumers' Security Deposit.

- Ref :**
- 1) BO No.KEB/B10/5015/85-86/23.7.1987.
 - 2) Board's Notification No.KEB/B10/3046/81-82 (Vol.II) dated 9.7.1987.
 - 3) This office letter No.C(A/c)/AO(C)/Sn.IV/ Cys.195/87-88 dated 29.1.1988.
 - 4) This office letter No.A0(C)/C(A)/Cys.199/87-88 dated 2.2.1988.

Your reference is invited to the above Board's Notification and circulars, wherein detailed procedure for calculation of interest on consumers' Security Deposits, Metering Equipment Deposits, mode of payment of interest and the accounting entries thereof have been indicated.

In this connection, it is observed that some confusion is still prevailing at the Divisional level regarding the procedure to be followed for making provision for the interest payable on the deposits, incorporation of the liability in the accounts and the month in which the payment of the interest has to be made by affording credit to consumers' Ledger Accounts. Different Divisions are following different procedures.

It is learnt that the interest has been calculated at the sub-division/Section and credit afforded to the consumers' Ledger account and incorporated in sub-division DCB beforehand and the Divisions are passing Accounting entries afterwards on the basis of entries in the DCB; which is highly irregular.

The correct procedure to overcome such discrepancies and also to avoid comments from the Accountant General (Audit), are outlined below for strict guidance.

Provision for interest :

The provision for interest for the period from April to March of the financial year shall be made in March Supplemental accounts of the accounting year (i.e., for all the twelve months at once) before the close of the accounts for the year.

The provision shall be made, based on the statement rendered by sub-division/Section (as per proforma annexed to letter under reference (3) and (4) above).

Payment of interest :

The payment of interest i.e., affording credit to the consumers' ledger account in the sub-division/Section and crediting the interest to Sundry debtors account in the Division Office from provision account, shall be in the month of April and onwards of the succeeding year.

The sub-division/Section shall distinctly show the interest paid by way of adjustment (tariff-wise) in DCB of April (or of subsequent month) and also enclose a statement to the DCB. While passing accounting entries from the DCBs of sub-division/Section for demand and collection, the Divisional office will incorporate corresponding entries to clear the provision account and credit the Sundry Debtors account (tariff-wise) to the extent of interest credited to consumers account in the DCB against each tariff.

The concerned officers will be held responsible for any deviation from the above lines of instruction.

68. No.CA/AO(A/c)/Sn.IV/Cys.11/90-91

Dtd. : 26-4-90

Sub : Revenue Account of the Revenue sub-division / Section Office.

It is observed that there is no uniformity in rendering of monthly Revenue Accounts (Cash Accounts) by the Revenue sub-division / Section Office to the Divisions in respect of many accounting Units. The cash collections are not being classified and accounted correctly under appropriate Account Heads as prescribed under Commercial Accounting system (KEB Accounts Manual Vol.III). Though certain Account Heads have been discontinued with effect from 1st April, 1985, the receipts are still being credited to these account heads by sub-divisions as also in the Divisions which is highly irregular. Besides, it is also observed that the receipts are credited to wrong account heads.

Further, the breakup figures and details for the amount collected towards Deposit contribution works,

Misc. Receipts, etc., and other essential details are not being sent by the Sub-division/Section Office in separate statements along with the cash accounts, thereby leading to the holding up of maintenance of respective schedules at the Division Office.

Therefore, with a view to ensure uniformity in rendering of monthly Revenue Accounts by the sub-division / Section Office as also to classify the receipts correctly under appropriate account heads, a set of 'proforma' are enclosed herewith, along with guidelines for accounting of the receipts and sending of statements by the sub-divisions/Sections to the Divisions along with Cash Accounts for strict adherence of the instructions and for guidance of the concerned.

The Sub-Division/Section Office shall maintain the following Schedules / Registers with upto date postings. The striking of balance under each Account shall be done invariably by putting an 'Abstract' at the end of each month :

- 1) Register/Schedule of Security Deposit from consumers in cash (Account Head 48.1/Old D2).
- 2) Register of Security Deposit for Metering Equipment (Account Head 47.603/Old D11)
- 3) Register of Revenue Suspense (in format given under 'Guidelines for accounting (Account Head 47.604/Old D7)
- 4) Register of Estimated / Advance consumption charges.

While rendering DCB, the sub-division / Section shall invariably record the 'Allocation' details for total collections on the overleaf of DCB statement and distinctly show full details of changes made in the amounts, if any, between the account heads noted in the DCB and as furnished in the Cash Accounts earlier.

The Division Office shall also ensure that adjustments passed in the Division towards Demand / Collection (like withdrawal of demand and any refund by way of adjustment, payment of interest on consumers' Deposits by way of adjustment, etc. and sent to sub-divisions/Section has been accounted in the particular month only in which the entry has been accounted at Division Office. This must be insisted upon to avoid any possible difference between the Demand/Collection as shown in the statement of sub-division and already accounted at Division Office by way of adjustment.

The Division Office while passing DCB entries should pass entries for any change or transfers between the account heads by the sub-division and also ensure that all adjustment entries passed in the Division earlier, have been incorporated in the DCB of the sub-division as adjustment entries only.

The balance under Account Heads in respect of which schedules are maintained at the sub-division/Section shall be crossverified at least once in a quarter in the Division Office duly obtaining the closing balance details from the revenue accounting units.

The Cash Accounts shall be sent with all enclosures to the Division office before 5th of the following month.

The Accounts Officer of the Division, Asst. Accounts Officer (Accounts) and Senior Assistant/Asst. Accounts Officers of the Section/Sub-division shall ensure correct accounting of the receipts and rendering of Cash Accounts in the enclosed set of formats only from April, 1990 and onwards.

Guidelines for Accounting of collections.

(1) Account Head 47.606 - Revenue collection pending classification over Sundry Debtors.

The amount collected towards Revenue and Tax pending classification over Sundry Debtors (Tariffwise) for want of DCB statement shall be initially accounted under this account. On preparation and compilation of DCB and passing entries thereof, there should not be any balance under this account.

This should be resorted to only when the rendering of sub-division/section DCB is delayed. Otherwise the revenue collections may be directly allocated over different tariff schedules as per collections in DCB statement.

(2) Account Head 47.604 - Revenue suspense.

The amount collected under wrong RR. No./without RR. No. etc., and the revenue receipts which cannot be posted to ledger against a specific existing RR No. for any other reasons (like non-opening of ledger account) shall be accounted under this account.

The sub-division/Section shall maintain a 'Register' and put up an 'Abstract' every month in the following format.

Register :

Month

Sl. No.	Particulars noted on the receipt	Receipt No.	Date	Amount Rs.	Remarks (Adj.No. & date. Ref to clearance)	Initials of AAO/Sr. Asst.
Total for the month						

NB : Day's total should be struck every day and tallied with Tallying Register.

ABSTRACT :

MONTH :

Opening balance as at the beginning of the month.

Additions during the month. (This amount should tally with the amount accounted under Account Head 47.604 Revenue suspense for the month).

Total

Less : Clearance during the month (monthwise breakup of the amount cleared to be put up in inner column)

Closing balance at the end of the month.

An extract of this abstract shall be sent to Division office with DCB every month with tariffwise breakup of amount adjusted / cleared to enable the Division Office to pass necessary transfer entries.

This Suspense Register Shall be posted upto date with entries attested by Asst. Accounts Officer for any adjustment from the suspense. As and when the items are cleared, the item No. and the amount shall be rounded off in the register.

The items outstanding in the Register for more than three years (other than the amount collected towards un-opened ledger accounts) shall be transferred to Misc. Revenue by sending a proposal to Division Office and obtaining competent approval. Such proposal (statements) should be kept as a permanent record for withdrawing the amount from Misc. Revenue if necessary at a later date. The Division Office shall tally the total balance under this account with the closing balance as per sub-division, Suspenses Register at regular intervals.

(3) Account Head 48.1 Security Deposit from consumers in cash.

Self-explanatory.

The breakup details for deposit amount of Rs.100 and above and less than Rs.100 shall be furnished in the Accounts every month separately as shown in the allocation statement.

(4) Account Head 47.603 Security Deposit for Metering Equipment.

Self-explanatory.

(5) 47.601 Deposit received against burnt meters

Deposits towards Meter burnt out charges shall be accounted under this account and a statement showing the details of each collection shall be enclosed to monthly accounts. The Division Office shall record all the details in the schedule, clearly. All deposits outstanding for more than three years shall be transferred to Misc. Revenue in the Division office obtaining competent approval.

(6) Account Head 47.605 - Voluntary Loan contribution from IP consumers.

Self-explanatory. (Only recovery of loan, if any shall be accounted under this account).

(7) Account Head 47.311 - Deposit for service connection HT/LT consumers.

Only deposits received towards : such of the works where the right of these works or assets shall after completion is vested in the Board are to be accounted under this account. Such deposits collected from consumers other than Government, Local Bodies and Corporations etc., shall be credited to this account.

(8) Account Head 47.305 - Deposit contribution works

The deposits received from Government departments, Local Bodies, Corporations etc., for execution of works (and refund thereof wherever due) where the ownership of these works or assets after completion of the work vests with the Board, are to be accounted under this account. It may be noted that the deposits collected from consumers other than the class of consumers mentioned above is not accounted in this account head.

(9) Account Head 47.306 - Deposit works

Deposits received from private parties, consumers, other organisations and local bodies etc., and alike (and refund thereof wherever due) for such of the works which are handed over to the consumers/ organisation after completion of the work for their use are to be accounted under this account.

(10) Account Head 23.7 Sundry Debtors Misc. Receipts from consumers

Miscellaneous receipts from consumers shall be accounted under this account. Breakup of amount collected against each type of the following charges shall be furnished.

Fuse charges

Reconnection fee (D&R)

Public lighting maintenance charges

Service connections (supervision charges)

Delayed payment charges from consumers

Other receipts from consumers.

(11) Account Head 27..... Loans and advances to staff (Recovery)

Recovery of loans and advances to staff, if any; (like recovery of HBA, MCA, Advance to staff against expenses (old R1 Account, Society Advance, etc.,) shall be accounted under this account (Sub-Account Head to be mentioned) with full details of recovery.

(12) Account Head 28..... Sundry Debtors trading account

Recovery of amount from employees (like personal trunk call charges, excess payment of salary, allowances etc) and receipts from trading like sale of stores, rental from property shall be accounted under this account. Full details (with sub-account head) shall be furnished with cash accounts, as the related schedules are maintained at Division Office

(13) Any other receipts

Receipts which cannot be classified under above mentioned Account Heads shall be accounted under this classification and full details of such receipts furnished with the cash accounts.

KARNATAKA ELECTRICITY BOARD

..... Section / Sun-Division

Cash Balance Report for the Month of

Particulars	Amount	Amount
A. Opening Balance :		
Cash		
Cheque	.....
B. Collections :		
At counter :		
Cash		
Cheque	.....
Direct collections :	A/c code	
State Bank of Mysore	(24.301)	
State Bank of India	(24.302)	
State Bank of Hyderabad	(24.303)	
Canara Bank	(24.304)	
Syndicate Bank	(24.305)	.....
Less : Cheques dishonoured		.....
C. Total on OB + Collections (A+B)		
State Bank of Mysore	(24.301)	
State Bank of India	(24.302)	
State Bank of Hyderabad	(24.303)	
Canara Bank	(24.304)	
Syndicate Bank	(24.305)	.....
Less : Cheques dishonoured		.....
D. Sub - total		
E. Closing Balance : (C-D) Cash		
Cheque		.....

Senior Asst / Asst. Accounts Officer

Asst. Engr. Elect / Asst. Exec. Engr.

..... Section Office / Sub-dn.

..... Section Office / Sub-dn.

KARNATAKA ELECTRICITY BOARD

..... Section / Sub-Division

Allocation statement for the month of

Account code	Account Head	Amount
47.606	Revenue collection pending classification over sundry debtors.	
47.604	Revenue suspense	
48.1	Security deposit from consumers (in cash)	
	(i) Rs.100 and above	
	(ii) Less than Rs.100	
47.603	Security Deposit for Metering Equipment	
47.601	Deposits received against burnt meter	
47.605	Voluntary loan contribution from IP consumers	
47.311	Deposit for service connection HT/LT consumers	
47.306	Deposit works	
47.305	Deposit contribution works - others	
23.7	Sundry Debtors - Miscellaneous receipts from consumers.	
27.....	Loans and advances to staff (Recovery)	
28.....	Sundry Debtors - Trading Account	
	Any other receipt (details to be furnished)	
	Total	

Senior Asst / Asst. Accounts Officer

Asst. Engr. Elecl / Asst. Exec. Engr.

..... Section Office / Sub-dn.

..... Section Office / Sub-dn.

Note : For correct classification of collections, refer the guidelines enclosed herewith.

.....Section / Sub - dn.

STATEMENT OF COLLECTION AND REMITTANCES FOR THE MONTH OF

Date	Collections			Remittances		
	Cash	Cheque	Total	Cash	Cheque	Total
1.						
2.						
3. to						
31						
Total						
Less : Cheques dishonoured						
Net collection and remittances.						

Senior Asst / Asst. Accounts Officer

Asst. Engr. Elecl / Asst. Exec. Engr.

..... Section Office / Sub-dn.

..... Section Office / Sub-dn.

KARNATAKA ELECTRICITY BOARD

..... Section / Sub-Division

STATEMENT OF COLLECTIONS THROUGH BANK FOR THE MONTH OF

(Direct Collections)

Date / Reference of the Bank challan	Bank Amount	Bank Amount	Bank Amount	Total

Total

Senior Asst / Asst. Accounts Officer

Asst. Engr. Elecl / Asst. Exec. Engr.

..... Section Office / Sub-dn.

..... Section Office / Sub-dn. **C C**

..... Sub - division / Section Office

STATEMENT OF CHEQUES DISHONOURED FOR THE MONTH OF

(Direct Collections)

Sl. No.	RR. No.	Receipt No. & date	Name of the Bank	Cheque No. & date	Amount	Date on which dishonoured cheques is withdrawn in cash book.	Reasons for dishonour

Total

Senior Asst / Asst. Accounts Officer

Asst. Engr. Elecl / Asst. Exec. Engr.

..... Section Office / Sub-dn.

..... Section Office / Sub-dn.

..... Sub - division / Section Office

STATEMENT SHOWING THE DETAILS OF MISCELLANEOUS RECEIPTS FROM CONSUMERS (A/c Head 23.7) FOR THE MONTH OF

Account Code	Account Head	Amount
23.7 / 61.901	Fuse 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 Receipt from consumers.	

Total

Senior Asst / Asst. Accounts Officer

Asst. Engr. Elecl / Asst. Exec. Engr.

..... Section Office / Sub-dn.

..... Section Office / Sub-dn.

KARNATAKA ELECTRICITY BOARD

..... Secn / Sub. - divn.

STATEMENT SHOWING THE DETAILS OF AMOUNT COLLECTED TOWARDS DEPOSIT CONTRIBUTION WORKS (Account Head 47.305, 47.306 and 47.311)*

For the month of

Sl. No.	Name of the party / consumer	Receipt No. & date	Amount	Towards (Nature of work)	Remarks
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Total

Senior Asst / Asst. Accounts Officer

Asst. Engr. Elecl / Asst. Exec. Engr.

..... Section Office / Sub-dn.

..... Section Office / Sub-dn.

* Note : Separate statements are to be furnished for amount collected under each account in the same format.

..... Secn / Sub. - divn.

STATEMENT SHOWING THE DETAILS OF AMOUNT COLLECTED TOWARDS RECOVERY OF ADVANCE / RECEIPTS FROM TRADING / OTHER RECEIPTS ETC.,

For the month of

Sl. No.	Name of the employee consumer / party	Amount Rs.	Receipt No. & date	Remarks
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Total

Senior Asst / Asst. Accounts Officer

Asst. Engr. Elecl / Asst. Exec. Engr.

..... Section Office / Sub-dn.

..... Section Office / Sub-dn.

* Note : Full details of the receipts like recovery of HBA, MCA, proceeds from sale of stores etc., to be furnished separately.

69. No.CA/AO(A/c)/Sn.IV/Cys-23/90-91

Dtd. : 19-5-90

Sub : Maintenance of subsidiary registers/schedules under Commercial Accounting System.

Ref : 1) Circular No.IA/AO/AAO1/F4/CYS.4/88-89 dated 9-5-88 of the Controller (IA), KEB, Bangalore.

2) This office Circular No.ACA/DCA/CA/CYS.124/88-89 dated 13-9-1988

Please refer to the above circulars, wherein the list of Debit/Credit schedules and the Registers to be maintained under Commercial Accounting system have been prescribed. Apart from these schedules and Registers, the balance under certain Account Heads have to be tallied with the figures as per the Registers prescribed under Commercial Accounting System like RVR, BBR, Asset Register etc., and to the total of the transactions under the respective account head in some other cases.

During the course of inspection, as also at the time of checking up of March final accounts of various accounting units, it was observed that in many of the Accounting units, the balance as per Trial Balance and the figures under respective Schedule / Register differs from each other.

Therefore, with a view to ensure maintenance and tallying of balances as per subsidiary schedules/ registers/ledgers in respect of all the account heads with that of the Trial Balance and to comply with the requirement of Commercial Accounting System, a CHECK LIST is prepared and enclosed herewith for guidance of the officials and officers concerned.

The Registers and Schedules in respect of Accounts Heads / that were dispensed with effect from April, 1985 (like P1 - 42.202, A2 - 25.505, D6 - 46.965 etc.) may be maintained and the entries regarding clearance noted therein till all the items are cleared.

The Assistant Accounts Officer (Accounts) and the Accounts Officer of the accounting unit should review these books regularly and also check the Trial Balance figures with respective Register Schedule, before forwarding each quarterly Trial Balance to this office. These books should be posted upto date and made available for verification by the Inspecting Officers without fail.

KARNATAKA ELECTRICITY BOARD

Enclosure to Circular No. CA/O(A/cs)/Sn.IV Cys.23/90-91 Dtd. 19-5-90

Account Checklist - Tallying Account Balance with subsidiary Register / Schedule Balance

Code	Balance as per Trial Balance under A/c Head of Account	Tally with the	Book to be maintained
1	2	3	4
10.101 to 10.904	Fixed Assets (Headwise)	Total of the original value as per Asset Register (Abstract of Original cost of all Assets Individual and Blockwise to be put up once in a year and tally with account headwise balance)	Asset Register
12.1 to 12.9	Provision for depreciation on Fixed Assets (Headwise)	Total of accumulated depreciation as per Asset Register (Abstract of accumulated depreciation of all Assets- Individual and Blockwise to be put up once in a year and tally with account headwise balance)	Asset Register
15.120 To 15.128	Contract in progress	Total of part payments made on contracts/Civil Works not yet completed, less the amount transferred to capital work in progress.	Register
16.102 To 16.109	Written down value of obsolete/scrapped Assets (Account headwise)	Balance of WDV of obsolete/scrapped assets as per dismantled Asset Register.	Dismantled Asset Register
16.202 To 16.209	Written down value of the Faulty/Dismantled Asset (Account headwise)	Balance of WDV of Faulty/Dismantled assets as per dismantled Asset Register and also balance Cost as shown in the pricing Ledger.	Dismantled Asset Register & pricing Ledger
17.3	Expenditure on survey/feasibility studies of projects not yet sanctioned.	Details of amount spent on survey/feasibility studies of projects not yet sanctioned should be recorded in a Register till clearance of the amount.	Register
22.210	Material Purchase	Total of monthly purchases as per RVR for the year.	RVR
22.410	Materials Transfer Inward	Total of materials transfer inward for the year as per stock compilation Register.	Stock Compilation Register
22.420	Materials Transfer outward	Total of materials transfer outward for the year as per stock compilation Register and outward AT (Stock) Register.	AT Register
22.450	Materials transfer within the Divn.	Balance as per Schedule	Schedule

Balance as per Trial Balance under A/c Code	Head of Account	Tally with the	Book to be maintained
1	2	3	4
22.710 22.720	Workshop account Materials issued to fabricators	} Balance as per respective schedules	Schedule/'C' Register
22.810 22.820	Stock Excess Pending investigation Stock shortage Pending investigation		
23.101 to 23.121 and 23.7	Sundry Debtors for sale of power (Categorywise) and Miscellaneous receipts from consumers	} Balance as per respective schedule	Schedule
23.201 & 23.202	Sundry Debtor for Electricity Tax HT/LT.		
23.501 to 23.519	Dues- from permanently disconn ected consumers(Categorywise)	} Closing Balance as per DCB statement(categorywise) and also the DCB compilation Register. In turn the balance should tally with total of closing balance of all the Sub-Divn./Section DCB as also the individual RR No wise balance.	DCB Compi- lation Register.
24.110	Cash on hand		
24.120 24.130 24.140	Postage stamps on hand Revenue Receipts stamps on hand Embossed Agreement forms on hand	} Balance as per respective Registers.	Registers
24.210	Imprest with staff		
24.301 to 24.306	Collecting Bank Account(non- operative) Bankwise	} Total of Division imprest, and Sub-Divisions Imprest including unrecouped vouchers and imprest suspense	Cash Book/ Imprest Reg.
24.401 to 24.416	Disbursement Bank account (non operative) Bankwise		
		Total of revenue collections/other collections remitted to the respective Bank by division/sub-division less the amount transferred to main account at head office.	Register of collecting Bank balances
		Bank balance as per cash Book.	Cash Book

Balance as per Trial Balance under A/c		Tally with the	Book to be maintained
Code	Head of Account		
1	2	3	4
25.101 & 25.501	Advance to suppliers	Balance under advance column of sundry creditors Ledger (i.e. Total advance paid less the advance amount adjusted)	SCL/Schedule
25.505	Advance to suppliers (old)	Balance as per Old A2 schedule.	Schedules
26.601 to 26.604	Advances to contractor (Account Headwise)	Balance as per respective Schedules	Schedules
27.101 to 27.105	Loans and Advances to staff interest-bearing (A/c headwise)	Balance as per respective schedules (as these schedules are being maintained at the O/O FA & CAO, the accounts Balance shall be tallied with schedule balances at H.O.)	Schedules
27.201 to 27.208	Loans and advances to staff Interest Free (Account headwise)	Balance as per respective schedules.	schedules
28.101 to 28.113	Sundry Debtors- Trading A/C (Account headwise)	Balance as per respective schedules.	schedules
28.401 to 28.403	Amount recoverable from employees/ex-employees	Balance as per respective schedules.	schedules
28.721 to 28.729 & 28.935	Claims for loss/damage to materials Deposit with others	Balance as per respective schedules.	schedules
31 to 37	Inter Unit Accounts	Balance as per respective schedules./Registers.	schedules/Reg
39	Inter Unit Account (Old SA IV)	Balance as per Old SA 4 Schedule	Schedule
42.101	Liability for supply of materials	Total of balance items in respect of which bills not yet admitted or liability not transferred to other offices as per RVR	RVR
42.201	Sundry creditors control a/c	Balance as per sundry creditors ledger(Abstract to be put up once in a quarter)	SCL

Code	Balance as per Trial Balance under A/c Head of Account	Tally with the	Book to be maintained
1	2	3	4
42.202	Outstanding creditors for purchase of stores(old)	Balance as per old P1 schedule	Schedule
42.401	Contractors' Control account	Balance as per schedule	Schedule
44.130	Leave contribution (Old)	Balance as per Old D B Schedules	Schedule
44.210 to 44.330	Un paid salaries- Bonus etc.,and salary/Bonus payable Accounts	Balance as per respective schedules.	schedules
46.101	Security Deposit in cash from suppliers/contractors	Balance as per Schedule	Schedule
46.300	Electricity Tax & other levies payable to Govt. (At the year end the amount will however be transferred to HO)	Progressive demand of Tax for the year as per DCB statement/Register	DCB Compilation Register
46.440	Inspection charges payable to Govt.	} Balance as per respective schedule /Register	Schedule/Reg.
46.450	Royalty		
46.460	Excise Duty		
46.910 to 46.969	Sundry liabilities for provisions	Balance as per respective schedules.	schedules
47.301 to 47.311	Deposit for service connections	Balance as per respective schedules. (Old D9(a) D9(b), D10, New a/c 47.305,47.311, etc.)	schedules
47.601	Deposit received against burnt meter	Balance as per schedule (Old D6) maintained at Divn.	Schedule
47.603	Security Deposit for metering equipment	Total of Balance as per schedule/Register maintained at Sub-Divn., (Old D11 Schedule)	Schedule/Reg.

Balance as per Trial Balance under A/c Head of Account	Code	Tally with the	Book to be maintained
	1	2	3
			4
Revenue suspense	47.604	Balance as per schedules maintained at sub-divn	schedules.
Security Deposits from consumers (in cash)	48.1	Balance as per schedules /Register maintained at Sub-Divn (Old D2 Register)	schedules/Reg
Interest payable on consumers deposits.	48.310 to 48.350	Balance as per respective schedules.	schedules
Revenue from Sale of power (Categorywise)	61.210 to 61.340	Progressive demand of revenue from sale of power as per DCB statement and the DCB Compilation Register.	DCB Compilation Register
Miscellaneous charges from consumers(account headwise)	61.901 to 61.906	Progressive demand of miscellaneous receipts from consumers as per DCB statement/Register	DCB Compilation Register
Miscellaneous receipts	62.901 to 62.917	Progressive demand for miscellaneous receipts as per DCB statement	Register

Sd/
Controller Accounts

**Sub : Clarification regarding (i) treating E.L.S. salary as outstanding liability and
(ii) Booking of material cost variance relating to previous years.**

The points raised have been examined and clarified as follows :

Points raised

Clarification

(1) To which Head of Account the Material Cost Variance pertaining to previous years and perceived during the current year shall be debited or credited.

Wherever MCV pertaining to previous year is perceived during the current year, action shall be taken as follows :

(i) If the difference is debit, then the same shall be debited to Account Head "83.840 Material Related Expenses - previous years" in the current year.

(ii) If the difference is credit, then the same shall be credited to Account Head "79.110 - Material Cost Variance" in the current year.

(2) Whether the Earned Leave surrender salary payable for the period covering the month of February and March of the accounting year shall be taken as outstanding liability of the current year, if the payment is made after the close of the accounting year ?

The date on which Earned Leave surrendered salary amount is payable is clearly laid down in para 733 (13) of KEB Accounts Manual Vol.II on page 696. If this date falls after the closure of the accounting year, then the amount payable shall not be taken as outstanding liability for the current year.

Sub : Outstanding liability - cut - off date prescribed for assessment.

Several accounting units are making reference to this office seeking clarification regarding the cut-off date to be adopted for assessment of outstanding liability. Though, no such date was prescribed in the previous years, it is felt that it would be better if all the accounting units adhere to certain standard norms with a view to bring uniformity in making provision for outstanding liability in the accounts. As per para 804 of KEB Accounts Manual Vol.II on page 762, 15th May of every year is the date prescribed for submission of the supplementary accounts for the year, to the F.A. & C.A.O's. office by all the accounting units, duly incorporating all adjustments and transfer transactions etc., As such, 15th May of every year shall be adopted as the cut-off date for making provision for outstanding liability in the accounts. It may be noted that all the orders issued and the decisions taken upto 15th May affecting the Board's finances for the previous year shall be considered for estimating the outstanding liability or outstanding income for the accounting year and provision for the same is made accordingly in the accounts without fail.

While making provision for outstanding liability in the annual accounts for the year 1989-90, all the accounting units are required to note that the provision shall be specifically made for arrears payable to workmen due to revision of pay scales from 1.4.1989 to 31.3.1990. Any lapse in this regard will be seriously viewed besides making the Accounts Officer / Asst. Accounts Officer personally responsible for the lapse.

Sub : Change in the accounting procedure of FA & CAO's cheque issued in respect of HBA/HPA/MCA/CA/MA etc., in the accounting units with effect from 1-4-1990.

The accounting procedure prevailing in the accounting units in respect of the FA & CAO's cheques issued towards HBA/HPA/MCA/CA/MA etc., and also refund of Security Deposit has been examined in the light of re-arrangement of the accounting set-up effected at the office of FA & CAO recently. These cheques are being accounted at present as 'transfer of funds' from the office of the FA & CAO and treated as issue of cheques from the accounting unit in the Bank column of the cash book and are brought into accounts at the accounting unit level by debit to respective Head of Account.

On a review of the accounts for the last five years, it is found that these cheques were not properly accounted at the accounting units and some payments were left unaccounted. During the year 1988-89 an exercise was made to see that these payments are properly accounted at the accounting units by tallying such payments booked in the accounts of the accounting units with reference to the cheques statements sent from the office of the FA & CAO. The deficiencies observed in the accounts of the accounting units were too many and the exercise was proved to be not feasible to repeat every year.

For eliminating these lacunae in the accounting procedures, the accounting set up in the office of the FA & CAO itself has been re-arranged w.e.f. 1-4-90. The new arrangement provides for accounting of all such payments against the direct Head of Account in the office of the FA & CAO itself eliminating the procedure of sending cheques statement to the accounting units for incorporation of the payments thereon. As the payments need not be accounted in the accounting units, the cheques pertaining to such payments would also be sent to the concerned payee directly by Registered Post Acknowledgement due from 1st

April 1990. The accounting units have to note that the cheques would not be sent to them for delivering the same to the 'payee' as in the earlier procedure and they need not account such cheques in their cash book with effect from 1-4-1990. It may be noted that even if any cheques bearing dates of 1-4-90 and onwards are received in the accounting unit by mistake, the accounting units shall not account these cheques in their cash books but deliver the same to the payee.

However, the cheques statements from the office of the FA & CAO would be sent to all the accounting units in respect of cheques issued other than those pertaining to HBA/HPA/MCA/CA/MA and refund of security Deposit, as before, and the accounting units shall follow the existing procedure for accounting the same.

The above guidelines shall be followed carefully. The cash officers of the accounting units are solely responsible for implementation of the instructions as any deviation would have serious repercussion on the accounts.

74. No.CA/AO/(A/c)/Sn.IV/Cys-31/90-91

Dtd. : 1-6-90

Sub : Accounting of released and refixed meter - value to be adopted.

Ref : 1) B.O. No.KEB/B8/2711/86-87 dt. 31.1.1987

2) B.O. No.KEB/B19/345/85-86 dt. 18.6.1987

3) T.O. Circular No.CA/DCA/CYS-205/87-88 dt. 18.2.1988.

It is observed that the prevailing practice in accounting of released and refixed meters at different Divisions is not uniform. The value adopted for the released meters are different in different Divisions and have no proper basis. Some of the Divisions have sought for clarification regarding the value to be adopted in respect of released meters.

The above matter has been examined in detail and the following instructions are issued for guidance and to have uniform procedure in accounting of released meters as also to remove the confusion prevailing in the transactions relating to released meters due to accounting of such meters at different value.

1. The released meters shall always be accepted and issued by the accounting units at the full existing standard rates only, except when the meters are decided as irreparable and are sent for disposal as scrap.
2. The procedure to be followed for releasing and refixing of meters shall be strictly in accordance with the procedure prescribed vide B.O. No.KEB/B8/2711/86-87 dated 31.3.1987.
3. The accounting Divisions shall withdraw the meters from their asset account at existing full standard rate, whenever the meters are sent out of the Division for repair/re-use. The receiving unit, be it either M.T. Division or any other Division, shall also account the meters at full standard rates. However, if the burnt out meters are sent out from the Divisions for final disposal as scrap to Central Stores Division, Bangalore or any other stores, then the meter shall be accounted at WDV i.e., 10% of the existing standard rate at the time of release itself and sent to the transferee unit at WDV only.
4. The M.T. Division shall account by debit to asset account all the released meters received from other

units at full existing standard rate only. After repairs, the good meters which are sent to the Divisions shall also be accounted at full existing standard rate by credit to asset account.

5) When the meters are decided as irreparable and to be sent to Central Stores Division / any other stores as scrap by the M.T. Division, then the concerned M.T. Division shall first assign the WDV at 10% of the existing standard rate to the meter with due debit to 'provision for depreciation' at 90% of the standard rate, and transfer the meter by Advice of Transfer at WDV to the Central Stores Division / any other store for further disposal.

The relevant accounting entries to be passed at each stage are shown in the Annexure to this Circular for strict guidance.

The procedure and accounting entries prescribed in this Circular does not apply to H.T. metering cubicle and CTs / PTs. However, the procedure and accounting entries prescribed in the Board Order dated 18.6.1987 shall be followed in respect of such assets.

It should be ensured that there is no deviation in accounting procedure hereafter in respect of released meters.

Accounting Entries for release and refixing of meters

Sl. No.	Particulars	Dr. Amount	Cr. Amount
1	2	3	4
1.	For drawal of meters under imprest (1st time) :		
	74.510 R&M to lines, cable net work etc.,	Dr. Full SR	
	To 22.320 Materials issues (O&M)		Full Sr
2.	For recoupment of meters under imprest		
	(Single phase meters only)		
	(a) When released faulty meters are returned to Stores :		
	22.320 Material Issues (O&M)	Dr. Full SR	
	To 74.510 R&M to lines, cable net work etc.,		Full SR
	(b) When faulty meters are recouped		
	by good meters from Store		
	74.510 R&M to lines, cable net work etc.	Dr. Full SR	
	To 22.320 Material Issues (O&M)		Full SR
	NOTE : It may be noted that 3 phase meters shall not be drawn under imprest as per Board Order dated 31.3.1987.		
3.	When meters are removed permanently from disconnected installations :		
	When meter released and returned to Stores		
	22.310 Material issues Capital	Dr. Full SR	
	To 10.631 Metering equipment		Full SR

Sl. No.	Particulars	Dr. Amount	Cr. Amount
1	2	3	4

Note : If the meters removed are from installations serviced before 1.4.1985, then Account Head 10.631 above shall be substituted by 32.802 since the Asset Account and Depn. Account are maintained at H.O. in respect of such assets.

4. When a meter is burnt out and found to be irreparable and sent to Central Stores / any other stores directly by the accounting unit for further disposal as scrap.

(a) For return of burnt out meters of Stores.

16.105 WDV of obsolete / Scrapped assets Plant and Machinery.	Dr. 10% SR	
12.5 Depreciation provision Plant and Machinery		Dr. 90% SR
To. 10.631 Metering equipment		

NOTE : If the meters removed are from installations serviced before 1.4.85 then Account Head 12.5 & 10.631 above shall be substituted by A/c Head 32.802, since the asset Account and Depn. Account are maintained at Head Office in respect of such assets.

(b) For sending burnt out meter to CSB/Any other store for disposal as scrap :

32. IUA Capital Expenditure and fixed assets (LC)	Dr. 10% SR	
To 16.105 WDV of obsolete / Scrapped assets - Plant and Machinery		10% SR

The above meters shall be accepted and disposed at the Central Stores Division / any other stores as per B.O. No.KEB/B19/345/85-86 dated 18.6.1987.

5(a) When faulty meters are sent to MT for repairs from the Division :

32. IUA - Capital expenditure and fixed assets (LC)	Dr. Full SR	
To 10.631 Metering equipment		Full SR

(b) If the meters released from Permanently disconnected installations are sent to MT Division for repairs, the entry shown in 5(a) above should not be passed. Instead, the following entry should be passed.

32 IUA - Capital Expenditure and fixed assets (L/Code)	Dr. Full SR	
To 22.420 Materials transfer - outward		Full SR

(with reference to the entry against item (3) above, debiting

Sl. No.	Particulars	Dr. Amount	Cr. Amount
1	2	3	4

the value to 32. IUA Capital Expenditure and Fixed Asset is an exception as the value is credited to 32 - at M.T. Division. The entries at Sl. No. 3, 5b and 6 are inter Connected and Correlated. The three accounts affected are, Asset Account, Stock Account and IUA - Capital Expenditure and Fixed Asset Account.

Entries at M.T. Division :

6. For accepting the faulty meters sent from Divisions :

10.631 Metering Equipment	Dr. Full SR	
To 32 IUA Capital Expenditure and fixed Assets (LC of sending Division)		Full SR

7. When repaired good meters are sent to Divisions :

31 IUA materials L.C.	Dr. Full SR	
To 10.631 Metering equipment		Full SR

(as the good repaired meters received in the Divisions are debited to stock Account by credit to 31. IUA materials, 31 - IUA material has to be debited at M.T. Division).

8. When the meters are found irreparable and sent to CSD/Any other stores from the M.T. Division for disposal as scrap.

(a) For withdrawing from Asset Account and accounting at WDV.

16.105 WDV of obsolete / Scrapped Assets-Plant and Machinery	Dr. 10% SR	
12.5 Depreciation provision - Plant and Machinery	Dr. 90% SR	

To 10.631 Metering Equipment		Full SR
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NOTE : If the meters returned are from installations serviced before 1.4.1985, then Account Heads 12 and 10.631 above shall be substituted by 32.802 since the asset account and deph., account are maintained at Head office in respect of such assets.

(b) For sending to CSD/Any other Stores

32. IUA Capital expenditure and fixed assets (LC)	Dr. 10% SR	
To 16.105 WDV of obsolete / Scrapped assets - Plant and Machinery		10% SR

The above meter shall be accepted and disposed at the CSD / any other stores as per BO/KEB/B19/345/85-86 dated 18.6.1987.

N.B. : SR stands for Standard Rate of the meter prevailing on the date of transaction.

**Sub : Electricity Tariff 1990 - changes and readjustments in the
D.C.B. among different tariff/Head of Account**

You are aware that the Board vide Notification No.KEB/B10/6925/1990-91 dated 5th Sept. 1990 has revised the electric power tariff w.e.f. the first meter reading date on or after 6-9-90. Consequent to re-grouping of certain categories of consumers in the old D.C.B. form under particular tariff schedule in the revised tariffs, the existing D.C.B. form has to undergo minor changes in accordance with the revised tariff duly regrouping the tariff and Head of Account. A photostat copy of both English and Kannada version of revised D.C.B. form is enclosed to this Circular for the guidance of all the concerned and the D.C.B. statement from here afterwards should be compiled both at sub-division and Division as per the revised format and sent to this office.

In addition to the revised format, a concordance statement showing the comparison of old tariff schedule with new tariff schedule and the corresponding Head of Account, is also enclosed for information and guidance.

The changes to be effected in the tariff, Account Head and description as shown in the D.C.B. format, besides the transfer of balances from one tariff / Account Code to other tariff / Account Code to be effected at the sub-division level and Division level, are detailed below :

- I. L. T. :**
- (1) Old LT1 - No change
 - (2) Old B.J. - No Change
 - (3) Old LT2 - To be depicted as LT2 (A&B) with an additional description as shown in the revised format
 - (4) Old LT3 - No Change
 - (5) Old LT4 a(i) - No Change
 - a(ii) - No Change
 - a(iii) - No Change
 - (6) L.T.4(b) - This tariff and description need not be shown since the same is deleted in new tariff (see revised format). The balance outstanding against this tariff should be merged with new LT5 (a&b) tariff (i.e. A/c Code 23.110/61.271).
 - (7) Old LT4C(i) : This tariff is changed as LT4 b(i) and balance of Mandal Panchayat only to be retained in this tariff. Balance pertaining to Municipalities should be transferred to new LT4b(ii) - tariff. The description should also be changed as shown in the revised format.
 - (8) Old 4C(ii) : This tariff is to be changed as LT4 b(ii) and balance transferred from LT4C(ii) in respect of Municipalities is to be added to this tariff.
 - (9) Old LT5(a&b) : No change. The balance transferred from old LT4(b) has to be added as state in para (6) above.

(10) Old LT6(a) : No change. The balance in respect of Municipalities has to be transferred to LT6(b) retaining the balance of Mandal Panchayats only in this tariff. The description is to be shown as in the revised format.

(11) Old LT6(b) : No change. Balance of Municipalities transferred from LT6(a) to be added as per para (10) above.

(12) Old LT7 : No change. Description to be changed as shown in the format.

(13) Old LT8 : To be deleted from the D.C.B. form. Any balance outstanding to be merged with LT7 tariff.

II H.T.: (1) Old HT1 : The balance shown against this tariff in the previous D.C.B. is to be split up into four separate items as stated below :

23.123/61.320/HT1 : Public Water supply & Sewerage pumping

23.115/61.310/HT2(a) : Industrial & non Industrial installations

23.122/61.315/HT2(b) : Commercial installations

23.124/61.350/HT5 : Temporary power supply

(2) Old HT2 : The tariff is changed as HT3. No change in Account Code or description.

(3) Old HT3 : The tariff is changed as HT4. No change in Account Code or description.

The New Account Codes shown above as also in the revised format will be issued separately and sent.

The above guidelines should be implemented in the D.C.B. for the month of November '90 onwards invariably.

Comparative statement showing the Account codes and appropriate electric power tariffs of 1987 and 1990.

A/c Code as per Power Tariff 1987			Description	A/c Code as per Power Tariff 1990		
Tariff No.	Account code			Tariff No.	Account code	
	Collection	Demand		Collection	Demand	
LT.1(b)	23.101	61.210	Non-commercial lights and fans.	Lt.1	23.101	61.210
LT.1(a)	23.102	61.220	BhagyaJyothi	B3	23.102	61.220
LT.2	23.103	61.230	Non-commercial combined lights and heating (AEH)	LT.2	23.103	61.230
LT.3	23.104	61.240	Commercial and non-industrial lights and fans	LT.3	23.104	61.240
LT.4a(i)	23.105					
LT.4a(ii)		61.250	Irrigation pumpsets (water lifting 10 HP and below)	LT.4a(i) a (ii)	23.105	61.250
LT.4a(iii)	23.106	61.252	Irrigation Pump sets (Water lifting above 10 HP)	LT.4a(iii)	23.106	61.252
LT.4(b)	23.107	61.253	Agricultural operations	No. Provsn.	23.107	61.253
LT.4c(i)	23.108	61.261	Water supply Mandal Panchayats	LT.4c(i)	23.108	61.261
LT.4c(ii)	23.109	61.262	Water supply - others	LT.4b (ii)	23.109	61.262
LT.5(a&b)	23.110	61.271	Industrial Heating & Motive power	LT.5(a&b)	23.110	61.271
LT.6(a)	23.111	61.281	Public Lighting Mandal panchayats	LT.6(a)	23.111	61.281
LT.6(b)	23.112	61.282	Public lighting - others	LT.6(b)	23.112	61.282
LT.7	23.113	61.291	Temporary power supply non-commercial lights and fans and other small appliances.	LT.7	23.113	61.291
No. Prvsn.	23.115	61.310	Public Water supply & Sewerage pumping	HT1	23.123	61.320
HT.1						
HT.2	23.115	61.310	Industrial, non-industrial and Commercial	HT.2 (a) HT2 (b)	23.115 23.122	61.310 61.315
HT.3	23.116	61.330	Irrigation and agricultural farms	HT.3	23.116	61.330
HT.4	23.117	61.340	Rural Electric Co-operative Societies.	HT.4	23.117	61.340
HT.5	23.115	61.310	Temporary supply	HT5	23.124	61.350
KPC	23.118	61.360	KPC installations	KPC	23.118	61.360

Sub : Accounting procedure for HKDP works.

Ref : (1) Minutes of the discussions held on 6-9-90 with Chairman, KEB in the matter.

(2) Controller (A/c) Gulbarga Zone letter No. CE/GLB/CA/AAO/90-91/4954-55 dt.6-9-90.

Please refer to the minutes of the discussions held on 6-9-90 with Chairman, KEB. It is stated in the minutes that necessary guidelines in the accounting matter on HKDP expenditure would be issued from this office.

The Government has indicated in Government Order No.DE/25/EEB.90 dt.4-9-90 that Rs.5 Crores would be allocated for the development of Hyderabad Karnataka Area to the KEB under Hyderabad Karnataka Development programme (HKDP). As this is a specific grant to KEB to accomplish the Transmission and Distribution work in the area, besides the electrification of Tandas and Hamlets listed in the Government Order, all the expenditure incurred against the HKDP works shall be booked under a new head of account "28.825 - HKDP - Receivable from State Government (HKDB)" issued vide this office O.M.No.CA/DCA/Comml.Accts./CYS-84/90-91 dated 14-11-90.

In addition, the following guidelines may be followed in respect of HKDP works :

(1) The total expenditure under the HKDP in entire Gulbarga Zone shall under no circumstances exceed Rs.5.00 Crores during 90-91, as the amount allocated by Government at present is Rs.5.00 Crores only. To ensure this, proper specific allotment of grants to Zonal/Circle/Division/Sub-Division Officers for sanction of estimates wherever necessary under the programme shall be made, so that the aggregate amount of estimates sanctioned does not exceed Rs.5.00 Crores. The concerned Accounts Officers shall exercise proper checks regarding the Budgetary control.

The set of work orders which should be operated by each of the officers for sanctioning estimates under HKDP shall be specifically allotted for each type of work noted below. Each work order shall have a prefix "HKDP/28.825" invariably to enable separation and identification.

- 1) 33 KV Lines
- 2) 33 KV Stations
- 3) 66 KV Lines
- 4) 66 KV Stations
- 5) 110 KV Lines
- 6) 110 KV Stations
- 7) Hamlets and Thandas

(2) The work should be executed as per existing Board rules and as per contract minutes referred to above irrespective of whether the work is carried out departmentally or on Labour contract basis. It may be noted that as per minutes, the HKDP works on Labour contract basis can be entrusted only at schedule of rates of the Board duly preparing estimates. All other existing procedures for entrusting the work and passing bills, shall be applied to HKDP works except in respect of powers of the Executive Engineer (Elec.) to entrust the work as stated in page-3 of the Minutes. If the work is entrusted by inviting tenders, the rates shall not be more than the Board's schedule of rates.

(3) The expenditure booked on HKDP works shall include the following wherever applicable :

- (a) Expenditure on material, Labour etc.,
- (b) Employees cost
- (c) Repairs and maintenance expenditure directly attributable to the work.
- (d) Administration and General expenditure directly attributable to HKDP work inclusive of vehicle running expenditure.
- (e) Any other direct / indirect expenditure

(4) The 'C' Registers and Schedule for the Account Head 28.825 shall be maintained. The maintenance of schedule for each type of work as noted in para (1) above should be separate. The total balance in the schedule on any day should invariably tally with the balance in Account Code 28.825 as per Accounts.

(5) All the concerned Executive Engineers (El.) shall send financial progress report of works carried out during the month for each item of work listed in the Government order separately to the Controller (Accounts) without fail before 20th day of the succeeding month, in the following format.

Sl. No.	Name of the work sanctioned	Estimated cost of work	Date of sanction of the estimate
1	2	3	4
contd.....			
Expenditure incurred during the month under report		Aggregate expenditure incurred on the work upto the end of the month	REMARKS
5		6	7

The Chief Engineer, Elec. Gulbarga Zone shall send a consolidated statement of capital expenditure in respect of HKDP works in Gulbarga Zone in the above format, to the Controller (Accounts) to enable the Board to send monthly progress report to Government as per Government Order dated 4-9-90.

(6) It is stated in the minutes on page-2 that the expenditure booked in establishing 33 KV Station at Karaji may have to be deleted from HKDP, since major portion of the expenditure has been booked before 31-3-90. As this item of work is included in the Government Order and non-booking of expenditure of this item under HKDP reduces Board's external resources and increases the internal capital outlay, the matter has been referred to the Board to issue instructions to include any such earlier expenditure also as expenditure incurred under the HKDP only. Action has to be taken as per instructions of the Board in the matter.

(7) The closure of the work Accounts under HKDP i.e. Accounts Head "28.825 - HKDP - Receivable from State Government (HKDB) and further capitalisation of the expenditure shall be done after receipt of specific instructions from this office in this regard.

77. No.CA/AO(A/cs)/Sn.IV/Cys-87/90-91

Dtd. : 21-11-90

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

Ref : (1) This office Circular No.C(A/cs)/AO(C)/Sn.IV/CYS-195/87-88 dt.29-1-88.

(2) This office Circular No.CA/AO(C)/CYS-199/87-88 dated 2-2-88.

In the above referred Circulars of this office detailed instructions were issued for calculation and payment of interest on consumers Security Deposit and Meter Security Deposit. On issue of the Electricity Supply Regulations, 1988, some of the Divisional Officers are seeking clarification as to whether the interest on these deposits shall be paid with effect from the date of collection of the deposit or from the date of service of the installation.

The matter has been examined in detail and the following clarifications are issued in the matter for guidance.

There was no specific condition before the issue of Electricity Supply Regulations, 1988 that the interest shall be paid on these deposits from the date of service of the installation. The Electricity Supply Regulations 1988 brought into force with effect from 8-12-88 and the Regulation 31.05(e) therein clearly prescribes that the interest shall be paid only from the date of service of the installation. Under the above circumstances the interest on these deposits shall be calculated from the date of collection of deposit in respect of installations serviced before 8-12-88 and from the date of service of the installation in respect of installations serviced on or after 8-12-88. Payment of interest contrary to above guidelines is not contemplated in the Board Rules and the officers concerned will be held responsible for any such deviation in their jurisdiction. All the officers shall ensure that wherever wrong calculation and payment of interest has been made is set right immediately duly withdrawing excess payment if any.

78. No.CA/AO(A/cs)/Sn.IV/Cys-88/90-91

Dtd. : 22-11-90

Sub : Billing of Bhagyajyothi installations

It is brought to the notice of this office, that the Bhagyajyothi installations are not being properly billed at correct rates in some of the revenue accounting units. It is also learnt that the fixed amount towards repayment of capital loan and energy charges as per prevailing tariff are demanded from all the Bhagyajyothi installations, irrespective of the date of service and the capital cost incurred at the time of servicing the installation.

It is therefore clarified that as per the primary conditions of the scheme and orders issued by the State Government from time to time, the Bhagyajyothi beneficiary should repay 80% of the limited capital cost incurred for servicing the installation over a period of 15 years with interest at 6% p.a. alongwith fixed amount as per tariff towards energy charges. Though the capital cost per installation has varied from time to time, the rate of recovery of principal instalment towards capital cost and interest for a particular installation remains constant over the repayment period of 15 years.

Hence, the correct rates applicable for recovering the capital loan amount based on the date of service of the installation are as follows :

Installations serviced during

Rate of recovery of capital loan amount per installation including the interest thereon (Amount to be recovered per month for a period of 15 years only)

	Rs.	P.
Upto 31-03-81	1-61	
1-04-81 to 3-09-86	2-19	
4-09-86 and onwards	2-60	

The monthly demand should include the above rates plus the energy charges as per relevant tariff rates or the prescribed rates as noted below. It is mandatory to note down the correct rate of recovery of loan instalment in respect of each installation depending on the date of service in the revenue ledger itself and bill the installations correctly.

Energy charges applicable from time to time

Upto 31-1-81	-	Rs. 2-50 / p.m.	per installation
From 1-2-81 to 17-8-81	-	Rs. 2-15 / p.m.	- do -
From 18-8-81 to 1-5-87	-	Rs. 2-11 / p.m.	- do -
From 2-5-87 and onwards	-	Rs. 2-50 / p.m.	- do -

All the concerned Officers and Employees in the Revenue Section should ensure the correct billing of the Bhagyajyothi installations in view of avoiding penalising the beneficiary, besides adverse comments from the Government and the Audit. The billed amount shall not be rounded off to the nearest rupee in case of Bhagya Jyothi installations.

79. No.CA/AO(A/cs)/Sn.IV/Cys.90/90-91

Dtd. : 29-11-90

Sub : Power Supply on temporary basis - Accounting of the charges collected.

Consequent to issue of "Electricity Supply Regulations - 1988", a number of changes in the procedure for arranging power supply on temporary basis have been brought into force. It is reported that there is some confusion at the field level on the (a) preparation and sanction of estimates in respect of temporary installations and (b) Accounting of the charges collected. Different divisions are following different procedures.

The following guidelines are laid down to ensure uniformity in procedure as also correct accounting of the amounts collected in respect of temporary installation at all the Divisions.

- (1) The provisions laid down in chapter - IV (Regulation-13.00) of the "Electricity Supply Regulation - 1988" shall be referred to, for each type of temporary power supply and conditions thereof.
- (2) No estimate is required to be prepared in the following cases, and only fixed charges as per rules shall be collected towards service and consumption charges.
 - (i) L.T. Power supply of not more than 10 KW for a period of not more than 15 days, without extension of the distributing main (Regulation - 13.01) for;
 - (a) Marriage and other functions (Regulation 13.01 (a) (i)).

(b) Floor polishing and water pumping and such other constructional purpose (Regulation 13.01 (a) ii).

(ii) L.T. temporary power supply for other cases, wherever extension of distribution main is not required (Regulation 13.02 (a) (i)).

(iii) Temporary usage in the premises already having permanent supply (Regulation 13.03).

(iv) Temporary High tension supply (Regulation 13.04) where extension of distribution main is not required.

(3) In respect of other types of temporary power supply, other than those mentioned in (2) above and wherever extension of line is required, an estimate is to be prepared to arrive at the cost of the estimate and service charges to be collected as per rates prescribed. The estimate shall be prepared in the new format enclosed herewith.

(4) Accounting of Fixed charges towards service and consumption charges collected together., Applicable to cases falling under Regulation 13.01(a) (i) & (ii).

Fixed charges collected shall be accounted as "Revenue" against Temporary Tariff - LT - 7 (Account Code 23.113/61.291) duly raising the demand simultaneously. This may be done without waiting for Test Report from field staff on the basis of the name of the consumer. However, it is the primary responsibility of the concerned Executive subordinate to handover the file to the Revenue Section at the earliest to enable them to enter the R.R. No. and other particulars.

These charges are not refundable under any circumstances.

(5) Accounting of Service charges only : - Applicable to cases falling under Regulation 13.02 and 13.04.

Amount collected towards service charges should be treated as miscellaneous Revenue and accounted under "Sundry Debtors - Miscellaneous Receipts from consumers" (Account Code 23.7 (Dr.) / 61.904 (Cr) as both demand and collection, simultaneously.

(6) Accounting of Estimated consumption charges only :

Applicable to cases falling under Regulation 13.02 & 13.04

(a) **When collected :**

The amount collected towards "Estimated consumption charges" shall be accounted as collection under Temporary Tariff - LT7 (Account Code 23.113) and unadjusted amount shown as minus balance in Ledger / D.C.B. till the amount finally adjusted / refunded in full.

(b) **Adjustment towards periodical bills :**

Raise demand periodically for the actual consumption at relevant tariff rates duly reducing the minus balance.

(c) Refund of balance amount :

(i) By Adjustment to other R.R. No. of the same consumer

On request from the consumer, an adjustment shall be put up at Sub-Division to adjust the refundable "Estimated consumption charges" against demand of other R.R. No. of the same consumer. Full details of such adjustment shall be exhibited in sub-division D.C.B. to enable the Division Office to pass necessary transfer entries among different tariffs for such adjustments.

(ii) In Cash : The refund bill obtained from the consumer in the Sub-division office shall be sent to division office in full form duly making necessary remarks in the ledger to this effect. After the bill is passed in the Division Office and cheque sent to the consumer, the division office shall prepare a sub-divisionwise statement every month and send the same to the concerned sub-division for posting these refunds as "minus collection item" against the ledger account duly quoting B.R. No. and date of the division for clearance of balance. The Division office shall ignore such refunds intimated by them to sub-divisions and shown as divisional adjustment in the sub-division D.C.Bs. for the purpose of passing D.C.B. entries. To ensure accuracy in Accounts such refund bills need not be preferably passed in the division office after 25th of the month and the statement of refunds made during the month shall be sent to the sub-division office invariably before the end of the month for incorporation of the same in the D.C.B. of the month.

The statement may be sent in the following proforma :

Sl. No.	R.R. No.	Name of the consumer.	B.R. No. & date	Amount refunded	Cheque No. and date

It may be noted that minus balances running for more than three years are treated as miscellaneous revenue duly raising demand to that extent in the ledger under miscellaneous column specifically. The above procedure and accounting instructions shall be followed scrupulously.

Form of estimate for temporary power supply works

Name of the work :						
Sl. No.	Particulars	Unit	Qty.	Rate	amount	
					Sub-Total	Total
1.	Cost of materials					
	(A) Returnable materials					
	(i)					
	(ii)					
	(iii)					
	etc.					
	Sub-total of A					
	(B) Non-returnable materials					
	(i)					
	(ii)					
	etc.					
	Sub-total of B					
	Total of A & B					

2. Cost of labour (a) For erection as per S.R. or as estimated. (b) For dismantling as estimated.					
3. Employees cost and other expenses at 20% on item Nos.1 &2					
4. Transportation charges for conveying materials to workspot & back to stores.					
5. Miscellaneous materials, if any.					
6. Contingencies at 5% on items 1 to 5.					
7. Any other charges					
8. Total cost of the estimate					
Amount to be collected from the Applicant					
(a) Service charges at 20% on item (8) (Head of A/c : 23.7)					
(b) Electrical Inspectorate charges, if any as per rules (Heat of Account : 46.440)					
9. Total					
10. Total cost of the estimate as per item (8)					
LESS :					
11. Cost of returnable materials at full value as per 1 (A) above.					
12. Net cost of the estimate					

Notes :

- (1) The transportation charges has been included in the estimate since the work is for Temporary power supply.
- (2) For special occasions like Dussera Festival etc., this form of estimate will not apply.
- (3) The estimate shall be sanctioned under Account Code 22.731.
- (4) At the end of the estimate usual certificates shall be recorded.
- (5) Estimate shall be sanctioned for the amount shown against item (12). Net cost of the Estimate.
- (6) After return of the returnable materials as per estimate duly dismantling the works, and closure of the work accounts under A/c Code 22.731 the balance against this work in the schedule shall be transferred to Account Code 74.511 as stated in this office O.M. No.CA/DCA/Coml. Accts./CYS.89/90-91/26-11-90. However, the cost of returnable materials short/not returned shall be debited to personal account of the concerned for recovery of the amount and under no circumstances shall be debited to 74.511.

Sub : Billing and Accounting procedure of Kutirjyothi Installations.

Ref : 1) Board Lr. No.B11/3390/88-89/15-6-90.

2) CEE(G) Lr.No.T/EEG/AE-3/CYS.159/7-8-90.

The following Billing and Accounting Procedure are laid down for the guidance of all the Accounting Offices as per the instructions by the Board vide letter dt. 15-6-90. You may please refer to the letter dt.7-8-90 of the Chief Engineer, Elec. (Gl.), wherein certain instructions were issued regarding bifurcation of Bhagyajyothi & Kutirajyothi installations for the year 1988-89 and 1989-90, as also regarding collection of revenue from both the beneficiaries, until further orders in pursuance with the Board letter dtd. 15-6-90.

The guidelines hereinafter mentioned shall be followed regarding billing and accounting of Kutirajyothi installations besides ensuring that the instructions issued by the CEE (General) are already complied with.

- 1) The beneficiaries under each Scheme for the year 1988-89 and 1989-90 should have been identified by the Ex.Engrs. of the O&M Divisions, as per Annexure to the CEE (Genl.) letter dt.7-8-90 and necessary O.M. is issued duly mentioning the Work Order No. & date & RR No. of all the installations segregated as Kutirjyothi installations and sent to the concerned Accounts Section in the Division office and to the Revenue Accounting Units.
- 2) The Capital expenditure booked in respect of Kutirjyothi installations during the years 1988-89 & 1989-90 shall be segregated on the basis of the bifurcated physical progress in the Accounting Sections of the Division Office and transferred to Account head "14.360".
- 3) Further, Kutirjyothi Capital expenditure for the year 1990-91 shall be booked separately under "14.360 - Kutirjyothi Scheme".
- 4) If the combined capital expenditure booked under Bhagyajyothi does not commensurate with the physical progress, the transaction shall be retraced for mis-classifications and set-right by passing necessary accounting entries. It may also be noted that normally the expenditure per installation will not be less than approved cost per installation.
- 5) As the total expenditure incurred in respect of Kutirjyothi installations is obtained as grant from Central Government / State Government, the expenditure in respect of the installations serviced from the year 1990-91 and onwards shall be booked in the same year itself, since the installations are serviced against specific grants released for the financial year. If the bills are not passed in the same year for the installations reported as "serviced" during the year, the expenditure shall be provisionally booked under "Kutirjyothi Capital Expenditure" head (i.e. 14.360) by crediting the provision account (i.e. 15.5) for completed works and duly reversed in the beginning of the next Accounting year.
- 6) It is stated in the letter dt.7-8-90. of the Chief Engr. Elec. (G) that directions were issued to all the Ex.Engrs. to collect a sum of Rs.2.50 only from all the Bhagyajyothi installations, vide CEE (G) Circular No.T/EEG/AE-3/CYS-359/89-90 dt.1-3-90 until further orders. Consequent to bifurcation of installations into Bhagyajyothi and Kutirjyothi specifically; as per item (1) above, the billing procedure shall be as follows :-

a) All the Kutirjyothi installations shall be billed at Rs.2.50 per month only. No Capital loan portion is to be levied. This applies to installations segregated as Kutirjyothi during 1988-89 and 1989-90 and for the installations serviced afterwards. If any loan portion amount has already been levied during 1988-89 & 1989-90 considering the installation as Bhagyajyothi, the excess amount so billed shall be withdrawn from the ledgers duly obtaining concurrence of the A.O. Internal Audit.

b) The billing of Bhagyajyothi installations shall be as per this office Circular No.CA/AO(Accts)/Sn.IV/CYS-88/90-91 dt.22-11-90. In case the installations are billed at Rs.2.50 only ignoring the Capital loan portion as per CEE(G) circular dt. 1-3-90, the additional demand towards recovery of loan portion shall be raised in the ledger account and recovered.

7) The opening balance, demand, collection and closing balance of all Kutirjyothi installations including those segregated as Kutirjyothi for the years 1980-89 and 1989-90 shall be separately shown in DCB statement of each Sub Division and also in the consolidated DCB statement of the division This may be shown under Bhagyajyothi Tariff separately. Issue of separate Account codes for this is under consideration.

The Accounts Officers of O&M Divisions are requested to ensure that the required action on the above lines is taken both at the Division Office and the Revenue Accounting Units without fail.

81. No.CA/AO(A/cs)/Sn.IV/Cys.110/90-91

Dtd. : 31-1-91

Sub : Accounting of Transfer Travelling Allowance including transfer grant.

It has come to the notice of this office that some confusion is prevailing in accounting of transfer travelling allowance and transfer grant paid to the employees on transfer from one accounting Unit to the other. The matter has been examined and the following clarifications are issued.

As per para 115(b) of the KEB Accounts Manual Volume-IV, the incidence of charge of travelling allowance of an employee on transfer from one division to the other has to be debited to the division to which the employee is transferred. However when an employee is transferred from one division to another wherein the expenses are finally debitible to revenue expenditure in both the divisions, the payments made on account of the above should not be transferred irrespective of the division in which the payment is made.

In respect of transfers from one Major works Unit to other Major Works Unit or from Major works Unit to other Units and viceversa, the incidence of charge should be taken as debitible to the division to which the employee is transferred and the payments referred above are transferred to the division to which the employee is transferred.

The above guidelines may be strictly followed.

82. No.CA/AO(A/cs)/Sn.IV/Cys.118/90-91

Dtd. : 4-3-91

Sub : Non incorporation of monthly transactions in quarterly Trial Balance.

It is observed that inspite of specific instructions from this office, many Accounting Units are not bringing into Accounts certain transactions like Demand and collection of Revenue (i.e. entries in respect of D.C.B.), Bills, Stock, Funds transferred to Head Office etc., in the same month and not depicting the correct figures in the respective quarterly Trial Balance which is highly irregular and also objectionable in Audit. It

may be noted that such Trial Balance statements will not give a true and fair position of the Accounting Unit in respect of Income, expenditure, Assets and Liabilities.

I therefore request you to ensure that the entries in respect of the following items are invariably be passed at the end of every month and incorporated in the respective accounts and quarterly Trial Balance.

- i) D.C.B. entries for demand and collection
- ii) Bills - B.B.R. entries
- iii) Stock - Entries for Receipts and Issues
- iv) Funds transferred to Head office from Non-operative Bank Accounts.
- v) Stamp used during the month/quarter
- vi) Allocation of Employee cost over capital works.

The Trial Balance statement should invariably have a footnote as shown below to enable this office to know the period upto which the transactions have been incorporated in the quarterly accounts :

- Note : i) D.C.B. entries passed and incorporated upto.....
 ii) Stock Receipt & Issues - Entries passed upto.....
 iii) Entries in respect of funds transferred to Head Office passed and incorporated upto.....

These instructions should be followed scrupulously from hereafterwards.

83. No.CA/AO/(A/c)/Sn.IV/Cys-42/91-92

Dtd. : 20-7-91

Sub : Charging depreciation on Fixed Assets.

It is observed at the time of acceptance of Annual accounts during the last few years that many Accounting Units are not calculating the depreciation correctly and much time is lost in recalculations and making corrections in the relevant March Final Accounts. The mistakes in the accounts are due to last minute calculation of the provision resorted to by the Units instead of completing this work in advance.

Accounts Manual Vol.III vide Regulation 2.60 (on page 20) clearly prescribes that the depreciation shall be charged on the fixed assets in use at the beginning of the year. Therefore the Accounting Units are not required to wait till the preparation of March Final Accounts of the year to calculate depreciation and making provision in the Accounts. The provision could be made as well in the beginning of the year.

In the light of the above, it is requested that depreciation on Fixed Assets at the beginning of the year (i.e., as on 1st April of the year) shall be calculated and provision made in the II Quarterly Trial Balance by all the Accounting Units without fail. A statement in the following proforma shall invariably be enclosed to the II Quarterly Trial Balance for the period ending 30th September of the year.

Statement of Calculation of Depreciation for the year

Accounting Unit :			Location Code :		
Sl. No.	Head of Account Account Code	Account Head	Assets Balance as on 1-4-	Amount of Depreciation Rs. Ps.	Ref. to J.V. No. and Date

However before calculating the depreciation, it should be ensured that the balance under Assets Accounts at the beginning of the year as per Accounts agrees with the value as per Assets Registers and the difference if any reconciled thereof.

It should also be ensured that in respect of Assets released during the year, the depreciation is charged for the entire financial year and accumulated depreciation withdrawn at the time of release.

The depreciation provision shall be checked and certified as correct by the Internal Audit before forwarding the Audited Trial Balance.

These instructions shall be scrupulously followed to avoid discrepancies at a later stage as also to enable this office to verify the depreciation provision in advance and for intimating the observations if any.

84. No. CA/AO(A/c)/Sn.4/Cys-47/91-92

Dtd. : 27-7-91

Sub : Accounting of Unpaid wages.

Ref : (1) T.C. Circular No.C(A/c)/DCA/Coml.Accounts/Cys.107 dated 6.8.1986.

(2) T.O. Circular No.DCA/AOC/Sn.IV/Cys.233/26.3.88

During the reconciliation of funds transferred from Head Office and accounted at the Units under Account Code 34 at the time of accepting March 91 Final Accounts, it is observed that the unpaid wages remitted to the operative Account in the Units are wrongly credited to Account Code 34, unnecessarily increasing the credits in this Head of Account. In fact, the credits to Account Head-34' shows the exact amount of funds transferred from Head office as also FA&CAO cheques accounted at the Units. Other than these two amounts, no other amount should be credited to 34 under any circumstances, though other debits to the Operative Accounts are supposed to occur.

It is learnt that the Accounting Units which are following the wrong procedure as above are charging off the remittance made to operative Account in respect of the unpaid wages on the payment side of the Cash Book under the column "Other Amounts" which is again totally wrong. By debiting "44.310 - Salary Payable" Account, the liability is shown as cleared in Accounts whereas the fact is not so. The liability will be cleared only after the actual payment is made to the payee and not by remittance of the amount to Bank.

In view of eliminating recurrence of such mistakes in the Accounting units, the correct procedure of accounting of Unpaid wages is re-iterated below for strict guidance.

The transactions of remittance of unpaid wages to the Bank shall be taken as a contra transaction in the cash book showing the amount under the column 'other amounts' on payment side for reduction of cash balance and under operative 'Bank' Account, on Receipt side to increase the Bank balance. As this entry is contra, it shall be ignored for the purpose of compilation of Accounts as in the case of other contra entries in the Cash Book.

The amount so remitted to Bank shall be continued to be shown as balance under 44.310 salary payable only, for a period of three months. If the amount remains undisbursed even after three months, the balance shall be transferred to Account Code "44.210 - Unpaid Wages" by debit to Account Code 44.310. The subsequent payment of unpaid wages shall be debited to 44.310 or 44.210 as the case may be after locating the corresponding credits. The unpaid wages outstanding for more than three years shall however be credited to Miscellaneous Revenue.

Sub : Retreading of Tyres - Accounting procedure

It has come to the notice of this office that the proper accounting procedure is not followed for retreading of tyres resorted to by the various authorities. The retreading of tyres results in only incurring expenditure on payment of charges for retreading, which is Revenue Expenditure to the Board debitable to the Head of Account "74.601 - R&M to vehicles". This activity does not enhance the value of the Asset and hence, operating the Heads of Accounts pertaining to Assets group, Written Down Value of Assets and Depreciation Provision for this purpose is not correct. It has to be ensured that whenever the retreading of tyres is taken up, the charges are debited to Revenue Expenditure besides accounting the issue and receipt of tyres through stock Account. Wherever the retreading work is got done by directly handing over the tyre to the retreader, making use of the stepney without drawal of a new tyre, the question of issue and receipt of tyres through stock does not arise. However, in either case the existing procedure of sanction of estimate, placing of Purchase Orders and other Board formalities shall be observed.

The Accounting entries for retreading of tyres when the drawal, issue and receipt of tyre is done through stock are given below for strict guidance.

1. When new tyre is drawn for replacement or keeping as stepney.

74.601 R&M to vehicles	Dr. Full PR	
To 22.320 Material issues (O&M)		Full PR

2. When released tyre is returned to stores.

22.320 Material Issues (O&M)	Dr. 10% PR	
To 74.601 R&M to vehicles		10% PR

3. When released tyre is issued for retreading from Stores.

26.604 Transformers / Meters etc., issued to contractor / suppliers for repairs / replacement	Dr. 10% PR	
To 22.320 Materials issues (O&M)		10% PR

4. When retreaded tyre is received in the Stores from the retreader

22.320 Material issues (O&M)	Dr. Full PR	
To 26.604 Transformer / Meters etc., issued to contractor / suppliers for repairs / replacement		10% PR
To 74.601 R&M to vehicles		90% PR

The retreading charges shall be paid as per the Purchase Orders placed, by debit to 74.601 - R&M to vehicles. It may be noted that no journal entry has to be passed for this payment as the debit is booked from cash book.

In case the released tyre is found to be unfit for retreading and to be disposed as scrap, the following entries are to be passed in addition to the first two entries under the second para above, since the new tyre would be drawn duly returning the released tyre in this case also.

- 1) **When released tyre is treated as scrap**
 28.103 Sundry Debtors for sale of scrap Dr. 10% PR
 TO 22.320 Material issues (O&M) 10% PR
- 2) **On realisation of the amounts on disposal of tyre as scrap**
- a) **If the amount is more than 10% PR**
 Cash / Bank account Dr. Amt. received
 To 28.103 - Sundry Debtors for sale of stores Balance amount 10% PR
 To 62.330 - Profit on sale of stores (Profit after deducting cost from the sale proceeds)
- b) **If the amount realised is less than 10% PR**
 Cash / Bank Dr. Amount Recd.
 79.572 Loss on sale of scrap Dr. Balance amount
 To 28.103 Sundry Debtors for sale of Stores 10% PR

It may be noted that wherever PR is mentioned in this circular, the prevailing purchase rate of tyre on the date of transaction shall be adopted.

The above procedure shall be followed scrupulously.

86. No.CA/AO(A/c)/Sn.IV/Cys. 64/91-92

Dtd. : 21-8-91

Sub : Advance of Pay-credit balance - reg.

Ref. : T.O. Circular No.CA/AO(A/c)/Sn.IV/ Cys-64/90-91 Dt.10.9.90

It is reported by many of the Accounting Units that, the main reason for depiction of credit balance under A/c code 27-201 - Loans and Advances to staff - Advance of Pay in their Units is due to non-transfer of Advance paid, through Advice of Transfers (Debit) by the Accounting Units from which the Board employees are transferred, and effecting the recoveries on the basis of entries in Last Pay Certificate of the employee.

This accounting abnormality has been severely commented upon by the Accountant General in Audit Report on Annual Accounts.

Therefore it is requested that in case of transfer of an employee, the transferor Unit shall invariably send Debit Advice of Transfer in respect of Advance of Pay, Travel Advance etc., along with the Last Pay Certificate itself to avoid accounting abnormalities in the Accounts of both the Units. The Accounts Officers / Asst. Accounts Officers should ensure this at the time of signing the Last Pay Certificate failing which it will be considered as lapse on their part.

In case, the Debit AT is not received along with LPC or within a reasonable time after receipt of LPC, the transferee Unit shall contact the transferor unit immediately and obtain the AT at the earliest. Even after effective persuasion, if the AT is not received the transferee Unit shall report the matter to this office with full details for further action.

Sub : Usage, maintenance and accounting of numbered spot bill books - instructions.

Ref : B.O. No.KEB/B8/6643/89-90 dtd. 3-9-90

As per the Board Order dtd. 3-9-90, the new spot bill books have been serially machine numbered and supplied to the Sub-Divisions for usage, with the main intention of achieving following results.

- 1) Elimination of non-issue of bills to the consumers either by ledger staff or by meter readers.
- 2) Elimination of non-accounting of payments made towards energy charges by consumers.
- 3) Bringing sanctity to the energy bills issued by the Board.

The spot bill books supplied to all the Revenue Accounting Units are securely bundled and each book is containing one hundred spot bills in duplicate. The following instructions shall be strictly followed in usage, maintenance and accounting of the new spot bill books.

- 1) In the spot bill book, each set of original and duplicate bills are having the same machine number printed. The original bill is having perforations. The bill shall be prepared in duplicate by using carbon paper and the original shall be torn off and delivered to the consumer.
- 2) The blank columns provided in the bill for noting the data shall be filled with required data invariably. No space should be left blank, in general and the column provided for noting the name of the Division, Sub-Division and code number in particular. In this column, the seal of the Sub-Division / Section shall be stamped without fail.
- 3) The bill forms should be serially used and the unused forms shall be cancelled with the attestation of AAO/Sr. Assistant, keeping both the original and duplicate intact in the bill book.
- 4) The new bill books shall be receipted, preserved and issued in the same manner as the cash receipt books are being maintained at present.
- 5) The bill books issued for one Division shall not be handed over to other Division for usage without the approval from proper authority, i.e., the suptd. Engr. (EI), or Dy. Controller of Accounts of the Circle.
- 6) The numbers printed on the bills shall be noted against each R.R. No. in the ledger every month at the time of preparing the skeleton bills. Skeleton bills shall be handed over to the meter reader with proper acknowledgement for issue of spot bills and after the bills are issued to the consumers, the duplicate bills returned shall be acknowledged in the Revenue Section.
- 7) The bill No. shall be mentioned invariably in the cash receipts drawn. Necessary changes may be got made in the software through the dealer of the machine in the case of Registrex machines.
- 8) Once the bill is issued and the amount is entered in the ledger by the ledger staff, the amount claimed in the bill should not be changed by the ledger staff. Any change should be made by the AAO/Sr. Assistant of the Section only. Such changes shall be properly attested both in the ledger and on the bill by the AAO / Sr. Assistants.

9) The concerned Sub-Division / Section should intimate the CEE, MM&P through proper channel; the required quantity of bill books for use in their office well in advance (i.e, five to six months early) for getting the bill books printed and they should always keep three months quota of bill books in stock in order to avoid non-issue of bills for want of bill books.

The above instructions shall be scrupulously followed.

88. No.C(A/c)/AO(A/c)/Sn.IV/Cys-73/91-92

Dtd. : 7-9-91

Circular

The Regulation 31.03 of the Electricity Supply Regulations was amended vide Board Notification No.KEB/B10/5015/85-86 dated 20-01-1989 prescribing that the entire amount of initial Security Deposit and additional Security Deposit shall be in the form of CASH only. In this connection, the Board has issued suitable instructions time and again to return / revoke Bank Guarantees given as security in lieu of cash and to collect the security deposit in the form of cash only. In Circular No.KEB/B10/5015/85-86 dated 16-03-1991, the Board have fixed 15th May 1991 as the deadline for collection of Security Deposit in its entirety in cash only.

On review of the I Quarter Trial Balance, it is observed that in many Accounting Units, the Bank Guarantees are still held as Security Deposit. Therefore, the concerned are hereby instructed to collect the Security Deposit in its entirety in CASH ONLY immediately and depict the amount against appropriate Account in the Accounts, besides furnishing details for continuation of balance, if any; under Account Codes 28.932 and 48.2 to this office.

89. No.CA/AO(A/cs)/Sn.IV/Cys.96/91-92

Dtd. : 16-11-91

Circular

Reg : Contractors' Material Control Accounts - Credit balance.

On an examination, it is found that the main reason for depiction of credit balance under the Head of Account "26.603 - Contractors' Material Control Account" is due to non-transfer of debits by the Accounting Units (which have issued materials to the Contractors) to the Accounting Units where the Bills are passed duly effecting recovery and crediting this Account to the extent of the cost of such materials. As a result, this Account is showing an overall Credit balance of Rs.8,15,992/- as on 31-3-91. This accounting abnormality has been severely commented upon by the Accountant General.

Therefore it is hereby instructed that, in case of issue of materials to contractors from an Accounting Unit for works relating to other Accounting Units a debit Advice of transfer shall invariably be sent by the former Unit within a week's time to the concerned division without fail. Any failure in ensuring this by the Accounts Officer / Asst.Accts. Officer, will be considered as a lapse on their part.

In case, the debit A.T. is not received within a reasonable time resulting in carrying credit balance under this Account, the Accounting Unit concerned shall immediately contact the transferor Unit and obtain the Debit A.T. at the earliest. Even after effective persuasion from their end, if the A.T. is not received, the matter shall be reported to this office with full details for further action.

90. No.C(A/c)/AO(A/cs)/Sn.IV/Cys-110/91-92

Dtd. : 20-12-91

Sub : Recovery of contribution towards Labour Welfare Fund.

During the verification of March '91 Final Accounts it was observed that the contribution to Labour Welfare Fund for 1990-91 was not booked at some of the Accounting Units. In some other Accounting Units, the amount had been wrongly debited to D.A., other allowances etc., Therefore all the Pay Drawing Officers are hereby instructed to recover Rs.1/- each from all the workmen in the salary bill of December '91 without fail, and add Rs.2/- per workman as the Board's contribution and arrange for remitting the total amount to the Commissioner for Labour Welfare. The Board's contribution of Rs.2/- shall be debited to Head of Account "75.763 - Board's contribution to Labour Welfare Fund".

91. No.C(A/c)/AO(A/cs)/Sn.IV/Cys-128/91-92

Dtd. : 28-1-92

Sub : Booking of expenditure in respect of World Bank Aided Projects separately.

Ref : T.O.M. No. : CA/DCA/Cys.98/91-92 dt : 16-11-1991

The constant and close monitoring of the expenditure on World Bank works is being done at Board, Government and World Bank level. Therefore the details of outlay booked under each category of work at various Accounting Units on these projects is required at regular intervals. To facilitate booking of expenditure separately under World Bank Aided Projects - KPP-I and KPP-II, four new Heads of Accounts were opened with effect from 01-04-1988 vide this office O.M.No. : Cys.98 dated 16-11-1992. The outlay booked in respect of KPP-I and KPP-II under Transmission lines and step-down Stations from the commencement of the works to date which is included under Account Codes : 14.110 and 14.120 at present shall be segregated and transferred to new Heads of Accounts opened for the purpose. In future the expenditure on World Bank Aided Projects shall be booked under new Heads of Accounts only.

The transfer entry shall be passed immediately and incorporated in the IV Quarter Trial Balance without fail.

92. No.C(A/cs)/AO(A/cs)/Sn.IV/Cys-135/91-92

Dtd. : 12-2-92

Sub : Maintenance of cost register for dismantling work.

It has been observed during inspection of several accounting units that the cost registers are not maintained for the works taken up for dismantling / releasing of the Assets. Many of the Units / Divisions are under the wrong impression that the works account and cost registers need not be maintained for Revenue expenditure works. Such an impression is wrong and nowhere in the codal rules. Revenue expenditure works are exempted from maintenance of work accounts and cost registers. Any revenue expenditure work for that matter, needs keeping account for the amount spent in view of exercising control over drawal of materials and incurring labour. However the Accounting Units are, required to keep only track of the expenditure with reference to the sanctioned estimate in respect of routine maintenance works by recording the expenditure in a register but could dispense with obtaining and passing completion reports in respect of such works. This relaxation is also with the view that any excess expenditure of material and labour over the sanctioned estimate could be detected and plugged without obtaining the completion report as the

works account is separately recorded in register.

The dismantling / releasing of assets stand quite distinctly away from any of the other routine Revenue expenditure works and require to be tackled more cautiously inasmuch as this activity affects the original Assets account on one side and material stock account on the other side as high cost materials are released and returned to the Stores in the process of this work. The estimate for this work has to be prepared as per procedure laid down in Board order No.KEB/B19/345/85-86 dtd. 16-9-86 and No.KEB/B19/345/85-86 dtd. 18.6.87. The detailed instructions are available vide paras 3.3.3. (i) to (vi) of the Board Order dtd. 18.6.87 as also vide this office letter No.C(A/cs)/AO(A/cs)/Sn.IV/Cys.131/91-92 dtd. 1.2.92. It is mandatory on the part of the Executive subordinate to record the details of the Assets being dismantled in the estimate sanctioned under "77.5 - Asset de-commissioning cost", with particulars such as year of commissioning of the Asset, Original cost and depreciation earned. Having obtained the sanctioned estimate in complete form as above, a specific folio in the separate volume of 'C' register earmarked for such works, shall be opened in the similar manner as is done for other capital works. Apart from recording all the general details of the work in the folio, the details of released / dismantled Assets to be returned as per the estimate shall also be noted in the folio to ensure returning of the materials after the work is done. The Accounting Section in the Division Office shall hundred percent make sure that the materials shown as returnable in the estimate are actually returned after the work is over, by recording the stock Acknowledgement No. and date against the details of returnable materials noted in the relevant folio of the work order in the cost register. If the materials are not returned after the dismantling / releasing work is completed, the concerned executive subordinate shall be held personally responsible for the same and the entire cost of materials not returned shall be transferred to his personal account and recovered from his salary without fail.

It may be noted that the concerned Assistant Accounts Officer and the Case worker will be held responsible for any lapse in this regard. Cases of lapses if any on the part of executive subordinates in the above matter may be brought to the notice of the Accounts Section in the Division for immediate necessary action and effecting recovery of the cost of materials not returned; from the concerned.

The above guidelines in maintenance of cost registers for dismantling works shall be scrupulously followed. The receipt of this letter may be acknowledged.

93. No.C(A/c)/AO(A/c)/Sn.IV/Cys-140/91-92

Dtd. : 24.2.92

Sub : Simplification of procedure for maintenance of service connection 'C' Registers.

Ref : Board Notification & Circular Nos.KEB/B11/B10/2195/84-85 dtd. 8.5.1987.

The service connection Cost Registers at present are maintained in the old format leading to duplication of work and repeated postings in various registers. In most of the Accounting Units the Invoices pertaining to service connection works are initially extracted into an Abstract every month and postings are made from this abstract against each work order in the Cost Register. The completed works from this 'C' Register are again extracted into categorisation Register for the purpose of transferring the CWIP to Fixed Asset Account. Though only meters and some miscellaneous materials are drawn, the same items are repeatedly posted at three places resulting in waste of stationery, labour and time.

In addition to the above the consumer portion of work to be capitalised and Board's portion of Fixed amount refunded in case of underground cable connection only by way of adjustment to Revenue are also not properly booked in some Accounting Units. Wherever these items are booked, no uniform procedure is followed in recording this expenditure.

As the assigned work orders are chronologically written and separate rows are reserved for each work order in the present set up, much of stationery is wasted in respect of unoperated work orders.

With a view to simplify the procedure for maintenance of Cost Registers for service connection works (without extension of line), a new format is prescribed and annexed to this Circular. The new format fulfills the requirements of an Abstract, Cost Register and categorisation Register in one and postings are also to be made only once in respect of a transaction.

The format is designed for posting of the transactions every month separately to tally to Accounts figures. The format is divided into 3 parts i.e., Part-A, Part-B, and Part-C. Under Part A the details of materials drawn from Store house of the Board shall be recorded against each invoice and work order. Under Part B, the consumers portion of the work capitalised on the basis of the certificate recorded by the Section Officer of the O&M Unit on the "Estimate-cum-Completion Report cum-Bill form", shall be posted. The Part-C is provided for recording refund of fixed amount being the cost chargeable to Board, by way of adjustment to consumers account. The basis for booking this expenditure shall be; the statement to be rendered by the Sub-Division as prescribed in this office Circular No.Cys.210/87-88, dtd. 26.2.88.

It may be noted that the work order mentioned under each part is independent and not inter-related. The postings under each part shall be made every month with new serial numbers and need not be correlated with each other.

At the end of the month the total shall be struck and the Cost Registers closed for the month. The total of expenditure booked under Part-A and that of line materials for which separate 'C' Register is maintained and Abstract put up regularly every month, shall be tallied to the total debits against Account Code "14.400" booked from stock transactions. For entries to be passed in respect of expenditure to be booked under Part B and Part C; this office Circular No.Cys.210/87-88, dtd. 26.2.88 may be referred.

After the closure of the Cost Register for the month on the above lines, the CWIP booked under column meters and other remaining columns shall be categorised by transferring the amounts separately to the categorisation Register for passing the following entry at the end of the year for the grand total of 12 months. The transactions for the next month shall be started in a new page sufficiently leaving space for putting abstract etc., after the closure of the previous month's transactions.

10.621 - Service connection (consumers portion +
Board portion + Misc., materials Dr.
10.631 - Metering equipment (Meters only). Dr.
TO 14.400 CWIP Service connections.

In order to ensure that the meter is not drawn more than once for the same work order as also to have control over booking of consumer's portion and Board's portion in the new system; the following procedure shall be followed.

1. In the first volume of the 'C' Register opened for the year all the work orders assigned for the year shall be written serially in the first few pages to form an index.
2. Immediately on drawal of meter, the relevant W.O. No. in the index shall be rounded off to indicate that the meter has been drawn for the W.O. and simultaneously the cost posted under Part A in the Register during the month.
3. Similarly the W.O. in the Index shall be horizontally scored off whenever consumer portion capitalised is posted in the Register during the month.
4. To indicate that the fixed amount (i.e., Board portion) refunded by way of adjustment to consumer's account is posted under Part 'C' of the Register during the month, the W.O. No. in the index shall be scored off vertically.
5. By strictly adhering to the procedure prescribed above booking of expenditure in respect of any item is limited to only once.
6. The index written in the first volume need not be renewed or rewritten anywhere. The same index should be made use of, irrespective of number of volumes of cost Registers opened for the year.
7. As the currency of these estimates will be normally one year; postings in the immediately succeeding year in respect of previous years work orders shall be made in the current 'C' Register only, duly making required markings in the original Index sheet available in the first volume of the Cost Register of previous year.
8. The Division has to ensure that necessary entries are made invariably in the estimate-cum-completion-report form filed in the R.R. docket by the Sub-Division; to the effect that the Board portion of amount is refunded by way of adjustment to consumer's Account.

Wherever conversion of installations are taken up, which involve change of meters; the return of released meters shall be ensured by recording acknowledgement invoice No. and date in the estimate itself separately filed and maintained for such purpose.

The maintenance of cost registers for service connection works shall be made in the new format by using Demi size ruled blank registers, without fail from hereafterwards.

It may be noted that the maintenance of Cost Register for service connection work involving line works shall be continued as is being done presently.

The Accounts Officers and Assistant Accounts Offices are requested to study this Circular thoroughly and implement the system by educating the 'C' Register Assistants properly as the above procedure reduces the time, labour and stationery considerably.

Sub : Maintenance of Receipt Voucher Register and Bill Booking Register.

The RVR and BBR are prescribed to be maintained with effect from 1.4.1985 on implementation of Commercial Accounting System with specific purpose. A number of mistakes and irregularities are observed in these registers during inspection. The utility and importance of these registers are completely lost, if the accounting sections do not maintain the registers properly. In view of bringing uniformity as also eliminating irregularities; the following guidelines are issued for strict adherence by all the Accounting Units in future.

Maintenance of Receipt Voucher Register

It is evident that all the Receipt Vouchers drawn for having received materials from suppliers against purchase orders in the stores shall find an entry in the Receipt Voucher Register. The total amount of the materials so received and accounted at standard rate and booked in the RVR has to invariably tally with the amount booked under account code 42.101 in the stock compilation register during the month. In fact, the liability should be created after ensuring that the amount posted in RVR and booked in the stock account during the month tally with each other. The liability created in this manner will be the total credits for the month in the RVR. As and when the bills are received and passed, the liability will be transferred to "Sundry Creditors Control Account" and Bill Booking Register duly noting the reference to the item number in BBR against the items transferred in the RVR. The total of such items transferred form debits for the month in the RVR. The total of all the untransferred items which are still remaining in the RVR at the end of the month shall be the closing balance and tally to the balance shown against Account Code 42.101, in the General Ledger.

The Accounting Units shall put up an abstract at the end of each month clearly showing the Opening Balance (i.e, total of all uncleared items outstanding at the beginning of the month), credits during the month, debits during the month and the Closing Balance (i.e., total of all uncleared items outstanding at the end of the month in the RVR). The O.B., credits, debits and C.B. should tally to the Accounts figure. If any Division is not putting such an abstract in the RVR at present, they should start doing so right now and for the purpose of abstract; balance as per Accounts shall be adopted as O.B. However it must be ensured that the O.B. adopted from the Accounts tally with the total of all uncleared items outstanding as on that date.

Bill Booking Register :

The CEE (MM&P)'s office and some of the O&M Divisions are making centralised payments for the materials delivered by the suppliers in other Divisions. The existing BBR is not designed to suit the requirement of recording the details in the Offices where centralised payments are made. The Bill Booking Register supplied at present shall be utilised only in respect of Bills to be passed on the basis of Receipt Vouchers drawn in the same Division i.e, in cases where consignee Division and the payee Division are one and the same. It is observed that some of the Divisions where centralised payments are being made are recording entries in respect of such payments also in the same BBR along with the entries originated in their Division. This is not correct since the credits to Account Code 42.201 and debits to Account Code 42.101 during the month cannot be tallied to the totals struck in the Register every month if entries in respect of centralised payments are also made in the same Register.

In view of eliminating this limitation, a new format of BBR is designed for recording entries in respect

of centralised payments only. The format which is self explanatory is enclosed to this Circular. The CEE (MM&P)'s Office and all the other Divisions which are making centralised payments shall maintain two BBRs separately i.e., one for centralised payments in the enclosed format and other for transactions originated in their Divisions in the existing form. It may also be noted that the new proforma for centralised payments exactly fits into each column of the Register presently being used and the particulars of the new format can be pasted in the existing blank Register and additional BBR maintained. With the introduction of a separate BBR for centralised payments the total in each BBR, every month can be tallied to the balances under relevant Account Codes as per Accounts.

The entries in respect of this BBR shall also be passed on the same lines of the existing BBR transactions, i.e., once in a month for the total arrived at in the BBR. The consolidated Journal entry as follows shall be passed at the end of the month.

37-I.U.A. other transactions/adjustments	Dr.
To 25.501 Advance to suppliers interest free	Cr.
To 28.105 Sy. Drs. for other Misc., Income	Cr.
To 42.201 Sundry creditors control account etc.,	Cr.

However the acceptances for A.Ts received shall be sent immediately on the basis of BBR reference without waiting for the Journal entry which will be passed at the end of the month.

The maintenance of BBR in the Divisions where centralised payments are not made remains unaltered.

The above instructions shall be followed scrupulously with effect from 1st April 1992.

**Bill Booking Register
For Making Centralised Payment**

Accounting Unit
Location Code.....

Sl. No.	B.R. No. & Date	Supplier's Name with P.O. No. Date & Bill No.	Reference to Advice of Transfer			Acceptance No. & date
			Name of the Transferor Dvn.	Advice of Transfer No. & date	Amount Rs. Ps.	
1	2	3	4	5	6	

Amount Payable & Recoveries made									Sundry Creditors Ledger Folio No.	Remarks	
Gross Amount		Advance recovered		Penalty recovered		Other recoveries if any		Balance payable			
Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.		
7		8		9		10		11		12	

95. No.C(A/cs)/AO(A/cs)/Sn.IV/Cys-4/92-93

Dtd. : 1-4-92

Sub : Border Area Development Programme Accounting procedure

Ref : 1) Board Lr. No. BiG/1708/90-91, dtd. 29.7.91

2) - do - dtd. 6.2.92

The Government of Karnataka vide order No.PD-32/DAP-91 dtd. 17.6.91 have sanctioned Rs.2.00 lakhs for each Taluk in the Border Area for electrification of SC/ST Colonies, Tandas etc., under Border Area Development Programme. The Deputy Commissioner of the District are authorised to release the grant to the Executive Engineer (El.) of the O&M Division. Detailed instructions regarding sanction of estimates, obtaining of grants and execution of work are already issued. The following accounting procedure are prescribed for guidance of the Accounting Units taking up this programme.

The estimate under this programme shall be sanctioned under new Head of Account "14.370 - CWIP - Border Area Development Programme" limiting the amount to Rs.2.00 lakhs only per Taluk. The grant should be obtained in advance against the sanctioned estimates and the work should be started immediately after release of grant. The grants released shall be credited to Head of Account "55.3 - Grants towards cost of capital assets". The expenditure booked under Account Code 14.370 shall be closely monitored to ensure that the same is limited to the grants received.

The Accounts Officer should ensure at the time of certifying the work orders that the sanction accorded for works under Account Code 14.370 does not exceed the grants received under Account Code 55.3. After the entire grants received in respect of a Taluk are spent and the related works are completed, the outlay booked shall be categorised in respect of the particular Taluk. A statement in the following proforma exclusively has to be sent to this office every month for the purpose of consolidation and analysis.

"STATEMENT SHOWING EXPENDITURE UNDER BADP"

Sl. No.	Name of the Taluk	Grant Recd. during the month		Exp. incurred during the month		Progressive total of grant recd. upto the end of the month		Progressive total of expenditure incurred upto the end of the month	
		Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
Total									

The above instructions shall be followed scrupulously.

96. No.C(A/cs)/AO(C)/Sn.V/a/S.Tax/Cys.27/92-93

Dtd.: 28-4-92

Sub : KST Act 1957 - payment of Sales Tax deducted at source as per secn.19A
- Filing of monthly returns in form No.3 - regarding.

Ref : T.O. Circular No.CA/AO(A/c)/Sn.Va/Cys.104/90-91 dtd.10.1.91

Instructions were issued in this office circular dtd.10.1.91 indicating the procedure for payment of Sales Tax deducted at source from the bills of contractors, under Sn.19A of K.S.T. Act 1957. It was also instructed to file the statement of tax deducted at source for the month to the concerned sales Tax Dept. within 20 days of the succeeding month along with form No.3

The Board is a registered dealer borne on the files of the Asst. Commissioner of Commercial Taxes (Asst.I), City Division I, Bangalore -9. It is desired by the Assessing Authority that the details of monthly returns showing the Sales Tax deducted at source from the bills of the Contractors and paid to the Department are made available for verification.

Hence, a copy of the monthly return submitted to the Jurisdictional Commercial Tax Office shall be sent to this office in future without fail to enable us to furnish a consolidated statement to the Assessing Authority. A consolidated statement for the year shall also be sent before 20th April of every year. The monthly, as well as annual returns are to be sent in the proforma given below :

Sl. No.	Name & address of the contractor	Nature & value of the work	Tax deducted at source	Dt. of deduction of Tax	Dt. of remittance of tax with Challan No. & dt.
1	2	3	4	5	6

The above instructions are only in respect of recovery of Sales Tax from the bills of Contractors and its remittance thereon.

The instructions already issued regarding collection of Sales Tax from sale of scrap and submission of monthly returns etc., remains unaltered.

97. No.C(A/c)/AO(A/c)/Sn.IV/Cys-63/92-93

Dtd. : 10-7-92

Sub : Submission of monthly and quarterly Capital work-in-progress statement.

Ref : T.O. Circular No.ACA/acc/Sn.IV/Cys 164/88-89 dtd. 6-12-88.

As per instructions issued in this office Circular dated 6-12-88, the Accounting Units have to send the monthly capital expenditure statement (provisional) and also the quarterly CWIP Statement. It is observed during the last year, that many Accounting Units are not punctual in rendering this important return and some of the Units have sent the statement with abnormal delay.

As the CWIP statement reveals vital information on the Capital programme of the Unit as also facilitates comparison with the Budget grants, all Accounting Units are requested to send the statement in the monthly / quarterly formats enclosed to this Circular without fail. The statement should reach this office before 15th of the following month invariably.

If the accounting units are not having transactions under capital heads of account a 'NIL' statement shall be sent for information of this office.

The format of CWIP statement for the year 92-93 and onwards, which has to be sent in the form of an Annexure to March (Final) accounts will be revised to suit the monthly / quarterly format and in view of this, the accounting unit shall ensure that the figures in quarterly CWIP statement tallies with the figures as per Trial Balance. Any corrections to be effected to the monthly figures shall be done at this stage only. It may be noted that the monthly figures already furnished in the quarterly statement of each quarter during the year shall not be altered under any circumstances and the figures already furnished in the quarterly CWIP statement shall remain unaltered.

Further, the accounting entries for the amount categorised during the year shall be passed in March (Final) Accounts of the year only. However the units shall take up the categorisation work from the beginning of the year itself and record every month, the details of amount categorised during the month in a separate register so as to facilitate passing of entries at the year end. A separate statement showing the amount categorised under each capital head of Account during each Quarter shall be prepared in the format prescribed herewith and enclosed to quarterly CWIP statement sent.

The above guidelines shall be followed scrupulously by all the Accounting Units.

Name of the Accounting Unit :

Location Code :

CWIP statement for the month of
(Provisional)

Sl. No.	Head of Account	Expenditure during the month
1.	14.110 CWIP Transmission lines	.....
2.	14.120 CWIP Step Down Stations	.....
3.	14.140 CWIP Extension	.....
4.	14.150 CWIP Improvement	.....
	and so on... (All the operated capital expenditure heads)	
	Total Expenditure	

Name of the Accounting Unit :

Location Code :

Quarterly CWIP statement for the period from to

Sl. No.	Head of Account	Previous Total	April / July / October / January	May / August / November / February	June / September / December / March	Total Expenditure for the Quarter (4 + 5 + 6)	Progressive total (3 + 7)
1	2	3	4	5	6	7	8
1.	14.110 CWIP Transmission Lines.						
2.	14.120 CWIP Step Down Stations.						
3.	14.130 CWIP LDC						
4.	14.150 CWIP Improvement						
5.	14.160 - CWIP - Reduction of losses in lines and so on (all the operated capital Expenditure Heads)						

- NOTE :
- 1) The figures shown in the previous total column No.3 should tally with the balances as per previous year / quarter Trial Balance.
 - 2) The figures shown in the progressive total column No.8 should tally with the balance as per current Trial Balance to which period the statement relates to
 - 3) The Units shall not alter the figures shown in this statement subsequently.

Name of the Accounting Unit :

Location Code :

Categorisation Statement for the I / II / III / IV Quarters.

Sl. No.	Head of Account	Amount Categorised	
		During the Quarter	Progressive total during the year
1.	14.110 CWIP Transmission Lines.		
2.	14.120 CWIP Step Down Strn.		
3.	14.140 CWIP Extensions		
4.	14.150 CWIP Improvement		
5.	and so on (All the operated Capital Expr. heads)		
6.			
7.			
8.			

Asst. Accounts Officer,
..... Division / Office

Accounts Officer / Dy. D.C.A.
..... Division / Office.

98. No.C(A/c)/AO(A/c)/Sn.IV/Cys.65/92-93

Dtd. : 13-7-92

Sub : Categorisation of Assets on a continuous basis from the beginning of the year.

Ref : T.O. Circular No.:Cys.144/91-92 dated : 05-03-1992 regarding submission of Technical Certificate.

It is the experience during the last few years that many Accounting Units take up the categorisation work at the year end and struggle hard to complete this work as also to close March (Final) Accounts. Due to paucity of time and lack of positive response from the field staff at the end of the year, the Units will be forced to complete this work in a hurry within the limited time available, which inevitably results in under capitalisation as well as inordinate delay in submission of March (Final) Accounts. Though the necessity and importance of taking up of this work on a continuous basis right from the beginning of the year in a systematic way has been reiterated time and again through D.O. letters and by general Circular to each Accounting Unit, the Divisions are not serious about this area of work and not evincing required interest. The time limit for submission of completion reports has been clearly prescribed in K.E.B. Accounts Manual Vol.II (Part-A) vide Para 331. Accordingly, it is the primary duty of the Executive Engineer of the Division to get the Completion Reports / Technical Certificates / List of Completed Works from the field staff and hand over to Accounts Section of the Division in respect of all completed works within the prescribed time limit. Therefore the field staff shall be instructed suitably in this regard. Any failure will have to be dealt as per CDCA Rules. It is also necessary to obtain a list of work completed every month without fail.

On obtaining the Completion Report / Technical Certificate / List of completed works from the field staff, the Accounts Section shall take up the categorisation work and record the details of amounts categorised in a separate register every month for passing necessary entries at the year end.

To achieve the expected results, there must be effective and continuous persuasion at all levels. Non-co-operation if any, from the field staff shall be tackled suitably duly discussing the matter in the monthly / quarterly meetings.

A statement showing the details of amounts categorised under each Capital Head of Account during the quarter shall be sent with the quarterly CWIP statement in the format already prescribed, hereafter without waiting for reminders.

99. No.C(A/c)/AO(A/c)/Sn.IV/Cys-66/92-93

Dtd. : 13-7-92

Sub : Accounting of transfer of vehicles Furniture & Fixtures and Office equipments.

Ref : T.O. Circular No.C(A/c)/DCA/Cys.25/dtd.16-3-87.

The transfer of capital Expenditure and Fixed Assets between the Accounting Units has to be accounted under Head of Account "32(L.C.)-I.U.A. Capital Expenditure and Fixed Assets". Therefore, vehicles, Furniture and Fixtures and Office Equipment which have been accounted directly under capital work in progress at the time of purchase shall be debited and credited to Account Code 32 in the transferor and transferee units respectively at the time of transfer from one accounting unit to the other. The relevant accounting entries shall be as follows :

(1) For issue of items from Central Stores Dvn./Regional Stores / any other Stores to other Accounting Units

32. (L.C.) I.U.A. - Capital Expenditure and Fixed Assets Dr.

To 14.607 CWIP - Vehicles

To 14.708 CWIP - Furniture & Fixtures

To 14.809 CWIP - Office Equipment

(2) For receipt of items at the transferee Unit

14.607 CWIP - Vehicles

Dr.

14.708 CWIP - Furniture & Fixtures

Dr.

14.809 CWIP - Office Equipment

Dr.

To 32 (L.C.) I.U.A. - Capital Expenditure and Fixed Assets.

However if the vehicles, Furniture and Fixtures and Office Equipments are classified once already as assets in any accounting Unit; and transferred subsequently as released asset, then the relevant account code under "16" series shall be debited or credited instead of "14" series of Account Codes indicated above.

These instructions shall be followed scrupulously from 1st April 1992 onwards.

100. No.C(A/c)/AO/(A/c)/Sn.IV/Cys-70/92-93

Dtd. : 22-7-92

Sub : Payment under Employees' Family Benefit Fund - computing the Boards portion and correct accounting - Reg.

During the verification of March '92 Final Accounts, it was observed that many Accounting Units have not computed the Board contribution included in the total amount payable to the retired employee/legal heirs of the deceased employee, under Employees Family Benefit Fund correctly.

The salient features of the Scheme have been laid down in detail in K.E.B. Accounts Manual Vol-II (Third Edition 1991) vide Regulation 527. The benefits payable at the time of retirement have also been indicated in Schedule-II with instructions to calculate the amount for completed months only. In cases, where the service of an employee includes fraction of a year, the Board's portion of contribution shall be calculated by applying the formula prescribed. The amount so calculated can also be cross verified with the following simple formula, wherein the Board's contribution is computed at a stretch.

$$\text{Board contribution} = \frac{12Y^2 + 2YM + M}{3}$$

Where Y = No. of completed years

M = No. of completed months

Further, the payments under the scheme shall be accounted correctly as shown below :

(1) In case of Retirement :

Both Employees' Contribution and Board's Contribution shall be debited to Head of Account 44.140. Provision of Family Benefit Fund.

(2) In case of Death, the amount payable to legal heirs of the deceased employee is Rs.10,000 out of which :

(i) Debit both Employees' contribution and Board's contribution computed on the above lines (and indicated in the Schedule-II of K.E.B. Accounts Manual Volume-II) to Head of Account 44.140 - provision for Family Benefit Fund.

(ii) Debit balance amount to Head of Account 75.860 - Family Benefit Fund Contribution.

As the provision for Family Benefit Fund is made at Head Office and relevant books of accounts (schedules) are maintained at this office, the Accounting units shall ensure computation of the accounts accurately as also proper accounting of payments under the scheme.

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

Dtd. : 21-9-92

Sub : Depiction of balance under Account Codes 14.607, 14.708, 14.809 & 14.810

Ref : T.O. Circular No.C(A/cs)/AO(A/cs)/Sn.IV/Cys.63, 92-93, dtd. 10.7.92

As per the prevailing instructions under Commercial Accounting System, the receipt of vehicles, Furniture and Fixtures, Office equipments and Tools and Tackles are to be accounted under 14 series (Debit) and transferred to Fixed Asset Account under 10 series on issue of these items for use. On these lines, there shall be no balance under A/c Codes 14.607, 14.708, 14.809 and 14.810 in Accounts in case these materials are completely drawn for use. Many Accounting Units are expressing difficulty in depiction of the Capital Expenditure under the above Account Codes in the format of CWIP statement, prescribed in this office Circular dated 10.7.92. The following guidelines may be followed for correct depiction of balances under these Account Codes in the CWIP statement in future.

The debits booked against each of the above Account Codes shall be shown under relevant column of the quarterly CWIP-statement. The credits booked during the quarter on categorisation of these items on issue shall be shown separately as a foot note in the statement. The progressive total shall be struck as usual and the balance tallied with respective figures in the Trial Balance only after deducting the progressive total of amount categorised and shown in footnote to the statement. However, in cases where there is no balance under these Accounts as per Trial Balance, the amount in progressive total column should tally with the total amount categorised and specified in the foot note.

102. No.C(A/cs)/AO(A/cs)/Sn.IV/Cys-98/92-93

Dtd. : 30-9-92

Sub : Inventory balance - Reconciliation of cost balances, etc.

Ref : 1) T.O. Ltr. No.C(A/cs)/AOB-I/Cys.54 dtd.23-5-86.

2) T.O. Ltr. No.C(A/cs)/AOB-I/Sn.8/Cys.113 dtd.13-8-86.

3) Board Ltr. No.KEB/B16/3617/86-87 dated 6-10-86.

It is a fact that all the registers and ledgers such as numerical ledger, pricing ledger and stock compilation register, relating to the store accounts are written and maintained under the surveillance of the Division office. In spite of this, it has been observed during inspections that the Division Offices have not taken up the reconciliation of cost differences between the balances shown in the pricing ledger and the stock compilation register. The instructions issued on this subject time and again have been seldom complied with, by the Divisions. The officers responsible for ensuring reconciliation of differences in the cost

ABSTRACT

	As per Pricing ledger.	As per Stock abstract
1. Balance as on (last day of the month)	---	---
2. Differences traced and corrections effected	---	---
(a) Additions -		
(i) J.V. No. & Dt. if effected in the accounts	---	---
(ii) Nature of correction, if effected in pricing ledger	---	---
(b) Deductions -		
(i) J.V. No. & Dt. if effected in Accounts	---	---
(ii) Nature of correction if effected in pricing ledgers	---	---
3. Differences as on 30-6-92 - Frozen	---	---
4. Reconciled balance Total	---	---

The total reconciled balances as per pricing ledgers and as per stock abstract shall tally. The reconciled stock abstract balance should tally to the balance shown in the Trial balance. The difference as on 30-6-92 which is frozen shall also be taken up for reconciliation immediately and the item No.(3) in the abstract shown above should be removed as early as possible.

The above procedure should be followed for reconciliation of cost balances every month and any deviation will be construed as a serious lapse of duties on the part of Assistant Accounts Officer and the Accounts officer and disciplinary action will be instituted without any further notice.

As regard the 'FROZEN' difference as on 30-6-92 and the difference which was outstanding as on 1-4-85 and shown in the statement annexed to this office letter No.Cys.54, dated 23-5-86; the reconciliation shall be taken up on the following guidelines.

I. For differences found from 1-4-85 to 30-6-92

- 1) Reconcile the store balances for quantities between numerical and pricing ledgers as on 30-6-92.
- 2) For the reconciled balances as per pricing ledgers, apply the schedule of rates prevailing as on 30-6-92 and arrive at the total value of stock balance.
- 3) Strike value difference between balances as per Accounts and the pricing ledgers.
- 4) Ensure that adjustment entries at the time of revision of schedule of rates, duly debiting / crediting Account Codes 22.510 / 79.110 have been passed at the time of each revision from 1985-86 to 1991-92.
- 5) Ensure that Accounting entries for excesses / shortages found at the time of Annual counting of stores as also for differences at the time of handing over charge have been passed.
- 6) For the differences left after above exercises, the reconciliation work shall be taken up immediately

and necessary adjustment entries for receipts and issues passed.

- 7) While passing the final adjustment entries for issues, the necessary debits / credits as the case may be shall be afforded to C.W.I.P. Account Codes under 14 series for any mistakes in respect of material issued to capital works. However, for the amount affecting Revenue Expenditure the Account Code 79.110 may be debited / credited.
- 8) For mistakes if any in account of materials transfer inward (Receipts) the Inter Unit Accounts '31 may be debited / credited by corresponding credit / debit to Account Code 22.510.

II. For differences in inventory outstanding as on 1-4-85 and shown in this office letter No.Cys.54 dated 23-5-86.

- 1) Follow the instructions given in this office Circular dated 23-5-86 as reiterated below :
 - a) Ensure that numerical and pricing ledgers have been reconciled for quantities as on 1-4-85.
 - b) For the reconciled balance as per pricing ledgers, apply the schedule of rates prevailing as on 1-4-85 and arrive at the total value of stock balance.
 - c) Strike value difference between balances as per Accounts and the pricing ledgers.
 - d) Ensure that Accounting entries for excesses / shortages found at the time of Annual Store counting as well as for the differences at the time of handing over charge have been passed without any omission.
 - e) For the net differences, the reconciliation may be done backwards for every year from 1984-85 upto a stage where no further reconciliation is considered worth while and feasible.
- 2) After completion of the thorough exercise enumerated in the Circular, for the net differences which is not susceptible for further verification, the adjustment entries debiting / crediting Account Codes 22.510 / 79.110 shall be passed.
- 3) Report the matter to this office with full break up figures of differences found, reconciled and the value for which adjustments are passed.

The receipt of this letter may be acknowledged.

103. No.C(A/c)/AO(A/c)/Sn.IV/Cys-101/92-93

Dtd. : 30-9-92

Sub : Categorisation of Assets and passing entries thereof.

Ref : T.O. Circular No.C(A/c)/AO(A/c)/Sn.IV/CYS-65/92-93 dated 13.7.1992.

While stressing the need for taking up categorisation work on a continuous basis from the beginning of the year, it was instructed in this office Circular dated 13.7.1992 that the details of amounts categorised shall be recorded in a separate Register every month and necessary entries passed only at the year end. Keeping in view of the fact that in Major Works Divisions, the Assets categorised are to be transferred to concerned O&M Divisions for maintenance of Assets Accounts thereafter, the above instructions are modified as narrated below only in respect of Major Works Divisions.

The Major Works Divisions shall pass entries for categorisation of Assets as and when the Assets are

categorised. The same shall be transferred to the concerned Accounting Units under Inter-Unit Account-32.

In quarterly CWIP Statement, only the gross capital Expenditure (before categorisation entries) shall be shown under relevant column provided for each month. The credit to Heads of Accounts under 14 series on categorisation of Assets shall be shown distinctly in the form of a "Foot Note" in the CWIP Statement. The total of "Progressive total" column shall be struck as usual, ignoring the amount categorised and credited to 14 series and also shown in the Foot Note. The figures in the progressive total column shall be tallied to the figures as per relevant Trial Balance only after deducting the amount categorised and shown in Foot Note in the statement.

The above guidelines shall be followed scrupulously to avoid any confusion and difference in the quarterly CWIP Statement.

104. No.C(A/c)/AO(A/cs)/Sn.IV/Cys-102/92-93

Dtd. : 30-9-92

Sub : Non-effecting condification of Store materials - Reg.

Ref : Lr. No. : MM/MP/AEE/Cys.188 dated : 18-11-1989 of the CEE (MM&P).

It is reported that, inspite of specific instructions from the Chief Engineer, Electy. (MM&P), KEB, many Accounting Units have not implemented the codification of Store materials. Due to this, the Divisions which have already implemented the condification are facing many problems in accounting of materials as also correct identification of materials according to Code - numbers. On codification of materials by all the Store houses, the accounting of Store transactions will be smooth and the Advice of Transfers can also be sent and accepted without any difficulty as the materials are identified with reference to common code Numbers both at the Transferer and Transferee Units.

Therefore, you are requested to effect codification of all Store materials in your Division / Office / Stores as per the principles of Commercial Accounting System and invariably mention the Code Number of materials in all Store transactions and send compliance reports.

105. No.CA/AO(A/cs)/Sn.IV/Cys-105/92-93

Dtd. : 30-9-92

Sub : Billing of Bhagyajyothi installations.

Ref : Board Circular No.KEB/B19/1682/90-91 dated 12-08-1992.

The Board has enhanced the estimated capital outlay from Rs.400/- to Rs.435/- per installation with effect from 04-06-1992 vide Board Order No.B19/B11/4337/83-84 dated : 20-06-1992 for the works taken up under Bhagyajyothi Scheme. Consequently the rate of recovery of capital loan portion from beneficiaries has also been revised with effect from 04-06-1992 vide Board letter dated : 12-08-1992.

In view of the above facts, the capital loan amount recoverable from beneficiaries from time to time based on the date of service of the installation and the then prevailing estimated outlay are as follows :

Installations serviced during	Rate of recovery of capital loan amount per installation including the interest thereon.	
	Rs.	Ps.
Upto 31-03-1981		1.61
From 01-04-1981 to 03-09-1986		2.19
" 04-09-1986 to 03-06-1992		2.60
" 04-06-1992 and onwards		2.80

This prescribed amount has to be recovered every month for a period of 15 years only from the date of service. It may be noted that this capital loan portion will not alter for a particular installation throughout the period of 15 years under any circumstances.

The total amount to be demanded monthly per installation should include the above rates plus the energy charges as per prevailing tariff rate revised from time to time or the prescribed rates as the case may be. At present the energy charges for all the installations irrespective of their date of service is Rs.2.50 per installation per month. The energy charges which were prevailing earlier to the upward revision with effect from 02-05-1987 are noted below for information.

Upto 31-03-1981	Rs.2.50 per installation per month
From 01-02-1981 to 17-08-1981	Rs.2.15 per installation per month
From 18-08-1981 to 01-05-1987	Rs.2.11 per installation per month
From 02-05-1987 and onwards	Rs.2.50 per installation per month.

The change in the rate of capital loan portion shall be specifically noted and charges demanded correctly without giving room for any omissions.

106. No.C(A/cs)/AO(A/cs)/Sn.14/Cys-107/92-93

Dtd. : 1-10-92

Sub : Booking of interest recovered on staff loans and advances.

It is observed that in many of the Accounting Units the interest recovered from the employees on the Loans and Advances extended to them towards House Building / Purchase / Repairs, for purchase of Motor Cycle / Cars and for Marriage is booked under Account Code 62.210, which is not correct. The accounts of advances and loans etc., are maintained in FA&CAO's office. The bifurcation of principal and the interest out of the recoveries made towards loans and advances is made at this office and hence any recovery from employees either towards interest or principal, with respect to the above loans and advances shall be booked under the relevant Account Codes under 27 series i.e. 27.101 to 27.103. Even if it is known that the amount recovered is towards interest the recovery shall be allocated to 27 series only.

The above instructions shall be followed scrupulously in future.

107. No.C(A/cs)/AO(A/cs)/Sn.IV/Cys-113-A/92-93

Dtd. : 13-10-92

Sub : Final Orders on Annual Store Counting - Regarding

Some instances have come to the notice of this Office, wherein the final orders on Annual Store Counting are not passed correctly in the Circle Offices leaving the Accounting Units / Divisions in confusion

about further action to be taken on excess and shortages found in Store Counting.

Therefore, the following guidelines are issued for correct accounting of differences found in Annual Store Counting.

1) On receipt of difference statements from the Counting Officer and before submitting same to the Superintending Engineer (Elcty) of the Circle, the Accounting Units shall pass the following accounting entries.

(i) For net Excess found and reported to S.E. for orders :

22.510 Material Stock Adjust Account Dr.
To 22.810 Stock Excess Pending Investigation

(ii) For net shortages found & reported to Superintending Engineer (Elcty.), for orders :

22.820 Stock Shortage Pending Investigation Dr.
To 22.510 Material Stock Adjustment Account.

2) The Superintending Engineer (Elcty.), of the concerned Circle while passing the final orders in Annual Stores Counting should be specific and give instructions in clear terms regarding accounting of either net excess or net shortages found.

i) For Excess Found :

In case, where no further investigation is necessary on identifying the source of receipt, the final order should contain clear directions for transferring the amount to Revenue Account under Head of A/c "62.905 Excess found on physical verification of materials stock".

If, further investigation is ordered to find the source for excess found, the Superintending Engineer (Elcty.), should specifically prescribe a definite time limit for conducting investigations and then to transfer the amount to the relevant final Heads of Account traced, on investigation. It shall also be specified in the order as to whether the Division has to seek for further instructions and orders from Circle Office, if no headway is made in this direction within the prescribed time or to transfer the amount to Revenue Account as above.

ii) For Shortages Found :

In case of Stores Shortages; whether the amount kept under suspense Head of Account "22.820 - Stock Shortage Pending Investigation" has to be transferred to personal Account of the Store Keeper under Head of Account - "28.401 Amount recoverable from Employees" and recoveries effected or not shall be clearly stated in the final orders.

In case, any departmental enquiry is instituted against the concerned Officials, the Superintending Engineer (Elcty.) of the Circle should specifically indicate in the final orders as such; and also be specific about the treatment to be given for the amount kept under suspense Head of Account "22.820 - Stock Shortage Pending Investigation". Whether the amount has to be continued to be kept under suspense Account Code 22.820 during the period of enquiry or shall be transferred to personal Account Code 28.401 pending finalisation of the enquiry has to be clearly stated in the order without leaving any thing to the

discretion of the Accounting Units / Divisions.

3) On receipt of the final Orders from the Circle Office, the Division Office should act accordingly and transfer the amounts kept under Account Codes 22.810 and 22.820 to final Heads of Account, if directed to do so in the final Orders.

However, it is the primary duty and responsibility of the Accounting Unit to pursue the matter effectively with the concerned and clear the amounts accounted under these suspense Heads of Account with in the shortest possible time.

(4) In case, the Suptdg. Engineer, (E.I.) of the Circle orders for writing off of store shortages due to reasons like flood, cyclone, fire, accident and obsolescence etc., in final orders as per Manual of Financial powers, such amount shall be debited to Account Code 79.510, 79.511, 79.882 etc., as the case may be, by credit to Account Code 22.820. Similar action is required for the store shortages kept under A/c Code 28.401/22.820 and written off subsequently due to above reasons.

Any deviation from the above laid procedure will result in accounting abnormalities as also misappropriation of the Boards property, which may please be noted and avoided in future.

Sub : Accounting Entries for changes in Schedule of Rates consequent on revision.

We are following the system of applying standard rates for most of the Store transactions. The Schedule of Rates are revised every year with effective from 1st October of the year. On release of the new Schedule of Rates, the Accounting Units are required to pass adjustment entries to bring the stock on hand to the revised value, based on new rates. If the Units fail to pass the adjustment entries, huge difference is bound to crop up between the inventory balance as per Pricing Ledger and the balance as per Accounts. At a later date, it is a brain throbbing exercise to trace out this mistake and pass entries for the differences identified at that stage.

Therefore, the following procedure is laid down for effecting the revised schedule of rates both in Pricing Ledger and the Accounts.

1) For opening balance as on 1st October under each folio of the Pricing Ledger, put up an 'Adjustment Receipt Voucher' duly noting the following details.

"Receipt voucher No. Date :
Folio in Pricing Ledger
.....
Revised Rate per Unit
Less : Old rate per Unit
Difference in Rate (+/-) per unit.
Opening balance of Stock
(Quantity) as on that date Units
Difference in Rate x Quantity = Value (For which Adjustment R.V. is put up)".
per unit

2) If the 'Value' in the above Adjustment Receipt Voucher is a plus figure, while compiling the stock Accounts, the allocation "22.510/79.110" shall be given on the vouchers and the following entry shall be included in the consolidated entry passed for Receipts of the month.

22.510 Material Stock Adjustment A/c Dr.
To 79.110 Material Cost Variance.

3) In case, the net value in Adjustment Receipt Voucher is a negative figure, the allocation "79.110/22.510" shall be given on such vouchers in stock compilation and the following entry incorporated along with entry for Receipts.

79.110 Material Cost Variance Dr.
To 22.510 Material Stock Adjustment A/c.

4) Note the revised rate in the pricing ledger duly quoting the reference of Adjustment Receipt Voucher and recast the balance under each folio. The revised balance (Value) after noting the Adjustment should be equal to the product of the quantity and the revised rate per unit under the particular folio, which shall be ensured by the Senior Assistant / A.A.O. of the Unit.

5) (i) In case of delay in issue of revised Schedule of Rates, the Units have to follow the above procedure in respect of outstanding stock on hand as on the date of application of new rates for bringing the same to the revised value.

(ii) In addition to above entries, necessary adjustments are also to be passed for all receipts and issues made from the date of revision of rates to the date of application of new rates. The adjustment entries for receipts can be passed without any difficulty as the number of receipts will be comparatively less. However, the number of issues will be considerably more and putting up a separate 'Adjustment Issue Invoice', for each Invoice will be cumbersome. To overcome this, a format is prescribed and enclosed to this circular as an Annexure, wherein, the details of adjustments to be passed for all Invoices can be entered in the form of a statement and one consolidated 'Adjustment Issue Invoice' passed for the entire month. However, while compiling the stock Accounts, allocation shall be given for all the Account Codes affected and the posting shall be made against each work order noted in the statement in the Cost Register.

(iii) Based on the 'Adjustment Receipt Voucher' and 'Adjustment issue invoices' put up, the following entries shall be passed and incorporated in the Accounts for the month.

(a) For Receipts (during transition period)

1) in respect of Material Purchases.

i) in case there is upward revision of schedule of rates;

22.510 Materials Stock Adjustment A/c Dr. To 79.110 Material Cost Variance.

ii) in case, the schedule of rates revised are on lower side;

79.110 Material Cost Variance Dr.

To 22.510 Material Stock Adjustment A/c.

2) in respect of other receipts

i) in case there is upward revision of schedule of rates;

22.360	Materials returned by Contractors	Dr.
22.310	Materials Issues (Capital)	Dr.
22.320	Materials Issues (O&M)	Dr.
22.410	Materials Transfer Inward	Dr.
22.460	Materials manufactured Inward (Workshop / RCC Centre)	Dr.
22.510	Material Stock Adjustment A/c.	Dr.

To 14. - Capital work-in-progress (Categorywise)

To 26.603 - Contractors Material Control A/c.

To 22.710 - Workshop Account

To 22.810 - Stock Excess Pending Investigation

To 31. - Inter Unit Accounts - Materials.

To 74. - R&M to (headwise)

However, the recoveries in the contractor's bill towards materials issued shall be strictly on the basis of actual quantity consumed.

ii) in case, the schedule of rates revised are on lower side, the above journal entry shall be reversed in respect of Account Codes affected due to revision of rates.

(b) For Issues (during transition period)

(i) in case there is upward revision of schedule of rates.

14. - Capital work-in-progress (categorywise) Dr.

22.710 - Workshop Account Dr.

22.820 - Stock shortage pending investigation Dr.

26.603 - Contractor Material Control Account Dr.

47.305 - Deposit Contribution Works Dr.

31..... - Inter Unit account (Material). Dr.

74. - R&M to (headwise) Dr.

To 22.310 - Materials Issues (Capital)

To 22.320 - Materials Issues (O&M)

To 22.340 - Materials Issued to contractors

To 22.420 - Materials Transferred Outward

To 22.510 - Material Stock Adjustment A/c.

(ii) In case, the schedule of rates revised are on lower side, the above journal entry shall be reversed in respect of Account Codes affected due to revision of rates.

(These are only specimen entries and not exhaustive. All the Heads of Account operated during the transition period are to be brought in the entry for the difference in value based on the revised rates).

6) For amount affecting Account Code 31..... due to revision of rates and for putting Adjustment Receipt Voucher and Adjustment Issue Invoice, the sending and acceptance of Advise of Transfer shall be

as usual.

7) For putting Adjustment Receipt Vouchers and Issue Invoices as above, the transactions under "Transfers within the Division - (TWD)" (i.e., both issues and receipts occurred in the same month and accounted as TWD in the Accounts) shall be ignored. However, the issues which are not accounted as Receipts at the transferee stores in the same month but accounted as debit under Account Code 22.450 (i.e., transaction brought to schedule under this Account) shall be identified with reference to Stock Compilation Register and necessary adjustments debiting / crediting Accounts Codes 22.450 / 22.420, shall be passed for the difference in value.

If the issue is before revision of rates, and receipt of materials is after the revision of rates, the difference in value due to revision shall be debited / credited to Account Code 79.110 for accounting receipt only.

8) The adjustments in respect of Receipts and Issues during the transition period need not be entered in the Pricing Ledger as the value balance itself is recasted applying the revised schedule of rates as on the date of application of new rates. Such adjustments shall be considered for posting in the Stock Compilation Register only as they have to be termed as "Only in Accounts". However the Receipts and Issues for the month as per Pricing Ledger and as per Stock Compilation shall be tallied in the usual manner keeping these adjustments apart.

The above procedure shall be followed scrupulously and accounting entries passed thereof without fail to avoid accounting abnormalities in Stores and Works Accounts and ensure correctness of balances in all subsidiary books of Accounts.

The receipt of this Circular may be acknowledged.

Annexure

Statement showing the details for adjustment passed consequent on revision of Schedule of Rates.

Issue Invoice No.	Folio Date	Word Order No.	Date	Quantity issued	Diff. in Rate per Unit consequent on Revision. (+/-)	Amount to be adjusted against capital / other Heads of Account						Total	
						14.140	14.150	26.603	31.	79.110	Other Heads of Account (Specify)		
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
						GRAND TOTAL							

- NOTE :
- 1) The invoice numbers shall be written chronologically keeping the invoice bundle for the period as basis.
 - 2) In 'Work order' column, only the work order number and date shall be noted without any prefix and suffix to the numbers; as the segregation on the basis of specific nature of work is taken care of in columns 8 and onwards.
 - 3) The consolidated 'Adjustment Invoice' shall be put up for the grand total shown in the last column.
 - 4) All the amount to be adjusted against Reveue Expenditure. Head of Account shall be taken under Account Code 79.110.

109. No.CCA/AO(A/cs)/Sn.IV/Cys.135/92-93

Dtd. : 16-11-92

Sub : Payment of ledger award in respect of ledger accounts of temporary installations

It has come to light during the inspection of Divisions by the Officers of Commercial Accounts that there is no consistency in payment of ledger award for maintenance of revenue ledger accounts of temporary installations, and different divisions are adopting different norms. In one of the Divisions, the ledger award in respect of temporary installations which have been disconnected, is being continuously paid every month. This is totally wrong and results both in incurring undue expenditure and making of excess payments to the employees. The Accounts Officers of the Divisions shall have a close scrutiny and watch over such bills, before making payments and check such undue expenditure absolutely. The Accounts Officers, Internal Audit also shall take up such issues with their counterparts in the Division and block further similar payments, besides ensuring recovery of such payments already made.

It is hereby clarified for the guidance of all the concerned that the ledger award for maintenance of ledger accounts of temporary installations shall be paid only for the months during which the installations are in service. If a temporary installation is in service for a fraction of a month also, the award shall be paid for the month. After the temporary installations are disconnected, the award for such installations shall not be paid, irrespective of the fact that the balance against the installations has to be brought forward every month, till final adjustments are made. However action should be taken to clear the balance by passing final adjustments or making cash refunds as per the request of the consumer, immediately after the installation is disconnected.

It may be noted that the concerned Senior Assistant / Assistant Accounts Officer in the Revenue Sub-Division / Section and the Assistant Accounts Officer and Accounts Officer in the Division Office will be personally held responsible for making any such excess payments in future and the amount excess paid shall be recovered from their salaries without any further correspondence in this regard. The Accounts Officers, Internal Audit shall keep a watch on such bills to ensure passing of bills as per instructions above.

The receipt of this letter may be acknowledged.

110. No.CCA/AO(A/cs)/Sn.14/Cys-146/92-93

Dtd. : 4-12-92

Sub : Furnishing monthly Inventory in the revised format.

Ref : 1) This Office Circular No. Cys-104/91-92 dated 03-12-1991:

2) This Office, Circular No. Cys. 98/92-93 dated 30-09-1992.

The Chairman, K.E.B., has taken serious note of rising inventory balance month after month and has desired thorough examination of the figures furnished by each Division to this Office to ascertain the correctness of the balances intimated. On a detailed analysis of the figures furnished to this Office from each Division, with reference to stock balance as per the trial balance of the relevent division, it is found that there is no consistency and uniformity in furnishing the inventory balance. Some of the Divisions have taken into account the cost of written down value of the released assets and the value of Furniture and Fixture and Office Equipments etc., accounted under 14 series, for arriving at the inventory balance, where as some other Divisions have not taken these two aspects. The inventory balance of a store / Division invariably

consists of cost of all the materials and released assets physically held in the stores. The released assets shall always be priced at writtendown value only and under no circumstances the standard rate shall be assigned to the released assets. Due to the inconsistency and different procedures adopted by the Divisions in arriving at the inventory balance, aspersions are casted on the consolidated inventory balance rendered to the Board from this office.

In view of having consistency and uniformity in all the Divisions in furnishing the inventory balance, as also to putup the correct balance every month to the Board for taking important decisions on purchase of materials etc., the following revised procedure is prescribed for furnishing the inventory balance to this Office every month.

The inventory balance shall include the cost of all the materials held at the end of the month including the writtendown value of the released assets and the value of vehicles, furniture and fixtures, Office Equipments etc. accounted under account code 14 Series. The statement shall be furnished in the following format.

Statement showing the details of inventory held on

Particulars	Materials accounted under A/c. Code 14.607 708, 809 & 14.810 Furniture & Fixtures etc.	Written down value of released assets accounted under 16.101 to 16.109 & 16.201 to 16.209.,	Other materials accounted under A/c. Code 22 Series.	Grand Total
Opening balance				
Receipts during the month				
Total				
Issues during the month				
Closing Balance for the month				

The inventory balance in the above format shall be furnished from the month of November 1992 and onwards. The information furnished in any other format will not be accepted and the concerned Accounts Officer and Asst. Accounts Officer will be held responsible for any consequential delay in consolidation of the figures at this office and submission of the same to the Board.

The opening balances for the month of November 1992 should be correctly arrived at by taking the pricing ledger balances of each of the three items mentioned in the format separately.

The closing balance arrived at every month under the grand total column shall tally to the balances of pricing ledger folios extracted separately for reconciliation of cost balance of the inventory as per this Office

Circular No.Cys.98/92-93 dated 30-09-1992 and totalled up in the register.

Similarly, the closing balance arrived at the end of each quarter, shall tally to the balance of account Codes 14.607, 708, 809 & 810 and account codes 16.101 to 109 and 16.201 to 209 and the balance computed, under account code "22.610 - material stock account" (i.e. in the same manner as being done at the end of the year) shown in the Trial Balance.

The Divisions shall furnish the inventory balance in the above format only from November 1992 and onwards every month on or before 25th of the succeeding month without fail. If the inventory balance is not furnished in the revised format and / or not furnished in time the names of the Officers responsible will be intimated to the Chairman.

111. No.CCA/AO(A/cs)/Sn.IV/Cys-4/93-94

Dtd. : 15-4-93

Sub : Capitalisation of Bank charges, Commission, Guarantee charges in Major Works Offices.

Ref : T.O. Circular No.CCA/DCA/Comm. A/cs/Cys.216/92-93, dt. 17-3-1993.

Since, the Major Works Divisions, Circles etc. carryout only construction works, all the revenue expenditure incurred in these offices are being capitalised by debiting concerned capital work-in-progress Account and crediting respective capitalisation Heads of Account under each Account Group from 74 to 78.

On these lines, the Bank charges, Commission and finance charges incurred under Heads of Account prescribed under Account Group 78 are being capitalised by credit to Head of Account "78.9 capitalisation of interest on funds used during construction". However, this Account Code is prescribed only for capitalisation of interest on funds used during construction and not for capitalisation of Bank charges, Commission etc.

To overcome the above discrepancy and to ensure correct depiction of the amounts capitalised in the Accounts, a new Sub-Account Code "78.91 Bank charges, Commission, Guarantee charges and other charges charged to capital works (Credit)", is opened with effect from 1-4-1992 vide this Office Circular dated 17-03-1993.

Therefore, the Bank and other charges specified above and incurred in Major Works and projects shall be capitalised and charged to capital works by crediting this new Account Code 78.91 only. Similar charges already capitalised from 1-4-1992 to this date by crediting Account Code 78.9 and outstanding as balance shall be transferred to new Account Code 78.91 from 78.9 in the Accounts on hand without fail.

However, the capitalisation of interest and finance charges on the financial assistance obtained against specifically identified capital works by crediting Account Code 78.9 shall be resorted to, only on clear instructions from the O/o the C.E.E. (Projects) or from this office.

The receipt of this circular may be acknowledged besides complying with the above instructions scrupulously.

Sub : Basis for furnishing correct inventory balance and compilation of stock accounts.

Ref : 1) This office circular No.CCA/AO(A/cs.)/Sn.14/Cys.98/92-93 dtd. 30.9.1992.

2) - do - Cys.146/92-93 dtd. 4.12.1992

During the meeting of all the Accounting Units held by the undersigned at each circle headquarters, it was revealed that a few Divisions / Accounting Units are adopting the balance arrived in the stock analysis Register as the basis for furnishing the inventory balance to this office every month. It was made out very clear in all the meetings that the stock analysis Register should not at any cost become the basis for arriving at the inventory balance. Always the inventory balance should be arrived at on the basis of balance outstanding in each folio of the pricing ledgers. Exhaustive instructions are given in this regard vide this office circular Nos. Cys.98/92-93 dated 30.9.92 and Cys.146/92-93 dated 04.12.1992. The inventory balance furnished to this office every month shall also tally to the monthwise balances extracted from the pricing ledger to the "Register of cost reconciliation of inventory" each month. The proforma of the Register and the method of reconciliation are prescribed in circular dated 30.9.1992.

All the Accounts Officers and Assistant Accounts Officers shall invariably ensure that the inventory balance is furnished to this office every month before the stipulated date in the prescribed proforma on the above principle and basis only, in future.

During inspection of several Divisions in the last two months, it was also observed that the pairing off of material transfers within the Division is not done properly in the stock analysis Register. All the transactions are taken to schedule maintained for recording "material transferred within the Division", which is not correct. If the issues and receipts from one Store to other Store within the Division are in the same month, such transactions shall be clearly marked as 'TWS' in the stock analysis Register every month, so that such items are not posted individually in the schedule, but totals of such transactions are only posted as one issue and one receipt in the schedule while putting the abstract for the month to tally the total debits and credits to the Accounts figures. It shall also be noted that items marked as 'TWS' are not left out while passing the consolidated journal voucher for the stock transactions during the month.

It is also observed in some of the Divisions during the inspection that in the stock analysis Register, an abstract (old Part-III) which has to show the storewise abstract of opening balance, receipts during the month, issues during the month and the closing balance, is not put up. The abstract (old part-III) in the stock analysis Register exhibits the entire stock transactions of the Division in a nutshell and should not be dispensed with at any cost. Moreover, in this abstract only, the storewise opening balances and closing balances are available. Therefore in all the Divisions wherever the correct procedure is not followed, it should be ensured that the abstract (old part-III) in the stock analysis Register is put up with immediate effect every month in the manner explained.

**Sub : Change over from preparation of Quarterly - Trial Balance to the monthly
Trial Balance - Submission of Accounts monthly.**

You are aware that on introduction of Commercial Accounting System in K.E.B. with effect from 1.4.85, the procedure of preparation of Accounts Quarterly and submission of the Quarterly Trial Balance to the Head Office was prescribed. The preparation of the Trial Balance in each Accounting Unit, has enabled the Accounts Officer and the Executive Engineers / Head of the office in the Accounting Units to review the financial status of the Unit vis-a-vis income, expenditure, liability, assets and other provisions. So also, the submission of Quarterly Trial Balance to the Head Office has enabled generation of management information in respect of income and expenditure of the Board at the end of each quarter, apart from bringing out working results for every quarter. In addition to obtaining the quarterly Trial Balance, the information regarding the capital expenditure, and revenue expenditure etc., is also being obtained at the end of each month from the Accounting Units to make an analysis of the expenditure every month and to submit the same to the Board. Though the preparation of Quarterly Trial Balance in the Accounting Units did bring effective control in the maintenance of Accounts, the system of closing the Accounts once in a quarter has its own drawbacks. Even though the postings are made every month in the suspense schedules, the closure of the same is being delayed till the end of the quarter, for want of balance as per accounts against such suspense heads of account which is available only once in a quarter. The submission of Quarterly Trial Balances are also being unduly delayed by some Accounting Units due to which we are unable to send the M.I.S. on due dates.

This office is continuously giving a thought over this issue, besides holding consultations and making efforts to evolve permanent solution to eliminate duplication of work in the Accounting Units, as also in the Head Office. During the meeting of the Accounting Units held at each Circle recently on the subject of preparation of March '93 Final Accounts and implementation of instructions issued in the Circulars, the matter of duplication of work, delay in closure of schedules and other books of Accounts at the Accounting Units were taken up for discussion and all the Officers were of the unanimous and indisputable opinion that the preparation of monthly Trial Balance at the Accounting Units and submission of the same to the Head Office would solve the above problem and also improve the quality of the Accounts. The present Finance Member is also of the view that we should obtain monthly Trial Balance from each Accounting Unit to generate required management information in the Head Office, on due dates without delay.

Considering all the above points, advantages and requirement of the information by management, it is very necessary that all Accounting Units shall send the Trial Balance monthly with effect from 1.4.93 duly striking balance in the general ledger and closing all Registers and schedules. It shall be noted that the Accounting Units are already making cash analysis and stock analysis monthly and passing relevant journal vouchers including that of DCB and posting the same in the general ledger every month. The only aspect left out to be done now is striking the balance and drawing up of the Trial Balance monthly instead of quarterly. The monthly Trial Balance shall be sent to this office by 10th of the succeeding month to which the Trial Balance relates to. As the Head Office has to generate lot of management information on the basis of this Trial Balance, there should not be any delay in sending the Trial Balance monthly, since, the delay will result in consequential late submission of returns to the Board.

114. No.CCA/AO(A/cs)/Sn.IV/Cys-28/93-94

Dtd. : 21-5-93

Sub : Amount recoverable from Bhagya jyothi installation beneficiaries towards capital loan amount.

Ref : Board Circular No.B19/1682/90-91, dt.30.1.93.

The Board have enhanced the estimated cost of servicing each Bhagyajyothi installation from Rs.435 to Rs.471 with effect from 01.2.93. Consequently, the rate of recovery of capital loan portion from the beneficiaries is revised to Rs.3.05 per month, per installation in respect of Bhagyajyothi installations serviced on or after 01.2.93.

This prescribed amount has to be recovered every month for a period of 15 years only, from the date of service. It may be noted that this capital loan portion will not alter for the particular installation throughout the period of 15 years under any circumstances.

The rate of recovery of capital loan amount from the beneficiaries from time to time based on the date of service of the installation are as follows :

Installation serviced during	Rate of recovery of capital loan amount per installation including the interest thereon
	Rs.Ps.
Upto 31-3-1981	1.61 per month
from 1.4.1981 to 3.9.1986	2.19 per month
from 4.9.1986 to 3.6.1992	2.60 per month
from 4.6.1992 to 29.1.1993	2.80 per month
from 1.2.1993 and onwards	3.05 per month

The total amount to be demanded and recovered monthly, for each Bhagyajyothi installation include the above capital loan amount plus the energy charges as per the prevailing tariff rate revised from time to time.

The change in the rate of capital loan portion shall be specifically noted in the ledger and charges demanded correctly for each Bhagyajyothi installation without giving room for any omissions. All the Asst. Executive Engineers and Section Officers of Accounting Sections may be informed invariably.

115. No.CCA/AO(A/cs)/Sn.IV/Cys-52/93-94

Dtd. : 8-7-93

Sub : New procedure for exhibiting clearance of IUA balance in the Accounts:

- I. On introduction of Commercial Accounting System with effect from 1.4.1985 the old SA-IV account was bifurcated into transactionwise accounts and a beginning was made to introduce control over the clearance of balances in these accounts for the last 8 years with not much satisfactory results. The balances in Inter unit Accounts are soaring year after year and causing great concern besides attracting persistent comments from Accountant General. This adverse phenomena inspite of Herculean efforts made to hold control over balance is in itself due to the peculiar nature of the transactions. The

debit aspect and credit aspect of the transactions are booked in the accounts in different Accounting Units. The Accounts or the Trial Balance of a particular Accounting Unit is unable to depict the clearance of balances in the books though the clearances are continuously made during these days. A new procedure has been evolved to overcome this system deficiency and the same shall be followed by all the Accounting Units with effect from 1.7.1993 without fail.

II. PRINCIPLE

- 1) The main principle behind the evolution of new procedure is that the Unit which creates a transaction under IUA shall invariably be held responsible for clearance of the corresponding balance. This in effect means that the Accounting Unit which generates an IUA debit or credit balance and sends Advice of Transfer should obtain the Acceptance of the transfer also from the transferee Unit ensuring clearance of the balance.
- 2) Further the Accounting Unit has to show the clearance aspect of the balance also in the books of accounts and ultimately in the Trial Balance sent to Head Office.
- 3) The Accounting Units shall also maintain Location Codewise Accounts in the IUA Ledger for the uncleared balances exhibited in its Accounts and Trial Balance.
- 4) The Accounting Units have to pass a journal entry on receipt of Acceptance for the AT sent by them to ensure depiction of the clearance of the balance in its books.
- 5) The new procedure laid down is not applicable to Inter Unit Accounts 32, 33 and 34. The existing system and procedure shall continue for maintenance of accounts, monitoring and clearance of balances in respect of these accounts.
- 6) The existing inward and outward AT Registers dispensed with and new IUA LEDGERS are prescribed.

III. NEW PROCEDURE

- A) The new procedure is prescribed for Head of Account "31. IUA - Materials" separately and for Heads of Account "36. IUA - Personnel" and "37. IUA - other transactions and adjustments" separately.
- B) This shall be given effect to from 1-7-1993.
- C) Head of Account 31. IUA - Materials
 1. Renaming the Account Code 31, three more heads of account under 31 series are opened as follows.
 2. Head of Account 31. IUA - Materials is renamed as 31. IUA (1993) Materials.
 3. New Heads of Account opened are;
 - i) 31.1 (L.C.) IUA - Materials (Acceptance not received)
 - ii) 31.2 (L.C.) IUA - Materials - (A.T. not received)
 - iii) 31.3 IUA - Materials (Clearance)
 4. The balance outstanding against Account Code 31 as on 30-6-93 shall be taken as balance under Head of Account 31. IUA (1993) - Materials. This Account Code shall not be operated in respect

of any transactions originated on or after 1-7-1993 be it either an issue or receipt. As all the stock invoices upto 30-6-93 pertaining to IUA will have been already accounted under old Account Code 31, no issue invoice afresh shall be debited to this account except in case of rectification of wrong allocation, if any. However if any materials issued prior to 30-6-1993 are received in any Unit on or after 1-7-93 then the receiving Unit shall account the receipt as follows.

- a) On receipt of materials and accounting of Receipt Voucher.
22.410 Materials Transfers Inward Dr.
 To 31.2 (L.C.) IUA - Materials (A.T. not received)
- b) On receipt of debit AT, to transfer the amount to Clearance Account.
31.2 (L.C.) IUA - Materials (A.T. not received)
 To 31.3 IUA Materials (Clearance)

In the transferor Unit, when acceptances are received for the materials issued on or before 30-6-93, the following entry shall be passed.

31.3 IUA - Materials - (Clearance) Dr.
 To 31 IUA (1993) Materials

5. In respect of issue and receipt of materials on or after 1-7-1993 the respective new Account Codes Opened shall only be operated.

The detailed procedure for control, monitoring and clearance of the IUA balances including the journal entries to be passed at each stage at respective Units are explained below :

i) When the materials are issued and issue invoice are accounted through Stock Compilation.

The issue invoice shall be posted under new Account Code 31.1 (L.C.) on the Issue side of the Stock analysis register. For the amount so posted, the following journal entry shall be passed and debit AT sent to the concerned Units.

31.1 (L.C.) IUA - Materials (Acceptances not received)
 To 22.420 Materials Transfer Outwards.

After passing the above entry and writing of AT, the ledger account shall be opened separately for each Location Code in the IUA ACCEPTANCE NOT RECEIVED LEDGER. In the ledger account, the AT No. shall be invariably written on the debit side of the account with amount of the AT. Further transactions pertaining to this location Code shall be posted to the respective ledger account only.

ii) When Acceptance is received for AT sent

Immediately on obtaining the acceptance for the AT sent, the corresponding IUA ledger account shall be verified for tracing out the respective AT in the account and the following J.V. passed invariably, duly rounding off the AT No. in the account. The J.V. so passed shall be posted with Acceptance No. on the credit side of the account with amount.

31.3 IUA - Materials (Clearance)

To 31.1 (L.C.) IUA - Materials (Acceptance not received).

The Location Codewise IUA Ledger account so posted shall be closed every month and balance struck. A separate abstract of balances shall be put up at the end of each month in the IUA ACCEPTANCE NOT RECEIVED LEDGER itself to tally the total of the abstract to the debit balances exhibited in the General Ledger and Trial Balance against Account Code 31.1. This account should always show debit balance only. The outstanding balance indicates the uncleared balance for want of acceptance.

The formats of IUA ACCEPTANCE NOT RECEIVED LEDGER and MONTHLY ABSTRACT to be put up in the ledger are prescribed vide Annexure-1 and 5 respectively.

iii) When materials are received and Receipt Vouchers are accounted through Stock compilation

The Receipt voucher shall be posted under new Account code 31.2 (L.C.) on the receipt side of the Stock analysis register. For the amount so posted, the following journal entry shall be passed.

22.410 Materials Transfer Inwards Dr.

To 31.2 (L.C.) IUA - Materials (A.T. not received)

After passing the above entry the ledger account shall be opened separately for each Location Code in the IUA A.T. NOT RECEIVED LEDGER. In the ledger account, the R.V. No. with reference issue Invoice No. and amount shall be posted on the credit side of the account.

iv) When AT is received and accepted

Immediately on receipt of the AT, the receipt voucher for each Invoice sent along with the AT shall be traced on the basis of reference Issue Invoice in the ledger account and the corresponding receipt voucher number rounded off in the ledger account duly passing the following entry and writing the Acceptances for sending the same to the transferor Unit. The Journal voucher so passed shall be posted with J.V. No., A.T. No., and amount on the debit side of the IUA Ledger Account.

31.2 (L.C.) IUA - Materials (A.T. not received) Dr.

To 31.3 IUA Materials (Clearance)

The Location Code IUA ledger account so posted shall be closed every month and balances struck. A separate abstract of balances shall be put up at the end of each month in the IUA AT NOT RECEIVED LEDGER itself to tally the total of the abstract to the credit balance shown in the General ledger and Trial Balance against Account Code 31.2. This account should always exhibit credit balance only. The outstanding balance indicates the uncleared balance for want of acceptance.

The formats of IUA A.T. NOT RECEIVED LEDGER and MONTHLY ABSTRACT are prescribed vide Annexures 2 and 5 respectively.

D. Heads of Account 36. IUA - Personnel and 37. IUA Other transactions / adjustments.

- 1) The transactions arising in Account Codes 36 and 37 are quite different from that of Account Code 31. The incidence of accounting the issue of material and sending AT are at different times

in Account Code 31. Similarly the physical receipt of material and the writing of acceptance after receipt of A.T. are not at the same time. However in the case of Account Code 36 and 37 there is no such peculiarity and the A.T. or Acceptance is immediately written at the moment of accounting the transaction itself. Therefore, the new procedure for Account Code 36 and 37 are similar except for the specific type of transaction. The peculiarity in Account Codes 36 and 37 is that both the debit and credit ATs are liable to be written from the same Unit against these Codes whereas in the case of Account Code 31 only debit ATs are written. To tackle this aspect separate heads of account for Debit AT sent and Credit AT sent are opened against these Account Codes apart from the Clearance Account.

2) Apart from renaming the existing Account Codes 36 and 37 the following three more new heads of Account are opened under each Account Code as follows.

a) Head of Account 36. IUA Personnel is renamed as 36. IUA (1993) - Personnel.

b) New Heads of Account opened are;

i) 36.1 (L.C.) IUA - Personnel - (Debit A.T. sent)

ii) 36.2 (L.C.) IUA - Personnel - (Credit A.T. sent)

iii) 36.3 IUA - Personnel (Clearance)

c) Head of Account 37. IUA - Other Transactions / Adjustment is renamed as 37. IUA (1993) - Other Transactions / Adjustments.

d) New Heads of Account opened are;

i) 37.1 (L.C.) IUA - Other Transactions / Adjustments - (Debit A.T. sent)

ii) 37.2 (L.C.) IUA - Other Transactions / Adjustments - (Credit A.T. Sent)

iii) 37.3 IUA - Other Transactions / Adjustments (Clearance)

3) The balance outstanding as on 30-6-1993 against Account Code 36 and 37 shall be taken as balance under heads of Account 36. IUA (1993) - Personnel and 37. IUA (1993) - Other Transactions / Adjustments respectively. For transferring any amount from Account Code 36 and 37 on or after 1.7.1993 the renamed Account Codes shall not be debited or credited, except for rectification of any wrong allocation made earlier. This means to say that no new debit or credit AT should emerge from renamed Account Codes in future. Further for the Acceptances received in respect of debit / credit ATs sent relating to transactions earlier to 1.7.93 the renamed Account Codes shall be credited / debited duly operating the Clearance Account newly opened as shown below :

a) **Acceptance received for Debit A.T. sent before 1.7.1993**

36.3 IUA - Personnel (Clearance) Dr.

37.3 IUA - Other Transactions / Adjustments (Clearance)

To 36. IUA (1993) - Personnel

or

To 37. IUA (1993) Other Transactions / Adjustments

b) Acceptance received for Credit A.T. sent before 1.7.1993

36. IUA (1993) Personnel Dr.
or
37. IUA (1993) Other Transactions / Adjustments Dr.
To 36.3 IUA Personnel (Clearance)
or
To 37.3 IUA - Other Transactions / Adjustments (Clearance).

c) When Debit or Credit A.T.s sent before 1.7.93 are accepted

- i) **For accepting Debit A.T. received**
(Respective Heads of Account like 27.101, 27.205
28.401 etc., in the case of 36 and 25.501, 26.601,
26.603 etc., in the case of 37) Dr.
To 36.3 IUA Personnel (Clearance)
or
To 37.3 - IUA - Other Transactions / Adjustments (Clearance)

- ii) **For accepting credit A.T. received**
36.3 IUA - Personnel (Clearance) Dr.
37.3 IUA - Other Transactions / Adjustments (Clearance) Dr.
To (Respective Heads of Accounts)

4) (a) When Debit Item is to be transferred under 36 and 37 series on or after 1.7.1993

For transferring a debit item the following entry shall be passed and debit AT written immediately for sending the same to the transferring Unit.

- 36.1 (L.C.) IUA - Personnel (Debit A.T. sent) Dr.
or
37.1 (L.C.) IUA - Other Transactions / Adjustments (Debit AT sent) Dr.
To (Respective Heads of Accounts like 27.101, 27.205,
28.401 etc., in the case of 36 and 25.501, 26.601, 26.603 etc., in the case of 37)

For accounting the above entry and writing AT, the ledger account shall be opened separately for each Location Code in the IUA DEBIT A.T. SENT LEDGER exclusively maintained for Account Code 36.1 and 37.1. In the ledger account the AT No. shall be invariably written on the debit side of the account with amount.

b) When Acceptance is received for the debit AT sent

Immediately on obtaining the acceptance for the Debit AT sent, the corresponding IUA ledger account shall be verified for tracing out the respective AT in the account and the following J.V. passed invariably, duly rounding off the A.T. No. in the account. The J.V. so passed shall be posted with Acceptance No. on the credit side of the account with amount.

- 36.3 IUA - Personnel (Clearance) Dr.
or
37.3 IUA - Other Transactions / Adjustments (Clearance) Dr.
To 36.1 (L.C.) IUA - Personnel (Debit A.T. sent)
or
To 37.1 (L.C.) IUA - Other Transactions / Adjustments (Debit A.T. sent)

The Location Codewise IUA Ledger account so posted shall be closed every month and balance struck. A separate abstract of balance shall be put up at the end of each month in the IUA DEBIT AT. SENT LEDGER itself to tally the total of the abstract to debit balances exhibited in the General Ledger and Trial Balance against Account Codes 36.1 and 37.1. These accounts should always show debit balance only. The outstanding balances in these Account Codes indicate uncleared balance for want of acceptance for the debit ATs sent.

The formats of IUA DEBIT A.T. SENT LEDGER and MONTHLY ABSTRACT to be put up in the ledger are prescribed vide Annexure 3 and 5 respectively.

5) When Credit Item is to be transferred under 36 and 37 series on or after 1.7.1993 and acceptance is received for the credit A.T. sent.

The procedure is same as prescribed in Para D (4) above. Further the accounting entry should be passed and Location Codewise ledger account shall be posted with reversal effect. The ledger to be maintained for these transactions is named as IUA CREDIT A.T. SENT LEDGER. All the Location Codewise ledger accounts in these ledgers shall depict credit balances only. The Account Codes 36.2 and 37.2 should always show credit balances in the Accounts. The outstanding balances in these Account Codes indicate uncleared balance for want of acceptances for the credit ATs sent. The formats of IUA CREDIT A.T. SENT LEDGER and MONTHLY ABSTRACT to be put up in the ledger are prescribed vide Annexure 4 and 5 respectively.

6) (a) When Debit A.T. is received and accepted.

The following entry shall be passed for accepting the Debit A.T. received;

(Respective Heads of Account like 27.201, 27.205, 28.401, etc., in the case of 36 and 25.501, 26.601, 26.603 etc., in the case of 37). Dr.

To 36.3 IUA - Personnel (Clearance)

or

To 37.3 IUA - Other Transactions Adjustments (Clearance)

b) When Credit A.T. is received & accepted

The entry for accepting the credit A.T. received is as follows.

36.3 IUA - Personnel (Clearance) Dr.

or

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

To (Respective Heads of Account like 27.201, 27.205,

28.401 etc., in the case of 36 and 25.501, 26.601, 26.603 etc., in the case of 37)

It shall be noted that no postings are required to be made in either IUA DEBIT A.T. SENT LEDGER or IUA CREDIT A.T. SENT LEDGER when a debit A.T. or credit A.T. is accepted under 36 and 37 series in the Accounting Unit where accepted.

IV. OTHER ESSENTIAL ASPECTS :

- 1) Location Code shall be written within brackets wherever L.C. is shown in the specimen entries above.
- 2) Separate demi sized registers shall be opened to serve as ledgers for the following :

- a) Account Group 31.
 - i) IUA - ACCEPTANCES NOT RECEIVED LEDGER
 - ii) IUA - A.T. NOT RECEIVED LEDGER

- b) Account Group 36.
 - i) IUA - DEBIT A.T. SENT LEDGER
 - ii) IUA - CREDIT A.T. SENT LEDGER

- c) Account Group 37
 - i) IUA Debit A.T. SENT LEDGER
 - ii) IUA - CREDIT A.T. SENT LEDGER

- 3) In the IUA ledger Location Codewise ledger accounts shall be opened on each page exclusively for an Accounting Unit. The Account must be in a 'T' form showing debits and credits separately.
- 4) In the General Ledger and Trial Balance the ledger account for the following Account Codes shall be maintained separately.

31. IUA (1993),	31.1,	31.2,	31.3
36. IUA (1993),	36.1,	36.2,	36.3
37. IUA (1993),	37.1,	37.2,	37.3

- 5) All the IUA ledgers maintained, monthly abstract put up in the IUA ledger and the tallying of total of the abstract with reference to corresponding IUA account maintained shall be checked by the AAO and AO of the Units every month invariably. The abstract put up in each IUA ledger shall bear the signature of the AAO and AO every month without fail.
- 6) The writing of A.Ts and Acceptances in the existing form shall continue without any change.
- 7) As the General Ledger and Trial Balance exhibit the uncleared balance in Inter Unit Accounts, every month the A.O. /A.A.O. shall monitor the uncleared balances and ensure clearance of the balances. To accomplish this task, the Acceptances shall be obtained from all the Units at the earliest, even resorting to deputation of employees wherever required.

HEAD OFFICE REQUIREMENT :

- 1) As the balance shown against each IUA Account Code in the Trial Balance shall tally with the IUA ledger balance of the respective Account Code and the total of the abstract put up thereon in the IUA ledger, all the Accounting Units shall send along with the monthly accounts, the Location Codewise details for the balances outstanding in the following IUA Account Codes in the form prescribed for putting monthly abstract in the ledger.

31.1,	31.2
36.1,	36.2
37.1,	37.2

- 2) At the end of each quarter all the Accounting Units shall send a detailed statement showing the break up of itemwise, location codewise details for the balances under above Account Codes separately. The details required to be noted in the statement are A.T. No. in respect of ATs sent but not accepted under Account Code 31.1, and the Receipt Voucher No. and Issue Invoice No. in respect of materials re-

ceived but A.T. not received under Account Code 31.2. In respect of debit or credit A.Ts., sent and Acceptances not received under Account Codes 36.1, 36.2, 37.1 and 37.2, the reference in the statements shall be A.T. No. and date.

VI. The above instructions shall be implemented invariably with effect from 1.7.1993. It is for the information of all the AAOs/AOs that, though this circular seems to be very elaborate, the principle followed is very simple and understandable easily. The monitoring and clearance of IUA balances have been brought completely within the reach of the Accounting Unit itself and hereafterwards they need not depend on any body to locate their lapses in this regard. The system evolved itself takes care of the depiction of clearances and status and location of pendency of the IUA balances with minute particulars.

VII. A separate chart is enclosed to this circular wherein the model entries given above are shown in a concise form to serve as a ready reckoner. Copies of this chart may be given to all Case workers and compilers with instructions to follow the revised procedure without any omission.

Format of location codewise accounts to be maintained in the following ledgers Annexure - 1

I. IUA Acceptance not received ledger (Account Code 31.1)

Location Code :				Name of the Accounting Unit			
Dr.				Cr.			
Month	To 22.420		Amount	Month	By 31.1		Amount
	AT No.	Date			Accpt. No.	Date	

Annexure - 2

II. IUA A.T. Not Received Ledger (Account Code 31.2)

Location Code :				Name of the Accounting Unit					
Dr.				Cr.					
Month	To 31.2		Amount	Month	By 22.410		Ref. Issue Invoice No.	Date	Amount
	Acc. No.	Date			R.V. No.	Date			

Annexure - 3

III. IUA - Debit A.T. sent ledger (Account code 36.1 or 37.1)

Location Code :				Name of the Accounting Unit			
Dr.				Cr.			
Month	(Debit A.T. sent)		Amount	Month	(Accpt. recd. for Dr. A.T. Sent)		Amount
	AT No.	Date			Accpt. No.	Date	

IV. IUA Credit A.T. Sent ledger (Account Code 36.2 or 37.2)

Location Code :			Name of the Accounting Unit				
Dr.			Cr.				
Month	(Credit A.T. sent)		Amount	Month	(Acpt. recd. for Cr. A.T. Sent)		Amount
	AT No.	Date			Acpt. No.	Date	

Formats of Monthly abstract to be put up in the following ledgers :

- I. IUA - Acceptance not received ledger (A/c code 31.1)
- II. IUA - A.T. Not Received Ledger (A/c code 31.2)
- III: IUA - Debit A.T. sent ledger (A/c code 36.1 & 37.1)
- IV. IUA - Credit A.T. sent ledger (A/c code 36.2 & 37.2)

Abstract for the month of in.....

Ledger

Location Code Name of the Accounting Unit	Closing Balance	
	Debit	Credit
TOTAL		

- NOTE :
- 1) The abstract shall be put up in each Ledger mentioned above.
 - 2) The total of balance under abstract of each ledger should tally to General Ledger balance.

CHART - ENTRIES FOR IUA TRANSACTIONS

A. Head of Account 31 IUA Materials

I. On receipt of Acceptances for Materials issued on or before 30.6.93

At Transferor Unit ONLY	31.3 IUA - Materials (Clearance) To 31 IUA (1993) Materials
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II. For Transactions occurring on or after 1.7.1993

At Transferor Unit ONLY			At transferee Unit	
ITEM	- On issue of Materials to other Units (Basis : Issue Invoice)	On receipt of Acceptance for Debit A.T. sent	On receipt of Materials from Other Units (Basis : Receipt voucher)	On receipt of Debit AT for Materials already received
DEBIT	31.1 (L.C.) IUA Materials - Acceptances not received	31.3 IUA Materials (clearance)	22.410 Materials Transfers Inward	31.2 (L.C.) IUA - Materials (A.T. not received)
CREDIT	22.420 Materials Transfer Outwards	31.1 (L.C.) IUA Materials - Acceptances not received	31.2 (L.C.) IUA Materials (A.T. not received)	31.3 IUA - Materials (clearance)

B II. 36 & 37 : For Transactions occurring on or after 1-7-1993

At Transferor Unit ONLY				At transferee Unit		
ITEM	For transfer of Debit item	On receipt of Acceptance for Debit A.T. sent	For transfer of credit item	On receipt of Acceptance for credit A.T. sent	For accepting debit A.T. received	For accepting credit A.T. received
DEBIT	36.1 (L.C.) IUA Personnel (Dr. A.T. sent) OR 37.1 (L.C.) other Tr. / Adj. (Debit) A.T. sent)	36.3 IUA Personnel (clearance) OR 37.3 IUA other Tr. / Adj. (clearance)	(Respective credit item A/c Code like 42.101 etc.)	36.2 (L.C.) IUA Other Tr. / Adj. (credit A.T. sent) OR 37.2 (L.C.) IUA other Tr. / Adj. (Credit A.T. sent)	(Respective debit item A/c Code like 27.101 etc.)	36.3 IUA Personnel - (Clearance) OR 37.3 IUA - other Tr. / Adj. (Clearance)
CREDIT	(Respective debit item A/c Code like 27.201, 25.501 etc.)	36.1 (L.C.) IUA Other Tr. / Adj. (Debit A.T. sent) OR 37.1 (L.C.) IUA other Tr. / Adj. (Credit A.T. sent)	36.2 (L.C.) Personnel (Cr. A.T. sent) OR 37.2 (L.C.) Tr. / Adj. (Cr. A.T. sent)	36.3 IUA Personnel (clearance) OR 37.3 IUA other Tr. / Adj. (clearance)	36.3 IUA Personnel (clearance) OR 37.3 IUA other Tr. / Adj. (clearance)	(Respective Credit item A/c Code like 42.101 etc.)

B. Heads of Account : 36 IUA Personnel and 37 IUA - Other Transactions / Adjustments

I. For Transactions relating to period prior to 1.7.1993

ITEM	At Transferor Unit ONLY		At transferee Unit	
	For Acceptance received for Debit A.T. sent	For Acceptance recd. for Credit A.T. sent	For accepting the Debit A.T. recd.	For accepting the Credit A.T. received
DEBIT	36.3 IUA Personnel- (Clearance) OR 37.3 IUA - Other Tr. / Adj. (Clearance)	36 IUA (1993) Personnel OR 37 IUA (1993) Other Transactions / Adjustments	(Respective Debit A/c Code like 27.201, 25.501 etc.,)	36.3 IUA - Personnel (Clearance) OR 37.3 IUA - other Tr. / Adj. - (Clearance)
CREDIT	36 IUA (1993) Personnel OR 37 IUA (1993) Other Transactions / Adj	36.3 IUA - Personnel (Clearance) OR 37.3 IUA - Other Tr. / Adj. (Clearance)	36.3 IUA - Personnel (Clearance) OR 37.3 - IUA Other Tr. / Adj. (Clearance)	(Respective credit A/c Code like 42.101, 27.202 etc.,)

116. No.CCA/AO(A/cs)/Sn.IV/Cys-59/93-94

Dtd. : 22-7-93

Sub : Wrong accountal of Advance consumption charges and Non-closure of Temporary Work Accounts.

Ref : T.O-Circular No.CA/AO(A/c)/Sn.IV/Cys-90/90-91 dated 29-11-90.

In this office Circular dated 29-11-90 detailed guidelines have been issued for accounting the amounts collected in respect of temporary power supply. Accordingly, the Estimated consumption charges (i.e.ACC) are to be accounted as 'collection' under temporary Tariff in the D.C.B. and ledger and depicted as credit balance against Account Code 23.113 till clearance in Trial Balance. Many of the Divisions have wrongly accounted the Estimated consumption charges under Head of Account 47.301 - Advance Power charges which is meant for depiction of balance under old 'D9(A)' Account till the old balance is cleared. There should not be further additional credits to this Account from 1985-86 and onwards since the Scheme is closed. The Divisions shall make note of this distinction and account the Advance consumption charges correctly in future.

Further, in respect of Temporary power supply involving extension of line and preparation of an estimate, the work accounts are not being closed properly and the net balance is not transferred to Account Codes 28.401 or 74.511 as enumerated in the above Circular. Thereby, huge balance is shown under Account Code 22.731 resulting in wrong depiction of closing stock in the Accounts of the Board. Therefore the Divisions shall watch the work Accounts of Temporary Power supply and pass necessary adjustment entries immediately after dismantling the works and ensure correct depiction of balances under relevant Heads of Accounts.

117. No.CCA/AO(A/c)Sn.IV/Cys-68/93-94

Dtd. : 7-8-93

Sub : Accountal of cheques of Rs. One lakh and above sent from F.A. & C.A.O.'s Office.

Ref : T.O. Circular No. FA & CAO / CA / AO (A/c)/Sn.IV/Cys.29/90-91 dtd. 28-5-90.

In this office circular dated 28-5-90, while prescribing the centralised system of accounting of HBA/HPA/MCA/MA cheques at Head Office only, it was laid down that the procedure of taking cheques of Rs. one lakh and above issued from F.A. & C.A.O.'s Office towards payments other than the above mentioned into the Cash Book and Accounts of the Units shall continue as existing earlier.

In spite of such specific instructions, it is observed in the Accounts for the years 1991-92 and 1992-93 that many units have not accounted those cheques, resulting in difference between the funds transferred and accounted as also non-clearance of related liability Account. Such omissions had to be rectified subsequently at the instance of observation from this office while accepting the March final accounts.

Therefore, it is reiterated that the cheques of Rs. One lakh and above which are not accounted at the Head Office (like cheques issued to suppliers / Contractors in respect of bills passed at the accounting units and sent to F.A. & C.A.O.'s Office for issue of cheques) shall be treated as 'Funds Transferred' From Head Office and accounted in Cash Book and the Accounts of the Unit. Under no circumstances, such cheques shall be taken under miscellaneous column of the Cash Book in the Unit.

118. No.CCA/AO(A/cs)/Sn.IV/Cys-69/93-94

Dtd. : 7-8-93

Sub : Balances under Advance Power Charges, New Service Connections Deposit, etc., and Interest outstanding on these Deposits.

During 1975 to 1978, certain amounts were collected from consumers towards Advance Power Charges (Account Code Existing 47.301, Old - D9(A)), Additional Advance Power Charges (Account Code Existing - 47.302, Old - D9 (B)) and New Service Connection Deposits (Account Code Existing - 47.303, Old - D10), under the Schemes prevailing at that time. The interest was also calculated on these Deposits from time to time and kept seperately under specific Heads of Account (Existing 48.310 and 48.320, Old - D9 (c) and D10 (a)).

As per the provision of the Schemes, the deposit amount along with interest thereon, should have been returned to the consumers by Cash or by way of adjustment towards energy bills as the case may be. By this time, the entire amount under the above Heads of Account should have been refunded duly observing the formalities laid down. But, it is observed from the Accounts of the Units, that substantial amounts are still outstanding in these Accounts and balances are carried down unnecessarily without any clearance. The main reason for continuation of balance as reported by the Accounts Officers and Assistant Accounts Officers of the Units, is the non-availability of the required details about the depositors and their installations (like R.R. No., Date of Service, Correct address etc.) for arranging refund.

On a detailed examination, the following guidelines are issued for adjustment / clearance of the outstanding balance under the above Heads of Accounts.

- 1) Ensure the correctness of balance under these Accounts and tally the balance as per Accounts to that of relevant schedules duly reconciling the difference.

- 2) Additional credits if any to these Accounts subsequent to the closure of the Scheme shall be traced and transferred to appropriate Heads of Account.
- 3) For all the balance items, efforts shall be made to collect the required details from the Revenue Units for affording credit of the amount to the consumers account and on complying with the provisions of the Scheme, the amount shall be credited to relevant consumers Account after due verification and attestation by Internal Audit.

However, it is the responsibility of the concerned AO/AO to ensure that the amount is credited to genuine depositors Account and not to any other person.

- 4) In spite of the efforts put forth by the Division, if the required details could not be collected, then the amount shall be credited to the Head of Account "61.906 - Other Receipts form Consumers" observing the following points.
 - i) A statement shall be prepared listing out the uncleared items with full particulars such as Depositors Name, Receipt No. and Date, Amount, Ref. item in the Register etc.,
 - ii) The Statement shall be got verified by the Internal Audit with reference to the respective Schedules / Registers.
 - iii) After verification of the Statement by the Audit, an O.M. shall be put up for transferring the total amount to Miscellaneous Receipts.
 - iv) Quoting the reference of the O.M. issued, the amount shall be transferred to Account Code 23.7. However before this, a demand entry by debiting the same amount to Account Code 23.7 and crediting Account Code 61.906 shall be passed.
 - v) The approved statements, copy of O.M., Journal Voucher etc., shall be preserved intact in a separate file. In case any claim is preferred by the depositor subsequently, the amount shall be refunded duly observing the formalities as applicable to withdrawal of Miscellaneous Revenue and obtaining approval from the competent authority.

All out efforts shall be made to clear the entire balance under the above Accounts before the closure of the Accounting Year 1993-94 on the above lines. A report shall be sent by the Units concerned on the action taken in this regard.

119. No.CCA/AO(A/cs.)/Sn.IV/Cys-86/93-94

Dtd. : 7-9-93

Sub : Charges / Deposit received against faulty and burnt meters - clearance - Reg.

It is observed that the charges collected from consumers towards testing of faulty meter, burnt out meter etc., are not being properly accounted and balances cleared in the Accounts, and huge amounts are unnecessarily carried over in Deposit Head of Account "47.601 Deposit received against burnt meter". The balance has raised from Rs.68 lakhs as on 31-3-90 to Rs.141 lakhs as on 31-3-93. Therefore, the following instructions are issued for accounting the above charges properly and depiction of correct balance under related Heads of Account.

- 1) The procedure laid down for releasing and refixing Energy meters vide para 394 of KEB Accounts Manual Vol.II shall be strictly followed.

- 2) The Meter testing fees collected for release and testing of meters suspected faulty on consumer's complaints as per para 394(9) of KEB Accounts Manual Vol.II shall be accounted as Miscellaneous receipts from consumers by crediting Head of Account" 23.7. Sundry Debtors - Miscellaneous Receipts from consumers" duly raising a demand entry crediting Head of Account 61.906 - Other Receipts from consumers" and debiting Account Code 23.7 before hand.
- 3) The cost of metering equipment and accessories lost in the consumers premises collected as per Regulation 26.04 of Electricity Supply Regulation 1988 shall be credited to Miscellaneous Revenue (Account Code 23.7/61.906).
- 4) The cost of metering equipment and accessories damaged in the consumer's premises, collected as per Regulation 26.04 of Electricity Supply Regulations, 1988 shall be accounted and cleared on the following lines:
 - a) On collecting the amount, the same shall be credited to Account Code 47.601.
 - b) A Schedule / Register shall be maintained at the Revenue Sub-Division/Section for recording the details of amount collected and kept under above Deposit Account.
 - c) The faulty/burnt out meter shall be sent to M.T. Section / Division / Sub-Division for testing, duly following the procedure prescribed.
 - d) The procedure laid down in para 394 of KEB Accounts Manual Vol.II and other provisions applicable from time to time shall be followed by the M.T. Section / Division / Sub-Division for testing and return of the faulty / burnt out meter.
 - e) On receipt of the test report (M.T. Report), the question of refunding the deposit collected earlier or crediting the amount to Miscellaneous Revenue of the Board shall be determined based on the findings in the Report.
 - f) In case the deposit is found to be refunded, the Revenue Unit shall follow the procedure applicable to refund of other consumers deposits scrupulously in this case also for the purpose of forwardal of refund bill to the Division and the Division Office shall arrange for refund/adjustment duly debiting Account Code 47.601.
 - g) In case, the deposit is not refundable to the consumer as per the findings of M.T. Unit in the Report, the same shall be credited to Miscellaneous Revenue (Account Code:23.7/61.906) by passing an adjustment at the Division Office based on the proposal from the Sub-Division/Section. For this purpose the Sub-Division shall send a detailed statement every month to the Division Office indicating such items in the Accounts.
 - h) After refunding / adjusting the amount, the Division shall intimate the concerned Sub-Division / Section for making entries in the Schedule / Register and clear the amount.
 - i) On receipt of intimation from Division, the Sub-Division / Section shall make entries in the Schedule / Register to clear the amount refunded / adjusted.
 - j) However, all the deposits outstanding for more than three years shall be transferred to Miscellaneous Revenue and it shall be ensured that under any circumstances no refunds are made in such cases. Such cases arising shall be referred to the competent authority who is authorised to

withdraw the amount credited to miscellaneous Revenue even though the deposit is not credited to Miscellaneous Revenue yet. Crediting the deposit collected three years back to monthly Revenue shall be a routine exercise every month.

- k) The Division Office shall ensure that the consolidated total of balances under this Account in respect of all Revenue Units tally to the balance as per Accounts. For this purpose, the monthly abstract of the O.B., Receipts, Refunds/Adjustments, C.B., shall be obtained from all the Revenue Units by the Division Office every month.
- l) The balance under this Account at any point of time should always represent the deposit collected towards cost of faulty/damaged meter in respect of which M.T. Report is not received yet.

The Division Office shall also enlighten all the Revenue Units in this regard on the procedural and accounting aspects.

The outstanding balance as on date shall be analysed itemwise and action taken on the above lines to clear the amounts unnecessarily continued in the Accounts.

120. No.CCA/AO(A/cs)/Sn.14/Cys-88/93-94

Dtd. : 7-9-93

**Sub : Electric Tariff 1993 - changes and re-adjustments in the DCB among
different tariffs / Head of Accounts.**

You are aware that the Board vide Notification No.KEB/B10/1605/93-94, dated 31.7.1993 have revised the electric power tariffs w.e.f. the first meter reading date on or after 1st August 1993. There is no change in the structure of the revised tariff except in case of HT2. The present HT 2 - Industrial, Non-industrial and commercial has been re-grouped into three categories as HT2(a) - Industrial, Non-Industrial & Non-Commercial / HT2(b)Commercial / and HT2(c) - Industries with contract demand of 50 MVA and above and which are 100% export oriented in the 1993 tariff. The balance maintained under HT2 tariff shall be segregated and distinctly maintained under HT2(a), HT2(b) and HT2(c) tariff of 1993 from August 1993 and onwards without fail. The DCB format has to undergo changes to meet the requirement of the new tariffs. A photo copy of both Kannada and English versions is enclosed herewith for guidance of all the concerned and the DCB statement from here onwards should be compiled at the sub Divisions and Divisions as per the revised format and sent to this office.

In addition to the revised format, a concordance statement showing a comparison of the old tariff, schedule with new tariff. Schedule and the corresponding Head of Account is also enclosed for information and guidance.

The DCB in the new format duly effecting the transfer of balances in respect of HT2(a), HT2(b) and HT2(c) tariff of 1993, shall be sent to this office from August '93 and onwards without fail. The Divisional Officers may get the required forms printed locally treating this letter as approval for getting the new forms printed. It shall be noted that the alterations are only in the first sheet of the DCB, covering Account Codes upto 61 series. The second sheet remains unaltered and the existing forms only shall be made use of.

The new form printed should perfectly match the existing form in columns and print. The new forms should be printed only in the Kannada version enclosed to this letter. The 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 the Division office. This limit prescribed shall not be exceeded under any circumstances.

COMPARATIVE STATEMENT SHOWING THE ACCOUNT CODES AND APPROPRIATE ELECTRIC POWER TARIFFS OF 1992 AND 1993

1	Account code as per 1992 Power Tariff		Description	Account code as per 1993 Power Tariff		
	Tariff	Account Code Collection Demand		Tariff	Account Code Collection Demand	
2	3	4	5	6	7	
LT1 (a)	23.102	61.220	Bhagyajothi & Kuteerajothi	LT1(a)	23.102	61.220
LT1 (b)	23.101	61.210	Domestic & Non- commercial Lighting	LT1(b)	23.101	61.210
LT2(a&b)	23.103	61.230	Non Commercial combined lighting and heating (AEH) and for private professional unaided educational institutions.	LT2(a & b)	23.103	61.230
LT3	23.104	61.240	Commercial lighting, heating and 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 (Above 10 HP)	LT4a(ii)	23.106	61.252
LT4 b(i)	23.108	61.261	Water supply & Sewerage Pumping installations- Village/Town/Mandal Panchayat/Interim Mandal Panchayat/ Town Municipalities and Organisations run on charitable basis.	LT4b(i)	23.108	61.261
LT4b(ii)	23.109	61.262	Water supply and Sewerage Pumping imstalations, City Municipalities/Municipal Corporations/State & Central Govt./APMC Yard installations.	LT4b(ii)	23.109	61.262
LT4(b) (iii)	23.126	61.264	Water supply installations in residential layouts	LT4b(iii)	23.126	61.264
LT 4(c)	23.128	61.265	Private Horticultural nurseries	LT4(c)	23.128	61.265

1	2	3	4	5	6	7
LT 5	23.110	61.271	Industrial, Non-Industrial heating & motive power including lighting	LT 5	23.110	61.271
LT 6(a)	23.111	61.281	Street lights/Public lighting / Village/Mandal/interim Mandal/Town Panchayats/Town Municipalities	LT 6(a)	23.111	61.281
LT 6 (b)	23.112	61.282	Street Lights/Public lighting-Others	LT 6(b)	23.112	61.282
LT 7	23.113	61.291	Temporary Power supply	LT-7	23.113	61.291
HT 1	23.123	61.320	Public Water supply & Sewerage pumping installations	HT 1	23.123	61.320
HT 2	23.115	61.310	Industrial, Non-Industrial and non-commercial	HT 2(a)	23.115	61.310
HT 2	23.115	61.310	Commercial	HT 2(b)	23.122	61.315
HT 2	23.115	61.310	Industries with CD of 50 MVA and above and are 100% export oriented	HT 2(c)	23.129	61.316
HT 3	23.116	61.330	Irrigation and Agricultural farms Lift irrigation Societies, Lift irrigation schemes and horticultural nurseries	HT 3	23.116	61.330
HT 4	23.117	61.340	Rural Electric Co-operative Societies	HT 4	23.117	61.340
HT 5	23.124	61.350	Temporary supply	HT 5	23.124	61.350
HT 6	23.119	61.370	Railway Traction	HT 6	23.119	61.370

Sd/-
Accounts officer (Accounts)

ಡಿಸಿಬಿ ಪಟ್ಟಿಯ ಪರಿಷ್ಕೃತ ನಮೂನೆ

ಲೆಕ್ಕದ ಕೋಡ್	ಜಕಾತಿ ವಿವರ	ಜಕಾತಿ ಅನುಸೂಚಿ
23.61 ವಿದ್ಯುತ್ ಮಾರಾಟದಿಂದ ಬಂದ ಆದಾಯ		
23.101:61.210	ಗೃಹ ಬಳಕೆ ಮತ್ತು ವಾಣಿಜ್ಯೇತರ ದೀಪ	ಎಲ್.ಟಿ.1(ಬಿ)
23.102:61.220	ಭಾಗ್ಯಜ್ಯೋತಿ ಮತ್ತು ಕುಟೀರಜ್ಯೋತಿ	ಎಲ್.ಟಿ.1(ಎ)
23.103:61.230	ವಾಣಿಜ್ಯೇತರ ಸಂಯುಕ್ತ ದೀಪ ಮತ್ತು ತಾಪನ, ವೃತ್ತಿಪರರು ಮತ್ತು ಅನುದಾನ ಪಡೆಯದ ವಿದ್ಯಾಸಂಸ್ಥೆಗಳೂ ಸೇರಿದಂತೆ	ಎಲ್.ಟಿ.2(ಎ.& ಬಿ.)
23.104:61.240	ವಾಣಿಜ್ಯದೀಪ, ತಾಪನ ಮತ್ತು ಮೋಟಿವ್ ಪವರ್	ಎಲ್.ಟಿ.3
23.105:61.250	ನೀರಾವರಿ ಪಂಪುಸೆಟ್ಟುಗಳು, ಏತ ನೀರಾವರಿ ಯೋಜನೆಗಳು, ಸಂಘಗಳು (10 ಅಶ್ವಶಕ್ತಿ ಮತ್ತು ಅದಕ್ಕೂ ಕಡಿಮೆ)	ಎಲ್.ಟಿ.4ಎ(i)
23.106:61.252	ನೀರಾವರಿ ಪಂಪುಸೆಟ್ಟುಗಳು ಏತ ನೀರಾವರಿ ಯೋಜನೆಗಳು, ಸಂಘಗಳು (10 ಅಶ್ವಶಕ್ತಿಗೂ ಹೆಚ್ಚಿನವು)	ಎಲ್.ಟಿ.4ಎ(ii)
23.108:61.261	ನೀರು ಸರಬರಾಜು ಮತ್ತು ಒಳಚರಂಡಿ ಪಂಪಿಂಗ್ ಸ್ಥಾವರಗಳು, ಗ್ರಾಮ / ಪಟ್ಟಣ / ಮಂಡಲ ಪಂಚಾಯತಿ / ಪಟ್ಟಣ ಮುನಿಸಿಪಾಲಿಟಿ / ಮತ್ತು ಧರ್ಮಾ ದಾಯದ ಮೇಲೆ ನಡೆಸುವ ಸಂಸ್ಥೆಗಳು	ಎಲ್.ಟಿ.4ಬಿ(i)
23.109:61.262	ನೀರು ಸರಬರಾಜು ಮತ್ತು ಒಳಚರಂಡಿ ಪಂಪಿಂಗ್ ಸ್ಥಾವರಗಳು, ನಗರ ಮುನಿಸಿಪಾಲಿಟಿ / ಮುನಿಸಿಪಲ್ ಕಾರ್ಪೊರೇಷನ್ ಗಳು / ರಾಜ್ಯ ಮತ್ತು ಕೇಂದ್ರ ಸರ್ಕಾರ / ಎಪಿಎಂಸಿ ಸ್ಥಾವರಗಳು	ಎಲ್.ಟಿ.4ಬಿ(ii)
23.126:61.264	ನೀರು ಸರಬರಾಜು ಸ್ಥಾವರಗಳು - ವಾಸದ ಲೇಔಟ್ ಗಳು	ಎಲ್.ಟಿ.4ಬಿ(iii)
23.128:61.265	ಖಾಸಗಿ ತೋಟಗಾರಿಕೆ ಸರ್ಕಾರಿಗಳು	ಎಲ್.ಟಿ.4(ಸಿ)
23.110:61.271	ಕೈಗಾರಿಕೆ, ಕೈಗಾರಿಕೇತರ ತಾಪನ ಮತ್ತು ಮೋಟಿವ್ ಪವರ್, ದೀಪ ಬಳಕೆಯೂ 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	ಎಚ್.ಟಿ.1
23.115:61.310	ಕೈಗಾರಿಕೆ, ಕೈಗಾರಿಕೇತರ ಮತ್ತು ವಾಣಿಜ್ಯೇತರ	ಎಚ್.ಟಿ.2(ಎ)
23.122:61.315	ವಾಣಿಜ್ಯ	ಎಚ್.ಟಿ.2(ಬಿ)
23.129:61.316	50 ಎಂಎಂ ಮತ್ತು ಮೇಲ್ಪಟ್ಟು ಕಾಂಟ್ರಾಕ್ಟ್ ಡಿಮಾಂಡ್ ಇರುವ ಹಾಗೂ ಸಂಪೂರ್ಣ ರಫ್ತು ಉದ್ದೇಶಿತ ಉದ್ಯಮಗಳು	ಎಚ್.ಟಿ.2(ಸಿ)
23.116:61.330	ನೀರಾವರಿ ಮತ್ತು ಕೃಷಿಫಾರಂಗಗಳು, ಏತನೀರಾವರಿ ಸಂಘಗಳು, ಯೋಜನೆಗಳು ಹಾಗೂ ತೋಟಗಾರಿಕಾ ಸರ್ಕಾರಿಗಳು	ಎಚ್.ಟಿ.3

ಲೆಕ್ಕದ ಕೋಡ್	ಜಕಾತಿ ವಿವರ	ಜಕಾತಿ ಅನುಸೂಚಿ
23:117:61.340	ಗ್ರಾಮೀಣ ವಿದ್ಯುತ್ ಸಹಕಾರಿ ಸಂಘಗಳು	ಎಚ್. ಟಿ. 4
23:124:61.350	ತಾತ್ಕಾಲಿಕ ವಿದ್ಯುತ್ ಸರಬರಾಜು	ಎಚ್. ಟಿ. 5
23:119:61.370	ರೈಲ್ವೆ ಟ್ಯಾಕ್ಸ್	ಎಚ್. ಟಿ. 6
ಎ	ವಿದ್ಯುತ್ ಮಾರಾಟದಿಂದ ಬಂದ ಒಟ್ಟು ಆದಾಯ	
23.7:61.9	ಬಳಕೆದಾರರಿಂದ ಬಂದ ಸಂಕೀರ್ಣ ಶುಲ್ಕಗಳು	
23.7:61.901	ಫ್ಯೂನ್ ಹಾಕಲು ಶುಲ್ಕ	
23.7:61.902	ಫುನರ್ ಸಂಪರ್ಕ ಶುಲ್ಕ (ಡಿ ಆಂಡ್ ಆರ್)	
23.7:61.903	ನಾರ್ವ ಜನಿಕ ದೀಪ ನಿರ್ವಹಣೆ	
23.7:61.904	ಸೇವಾಸಂಪರ್ಕ (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 ಮತ್ತು ಬಿ)	

Revised Format of D C B Statement

Account Code	Tariff Description	Tariff Schedule
23.101/61.210	Domestic and Non-Commercial Lighting	LT-1(b)
23.102 / 61.220	Bhagya Jyothi and Kutir Jyothi	LT-1(a)
23.103 / 61.230	Non-Commercial combined lighting and heating (AEH), Private	
	Professional and un-aided Educational Institutions.	LT-2(A&b)
23.104 / 61.240	Commercial lighting, Heating and Motive power	LT-3
23.105 / 61.250	Irrigation pumpsets, Lift Irrigation Schemes / Societies (10 HP and below)	LT-4 a(i)
23.106 / 61.252	Irrigation pumpsets, Lift Irrigation Schemes / Societies (Above 10 HP)	LT-4 a(ii)
23.108 / 61.261	Water supply & Sewerage pumping installations-VPs / TPs MPs/TPs/TMCs and Organisations run on charitable basis.	LT-4b(i)
23.109 / 61.262	Water supply & sewerage pumping installations-CMCs/MCs/ State & Central Govt. / APMC yards.	LT-4b(ii)
23.126 / 61.264	Water supply installations in residential layouts.	LT-4b(iii)
23.128 / 61.265	Private Horticultural Nurseries	LT-4c
23.110 / 61.271	Industrial, Non-industrial Motive power including lighting	LT-5
23.111 / 61.281	Public Lighting-VPs / TPs / MPs / TMPs / TMCs	LT-6 (a)
23.112 / 61.282	Public lighting - Others	LT-6 (b)
23.113 / 61.291	Temporary Supply	LT-7

Revised Format of D C B Statement

Account Code	Tariff Description	Tariff Schedule
23.123 / 61.320	Public Water supply & Sewerage pumping installations.	HT-1
23.115 / 61.310	Industrial, Non-industrial, and Non-commercial	HT-2 (a)
23.122 / 61.315	Commercial	HT-2 (b)
23.129 / 61.316	Industries with CD OF 50 MVA and above and are 100% export oriented	HT-2(c)
23.116 / 61.330	Irrigation & Agricultural Farms, Lift-Irrigation schemes & Horticultural nurseries.	HT-3
23.117 / 61.340	Rural Electric Co-operative Societies	HT-4
23.124 / 61.350	Temporary Supply	HT-5
23.119 / 61.370	Railway Traction	HT-6
A	Total Revenue from sale of power	
	23.7 / 61.9 Misc., receipts from consumers	
23.7 / 61.901	Fuse charges	
23.7 / 61.902	Reconnection fees (D&R)	
23.7 / 61.903	Public lgt. - 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 Misc., receipts from consumers	
	Total (A + B)	

121. No.CCA/AO(A/cs)/Sn.IV/Cys-90/93-94

Dtd. : 9-9-93

Sub : Retreading of Tyres - Accounting procedure.

The accounting entry at No.(4) prescribed in this office circular No.CA/AO(A/cs)/Sn.4/Cys.48/91-92 dtd. 27.7.91 shall be substituted with the following entry

22.320 Material Issues (O&M)	Dr. 10% PR
22.210 Materials purchase	Dr. 90% PR
To 26.604 Transformer / Meter etc.,	
issued to contractors / Suppliers	10% PR
for repairs / replacement	
To 76.282 Fabrication charges absorbed	
in cost of fabrication credit.	90% PR

(NOTE : PR = Prevailing purchase rate of tyre on the date of transaction)

This amendment is issued to classify correctly the value added to the tyre after retreading under Account Code 76.282 which is meant for absorption of fabrication charges instead of Revenue Expenditure Account Code 74.601 and also with a view to avoid abnormality in stock related Accounts.

122. No.CCA/AO(A/cs)/Sn.IV/Cys-92/93-94

Dtd. 16-9-93

Sub : New procedure for exhibiting clearance of I.U.A, balance in the Accounts.

Ref : T.O. Circular No. CCA/AO(A/cs)/Sn.IV/Cys.52/93-94, dtd. 8.7.93

Further to this office Circular dated 8.7.93, the following entry shall be passed at the Transferee unit in respect of materials received prior to 1.7.93, but debit AT received from the Transferor Unit and accepted on or after 1.7.93.

31 I.U.A. (1993) - Materials Dr.

To 31.3. I.U.A. - Materials (Clearance)

123. No.CCA/AO(A/cs)/Sn.IV/Cys.96/93-94

18-9-93

Sub : New procedure for exhibiting clearance of IUA balance in the Accounts. Action for clearing balance outstanding as on 30.6.93.

Ref : T.O. Circular No.CCA/AO(A/cs)/Sn.IV/Cys.52/93-94, dtd. 8.7.93.

In this office Circular dtd. 8.7.93, the accounting treatment to be given to IUA transactions prior to 1st July '93, consequent on implementation of new procedure and the accounting entries to be passed thereof for such transactions are prescribed vide para III(C)(4). Accordingly, the balance outstanding against Account Code-31 as on 30.6.93 should have been taken under Head of Account-31-IUA (1993) - Materials. This balance represents the difference between debit transactions and credit transactions accounted under IUA - Materials from 1.4.85 to 30.6.93 at the Units and the overall pooled balances should have resulted in NIL balance at Head office on consolidation of Accounts of all the Units. However, the fact is not so and the balance is still continuing in the Board's Account which reveals that all the IUA transactions are not accounted and cleared properly. Therefore the following guidelines are issued for clearance of balance taken under Head of Account-31 IUA (1993) - Materials.

1. The entry given in para III (C)(4) of this office Circular dtd.30.6.93 shall be passed in the transferor Unit on receipt of acceptances for the ATs sent for the materials issued on or before 30.6.93 without fail. In the transferee unit, for the materials received before 1.7.93 but AT accepted after 1.7.93, the entry indicated in this office letter No.Cys.92/92-93 dtd. 16.9.93 shall be passed.
2. A separate statement shall be prepared listing out all the Debit ATs sent under account Code 31 but not accepted as on 1.7.93 by the transferee unit and sent to this office within 15 days from the date of receipt of this letter. Keeping the same list, the concerned Units shall pursue and obtain acceptances in respect of all pending ATs.
3. A similar statement listing out the Inward ATs received but not accepted as on 1.7.93 under Account Code 31 shall be prepared and sent to this office within 15 days and action taken for immediate acceptance of these ATs.

4. By checking the figures taken under 31 in Stock analysis register (Stock Compilation Register) Inward AT Register, Outward AT Register and General ledgers with each other from April '85 and onwards, it shall be ensured that the amount debited / credited to Account Code 31 every month as per Accounts (General ledger) tallies with the corresponding figures in other three above mentioned subsidiary Registres. Any mistakes and misclassifications found during such reconciliation shall be rectified immediately.

Apart from ensuring the corrections on the above lines, it shall also be ensured that the ATs have been sent in respect of all issue of materials to other Accounting Units (based on Issue Invoices) and acceptances are given in respect of all receipt of materials from other Units (based on Receipt vouchers) duly obtained the Debit ATs wherever not sent by the transferor Units.

5. After completion of the above exercise and confirming that no ATs sent are still pending unaccepted in other Units and all the ATs received have been accepted in the Division, the balance outstanding under Head of Account - 31 IUA (1993) Materials shall be considered as the amount resulting out of clearance of IUA balance for which the corresponding Debit or Credit booked in the Account will be available in other Units. Therefore such balances only shall be ultimately transferred to Head of Account 31.3 - Materials (clearance) under intimation to this office.

Action taken in this regard may be intimated to this office.

124. No.CCA/AO(A/cs)/Sn.IV/Cys.118/93-94

Dtd. : 4-1-93

Sub : Corrigendum to this office Circular No.CCA/AO(A/cs)/Sn.IV/Cys.52/93-94 dated 8.7.93 on New procedure for clearance of IUA balances.

The typographical errors crept in the Annexures to this office Circular dated 8.7.93 may be corrected as follows :

I. Annexure - 2 : IUA A.T. not received ledger (A/c code 31.2)

Dr.

Cr.

Location Code			Name of the Accounting Unit						
Month	To 31.2'		Amount	Month	By 22.410		Ref. Issue Invoice No.	Date	Amount
	Acc. No. with Ref. AT No.	Date			R.V. No.	Date			

II. Annexure - 4 : IUA Credit A.T. sent ledger (A/c code 36.2 or 37.2)

Dr.

Cr.

Location Code			Name of the Accounting Unit				
Month	Accp. recd. for Cr. A.T. sent		Amount	Month	Credit A.T. sent		Amount
	Acc. No. with Ref. AT No.	Date			A.T. No.	Date	

125. No.CCA/AO(C)/Sn.V/Cys-124/93-94

Dtd. : 10-11-93

Sub : New procedure for exhibiting clearance of IUA balance in the Accounts - Action plan for clearing balance outstanding as on 30.6.93 and sending monthly / quarterly statements.

Ref : (1) T.O. Circular No.CCA/AO(A/cs)/Sn.IV Cys 52/93-94/8.7.93

(2) T.O. Circular No. Cys 92/93-94/16.9.93 (3) T.O. Circular No. Cys 96/93-94/18.9.93

In this office Circulars referred above, the new procedure for exhibiting clearance of IUA balances in the Accounts in respect of transactions upto 30.6.93 and for the transactions from 1.7.93 and onwards have been prescribed. In the Circular No.Cys.96, dtd.18.9.93, it was instructed to send a separate statement listing out all the Debit ATs sent under Account Code 31, but not accepted as on 1.7.93 and the list of all Inward ATs received but not accepted as on 1.7.93, within 15 days from the date of receipt of the Circular. Moreover all the Accounting Units should have sent the Location codewise details for the balances outstanding in the IUA Accounts 31.1, 31.2, 36.1, 36.2, 37.1 and 37.2 along with monthly Trial Balance, which are found to be generally not enclosed to their Trial Balance. Apart from this, the itemwise details for the balances under these Account Codes at the end of each quarter are required to be sent as per Circular No.Cys.52/8.7.93.

(d) List of pending Debit / Credit ATs as on 30.6.93 under Account Codes 36 & 37 (Separate statements are to be prepared for Inward and Outward ATs)

Sl. No.	Name of the Accounting Unit	A.T. No. & Date	Amount

(2) Monthly statement with Location Codewise details for the balances outstanding under A/c Codes 31.1., 31.2, 36.1, 36.2, 37.1 and 37.2

Separate statement for each Account Code shall be prepared.

Location Code	Name of the Accounting Unit	Closing Balance	
		Debit	Credit
Grand Total			

For A/c Codes 31.1, 36.1 & 37.1, only Debit column under Closing balance shall be made use of. Similarly credit column for A/c Codes 31.2, 36.2 & 37.2

(3) Quarterly statement showing Location Codewise, itemwise details of pending ATs at the end of each quarter.

(a) Account Code 31.1

Sl. No.	L.C. & Name of the Accounting Unit	A.T. No.	Date	Amount		Remarks
				Total AT - wise	Grand Total of each L.C.	
Grand Total						

(b) Account Code 31.2					
Sl. No.	L.C. & Name of the Accounting Unit	R.V. No. & Date	Ref. Issue Invoice No. & Date	Amount	
				Total (Issue Invoicewise)	Grand Total of each L.C.
	Grand Total				

(c) Account Codes 36.1, 36.2, 37.1 and 37.2
(Separate statements are to be prepared for each Account)

Sl. No.	L.C. & Name of the Accounting Unit	A.T. No. & Date	Amount	
			Total (A.T. wise)	Grand Total of each L.C.
	Grand Total			

It should be noted that the totals in quarterly statements under each Account Code shall tally to the balances shown in the respective Trial Balance.

All the Accounting Units shall send the statements already overdue and be punctual in submitting the statement in future. The non-compliance of instructions in this regard will be considered as a lapse on the part of concerned Accounts Officer / Asst. Accounts Officer for taking further action.

**SPECIMEN ENTRIES FOR ACCOUNTING IUA TRANSACTIONS AS PER THE
NEW PROCEDURE PRESCRIBED IN CIRCULAR NO.CY\$52 DATED 8-7-1993**

For the benefit and reference of Accounting Units, the Specimen Entries for accounting all types of transactions as per the new procedure and posting of the same in the respective IUA Ledger and putting up the Monthly Abstract are shown below :

Let us consider the transactions to be booked and recorded in the books of Bidar Division. We will take for example purpose, the inter-acting Divisions with Bidar Division are Gulbarga, Yadgir and Raichur.
(Assumption : All transactions occurred during July 1993 only)

TRANSACTION	J.V. No. & Dt.	JOURNAL ENTRY	Debit	Credit
Account Group : 31				
Acceptance recd. from Gulbarga Division for materials issued on or before 30-6-93. (No postings in any IUA Ledger required)	4 2-7-93	31.3. IUA - Materials (clearance) To 31 IUA (1993) Materials	Dr. 20,000	20,000
For accepting Debit AT received from Yadgir Division, in respect of materials received prior to 1.7.93 (No postings in any IUA ledger required)	6 6-7-93	31 IUA - (1993) - Materials To 31.3 IUA Materials (clearance)	Dr. 8,200	8,200
Transaction on or after 1.7.93				
Materials issued to Raichur Dvn. (A.T.No.24, dtd. 15.7.93) (Posted in IUA - Acceptance not received ledger)	13 9.7.93	31.1 (439) IUA - Materials (Accp. not received) To 22.420 Materials transfer outwards	Dr. 9,000	9,000
Materials issued to Yadgir Dvn. (A.T.No.25, dt. 15.7.93) (Posted in IUA - Acceptance not received ledger)	13 9.7.93	31.1 (443) IUA - Materials (Accp. not received) To 22.420 Materials transfer onwards	Dr. 5,100	5,100

TRANSACTION	J.V. No.	& Dt.	JOURNAL ENTRY	Debit	Credit
Materials issued to Gulbarga Dvn. (A.T.No.27, dt. 15.7.93) (Posted in IUA - Acceptance not received ledger)	13	9-7-93	31.1 (441) IUA - Materials (Accp not received) To 22.420 Materials transfer onwards	Dr. 6,300	6,300
Acceptance received from Raichur Dvn. (A.T.No.24, dt. 15.7.93) Acceptance No.79, dt. 20.7.93 (Posted in IUA - Acceptance not received ledger)	68	27.7.93	31.3 IUA - Materials (Clearance) To 31.1 (439) IUA Materials (Acceptance not received)	Dr. 9,000	9,000
Materials received from Gulbarga Dvn.. (R.V. No.20, dt. 3-7-93) (Issue invoice No.101, dt.1.7.93) (Posted in IUA - AT not received ledger)	14	9-7-93	22.410 IUA - Materials transfer Inwards To 31.2 (441) IUA Materials (A T not received)	Dr. 4,600	4,600
Materials received from Yadgir Dvn.. (R.V. No.22, dt.6-7-93) (Issue invoice No.1492, dt.30-6-93) (Posted in IUA - AT not received ledger)	14	9-7-93	22.410 - Materials transfer Inwards To 31.2 (443) - IUA Materials (A T not received)	Dr. 3,000	3,000
Materials received from Raichur Dvn.. (R.V. No.168, dt.17-7-93) (Issue invoice No.229, dt.2-7.93) (Posted in IUA - AT not received ledger)	14	9-7-93	22.410 - Materials transfer Inwards To 31.2 (439) IUA Materials (A T not received)	Dr. 5,000	5,000
AT Received and accepted - Gulbarga Dvn. (A.T.No.101, dt. 8-7-93) Acceptance No.43, dt. 16.7.93) (Posted in IUA - AT not received ledger)	60	21.7.93	31.2 (441) IUA - Materials (AT Not received) To 31.3 IUA - Materials (Clearance)	Dr. 4,600	4,600

TRANSACTION	J.V. No. & Dt.	JOURNAL ENTRY	Debit	Credit
AT Received and accepted Yadgir Dvn. (A. T. No. 66, dt. 9-7-93 Acceptance No. 40, dt. 14.7.93) (Posted in IUA - AT not received ledger) Account Group : 36	54 24.7.93	31.2 (443) IUA - Materials (AT Not received) To 31.3 IUA- Materials (Clearance)	Dr. 3,000	3,000
Acceptance recd. from Gulbarga Division in respect of Debit AT sent during May '93 for having transferred the balance of advance of pay to be recovered, i. r. of an Employee transferred (No posting in any IUA Ledger required)	7 6-7-93	36.3. IUA - Personnel (clearance) To 36 IUA (1993) Personnel	Dr. 3,570	3,570
Acceptance recd. from Yadgir Division in respect of Credit AT sent during June '93 for transferring the amount recovered from the salary of store keeper towards store shortages. (No posting in any IUA Ledger required)	10 8-7-93	36 IUA (1993) - Personnel To 36.3 IUA Personnel - (clearance)	Dr. 1,200	1,200
For Accepting Debit AT recd. from Raichur Division towards Festival advance (AT No. 149, Dt. 2-7-93) Acceptance No. 35, Dt. 13-7-93) (No posting in any IUA Ledger required)	18 13-7-93	27.203 Loans & Advances to staff - Festival Advance To 36.3 IUA Personnel - (clearance)	Dr. 800	800
For Accepting Credit AT recd. from Yadgir Division in respect of recoveries made towards excess T.A. Advance paid (AT No. 342, Dt. 10-7-93) Acceptance No. 42, Dt. 19-7-93) (No posting in any IUA Ledger required)	19 14-7-93	36.3 IUA Personnel - (clearance) To 27.202 Loans & advances to staff Travel Advance	Dr. 250	250

TRANSACTION	J.V. No. & Dt.	JOURNAL ENTRY	Debit	Credit
Mr. 'A' transferred to Raichur Division and the outstanding amounts under recoverable accounts transferred. (AT No. 99, Dt. 15-7-93) (posted in IUA Debit AT sent Ledger)	21 15-7-93	36.1 (439) IUA Personnel (Debit AT sent) To 27,203 Loans & advances to staff- Festival Advance To 28,401 Amount recoverable from employees	Dr. 975	600
Mr. 'B' transferred to Yadgir Division and the outstanding amounts under recoverable heads transferred. (AT No. 72, Dt. 15-7-93) (posted in IUA Debit AT sent Ledger)	22 15-7-93	36.1 (443) IUA Personnel (Debit AT sent) To 28,401 Amount recoverable from employees	Dr. 500	500
Acceptance received from Yadgir Division in respect of Debit AT sent (AT No. 72, Dt. 15-7-93) (Acceptance No. 121, Dt. 29-7-93) (Posted in IUA Debit AT sent Ledger)	74 29-7-93	36.3 IUA - Personnel - (clearance) To 36.1 / (443) IUA Personnel (Debit AT sent)	Dr. 500	500
Excess Medical reimbursement paid to Mr. 'X' when he was working in Gulbarga Division is recovered on the basis of O.M. issued by the Gulbarga Division and transferred through Credit AT (AT No. 74, Dt. 19-7-93) (Posted in IUA Credit AT sent Ledger)	27 19-7-93	-28,401 Amount recoverable from employees To 36.2 (441) IUA - Personnel (Credit AT sent)	Dr. 150	150
Acceptance received from Gulbarga Division in respect of Credit AT sent (AT No. 74, Dt. 19-7-93) (Acceptance No. 24, Dt. 30-7-93) (Posted in IUA Credit AT sent Ledger)	76 30-7-93	36.2 (441) IUA - Personnel (Credit AT sent) To 36.3 IUA Personnel (Clearance)	Dr. 150	150

TRANSACTION	J.V. No. & Dt.	JOURNAL ENTRY	Debit	Credit
Excess Travelling Allowance paid to Mr. 'Y' when he was working in Yadgir Division is recovered on the basis of O.M. issued by Yadgir Division and transferred through Credit AT (AT No. 75 Dt. 19-7-93). (Posted in IUA Credit AT sent Ledger)	77 30-7-93	28.401 Amount recoverable from employees To 36.2 (443) IUA - Personnel (Credit AT sent)	Dr. 500	500
Account Group : 37				
Acceptance recd. from Raichur Division for Debit AT No 26, Dt. 13-5-93 (Acceptance No 97, Dt. 20-7-93) (No posting in any IUA Ledger required)	8 7-7-93	37.3 IUA - other transaction/ Adjustments (Clearance) To 37 IUA (1993) - Other transactions/ Adjustments	Dr. 1,000	1,000
Acceptance recd. from Yadgir Division for Credit AT No. 39, Dt. 10-6-93 (Acceptance No. 52, Dt. 22-6-93) (No posting in any IUA Ledger required)	12 9-7-93	37 IUA (1993) - Other transaction / Adjustments To 37.3 IUA - Other transactions/ Adjustments (clearance)	Dr. 1,000	1,000
For accepting Debit AT received from Gulbarga Division towards advance paid to suppliers (AT No. 44 Dt. 3-1-93) (Acceptance No. 111, Dt. 19-7-93) (No posting in any IUA Ledger required)	31 19-7-93	25.501 Advance to suppliers - Interest free To 37.3 IUA - Other transactions/ Adjustments (clearance)	Dr. 18,000	18,000
For accepting Credit AT received from Yadgir Division towards Deposits for capital works. (AT No. 57, Dt. 4-7-93) (Acceptance No. 141, Dt. 30-7-93) (No postings in any IUA Ledger required)	80 30-7-93	37.3 IUA - Other transactions/ Adjustments (clearance) To 47.305 Deposit contribution works - others	Dr. 500	500

TRANSACTION	J.V. No. & Dt.	JOURNAL ENTRY	Debit	Credit
For Transfer of Debit balance outstanding under A/c Code 26.602 to Raichur Division (AT No. 76 Dt. 10-7-93) (Posted in IUA Debit AT sent Ledger)	31 21-7-93	37.1 (439) IUA - Other transactions/ Adjustments (Dr. AT sent) To 26.602 Advance to Contractors- Interest free	Dr. 20,000	20,000
For Transfer of Debit balance outstanding under A/c Code 25.501 to Gulbarga Division (AT No. 81 Dt. 12-7-93) (Posted in IUA Debit AT sent Ledger)	82 31-7-93	37.1 (441) IUA - Other transactions/ Adjustments (Dr. AT sent) To 25.501 Advance to Suppliers- Interest free	Dr. 1,000	1,000
Acceptance received for AT No.76, Dt. 10-7-93 sent to Raichur Division (Acceptance No. 144, Dt. 26-7-93) (Posted in IUA debit AT sent Ledger)	83 31-7-93	37.3 IUA - Other transactions/ Adjustments (Clearance) To 37.1 (439) IUA - Other transactions/ Adjustments (Debit AT sent)	Dr. 20,000	20,000
For Transfer of Liability for supply of materials to Yadgir (A.T. No.68 Dt.8-7-93) (Posted in IUA Credit AT sent Ledger)	34 24-7-93	42.101 Liability for supply of Materials To 37.2 (443) IUA - Other transactions/ Adjustments (Credit AT sent)	Dr. 15,000	15,000
For Transfer of Liability for supply of materials to CEE(MM &P) (A.T. No.69, Dt. 10-7-93) (Posted in IUA Credit AT sent Ledger)	35 24-7-93	42.101 Liability for supply of Materials To 37.2 (703) IUA - Other transactions/ Adjustments (Credit AT sent)	Dr. 25,000	25,000
Acceptance received for debit AT No.68, Dt. 8-7-93 from Yadgir Division (Acceptance No. 192, Dt. 27-7-93) (Posted in IUA Credit AT sent Ledger)	86 31-7-93	37.2 (443) IUA - Other transactions/ Adjustments (Credit A.T. sent) To 37.3 IUA - Other transactions/ Adjustments (Credit A.T. sent)	Dr. 15,000	15,000

I. IUA ACCEPTANCE NOT RECEIVED LEDGER (ACCOUNT CODE 31.1)

Location Code : 439		Name of the Accounting Unit : Raichur		Cr.		
Month	To 22.420	Amount	Month	By 31.3	Amount	
	AT No.	Date	Accept No.	Date		
7 / 93	24	15/7/93	7 / 93	79	20/7/93	9000
Location Code : 441		Name of the Accounting Unit : Gulbarga		Cr.		
Month	To 22.450	Amount	Month	By 31.3	Amount	
	AT No.	Date	Accept No.	Date		
7 / 93	27	15/7/93			6300	

Location Code : 443		Name of the Accounting Unit : Yadgir		Cr.	
Month	To 22.450	Amount	Month	By 31.3	Amount
	AT No.	Date	Accept No.	Date	
7 / 93	25	15/7/93			5100
L.C.		Name of the Accounting Unit		Closing Balance	
443	Yadgir			Debit	Credit
441	Gulbarga			5100	6300
		Total		11400	

ABSTRACT FOR THE MONTH OF JULY IN IUA ACCEPT. NOT RECEIVED LEDGER (A/C CODE 31.1)

II. IUA A.T. NOT RECEIVED LEDGER (ACCOUNT CODE 31.2)

Location Code : 441		Name of the Accounting Unit : Gulbarga		Cr.		
Month	To 31.3	Amount	Month	By 22.410	Amount	
	Acc No.	Date	R.V. No.	Date		
7 / 93	43	16/7/93	7/93	20	3.7.93	4600
(AT No.101 dt. 8.7.93)					101	4600

Location Code : 443		Name of the Accounting Unit : Yadgir		Cr.		
Month	To 31.3	Amount	Month	By 22.410	Amount	
	Acc No.	Date	R.V. No.	Date		
7 / 93	40	14-7-93	7/93	22	6.7.93	3000
(AT No.66 dt. 9.7.93)					1492	3000

Location Code : 439		Name of the Accounting Unit : Raichur				Cr.	
Month	To 31.3 Acc No. Date	Amount	Month	By 22.4.10 R.V. No. Date	Ref. Issue Inv. No.	Date	Amount
7/93	Bal	5000	7/93	168 17.7.93	229	2.7.93	5000

**ABSTRACT FOR THE MONTH OF JULY 93 IN IUA : A.T. NOT RECEIVED
LEDGER (ACCOUNT CODE 31.2)**

Location Code	Name of the Accounting Unit	Closing Balance
		Debit
		Credit
439	Raichur	5000
	Total	5000

III. IUA / DEBIT A.T. SENT LEDGER (ACCOUNT CODE 36.1)

Dr. - Location Code : 439		Name of the Accounting Unit : Raichur				Cr.
Month	(DEBIT A.T. SENT) A.T. No. Date	Amount	Month	(Acct. recd. for Dr. A.T. sent) Acpt. No. Date	Amount	
7/93	99 15.7.93	975	7/93	By Bal.	975	

Dr. - Location Code : 443

Dr. - Location Code : 443		Name of the Accounting Unit : Yadgr				Cr.
Month	(DEBIT A.T. SENT) A.T. No. Date	Amount	Month	(Acct. recd. for Dr. A.T. sent) Acpt. No. Date	Amount	
7/93	72 15.7.93	500	7/93	121 29.7.93	500	

IV. IUA CREDIT A.T. SENT LEDGER (ACCOUNT CODE 36.2)

Dr. - Location Code : 441		Name of the Accounting Unit : Gulbarga				Cr.
Month	(Acct. recd. for Cr. A.T. sent) Acpt. No. Date	Amount	Month	(Credit A.T. sent) A.T. No. Date	Amount	
7/93	24 30.7.93	150	7/93	74 19.7.93	150	

Dr. Location Code : 443		Name of the Accounting Unit : Yadgir		Cr.
Month	(Accept. recd. for Cr. A.T. sent) A.T. No. Date	Amount	(Credit A.T. sent) A.T. No. Date	Amount
7/93	To Bal.	500	75 19.7.93	500

ABSTRACT FOR THE MONTH OF JULY 93 IN BIDAR DVN.
IUA - DEBIT A.T. SENT LEDGER (A/C CODE 36.1)

L.C.	Name of the accounting Unit	Closing Balance
		Debit Credit
439	Raichur	975
	Total	975

ABSTRACT FOR THE MONTH OF JULY 93 IN BIDAR DVN.
IUA - CREDIT A.T. SENT LEDGER (A/C CODE 36.2)

L.C.	Name of the accounting Unit	Closing Balance
		Debit Credit
443	Yadgir	500
	Total	500

V. IUA DEBIT A.T. SENT LEDGER (ACCOUNT CODE 37.1)

Dr. Location Code : 439		Name of the Accounting Unit : Raichur		Cr.
Month	(DEBIT A.T. SENT) A.T. No. Date	Amount	(Accept. recd. for Dr. A.T. sent) A.T. No. Date	Amount
7/93	76 10.7.93	20000	144 26.7.93	20000

Dr. Location Code : 441		Name of the Accounting Unit : Gulbarga		Cr.
Month	(DEBIT A.T. SENT) A.T. No. Date	Amount	(Accept. recd. for Dr. A.T. sent) A.T. No. Date	Amount
7/93	81 12.7.93	10000	By Balance	10000

VI IUA CREDIT A.T. SENT LEDGER (ACCOUNT CODE 37.2)

Dr. Location Code : 443	Name of the Accounting Unit : Yadgir		Cr.
Month	(Acpt. recd. for Cr. A.T. sent) Acpt. No. Date	Amount A.T. No. Date	Amount A.T. No. Date
7/93	192 27.7.93	15000 68 8.7.93	15000
Dr. Location Code : 703	Name of the Accounting Unit : C.E.E. (MM&P)		Cr.
Month	(Acpt. recd. for Cr. A.T. sent) Acpt. No. Date	Amount A.T. No. Date	Amount A.T. No. Date
7/93	Balance	25000 69 10.7.93	25000

ABSTRACT FOR THE MONTH OF JULY '93 IN BIDAR
IUA - DEBIT A.T. SENT LEDGER (A/C CODE 37.1)

L.C.	Name of the Accounting Unit	Closing Balance	
		Debit	Credit
441	Gulbarga	10000	
	Total	10000	

ABSTRACT FOR THE MONTH OF JULY '93 IN BIDAR
IUA - CREDIT A.T. SENT LEDGER (A/C CODE 37.2)

L.C.	Name of the Accounting Unit	Closing Balance	
		Debit	Credit
703	C.E.E. (MM&P)		25000
	Total		25000

GENERAL LEDGER ACCOUNTS IN BIDAR DIVISION FOR THE IUA TRANSACTIONS IN JULY 1993

Dr.		31 - IUA (1993) - Materials		Cr.	
J.V. No. & Date	Amount	J.V. No. & Date	Amount	J.V. No. & Date	Amount
6/6.7.93	To 31.3	4/2.7.93	8,200.00	By 31.3	20,000.00
	" Balance C/d		11,800.00		
			20,000.00		20,000.00
Dr.		31 - IUA - Materials (Clearance)		Cr.	
J.V. No. & Date	Amount	J.V. No. & Date	Amount	J.V. No. & Date	Amount
4/2.7.93	To 31	54/24.7.93	20,000.00	By 31.2 (443)	3,000.00
68/27.7.93	" 31.1 (439)	60/27.7.93	9,000.00	" 31.2 (441)	4,600.00
			29,000.00	" Balance C/d	11,400.00
					29,000.00
Dr.		22.420 - Materials Transfer Outwards		Cr.	
J.V. No. & Date	Amount	J.V. No. & Date	Amount	J.V. No. & Date	Amount
	To Balance C/d	13/9.7.93	20,400.00	By 31.1 (439)	9,000.00
			20,400.00	By 31.1 (443)	5,100.00
				By 31.1 (441)	6,300.00
					20,400.00
Dr.		22.410 - Material Transfer Inwards		Cr.	
J.V. No. & Date	Amount	J.V. No. & Date	Amount	J.V. No. & Date	Amount
14/9.7.93	To 31.2 (441)		4,600.00	By Balance C/d	12,600.00
	To 31.2 (443)		3,000.00		
	To 31.2 (439)		5,000.00		
			12,600.00		12,600.00

J.V. No. & Date	Amount	J.V. No. & Date	Amount
36 IJA (1993) - Personnel			
Dr.			Cr.
10/8.7.93	To 36.3	7/6.7.93	By 36.3
	To Bal. C/d		
	3,570.00		3,570.00
36.3 IJA - Personnel - (Clearance)			
Dr.			Cr.
7/6.7.93	To 36	10/8.7.93	By 36
19/14.7.93	To 27.202	18/13.7.93	By 27.203
74/29.7.93	To 36.1	76/30.7.93	By 36.2 (441)
			By Bal C/d
			1,200.00
			800.00
			150.00
			2,170.00
			4,320.00
27.203 - Loans & Advances to staff - Festival Advances			
Dr.			Cr.
18/13.7.93	To 36.3	21/15.7.93	By 36.1 (439)
			By Bal C/d
			600.00
			200.00
			800.00
27.202 - Loans & Advances to staff - Travelling Allowance			
Dr.			Cr.
	To - Bal. C/d	19/14.7.93	By - 36.3
			250.00
			250.00
28.401 - Amount recoverable from employees			
Dr.			Cr.
27/19.7.93	To 36.2 (441)	21/15.7.93	By 36.1 (439)
77/30.7.93	To 36.2 (443)	22/15.7.93	By 36.1 (443)
	To Bal C/d		
			375.00
			1,500.00
			875.00

J.V. No. & Date	Amount	J.V. No. & Date	Amount
37 IUA (1993) - Other transactions / adjustments			
Dr.			Cr.
12/9.7.93	By 37.3	8/7.7.93	By 37.3
	1000.00		1000.00
25.501 - Advance to Supplier - interest free			
Dr.			Cr.
31/19.7.93	To 37.3	82/31.7.93	By 37.1 (441)
	18000.00		10000.00
			8000.00
			18000.00
31.1 - IUA materials (Acceptance not received)			
Dr.			Cr.
13/9.7.93	To 22.420	68/27.7.93	By 31.3
"	To 22.420		9000.00
"	To 22.420		5100.00
			6300.00
			20400.00
31.2 - IUA materials (A.T. not received)			
Dr.			Cr.
60/27.7.93	To 31.3	14/9.7.93	By 22.410
54/24.7.93	To 31.3	"	By 22.410
	To Bal. C/d	"	By 22.410
	4600.00		4600.00
	3000.00		3000.00
	5000.00		5000.00
	12600.00		12600.00
36.1 - IUA Personnel (Debit A.T. sent)			
Dr.			Cr.
21/15.7.93	To 27.203	74/29.7.93	By 36.3
"	To 28.401		500.00
22/15.7.93	To 28.401		975.00
	600.00		1475.00
	375.00		
	500.00		
	1475.00		
36.2 - IUA - Personnel (Credit A.T. sent)			
Dr.			Cr.
76/30.7.93	To 36.3	27/19.7.93	By 28.401
	To Bal. C/d	77/30.7.93	By 28.401
	150.00		150.00
	500.00		500.00
	650.00		650.00

J.V. No. & Date	Amount	J.V. No. & Date	Amount
37.3 IJA - Other transactions / adjustments - Clearance			
Dr.			Cr.
8/7.7.93	To 37	12/9.7.93	By 37
31/21.7.93	To 26.602	31/19.7.93	By 25.501
80/30.7.93	To 47.305	86/31.7.93	By 37.2 (443)
	To Bal. C/d		
			1000.00
			18000.00
			15000.00
			34000.00
47.305 - Deposit contribution works - Others			
Dr.			Cr.
	To Bal. C/d	80/30.7.93	By 37.3
			500.00
26.602 Advance to Contractors - Interest free			
Dr.			Cr.
	To Bal. C/d	31/21.7.93	By 26.602
			20000.00
42.101 - Liability for supply of materials			
Dr.			Cr.
34/24.7.93	To 37.2 (443)		By Bal. C/d
35/24.7.93	To 37.2 (703)		40000.00
			40000.00
37.1 - IJA - Other transactions / adjustments (Debit AT sent)			
Dr.			Cr.
31/21.7.93	To 26.602	188/31.7.93	By 37.3
82/31.7.93	To 25.501		By Bal. C/d
			20000.00
			10000.00
			30000.00
37.2 - IJA - Other transactions / adjustments (Credit AT sent)			
Dr.			Cr.
86/31.7.93	To 37.3	34/24.7.93	By 42.101
	To Bal. C/d	35/24.7.93	By 42.101
			15000.00
			25000.00
			40000.00

TRIAL BALANCE OF BIDAR DIVISION FOR THE MONTH OF JULY 1993

Sl. No.	Account Code	Account Code	Debit	Credit
1)	31	IUA - Materials		11,800.00
2)	31.1	IUA - Materials (Acceptance not received)	11,400.00	
3)	31.2	IUA - Materials (A.T. not received)		5,000.00
4)	31.3	IUA - Materials - Clearance	13,200.00	
5)	36	IUA - Personnel		2,370.00
6)	36.1	IUA - Personnel (Debit A.T. sent)	975.00	
7)	36.2	IUA - Personnel (Credit A.T. sent)		500.00
8)	36.3	IUA - Personnel (Clearance)	2,170.00	
9)	37.1	IUA - Other transactions / adjustments (Debit A.T. sent)	10,000.00	
10)	37.2	IUA - Other transactions / adjustments (Credit A.T. sent)		25,000.00
11)	37.3	IUA - Other transactions / adjustments (clearance)		12,500.00
12)	25.501	Advance to suppliers - Interest free	8,000.00	
13)	22.410	Materials transfer - Inwards	12,600.00	
14)	22.420	Materials transfer - Outwards		20,400.00
15)	26.602	Advance to Contractors - Interest free		20,000.00
16)	27.202	Loans & Advance to staff- Travelling Allowance		250.00
17)	27.203	Loans & Advance to staff- Festival Advance	200.00	
18)	28.401	Amount recoverable from employees		225.00
19)	42.101	Liability for supply of materials	40,000.00	
20)	47.305	Deposit contribution works others		500.00
		Total	98,545.00	98,545.00

Sub : Calculation of accumulated depreciation and written down value of Assets.

Ref : T.O. Circular No.CCA/AO(C)/Sn.V/Cys.171, dt.30.1.93.

You are aware that depreciation on all the assets at the beginning of the year, shall be calculated and charged to the Revenue Account of relevant year. Depreciation prior to 1.4.92 was being calculated on the basis of life of the asset reckoning 90% of the cost of the asset. From 1.4.92 and onwards the procedure for calculation of depreciation has been changed. Under the revised procedure depreciation has to be calculated on the basis of fixed percentage prescribed for each asset. Detailed instructions in this regard have already been issued vide this office Circular dtd.30.1.93.

When an asset is released or dismantled, the written down value has to be arrived at after deducting the accumulated depreciation from the original value of the Asset and the written down value so arrived along with the accumulated depreciation have to be withdrawn / deducted in the respective Asset Account of the Assets register. Accounting entries in this regard have already been intimated vide Board Order No.KEB/B19/345/85-86, dt.18.6.1987.

The officers / officials of this office deputed to the various divisions for verification of depreciation provision for 1993-94 have found that confusion is prevailing in some of the Divisions regarding calculation of the accumulated depreciation of the Dismantled / Released assets consequent on implementation of the new procedure for calculation of depreciation. It is found in most of the cases that accumulated depreciation to be deducted from the original value of the Asset released was found to be wrongly calculated resulting in under / over statement of written down value of the asset. Improper valuation of written down value result in depiction of wrong value of assets which is not true and fair.

The accumulated depreciation in respect of released assets shall be calculated on the following lines. The depreciation calculated on the basis of life period of the Asset upto 31.3.92 and the depreciation calculated on fixed percentage basis from 1.4.92 and onwards as per new procedure shall be clubbed together to arrive at the accumulated depreciation of the assets released / dismantled. A typical example is given below :

For example :

Name of the Asset Transmission Plant
 (below 100 KVA)
Cost of the asset - Rs.1,00,000/-
Life of the asset - 25 years
Year of commissioning - 1986-87
Year of dismantling / replacement of the asset - 1993-94
Percentage of depreciation - 5.06% as per new procedure.

Calculation of depreciation & W.D.V.

- i) Depreciation charged upto the year 1991-92 is

$$\frac{(90,000) \times 5 \text{ years}}{25} = \text{Rs. } 18,000.00$$
- ii) Depreciation charged during 1992-93 & 1993-94

$$\frac{(1,00,000 \times 5.06 \times 2)}{100} = \text{Rs. } 10,120.00$$

$$= 5,060 \times 2$$
- iii) Total accumulated depreciation to be withdrawn
 from the Asset Account (i + ii) = Rs.28,120.00

iv) The written down value of the Asset = Rs.1,00,000 - 28,120
= 71,880.00

Calculation of accumulated depreciation and Written down value in respect of Assets dismantled / released during the year 1992-93 and 1993-94 shall be verified on similar lines. Necessary rectifications, if any, shall be made immediately in the Accounts besides adhering to the above procedure in future.

127. No.CCA/AO(A/c)/Sn.IV/Cys-155/93-94

Dtd. : 28-1-94

Sub : Monthly and Quarterly Revenue Expenditure Statement.

Ref : T.O. Circular No.CCA/AO(A/c)/Sn.IV/CYS.17/93-94/29-4-93.

Consequent on change over from preparation of Quarterly Trial Balance to the Monthly Trial Balance vide this office Circular dated 29-4-93, all the Accounting Units are rendering Monthly Trial Balance regularly from April '93 and onwards. Based on the Monthly Trial Balance, necessary management information is being generated and submitted to Board every month. Since each Account Code wise balance is available in Monthly Trial Balance in respect of all Revenue Expenditure Heads of Accounts, the Monthly / Quarterly Revenue Expenditure statement prescribed earlier are not necessary as that will result in duplication of work at the Unit level. Therefore, all the Accounting Units shall stop submitting Revenue Expenditure Statement both Monthly & Quarterly forthwith and be punctual in rendering Monthly Trial Balance to avoid any delay in furnishing lot of management information required by the Board.

However, the Units shall continue to submit the Monthly and Quarterly CWIP statements on scheduled dates as usual.

128. No.CCA/AO(A/c)/Sn.IV/Cys-167/93-94

Dtd. : 14-2-94

Sub : Capitalisation of interest on funds utilised during construction stage from 1993-94 and onwards.

In accordance with para 1.46 of Chapter - III, page 207 of KEB Accounts Manual Volume - III, the Board have taken a decision to capitalise the interest payable on borrowed funds utilised during construction stage of the Assets from 1992-93 and onwards, if the estimated cost of the work is Rs.1.00 crore and above.

During 1992-93, the interest on WorldBank Loan was capitalised in respect of all works costing Rs.1.00 crore and above and the same has already been transferred to concerned Major Works Divisions for posting the amount in the relevant 'C' Registers against specific works.

From 1993-94 and onwards, the interest shall be capitalised at the Unit level itself every year on the following lines in respect of each work, the estimated cost of which is Rs.1.00 crore and above. Whenever there is change in rate of interest the same will be intimated to the Units in advance.

1. The interest shall be capitalised in respect of on-going works only. Capitalisation of interest shall cease from the date of commissioning of the Asset.
2. The interest shall be capitalised keeping the "Capital Expenditure" incurred on each specific works as the basis.
3. Interest shall be capitalised only in respect of World Bank aided projects i.e., works taken up under KPP-I and KPP-II at present.
4. Interest shall be capitalised only in respect of works costing Rs.1.00 crore and above.
5. The rate of interest for capitalisation purpose is 12.5% p.a. This rate only shall be applied every year until further instructions, if any, from this office.
6. The interest on opening balance of CWIP of a specific work at the beginning of the year; shall be

- worked out for the entire period of twelve months during the year or for the period upto the end of the month in which the work is completed, whichever is earlier.
- 7. In respect of out-lay incurred in any month during the year, the interest shall be calculated for the period from the first day of immediately succeeding month to the date of commissioning or upto the end of the year as the case may be.
- 8. The interest shall be calculated upto the date of commissioning of the Asset only.
- 9. The following Accounting entry shall be passed for the interest amount capitalised.
 - 14.111 CWIP - Transmission lines - KPP-I Dr.
 - 14.112 CWIP - Transmission lines - KPP-II Dr.
 - 14.121 CWIP - Step Down Stations - KPP-I Dr.
 - 14.122 CWIP - Step Down Stations - KPP-II Dr.

(Account codewise, depending on the category of work)

To 78.9 Capitalisation of interest on funds used during construction.

- 10. The amount capitalised shall be posted in the relevant 'C' Register quoting the J.V. No. and date and included in the outlay booked in respect of that specific work.
- 11. The balance accumulated and outstanding under Account Code 78.9 as on 31st March each year, shall be taken to part 'C' of March Final Trial Balance for transferring the amount to Head Office as usual.

The interest to be capitalised on the above guidelines may be computed easily by preparing a statement for each work order separately in the format enclosed to this circular. The copy of such interest calculation statements of each work order shall be enclosed to March Final Accounts also without fail.

Statement of computation of interest to be capitalised.

Name of the Division :

Location Code :

W.O. No. and Date :

Account Code :

Month / Year	Capital expenditure incurred	No. of months for which interest to be capitalised	Amount of interest capitalised at (12.5% P.A.)	Remarks (Mention the date of completion of work, if completed)
Opening Balance as on 1.4.1993		12		
April 93		11		
May 93		10		
June 93		9		
July 93		8		
August 93		7		
September 93		6		
October 93		5		
November 93		4		
December 93		3		
January 94		2		
February 94		1		
March 94				
Total				

- 1. Separate statements shall be prepared for interest to be capitalised in respect of each work order.
- 2. Interest shall be calculated upto the date of commissioning or upto the end of the year as the case may be.

Sub : Capitalisation of Revenue Expenditure incurred at Office of the Chief Engineer Elcy (M.W.) and allocation to capital works.

As per Regulation 2.11, Chapter-I of K.E.B. Accounts Manual, Vol-III "all expenses in respect of Construction Units shall be fully charged as cost of Capital Assets". Accordingly, the entire revenue expenditure incurred at Major Works Circles and Major Works Divisions in the Board are being capitalised and allocated to related capital works. Though, the Office of the Chief Engineer Elcy. (Major Works) is an administrative office, the function is purely directed towards construction activity and therefore the entire revenue expenditure shall be capitalised by passing the following entries and transferred to all Major Works Divisions proportionately on the basis of 'Capital Expenditure' incurred in the Major Works Divisions for allocating the same to related Capital Works at the Divisions :

(1) 15.202 Revenue expenses pending allocation
to over capital works (Expenditure wise) Dr.
15.205
To 74.9 (Expenditure wise)
to charged to capital works.
77.9

(2) 37.1 (L.C.) IUA - other transactions / adjustments
- Debit A.T. sent Dr.
To 15.202 Revenue expenses pending
to allocation over capital works
15.205 (Expenditure Wise)

The Major Works Divisions shall accept the transfers and allocate the expenditure to capital works by passing the following entries.

(1) 15.202 Revenue expenses pending allocation
to over capital works (Expenditure wise) Dr.
15.205
To 37.3 IUA - Other transactions / adjustments - clearance.

(2) 14.... Capital - Work-in-progress
(category wise) Dr.
To 15.202 Revenue expenses pending - allocation
to over capital works (Expenditure wise)
15.205

Even after such transfers, it may be noted that the T.B. of the Chief Engineer Elcety (Major Works) shall continue to show the expenditure booked under revenue expenditure in the related Revenue Expenditure (natural) Heads of Account and the corresponding Account Code 74.9 to 77.9 are carrying credit balance to that extent. On receipt of Acceptance, the entries already prescribed shall be passed by the Office of the Chief Engineer (Major Works) to transfer the amounts to clearance Account.

These guidelines may be followed scrupulously to avoid any audit observations on this issue.

Sub : Accounting of released Transformers - Total failure in following the prescribed procedure.
B.O. No.B19/345/85-86 dtd. 18.6.87

During the inspections of many Divisions in November and December 1993, it has been observed that the procedure prescribed by the Board for releasing and accounting of such released transformers is ignored particularly by the Executives and in certain cases by the Ministerial Staff also. The Store-Keepers are found to have not been educated at all in this matter. The procedure was prescribed by the Board vide order dated 18.6.87 and the same have been brought out under para 265-A on pages from 325 to 356 of KEB Accounts Manual Volume-II. The non-accounting of released transformers was seriously discussed in the meeting of Chief Engineers held at Bangalore on 12.1.94 since all the Zonal Chief Engineers raised this issue on the basis of their field experiences.

The procedure prescribes that the Executive sub-ordinate while preparing the estimate for dismantling/releasing of Asset shall record the details such as the original cost, date of commission of the main asset etc., of the Asset being released in the estimate. In addition, they have to record the quantum and status of accessories (other than the main assets) to be released also. Only after preparing the dismantling estimate, the estimate for the relevant new work or the replacement work shall be prepared duly giving reference in the estimate to the work order No. and date of the dismantling work. After the work is executed, the released Asset / Transformer has to be returned to the Stores by the JE/AE duly drawing-up a Return Article Invoice clearly noting therein the reference of the work orders relating to both Dismantling and New Work. On the basis of these details the Store Keepers and the Accounts Section shall incorporate the released Assets into the books of Accounts properly.

It has become a general feature in most of the Divisions / Sections to dump the released transformers in the Store Yards / Office premises / Work spots etc., caring least for the prescribed procedure to be followed. The released transformers are not being properly handed over to the Store Keepers along with the respective R.I., thus blocking the way for their proper account in the Stores. Hence such transformers are inevitably kept out of stock accounts. This is happening either due to taking up replacement works under Tentative Work Orders and subsequent non-regularisation of such work orders within the prescribed time limit or due to the negligence and carelessness of the AE/JE who returns the released transformers. Unless these transformers are taken to stock accounts and faulty transformers sent for repairs, the released transformers cannot be put to reuse or disposed as scrap. The transformers failed within the guarantee period also loses the right of getting repaired free of cost if the proper procedure is not followed in time. It is evident that this avoidable pathetic situation prevailing is directly attributable to the lapses and dereliction of duty of the concerned AE/JE. The Divisional Officers shall fix personal responsibility for such lapses in addition to proposing for taking disciplinary action as per CDC&A Rules to the Competent Authority and ensure that no such instances are repeated in their Divisions strictly in future. In view of the seriousness of the issue involving considerable value of the material in such cases, the Divisional Officers shall immediately visit all the Stores in their Divisions and take account of the transformers lying unaccounted in the Store Yards / Office premises / Work-spots etc., and initiate action to regularise the transactions by resorting to stringent measures. Besides regularising the pending transactions within a specific time bound period, the Divisional Officers shall send a detailed Storewise report to this office on the number of such cases found in their Divisions with specific reference to capacity and quantity of transformers.

The Store Keepers shall be strictly instructed to obtain the R.A.I. along with the transformers from the Executive sub-ordinates and invariably account them as soon as they are brought into the Stores.

The Accounts Officer in the Division shall review all the Dismantling and Replacement Estimates and identify the Assets to be returned and debit the cost of such returnable assets to the personal account of JE/AE, if the materials are found to have been not returned as per records even after execution of such works. The cost of the material shall be recovered from the salary of the concerned AE/JE giving them a week's notice and without seeking for approval from any authority after the expiry of the time allowed.

130. No.CCA/AO(A/cs)/Sn.14/Cys-174/93-94

Dtd. : 22-2-94

Sub : Reconciliation of differences in balances between Sub-Division DCB and Division DCB figures.

Ref : T.O. Circular No.C(A/cs)/ADCA/AOC/Sn.IV/Cys.87, dt.1.7.1986.

Refer to this office Circular dated 1.7.86, wherein detailed instructions have been issued to reconcile the differences in the balances in respect of Sundry Debtors for sale of power as depicted amongst the consumers' ledgers, Sub-Division DCB and the Division DCB. It was clearly instructed that the Opening Balance for April '85 DCB shall be arrived at by adding the tariffwise Closing Balance outstanding in respect of each consumer at the end of March 1985. the tariffwise Opening Balance arrived in this procedure for each ledger should have been totalled and taken as tariffwise Opening Balance for the Sub-Division and tariffwise Opening Balance so arrived for each Sub-Division in turn should have formed the basis for taking the Opening Balance of the Division. The differences so found at each level as mentioned above were to be frozen. It was categorically instructed to ensure that no further difference crops up at any levels after freezing the difference so that the quantum of receivables depicted in the Accounts against sale of power are rightly supported by the tariffwise balances outstanding in the ledgers in respect of each consumer.

The differences which had crept in at each level as mentioned above has been noticed by the Accountant General very long back. We had replied to the A.G. besides exhibiting a specific note in the Annual Accounts of the Board that reconciliation between the Accounts figures and the DCB figures maintained in Divisional and Sub-Divisional level is in progress. This note is carried forward in the Annual Accounts of the Board every year vide item 12 on page 77. As the action should have already been taken to reconcile the differences at all the levels by this time, this note has to be removed from the Accounts duly furnishing the confirmation to the audit that reconciliation in all the Divisions has been done. Hence you are requested to furnish the following information to this office immediately for further needful action in the matter.

1. Has reconciliation of DCB figures been done and the differences frozen at all levels, as instructed vide this office Circular dated 1.7.86, and the frozen balance also been reconciled subsequently.
2. From 1.4.85 and onwards, further difference between the Sub-Division DCB, the Division DCB figures and the Accounts figures should not have crept in again. Is this ensured? If the differences have crept in from 1.4.85 and onwards also even after freezing the differences at all levels, the reason for the same along with tariffwise and Sub-Divisionwise details may be furnished.

131. No.KEB/B19/3646/92-93

Dtd. : 15-3-94

CIRCULAR

**Sub : Damage caused due to flash flood in Gulbarga and Hubli Zones -
Procedure for restore / replacement work.**

Clarifications are sought from several units on the procedure to be adopted for restoration / replacement work to be taken up in Gulbarga and Hubli Zones to replace the assets damaged in November 1992. The issue has been examined in detail and the following procedure is prescribed, in the background of refusal by Government of Karnataka to release any relief funds towards restoration of lost or damaged assets of the Board.

If the work is only to restore statusquo, then it has to be done under Head of Account 14.150 - CWIP Improvements. If there are extensions as compared to the original asset then such portion of the work only has to be done under Head of account 14.140 CWIP extensions.

The estimate has to be sanctioned by the competent authority and while sanctioning the estimate an officer not below the rank of Asst. Ex. Engineer (E) shall after necessary survey and assessment record a certificate on the estimate indicating the extent of damage caused for each type of asset with date of commissioning and original cost of such assets and the quantity and cost of the damaged assets remaining if any. It shall also be noted whether the assets / materials salvaged are reusable or not. If the entire asset is washed off and nothing is salvaged, the original cost, date of commissioning and the type of such assets shall be recorded in the estimate to facilitate removal of the asset from the Asset Register.

Wherever the damaged materials are to be retrieved after preparing an estimate, then an estimate on similar lines of decommissioning of an asset has to be prepared.

The difference between the book value of the original asset and the salvaged cost assessed for damaged asset may be treated as Revenue Expenditure and debited to Head of Accounts "79.881 - Loss of Fixed Assets on account of floods, fire, cyclone etc". In the case of washed off assets where nothing is salvaged, the entire book value (written down value) may be treated as loss.

On the basis of certificates recorded in the estimate by the Asst. Ex. Engineer (E), the materials returned to the store in respect of the assets damaged / salvaged shall be accounted in the Accounting Section by passing the following entries.

(1) When the released / damaged assets are good / reusable :

16.2 - WDV of faulty / dismantled asset (Dr) (At W.D.V.)
12.1 - Provision for depreciation on fixed Assets (Dr) (Deprn. earned)
To 10 : Fixed Asset A/c (Full original value).

(2) When the asset damaged / released is not reusable and salvaged value is assessed :

16.1 - WDV of obsolete / scrapped assets (Dr.) (Salvaged value)
12.1 - Provision for depreciation on fixed assets (Dr.) (Deprn. earned)
79.881 : Loss on fixed assets on account of floods, cyclone, fire etc.
(Dr) (Diff. between WDV and salvaged value)
To 10 : Fixed assets account (Full original value).

(3) When the asset is completely washed off and nothing is salvaged :

79.881 : Loss on fixed assets on account of floods, cyclone, fire etc. (Dr.) (entire WDV)
12 : Provision for depreciation on fixed asset (Dr.) (Deprn. earned)
To 10 : Fixed Asset Account : (Full original value)

If the assets referred to in the above entries were categorised before 1.4.1985, then Account Code 32.802 has to be substituted wherever account codes 12 and 10 are appearing.

The above guidelines may be applied to the damaged / washed off assets in Gulbarga / Hubli Zone in November 1992. In such other similar cases, unless the loss debited to Revenue Expenditure is written off specifically by the Board, the sum has to be recovered from local bodies / district authorities / State Govt.

132. No.CCA/AO(A/cs)/Sn.IV/Cys-55/94-95

Dtd. : 30-7-94

Sub : Head of Account for servicing of I.P. sets outside priority under 'Self Financing Scheme'.

Ref : Board Circular No.KEB/B19/877/93-94 dtd. 16.7.1994

The Board have permitted vide Circular dtd, 16.7.1994 to service the I.P. 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'. As the entire cost of the estimate has to be collected before taking up the work of such I.P. Sets, the work shall be sanctioned and executed under Head of Account "47.305 - Deposit Contribution Works-others" by suffixing (SFS) to distinctly identify the works from other Deposit contribution works. After completion of the work, the Asset shall be acquired by crediting Head of Account "55.1 Consumers Contribution towards cost of capital Assets". Other provisions relating to Accounting Procedure in respect of Deposit contribution Works shall also apply to such I.P. set works.

The Units shall follow the accounting procedure correctly and capitalise the outlay as and when such works are completed.

133. ಸಂಖ್ಯೆ : ಮುಲೆನಿ : ಲೆಲೆ : ಶಾಖೆ-4 : ಸಿವೆಎಸ್ : 91/94-95

ದಿನಾಂಕ : 3-10-94

ಲಗತ್ತು : ಒಂದು ನಮೂನೆ.

ವಿಷಯ : ಬಂಡವಾಳ ಖಾತೆಯ ಕೆಲಸಗಳ ನಿರ್ವಹಣೆ ಮತ್ತು ಸಮಾಪ್ತಿ ಬಗ್ಗೆ ವಿಭಾಗದ ಲೆಕ್ಕ ಶಾಖೆ ನಿಯಂತ್ರಣ ಮತ್ತು ಪರಾಮರ್ಶಿಸುವ ಕುರಿತು.

ಮಂಡಳಿಯಲ್ಲಿ ಮಂಜೂರಾದ ಬಂಡವಾಳ ಖಾತೆಯ ಕೆಲಸಗಳ ವೆಚ್ಚವನ್ನು ಪ್ರತಿಯೊಂದು ಕಾರ್ಯಾದೇಶಕ್ಕೂ ಪ್ರತ್ಯೇಕ ಲೆಕ್ಕವನ್ನು 'ಸಿ' ರಿಜಿಸ್ಟರ್‌ನಲ್ಲಿ ದಾಖಲಿಸಿ ಕಾರ್ಯ ಸಮಾಪ್ತಿಗೊಂಡ ನಂತರ ವರ್ಗೀಕರಿಸಿ ಸ್ಥಿರಾಸ್ತಿ ಲೆಕ್ಕಕ್ಕೆ ವರ್ಗಾಯಿಸುವ ಕೆಲಸ ಹಾಲಿ ನಿಯಮಾವಳಿಗಳಂತೆ ನಡೆಯುತ್ತಲಿದೆ.

ವರ್ಷದಿಂದ ವರ್ಷಕ್ಕೆ ಈ ಚಟುವಟಿಕೆ ನಿರಂತರವಾಗಿ ಮುಂದುವರಿಯುತ್ತಿರುವುದರಿಂದ ಬಂಡವಾಳ ಖಾತೆಯ ಲೆಕ್ಕಗಳ ನಿಯಂತ್ರಣ ಮತ್ತು ಸಮಾಪ್ತಿ ಬಗ್ಗೆ ಗಮನ ನೀಡುವುದು ಅತ್ಯವಶ್ಯಕ. ವಿಭಾಗದ : ಕಛೇರಿಯ ಲೆಕ್ಕ ಶಾಖೆಯು ಈ ನಿಯಂತ್ರಣವನ್ನು ಯಾವುದೇ ಲೋಪ ದೋಷಗಳಿಗೆ ಅವಕಾಶವಿರದಂತೆ ಹೊಂದಿರಬೇಕು. ಮತ್ತು ಕ್ಷೇತ್ರೀಯ : ತಂತ್ರಿಕ ಸಿಬ್ಬಂದಿ ಮತ್ತು ಅಧಿಕಾರಿಗಳಿಗೆ ಕಂಡು ಬಂದ ನ್ಯೂನತೆಗಳ ಬಗ್ಗೆ ಜ್ಞಾಪಿಸಿ ತಿಳುವಳಿಕೆ ನೀಡಬೇಕಾಗುತ್ತದೆ. ಕಾರ್ಯ ಸಮಾಪನಾ ವರದಿಗಳನ್ನು ತರಿಸುವ : ಅಂಗೀಕರಿಸುವ ಮತ್ತು ಸಕಾಲಕ್ಕೆ ತಲುಪದಿದ್ದಲ್ಲಿ ಮುಂದಿನ ಕ್ರಮವನ್ನು ಜರುಗಿಸುವ ಕೆಲಸ ಸಹ ಕೆ.ಇ.ಬಿ. ಅಕೌಂಟ್ಸ್ ಮ್ಯಾನ್ಯುಯಲ್ - ಸಂಪುಟ 2ರ ಪ್ಯಾರ 330 ರಲ್ಲಿನ ನಿಯಮಾವಳಿಯಂತೆ ಕೈಗೊಳ್ಳಬೇಕು. ಈ ಎಲ್ಲಾ ನಿಯಂತ್ರಣವನ್ನು ಮಂಡಳಿ ಬಹಳ ಹಿಂದೆಯೇ ನಿಗದಿಪಡಿಸಿರುವ "ಮಂಜೂರಾದ ಅಂದಾಜು ಮತ್ತು ಮುಕ್ತಾಯ ವರದಿಯ ನೊಂದಣಿಯ ಪುಸ್ತಕ" ಮುಖೇನ ಸುಲಭದಲ್ಲಿ ಹೊಂದಬಹುದು. ಆದರೆ ಯಾವ ವಿಭಾಗ : ಕಛೇರಿಯಲ್ಲೂ ಈ ಅತ್ಯಮೂಲ್ಯ ಪುಸ್ತಕವನ್ನು ಬರೆದಿರುವುದಿಲ್ಲ ಮತ್ತು ಬಂಡವಾಳ ಖಾತೆಯ ಲೆಕ್ಕಗಳ ಬಗ್ಗೆ ಯಾವ ರೀತಿಯ ನಿಯಂತ್ರಣವನ್ನೂ ಹೊಂದಿರುವುದಿಲ್ಲ. ತಾಳ ಪಟ್ಟಿಯಲ್ಲಿನ ಬಂಡವಾಳ ಖಾತೆಯ ಲೆಕ್ಕಗಳಲ್ಲಿನ ಶಿಲ್ಕಿಗೆ ತತ್ಸಂಬಂಧವಾಗಿ ಹಲವಾರು 'ಸಿ' ರಿಜಿಸ್ಟರ್‌ಗಳು ಲಭ್ಯವಿರುವವೆಯೇ ಹೊರತು ಎಷ್ಟು ಕಾರ್ಯಾದೇಶಗಳು ಬಾಕಿಯಿದೆ, ಪೂರ್ಣವಾದ ಕೆಲಸಗಳ ವಿವರ, ಬರಬೇಕಾಗಿರುವ : ಬಾಕಿ ಇರುವ ಸಮಾಪನಾ ವರದಿಗಳು ಮುಂತಾದ ವಿವರಗಳು ಯಾವ ಪುಸ್ತಕದಲ್ಲಿಯೂ ದೊರಕುವುದಿಲ್ಲ.

ಈ ಮೇಲಿನ ಎಲ್ಲಾ ಅಂಶಗಳನ್ನು ಗಣನೆಗೆ ತೆಗೆದುಕೊಂಡು ಪ್ರತಿಯೊಂದು ಲೆಕ್ಕ ಘಟಕವೂ (ಆಡಳಿತ ಕಛೇರಿಗಳು ಹೊರತು ಪಡಿಸಿ) ಈ ಪುಸ್ತಕವನ್ನು ಅಕ್ಟೋಬರ್ 94ರಿಂದ ತಪ್ಪದೇ ಬರೆಯುವುದು. ಪುಸ್ತಕದ ನಿಗದಿತ ನಮೂನೆಯನ್ನು ಈ ಸುತ್ತೋಲೆಗೆ ಲಗತ್ತಿಸಲಾಗಿದೆ. ಮುದ್ರಿತ ಪುಸ್ತಕಗಳು ಲಭ್ಯವಿಲ್ಲದಿದ್ದಲ್ಲಿ ಒಂದು ಸೂಕ್ತವಾದ ರಿಜಿಸ್ಟರ್ ಖರೀದಿಸಿ ನಿಗದಿತ ಅಂಕಣಗಳನ್ನು ಬರೆದುಕೊಂಡು ಪುಸ್ತಕದಲ್ಲಿ ಅಂಕಿ ಅಂಶಗಳನ್ನು ದಾಖಲಿಸುವುದು. ವಿಭಾಗದ : ಕಛೇರಿಯ ಉಪಲೆಕ್ಕ ನಿಯಂತ್ರಣಾಧಿಕಾರಿಗಳು, ಲೆಕ್ಕಾಧಿಕಾರಿಗಳು, ಸಹಾಯಕ ಲೆಕ್ಕಾಧಿಕಾರಿ

(ಲಿಕ್ಕಿಗಳು) ಈ ಪುಸ್ತಕವನ್ನು ವಾರದಲ್ಲಿ ಒಮ್ಮೆಯಾದರೂ ಪರಿಶೀಲಿಸಿ ಬಂಡವಾಳ ಖಾತೆಯ ಕಾರ್ಯಗಳ ನಿರ್ವಹಣೆಯನ್ನು ನಿಯಂತ್ರಿಸಿ ಸಮಾಪನಾ ವರದಿಗಳನ್ನು ಸಕಾಲಕ್ಕೆ ತರಿಸಿಕೊಳ್ಳಲು ಕ್ರಮ ಕೈಗೊಳ್ಳುವುದು.

ಈ ನಿಗದಿತ ಪುಸ್ತಕ ಅಕ್ಟೋಬರ್ 94 ರಿಂದ ಬರೆಯಲು ಪ್ರಾರಂಭಿಸಿ ಈ ಕಛೇರಿಗೆ ವರದಿ ಮಾಡುವುದು.

ಕರ್ನಾಟಕ ವಿದ್ಯುಚ್ಛಕ್ತಿ ಮಂಡಳಿ

ಮಂಜೂರಾದ ಅಂದಾಜು ಮತ್ತು ಮುಕ್ತಾಯ ವರದಿಯ ನೋಂದಣಿಯ ಪುಸ್ತಕ

ಕ್ರಮ ಸಂಖ್ಯೆ	ಕಾಮಗಾರಿಯ ಹೆಸರು	ಮಂಜೂರಾತಿಯ ವಿವರ : ಪ್ರಾಧಿಕಾರದ ಉಲ್ಲೇಖ	ಸಂಖ್ಯೆ : ತಾರೀಖು	ಅಂದಾಜಿನ ಮೊಬಲಗು	ಕಾರ್ಯಾದೇಶದ ಸಂಖ್ಯೆ	ಅಂದಾಜಿನ ಅವಧಿ ಮತ್ತು ನವೀಕರಣದ ಉಲ್ಲೇಖ
(1)	(2)	(3)	(4)	(5)	(6)	(7)

ಖರ್ಚನ್ನು ನಮೂದಿಸುವ 'ಸಿ' ನೋಂದಣಿ ಪುಸ್ತಕದಲ್ಲಿನ ಕ್ರಮ ಸಂಖ್ಯೆ ಹಾಗೂ ಸಂಪುಟ ಸಂಖ್ಯೆಯ ಉಲ್ಲೇಖ	ಕಾಮಗಾರಿ ಮುಕ್ತಾಯವಾದ ತಾರೀಖು	ಮುಕ್ತಾಯ ವರದಿ ಬಂದ ತಾರೀಖು	ಮುಕ್ತಾಯ ವರದಿ ಯನ್ನು ಅಂಗೀಕರಿಸಿದ ತಾರೀಖು	ಅಂದಾಜು 'ಸಿ' ನೋಂದಣಿ ಪುಸ್ತಕ ಮತ್ತು ಮುಕ್ತಾಯ ವರದಿಗಳನ್ನು ದಾಖಲೆಗೆ ಕಳುಹಿಸಿದ ತಾರೀಖು	ಷರಾ
(8)	(9)	(10)	(11)	(12)	(13)

134. No.CCA/AO(A/c)/Sn.IV/Cys-90/94-95

Dtd. : 3-10-94

Sub : Changes in Schedule of Rates - sending and acceptance of Advice of Transfer.

Ref : T.O. Circular No.CA/AO(A/c)/Sn.IV/Cys.114-A/92-93/14-10-92

In this office Circular dated 14-10-92, detailed instructions and procedure for effecting the changes in Schedule of Rates in Pricing Ledgers and the Accounts have been narrated. In Para-6 of the Circular it is clearly stated that "for amount affecting Account Code 31 due to revision of rates and for putting Adjustment Receipt Voucher and Adjustment Issue Invoice the "Sending and acceptance" of Advice of Transfer shall be as usual".

In spite of the specific instructions, several instances are being reported to this office wherein the Transferor units are not putting Adjustment Receipt Vouchers and issue Invoices for retrospective changes in Schedule of Rates affecting IUA transactions. As a result of this lapse, the Advice of Transfers sent at the pre-revised rates in respect of transfer of materials subsequent to revision, could not be accepted in Transferee Unit where the revised rates are applied correctly for the receipts. In few cases the ATs. are being accepted as such at the Transferee Unit by debiting / crediting the difference in value to Material cost variance which is very much irregular.

In all such cases the Transferor Unit should invariably put Adjustment Receipt Vouchers / Issue Invoices in respect of transactions already occurred in the transition period and send another Advice of Transfer for the difference in value affecting IUA transactions to transferee Units. On the other hand, the Trans-

ferree Units, shall under no circumstance transfer the difference to Material cost variance, but should insist on Advice of Transfer from Transferor Unit for difference in value to ensure clearance of balance under IUA in total and proper depiction of Accounts affected due to revision of Schedule of Rates.

These instructions shall be followed scrupulously to avoid unnecessary correspondance as also adverse effects on the related Accounts.

135. No CCA/ AO(A/cs.) /Sn.IV/cys-106/94-95

Dtd. : 15-11-94

Sub : Revised Rates of Depreciation on Fixed Assets from 1994-95 and onwards.

The Government of India in consultation with central Electricity Authority have issued a Notification on 29th March 1994 revising the rates of depreciation on Fixed Assets in use on 1st April 1994 and onwards.

The following guidelines may be followed to provide depreciation on fixed Assets from 1994-95 and onwards.

1. The procedure and methodology to be adopted for working out depreciation as per the revised rates, are similar to the procedure narrated in this office circular No.CCA/(AO(C)/Sn.Cys. 171/92-93 dt.30-1-93, i.e. the circular issued for adopting the procedure existing at present.
2. The only change is in the rates of depreciation on some Fixed Assets.
3. The revised rates are to be applied for all the Assets in use on 1.4.94 and also to the assets created on or after 1.4.94.
4. The cumulative depreciation on any Asset shall not exceed 90% of the original cost less sum, if any written off.
5. The revised rates of depreciation to be applied from 1.4.94 are indicated in the schedule enclosed to this circular.
6. The change in the rate of depreciation from 1994-95 and the number of remaining years upto which this rate has to be charged shall be distinctly noted in the Asset Register.
7. If the depreciation has already been provided for 1994-95 at the old rates, the same may be withdrawn and fresh entries passed at the revised rates.
8. In respect of Assets released from service during 1994-95 also, the depreciation for the year 1994-95 has to be provided at the revised rates for one year and then only entries for withdrawal of accumulated depreciation has to be passed.
9. In respect of Assets released from service during 1994-95 the following important points may be complied with strictly to ensure correct accountal and withdrawal of depreciation.

a) Assets commissioned prior to 1.4.85 and released from service during 1994-95.

Accumulated depreciation includes depreciation calculated at old rates (prevailing upto 31.3.92) plus depreciation at existing rates (rates applicable from 1.4.92 to 31.3.94) plus depreciation at revised rates (new rates applicable from 1.4.94).

While withdrawing the accumulated depreciation, the entire amount has to be withdrawn from

provision for Depreciation Account. However, in respect of depreciation accumulated upto 31.3.85 the debit has to be given to Account Code 32.802 as Fixed Assets /Depreciation, Accounts are maintained at Head Office.

b) Assets commissioned prior to 1.4.92 (but after 1.4.85) and released from service during 1994-95.

Depreciation at existing rates for the years 1992-93 and 1993-94 and revised rates for the year 1994-95 has to be withdrawn from "Provision for Depreciation" Account maintained at the Units.

c) Assets commissioned prior to 1.4.94 but after 1.4.92 and released from the service during 1994-95.

(i) In respect of Assets commissioned in 1992-93 and released during 1994-95, the depreciation at existing rates for the years 1993-94 and at revised rates for 1994-95 has to be withdrawn.

(ii) In respect of Assets commissioned in 1993-94 and released during 1994-95, the depreciation at revised rates for 1994-95 only has to be withdrawn.

d) In case of Assets already released from service during the period from April '94 to this date, the depreciation for the year 1994-95 worked out at pre-revised rates and withdrawn has to be re-worked at revised rates. The entries already passed may be withdrawn by reversal entry and fresh entries passed at the revised rates.

e) Necessary entries shall be recorded in the Asset Register in respect of revised depreciation amount and withdrawal of the same.

10. The entries in respect of depreciation at the new rates, including the adjustment entries for withdrawal of entries already passed shall invariably be made in the Accounts on hand and calculation sheets showing the workings in details shall be sent with the related monthly Trial Balance without fail.

Instructions contained in this circular shall be gone through carefully and scrupulously followed to avoid excess/short provision for depreciation.

Any difficulties / problems encountered in the process may be brought to the notice of this office for examination and clarification.

SCHEDULE

Sl. No.	Description of assets	Account Code	Prior to 31.3.92		Existing (1992-93 and 1993-94)		Revised from 1.4.94 and onwards	
			Fair Life (years)	Deprn., (Straight line)	Fair Life (years)	Deprn., (Straight line)	Fair Life (years)	Deprn., (Straight line)
1.	2.	3.	4.	5.	6.	7.	8.	9.
A.	Land owned under Full title	10.101	Infinity	-	Infinity	-	Infinity	-
B.	Land held under lease	10.102	The period of lease or the period remaining unexpired on the assignment of lease	-	The period of lease or the period remaining unexpired on the assignment of lease	-	-	-
a)	For investment in the land							
b)	For cost of clearing site							
C.	Assets purchased New:							
a)	Plant & Machinery in Generating stations including plant Foundations							
1)	Hydro-Electric	10.531 10.582 10.535	35	2.57	35	3.40	35	3.40
2)	Steam-Electric & NHRB Waste Heat Recovery Boilers / Plants		25	3.60	25	5.06	25	7.84
3)	Diesel-Electric and Gas Plant		15	6.00	15	8.24	15	8.24
b)	Cooling towers and circulating water systems		30	3.00	25	5.06	25	7.84

1.	2.	3.	4.	5.	6.	7.	8.	9.
c)	Hydraulic works forming part of Hydro-Electric system including							
i)	Dams spitways weirs, Canals reinforced concrete flumes siphons	10.301	100	0.90	50	1.95	50	1.95
2)	Reinforced concrete pipe lines and surge tanks, steel pipe lines, sluice gates, steel surge (tanks) hydraulic control valves & other hydraulic works	10.305	40	2.25	35	3.40	35	3.40
d)	Building & Civil Engineering Works of a permanent character not mentioned above							
i)	Office & Show Rooms	10.211	50	1.80	50	1.95	50	3.02
ii)	Containing Thermo-Electric Generating plant		30	3.00	25	5.06	25	7.84
iii)	Containing Hydro-Electric Generating Plant	10.202	35	2.57	35	3.40	35	3.40
	10.207							
	10.208							
iv)	Temporary erection such as wooden structures		5	18.00	5	21.55	5	33.40
v)	Roads other than kutcha							
vi)	Roads	10.401	100	0.90	50	1.95	50	3.02
	Others	10.402	50	1.80	50	1.95	50	3.02
e)	Transformers, Transformer Kiosk, Sub-stations equipment & other fixed apparatus (including Plant foundations)							
i)	Transformers (including foundations) having a rating of 100 KVA and over	10.541	35	2.57	25	5.06	25	7.84
ii)	Others	10.542 10.543	25	3.60	25	5.06	25	7.84

1.	2.	3.	4.	5.	6.	7.	8.	9.
f)	Switchgear, including cable connections	10.561	20	4.50	25	5.06	25	7.84
g)	Lightning Arresters	10.567	20	4.50	25	5.06	25	7.84
	i) Station type	10.567	15	6.00	15	8.24	15	12.77
	ii) Pole type		35	2.57	35	3.40	35	5.27
	iii) Synchronous condensers	10.563	10	9.00	5	21.55	5	33.40
h)	Batteries	10.583, 10.578, 10.580						
	i) Tools & Tackles	10.581, 10.584, 10.585						
	ii) Under Ground Cable including Joint boxes & disconnected boxes	10.586, 10.599, 10.552	10	9.00	15	8.24	15	12.77
	iii) Cable Duct system	10.611	40	2.25	35	3.40	35	5.27
	iv) Overhead lines including supports:	10.612	60	1.50	50	1.95	50	3.02
	i) Lines on fabricated steel supports operating at nominal voltages higher than 66 KV	10.601	35	2.57	35	3.40	35	5.27
	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	25	7.84
	iii) Lines on steel or reinforced concrete supports	10.603	25	3.60	25	5.06	25	7.84
	iv) Lines on treated wood supports	10.604	20	4.50	25	5.06	25	7.84
	j) Meters / service connection	10.631						
	k) Self propelled vehicles	10.621	15	6.00	15	8.24	15	12.77
	l) Air Conditioning Plant	10.710 to 10.740	7	12.86	5	21.55	5	33.40
	i) Static	10.576	15	6.00	15	8.24	15	12.77
	ii) Portable	10.576	7	12.86	5	21.55	5	33.40

1.	2.	3.	4.	5.	6.	7.	8.	9.
m)	i) Office Furniture & Fittings	10.8	20	4.50	15	8.24	15	12.77
	ii) Office Equipments	10.901 to 10.904	10	9.00	15	8.24	15	12.77
	iii) Internal wiring including fittings and apparatus							
	iv) Street Light fittings	10.641	15	6.00	15	8.24	15	12.77
n)	Apparatus let on hire							
	i) Other than motors		7	12.86	5	21.55	5	33.40
	ii) Motors		20	4.50	15	8.24	15	12.77
o)	Communication Equipment							
	i) Radio & High frequency carrier system	10.571	15	6.00	15	8.24	15	12.77
	ii) Telephone lines and telephones	10.572	20	4.50	15	8.24	15	12.77
p)	Assets purchased second hand and assets not otherwise provided for in the schedule							

NOTE :

- The depreciation at the rates indicated at Column-7 has to be worked out with reference to the original value of the Asset.
- The depreciation has to be rounded off to the nearest rupee for the purpose of calculation.
- 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 7 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%.

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.

Let the original cost be Rs.1,00,000/- and the life of the Asset is 35 years. The depreciation earned to the end of 26 years at 3.40% works out to Rs.88,400/-. In the 27th year the depreciation for the year to be provided is Rs.90,000/- (90%) minus Rs.88,400/- = Rs.1600.00

Sub : Revised Rates of depreciation on Fixed Assets from 1994-95 and onwards.

Ref : T.O.Circular No.CCA/AO(A/cs.)/Sn.IV/Cys.106/94-95 dtd. 15.11.1994.

Please refer this Office circular dated 15.11.94 and effect the following corrections.

(1) The para 9(b) on page-2 may be read as follows:

“(b) Assets commissioned prior to 1.4.1992 (but after 1.4.1985) and released from service during 1994-95.”

Depreciation at old rates (prevailing upto 31.3.92) and Depreciation at existing rates for the year 1992-93 and 1993-94 and at revised rates for the year 1994-95 has to be withdrawn from “Provision for Depreciation’ Account maintained at the Units.

(2) Item NO.C (m) on page 4 of annexed schedule may be read as follows:

1	2	3	4	5	6	7	8	9
m)	i) Office furniture and fittings	10.8	20	4.5	15	8.24	15	12.77

3) Note (i) on page 5 of annexed schedule may be read as follows:

(i) The depreciation at the rates indicated at column-7 and 9 has to be worked out with reference to the original value of the Asset.

4) The revised rate of depreciation for different types of Building accounted against the following Account Codes may be taken as follows:

1	2	3	4	5	6	7	8	9
i)	Residential colony for staff	10.222	50	1.80	50	1.95	50	3.02
ii)	Other Buildings	10.223	50	1.80	50	1.95	50	3.02
iii)	Sweet water arrangements including reservoir etc.,	10.315	50	1.80	50	1.95	50	3.02
iv)	Plant & Pipelines for water supply in Residential colony	10.320	50	1.80	50	1.95	50	3.02
v)	Drainage & Sewerage in residential colony & other buildings.	10.322	50	1.80	50	1.95	50	3.02
vi)	Internal wiring in respect of A/c Codes	10.211 to 10.223	15	6.00	15	8.24	15	12.77
vii)	Material handling Equipment	10.551 to 10.555	15	6.00	15	8.24	15	12.77
viii)	Miscellaneous Equipments	10.685	15	6.00	15	8.24	15	12.77

Sub : Reconciliation of "Original value of fixed Assets and Accumulated Depreciation" as per Asset Register and Trial Balance.

The Fixed Asset Register is an important subsidiary book maintained at each Unit to record details of Fixed Assets and Depreciation charged on the Assets. At the end of each year, the original value of the Asset and Accumulated Depreciation thereon as shown under different Assets in the Assets Registers shall be counter checked and tallied to figures in Trial Balance. For this purpose, an year end 'Abstract' has to be put up in a specified manner to serve the purpose of tallying relevant figures in the annual returns as also to facilitate preparation of Asset related Annexures of March Final Accounts.

Though most of the Units are ensuring correctness of figures in Asset Register by one way or the other, no uniform system and procedure is followed to comply with this requirement. In some Units such Abstract is being put up on the last page of Asset Register, while other Units do this exercise on loose sheets. It is also observed that the Units are doing lot of duplication work in putting separate Abstract for 'Original Value' of the Asset, 'Accumulated Depreciation' and 'Depreciation for the year'.

To overcome these deficiencies in the system, a comprehensive format is evolved with specific rows and columns for putting 'ABSTRACT OF FIXED ASSETS AND DEPRECIATION' and enclosed to this circular with strict instructions to the Units that they shall maintain a separate register for this purpose using demisized ruled Register. The instructions for maintaining this Register and recording details therein are noted on overleaf of the format which shall be read and understood properly before commencing the work. This Register shall be a permanent record and upto date posting of the same will be subject to verification by Inspecting Officers. Therefore, all the Accounting Units shall maintain this Register properly from 1994-95 and onwards without fail.

Abstract of original value of Fixed Assets and Accumulated Depreciation for the year

Account Codes

Asset : 10

Depreciation :

Debit : 77

Credit : 12

Sl. No.	Year of commissioning	Asset Register Folio No.	Original value as per Asset Register as on 1-4	Qty. as on 1-4	Accumulated Depreciation as per Asset Register as on 1-4	Rate of depreciation	Depreciation provision for the year
1.	2.	3.	4.	5.	6.	7.	8.

Total of Accumulated Depreciation and Depreciation for the year (6 + 8)	Withdrawal of Accumulated depreciation in respect of released Assets.	Rectification entries if any (+) or (-)	Accumulated Depreciation Transferred (-) / Received (+)	Accumulated Depreciation as per Asset Register as on 31.3..... (9-10 + 11 & 12)	Original value as per Asset Register as on 31.3.....
9.	10.	11.	12.	13.	14.

Asst. Accounts Officer

Accounts Officer / Dy. Controller
Accounts

Instructions for Filling up the Register

- I. Demi-sized ruled Register of measurement 11" x 16" only should be used for this purpose in O & M Divisions.
- II. The Account Codes of fixed Asset, Depreciation provision (Debit and Credit) should invariably be noted at the top of each page.
- III. For each Account Code "FIVE" interleaves should be ear-marked and thereafter a main sheet provided for next Account Code, putting Abstract vide specific Account Code.
- IV. Interleaf is meant for each year commencing from 1994-95 and onwards. It shall be noted that the column "year of commissioning" refers to the year in which the Asset is commissioned and has no connection to the year mentioned in the overleaf.
- v. Each column in the format denotes the following:

Column		Not to appear in each interleaves.
1.	Self - Explanatory.	
2.	Self - Explanatory.	
3.	Page No.of Asset Register to be noted.	
4.	Original value at the beginning of the year to be extracted from Asset Register.	
5.	Quantity of Asset as on 1st April of the year in appropriate Units.	
6.	Accumulated Depreciation as on April of the year to be extracted from Asset Register.	
7.	Rate of Depreciation in percentage, applicable for the year.	
8.	Depreciation provision for the year $\frac{(\text{Original Value}) \times (\text{Rate in \%})}{100} = \text{Column 4 X Column 7/100}$	
9.	Self-Explanatory.	
10.	Self-Explanatory.	
11.	Self-Explanatory.	
12.	Accumulated depreciation transferred to other Units shall be shown as MINUS and transferred from other Units shall be shown as PLUS.	
13.	Accumulated Depreciation after taking into account the Depreciation charged for the year, withdrawals, Rectifications and Transfer of Depreciation.	
14.	Original value of the Assets at the end of the year to be extracted from Asset Register.	

Sub : Making provision for withdrawal of Revenue Demand at Unit Offices.

The Accountant General is consistently observing during the audit of final accounts of the Board for the last four years that the provision for withdrawal of revenue demand is not properly made in the Accounts of the Board. The observation is mainly concentrated on the cases where withdrawal statements are already prepared by the Accounting Units and sent for approval to competent authorities. The A.G. takes objection for continuance of such items as Receivables in the Annual Accounts of the Board and requires us to make provision for withdrawal of revenue demand pending approval of competent authorities.

The provision for withdrawal of revenue demand was made till last year at Head Office taking into account withdrawals approved by the Board during the year but not given effect to in accounts of Units. It is evident that this exercise does not cover the items of withdrawals proposed by Units to various competent authorities other than Board, as also withdrawals approved by said authorities but not given effect to in the accounts of the Units. This has led to comments from the A.G. that the provision for withdrawal of revenue demand is not properly made in the Annual Accounts of the Board.

In view of overcoming this peculiar situation and also to comply with the observations of A.G., it has been decided that from this year viz 1994-95 and onwards, the provision for withdrawal of revenue demand should be made at each Accounting Unit in March Final Accounts taking into consideration the position as on the last working day of the financial year. Therefore the Accounting Units shall pass the following entries for making provision for withdrawal of revenue demands before finalisation of March Final Accounts of their Units and incorporate the same in the Accounts invariably. While making provision, they should consider all cases wherever withdrawal statements are already prepared but approval is not obtained yet.

ENTRIES

- 1) In respect of withdrawal of revenue demand pertaining to PREVIOUS YEARS
83.830 - Withdrawal of revenue demand Dr.
 To 23.8 - Provision for withdrawal of
 revenue demand Cr.
- 2) In respect of withdrawal of revenue demand
 pertaining to the CURRENT YEAR;
 61.2. - Revenue from sale of power
 (Respective category) Dr.
 To 23.8 - Provision for withdrawal of revenue demand Cr.

It shall be ensured that the above two entries are REVERSED at the beginning of the subsequent financial year and individual cases of withdrawal of revenue demand given effect to in the ledger accounts of consumers separately after approval is obtained. In such cases where competent approval has not been accorded even at the end of the subsequent financial year also, then such items shall AGAIN be included for making provision for withdrawal of revenue demand for succeeding year and this process should continue till such time approval for withdrawal is either accorded or rejected.

Sub : Common mistakes in Assets related Accounts and differences observed in Annexure-8, submitted along with March Final Accounts.

Exhaustive literature is available in the form of Circulars, instructions, pictorial representation etc., for preparation and tallying of Annexures prescribed for Reconciliation of Capital Expenditure in general and Annexure-8 in particular. In spite of this, many Units still feel it difficult to tally the relevant figures in Annexure-8, while submitting their March Final Accounts every year.

The purpose of prescribing this Annexure is to assess the exact amount of sources employed on CWIP in an Unit out of its own funds and correct depiction of Capital Expenditure incurred in the particular Unit besides ensuring correct accountal of Assets related transactions.

This annexure is a simplified form of 'sources and Application of Funds' which is one of the statements to be annexed to Annual Accounts of the Board. The major sources for Capital Expenditure booked in any Unit during the year are: (1) Stock (Material Issues), (2) Cash (Payments like labour and Inspectorate charges capitalised), and (3) CWIP transfers from other Units. The Application of Funds in an Unit may be towards creation of Fixed Assets and transfer of CWIP created out of its funds to other Units.

The assets related transactions to be incorporated in Annexure..8 do normally move around Account Codes under A/c Group 10, 12, 14, 16 & 32/32.802. There are few exceptions.

It shall be noted that in Annexure-8 under Part 'A', the difference between Opening Balance and closing Balance of the respective year against each of these Account Groups are to be considered and total arrived at after compulsorily including other exceptional transactions, wherein one aspect of the entry i.e. the debit 'credit aspect only is given to one among these Account Codes. As such, all debits and credits effected among these five Heads of Accounts inevitably gets nullified in Part 'A' of Annexure-8. The amount in respect of entries where 14 series is debited by corresponding credit to 22 series and entries involving exceptional cases referred will only remain as total. Such resultant amount is the 'Total of Part 'A'.

On the other hand "Total of Capital Expenditure" as per CWIP statement excluding consumers' contribution if any, is taken to Part 'B' and the total of Part 'B' is arrived at by adding Assets directly categorised by credit to 55.1 in respect of deposit contribution works and deducting materials re-issued to works from 16 series.

The general problems faced by Units in this area and solution required to be adopted to overcome the problems are listed below for guidance of the Unit Officers:

PROBLEM : (1)

CWIP (A/c Group 14) received from other Accounting Units during the year which is included in the 'CWIP for the year' in Annexure-1 is not being shown separately and correctly in Annexure-1 in the specifically provided row and column.

SOLUTION

To keep track of such receipts and depict correctly in Annexure-I under column and Row specifically prescribed for.

PROBLEM : (2)

Work-in-progress transferred at the year end under IUA-32 being not accepted by the Transferee Unit in the same year. As a result, the amount is not included in work-in-progress of both Units though it is an application of source on CWIP during the year.

SOLUTION :

The transferor Unit has to invariably obtain Acceptance before finalisation of March Final Accounts or withdraw the amount from IUA Temporarily during that year.

PROBLEM : (3)

Operating Account Codes 22.370, 22.450, 26.604 and 27.210 are exceptions to the general rule. Therefore correct accountal of transactions under these Accounts is of utmost importance.

SOLUTION :

- i) 22.370 (Accessories) - Details of receipts are to be correctly and separately shown in Part 'A' of Annexure.
- ii) 26.604 & 27.210 - " Net result of receipts and issues under these accounts affecting A/c Codes 16.2.. shall be correctly recorded and furnished separately in Part 'A' of Annexure.
- iii) 22.450 - As both new materials and released assets transferred within the Division are accounted under this Account only, the net difference of released assets issued from one store to other within the Division, but not accepted at the Transferee stores and viceversa at the year end shall be correctly arrived at and added or deducted as the case may be out of total of Part 'B' with specific mention and reference.

PROBLEM - (4)

The Fixed Assets, work-in-progress, Released Assets should invariably be transferred under Inter Unit Account 32 and not 31.

SOLUTION:

It shall be noted that whenever Fixed Assets (10 series), (CWIP (14 series) and Released Assets (16 series) are transferred to other Unit or accepted on transfer from other Units, the debit/credit should be given to IUA-32 only and not to 31 under any circumstances.

PROBLEM:(5)

Charging Asset to Revenue and viceversa.

- i) Whenever the T & P articles which were issued to Capital works and categorised as asset are subsequently returned, such returns are being accounted by debit to 16.2. and credit to revenue expenditure working in the divisions instead of accounting the same by debit to 16.2 and credit to respective asset account codes under 10 series.
- ii) Write off of Released Assets are debited to Revenue Expenditure by credit to 16 series as per Rules but track of such transactions is not kept and exhibited properly in the statement.

SOLUTION :

Ensure correct accountal of T & P Articles. Keep details of Assets written off correctly. Exhibit in Annexure-4 and Annexure-8 separately though columns are not provided for the purpose.

PROBLEM: (6)

Withdrawal of excess categorisation during previous years through rectification entries in the current year are inevitably credited to 10 series by debit to 14 series, though such debits to 14 series do not indicate application of sources and funds. This results in unnecessary boosting of work-in-progress for the year. Such problems are more observed in M.W. Divisions.

SOLUTION:

The Accounting entry is correct but details of with drawals of such excess categorisation shall be separately disclosed in CWIP statement. (i.e. Annexure-1) with a foot note.

PROBLEM:(7)

Categorisation of outlay incurred under Deposit contribution works as asset by debit to 10 and credit to 55.1 series or debit to 14 series initially and to 10 series afterwards.

SOLUTION:

In case the outlay is categorised by direct debit to 10 series then depict the same separately in Annexure-8 against column specifically provided for. Otherwise disclose the fact in CWIP statement i.e. Annexure -1.

PROBLEM:(8)

When Released Assets (16 series) are re-issued to Capital works (14 series) such transactions are not being segregated and shown separately in CWIP statement (i.e., Annexure-1). This results in unnecessary boosting of CWIP for the year as such issues will not involve any application of funds afresh but only indicate re-use of released assets, which had earlier been considered as CWIP once.

SOLUTION:

Details are to be recorded separately and depicted in the CWIP statement (Annexure-1) correctly in column separately provided for.

PROBLEM(9)

Amount directly taken to Asset Account (10 series) instead of passing through CWIP Account (14 series). (Ex.Office Equipment, Furniture & Fixtures, Vehicles and tools and tackles)

SOLUTION:

These items shall invariably be brought to related CWIP Account initially and on issue transferred to Fixed Asset Account.

PROBLEM(10)

Released Assets issued to O & M works (i.e. R & M works) under 74 series. Units are not keeping track of such exceptional transactions.

SOLUTION :

To record details of such transactions correctly and show in Annexure-4 and Annexure-8 separately.

The Unit Officers shall keep these points in mind while preparing Annexure-8 and avoid the difference in Annexure due to these types of mistakes. They shall also ensure correct account of transactions and recording of sufficient details required for the purpose of reconciliation in respect of all transactions affecting account codes under Account Group 10, 12, 14, 16 and 32/32.802.

140. No.CCA/AO(A/Cs)/Sn.4/Cys.144

Dtd. 31.1.95

Sub : Reconciliation of "Original value of Fixed Assets and Accumulated Depreciation" as per Asset Register and Trial Balance.

Ref : T.O.Circular No.CCA/AO(A/cs.)/Sn.IV/Cys.134/94-95 DATED 17.1.1995.

In this office circular dated 17.1.1995, detailed instructions have been issued for putting an "Abstract of Fixed Assets and Depreciation" in the format prescribed therein. This Abstract has to be put up in a separate register for the year 1994-95 and onwards. As already discussed in Circle Level Meetings held recently, the team from our Office will visit the Circle/Division Offices during February/March 1995 to verify the calculation of depreciation for 94-95 and Annexures 1 to 8 based on transactions upto December '94. During their visit, the tallying aspect of Original Value of Assets, and Accumulated Depreciation as per Asset Register and Accounts will also be verified. Therefore all the Units shall put up the 'Abstract' on a rough sheet in the format prescribed vide letter dated 17.1.95 taking into Account all the transactions upto December '94 for verification and examination by the Team. This will facilitate verification and completion of work by the team as per scheduled programme without delay and problems. A blank demi-sized ruled register shall also be kept ready before the team arrives for obtaining required advise from the team for opening and maintenance of New Register prescribed hereafter.

141. No.CCA/AO(A/c)/Sn.IV/Cys.146/94-95

Dtd. 1.2.95

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

Ref : T.O.Lr.G(A/cs)/AO(A/cs)/Sn.IV/Cys-10/92-93 / 20.4.92
2. Yr.Ir.NO.AO/AA02/SACR/15071/2.1.95.

The points raised in your letter dated 2.1.95 are clarified as follows:

1. The Assets taken over shall be valued at the prevailing Schedule of rates. Similarly, the labour charges involved for installation of each category of asset as per prevailing schedule of rates shall also be taken into Account and included in the total value of the Asset taken over.

For accounting purpose, the labour charges for installing transformers as per prevailing S.R./Cost Sheet shall be added to cost of Transformer and the remaining portion of labour charges taken to cost of overhead lines.

- 2) If the value of Assets taken over as per inventory is more than the estimated cost, only due to revision of Schedule of Rates subsequent to preparation and sanction of estimates but before acquiring the asset then the difference in supervision charges need not be collected.

On the other hand, if the actual cost is more than the Estimated value due to deviation in the estimate and addition/alteration in materials and other charges as compared to provision in the Estimate, the difference in Supervision charges shall be collected.

(letter addressed to shimoga O&M division)

142. No.CCA/AO(C)/Sn.V/Cys. 149/94-95

Dtd : 2-2-1995

Sub : Deduction of income tax at source on payment of rent for the year 94-95.

Ref. : 1. No. CCA/AO(C)/Sn.V/Cys.20/93-94 dt.12.5.93.

2. No. CCA/AO(C)/Sn.V/Cys.101/93-94 dt. 25.9.93

3. No. CCA/AO(C)/Sn.V/Cys.180/93-94 dt.12.3.94.

A new section 194 I has been introduced to the Income tax Act 1961, with effect from 1.6.1994 which provides that income tax has to be deducted at source at the rate of 20 percent on payment of rent. If the payee is a domestic company, surcharge at the rate of 15 percent on the amount of income tax also will have to be deducted. The section, further provides that no deduction shall be made towards income tax if the aggregate of the amounts of such rent paid or likely to be paid to the payee during the financial year does not exceed Rs.1,20,000/-. The expression 'rent' has been defined as "any payment by whatever name called under any lease, sub-lease, tenancy or any other agreement or arrangement for the use or any land or any building and the land appurtenant thereto, whether or not such building is owned by the payee".

In view of the introduction of this new section to the Income tax Act, 1961, wherever the unit officer of the Board are paying rent,(as defined in the foregoing para) of Rs.1,20,000/- or more in a financial year, income tax at the rate of 20% has to be deducted at source. If the payee is a domestic company the deduction of income tax has to be at the rate of 23% i.e. inclusive of 15% surcharge.

The procedure regarding remittance of tax deducted at source, filing of returns to Income tax Department etc., as stated in this Office Circulars cited under reference may be followed without fail. For any further clarifications, this Office or the concerned Assessing Officer of the Income Tax Department, may be contacted.

143. No. CCA/AO(A/cs.)/Sn.IV/CYS-155/94-95.

Dtd 13.2.95

Sub : Repairing of failed transformers by outside Agencies

Related accounting entries including bad oil and other materials released.

It is a known fact that the failed transformers are being got repaired by Central Stores Division and at other Circles, and Filtration of bad oil is done by M.T.Division. It has come to the notice of this Office that the job of reclamation of oil is given to outside agencies on contract basis. Many of the Units are seeking clarification regarding accounting entries to be passed in such events. As the issue of repairing of failed transformer, reclamation of released oil by outside agencies, accounting of released, not reusable parts returned during repairs of transformers, and accounting of Bad oil and reclaimed oil are raised, clarification on the entire issue for the benefit of Accounting Units are given below. It shall be noted that the following transactions take place only after releasing the transformer, and accounting the same by debit to 16.2 series on release.

I. Accounting of Bad Oil and reclaimed oil :

(A) When bad oil is removed from the transformer:

(i) In case the oil is stocked at the store for issue subsequently for reclamation.

22.370 .. Accessories (other than main asset returned

on dismantling of Asset

To 74.110 .. R & M to Plant & Machinery.

Dr.

Cr.

- ii) In case the oil is not stored but directly sent to M. T. Division for reclamation.
 32 (L.O.) - IUA Capital Expenditure and Fixed Assets. Dr.
 To 74.110 - R & M to Plant and Machinery. Cr.

NOTE:- The oil should be accounted at the rate prescribed for 'Bad oil' in the approved schedule of rates, from time to time. For the year 1994-95 the rate is Rs.9.70 per litre (Page 72 of S.R. 1994-95).

(B) When the released bad oil is issued for reclamation:

(i) When issued to outside agency :

26.604 - Transformers/Meters etc., issued to contractors/suppliers.

- Repairs, reconditioning etc.,

To 22.320 .. Material issued (O & M)

Dr.

Cr.

NOTE : (1) The oil should be issued at the rate prevailing for Bad Oil in the approved schedule of rates from time to time.

(2) A separate item shall be opened against each invoice in which the oil is issued, in 26.604 schedule. This is very necessary for watching receipt of reclaimed oil against specific issue.

(ii) When issued to Board/personnel.

27.210 Transformers/Meters etc., issued for repairs to
 Board personnel

To 22.320 - Material issued (O & M)

Dr.

Cr.

NOTE : (1) The oil should be issued at the rate prevailing for Bad oil in the approved schedule of rates from time to time.

(2) A separate item shall be opened against each invoice in which the oil is issued in the 27.210 schedule. This is very necessary for watching receipt of reclaimed oil against specific issue.

(c) When the reclaimed oil is received :

(i) When received from outside agency:

The maximum wastage of oil that can be allowed as a percentage of Bad Oil issued is being evolved and intimated in due course. The receipt of oil shall be accounted against specific issue and to ensure this the contractor shall be directed to note in the delivery challan, the quantum of oil issued and the relevant invoice number and date against which this receipt has to be taken into account. The reference invoice number shall be noted in the receipt voucher drawn for accounting oil.

The oil should be accounted at the rate prescribed for 'Reclaimed' oil in the approved schedule of rates from time to time. For the year 1994-95 the rate is Rs.12.70 per litre. (Page 72 of S.R. 1994-95).

Because of the difference in quantum of bad oil issued and reclaimed oil received as also due to difference in rate of bad oil issued and reclaimed oil received, there will be imbalance in Account Code 26.604. Therefore the accounting has to be done in the following manner.

(a) When wastage is not exceeding the prescribed percentage limit of bad oil issued.

22.360 - Material returned by contractors.

Dr. 'X'

(at reclaimed oil rate for full quantity received)

To 26.604 - Transformers/Meters issued to contractors. (credit to be given for the total quantity of oil issued in respect of above receipt of oil at bad oil rate i.e., at the rate at which issue was accounted).	Cr.	'Y'
To 74.110 - R & M to Plant & Machinery. (b) When wastage exceeds prescribed percentage of bad oil issued and reclaimed oil is short received. The cost of oil received short and debited to 28.810 in the following entry shall be recovered from the Bill of contractor before making payment.		(X-Y)
22.360 Material returned by contractors. (Quantity of oil received at reclaimed oil rate shall be considered).		'X'
28.810 - Expenses recoverable from suppliers/contractors (For the short quantity of reclaimed oil received at prevailing reclaimed oil rate from time to time i.e. short quantity received Rs.12.70 at present).		'A'
To 26.604 - Transformers/Meters issued to contractors (credit to be given for the total quantity of oil issued in respect of above receipt of oil at bad oil rate i.e. at the rate at which issue was accounted).		'Y'
To 74.110 - R & M to Plant and Machinery. ii) When received from Board personnel: The conditions brought out under C(i) above repeat in the case of reclaimed oil received from Board personnel also. Therefore in the entry under C(i)(a) and (b), wherever 26.604 is operated, 27.210 has to be substituted and wherever 28.810 is operated, 28.401 has to be substituted. The amount debited to 28.401 shall be recovered from the Salary of the employee. D) When the reclaimed oil is issued for filling repaired transformers against specific sanctioned work orders.		(X+A-Y)
74.110 - R & M to Plant Machinery To 22.320 - Material issued (O & M) (The oil should be issued accounted at prevailing "Reclaimed oil rate" from time to time).		

E) It shall be noted that separate sheets are opened both in numerical ledgers and pricing ledgers for (1) Bad oil (2) Reclaimed oil and (3) Good Oil. The good oil purchased and issued shall be accounted under "Good Oil" only. The bad oil released from transformers and issued for reclamation shall be accounted under "Bad oil". The reclaimed oil received and issued for filling repaired transformers shall be accounted under "Reclaimed oil". All the three kinds of oil are having different schedule of rates and this shall be specifically taken note of.

II. Accounting of not-reusable parts released from transformers during repair.

The released bad transformers only are given for repairs. A separate estimate will be prepared for this purpose and sanction obtained before assigning the work of repair. In the estimate, provision will be made for fixing new parts to the transformer and filling up reclaimed oil or good oil. The new parts will be fixed as per estimate and oil also filled accordingly, during repair. In this process some parts of transformers which are not useful are released and in its place new materials are fixed as per estimate. Many of the Accounting Units are seeking clarification

regarding the procedure for accounting such scrap materials released from transformer. The released scrap materials shall be either accounted at pre-determined scrap rate if the scrap is accounted by weight or accounted at 10% of the existing schedule of rate, if the scrap is not taken to stock by weight but as exclusive item. The following entry should be passed in the Accounts.

22.370 - Accessories (other than main asset) returned on dismantling of assets.
To 62.917 - Miscellaneous recoveries.

(Corresponding demand entry for having credited 'Misc., Revenue' should however be immediately passed).

The credit has to be given to 'Revenue' for the reason that the cost of new materials fixed to the transformer in place of these released parts treated as scrap is debited to "Revenue Expenditure (A/c Code 74.110). Such released parts shall be accounted under scrap material only both in numerical and pricing ledger.

The above procedure should be studied carefully by Accounts Officer and Asst. Accounts Officer in the Units and implemented properly without fail.

144. No.CCA/AO(A/cs)/Sn.IV/CYS-147/94-95

Dtd : 1.2.95

**Sub: Making provision for doubtful dues at the Units from 1994-95 and onwards
- March Final Accounts.**

You are aware that the details of recoverable amounts from consumers and others considered as doubtful of realisation as at the end of year are being sent to this office in Annexure -16 to March Final Accounts every year. On the basis of details in this "statement of bad and doubtful debts sent", the provision for doubtful dues from consumers was made every year in the Annual Accounts of Board upto 1993-94. While auditing the Annual Accounts of Board every year, the Accountant General seeks for certain details in respect of provision made for doubtful dues from consumers, which are only available at the Units. The audit is not satisfied with mere production of statements received from the Units in this regard. During local audit also the audit party has taken up verification of some of the items at Units.

On re-examining the above issue in the background of the past experience, it is decided that provision for doubtful dues from consumers shall be made at respective Accounting Units from the year 1994-95 and onwards at the time of preparation of March Final Accounts. The provision so made shall be incorporated in the Final Accounts and Trial Balance, besides sending the statement of details in Annexure-16 enclosed to March Final Accounts as was being done regularly. The Accounting Units shall note that the debit in head of account "79.460 .. Bad and Doubtful debts provided for dues from consumers" and credit in Account Head "23.9 .. Provision for Doubtful dues from consumers" tally correctly to the total of details shown in Annexure-16. The provision entry made at the end of year shall be reversed in the beginning of succeeding year without fail.

For making provision and passing reversal entry, the following journal entries should be passed.

(1) For making provision in March Final Accounts.

79.460 - Bad and doubtful debts provided for dues from consumers.	Dr.
To 23.9 Provision for doubtful dues from consumers (credit) account	Cr.

(2) For passing reversal entry in April of succeeding year.

23.9 - Provision for doubtful dues from consumers (Credit) account	Dr.
To 79.460 - Bad and doubtful debts provided for dues from consumers.	Cr.

The following guidelines shall be followed in making provision for doubtful dues from consumers every year.

- (1) The dues considered as doubtful of realisation shall be assessed at the end of year on "case to case" basis every year invariably.
- (2) If any of the dues considered as doubtful during previous year are considered as recoverable during the current year, such amounts shall not be included in Annexure-16. However there must be proper ground for considering a particular due which was earlier considered as doubtful as recoverable subsequently. Similarly dues considered as doubtful during the previous year but recovered during the year shall not find a place in the Annexure-16 of current year.
- (3) The provision entry shall be passed for the total amount shown in Annexure-16 and so also the reversal entry for the total amount.
- (4) For the purpose of making provision all the dues for which 'C' Forms are already issued as per KEB Recovery of Dues Act 1976 shall be considered.
- (5) Dues of installations which are either abandoned/sick or legally referred to Official liquidators shall be considered as doubtful, till they are realised/written off.
- (6) Arrears in respect of disconnected installations, which are continuously pursued for recovery but no response of any kind is forthcoming for more than three years may be considered for making provision.
- (7) Any specific due considered as doubtful of recovery by the Sub-Divisional Officer/AAO with proper reasons may be considered for making provision.
- (8) Arrears decided as non-recoverable in the courts of Law Consumers grievance redressal cells but awaiting preparation of withdrawal statements and approval of same shall be considered for making provision.

Subsequent to preparation of withdrawal statement, making provision under this Head of Account shall be stopped and provision made, under separate account "withdrawal of revenue demand till the amount is actually withdrawn."

The guidelines mentioned above shall be scrupulously followed and provision for doubtful dues made from 1994-95 and onwards.

145. No.CCA/AO(A/cs)/AAO/Sn-IV/Cys.172-/94-95.

Dtd 15.3.95

Sub: Assessment of Written Down Value of released assets during the year 1994-95 - correct withdrawal of accumulated depreciation from depreciation provision account :

Ref : This Office letter No.CCA/AO(A/Cs) Sn.IV/Cys.106/94-95, dtd.15.11.94.

The revised rates of depreciation to be applied for all Assets in use on or after 1.4.94 and also assets created prior to 1.4.94 are intimated vide this Office letter dtd. 15.11.94 . The Divisions are supposed to pass entries for crediting depreciation provision every year in the month of April itself on the basis of balances of fixed assets at the beginning of the year and, inline with this tradition some Divisions have rightly credited depreciation provision account on the basis of rates prevailing prior to revision of rates intimated during November '94. After issue of Circular, all the Units should have reversed entries passed in respect of depreciation provision earlier and passed entries afresh taking into account revised rates intimated to them. Though this exercise sets right the provision created towards depreciation for the year 1994-95, the written down value calculated on the assets released from 1.4.94 to 15.11.94 and the amount of accumulated depreciation withdrawn in respect of such released assets remain incorrect, in as much as both the calculations for the year 1994-95, were based on pre-revised rates of depreciation. The Accounting Units shall take note of this peculiar event and wherever such instances/transactions have taken place in their unit, they have to revise the written down value and withdraw accumulated depreciation by taking into account only revised rates of depreciation for 1994-95. It may be noted that all the revised rates are on higher side as compared to previous rates and hence the written down value in respect of such assets which are released during 1.4.94 to 15.11.94 gets decreased and accumulated depreciation increases to that extent. Once the Units calculate the difference to be accounted in such manner, they have to pass following entry in respect of assets released during this period and retained in the Division for use or already issued in the Division for works.

(a) Released but not issued yet.

(i) 12..... Dr.
To 16.2..... (for the difference value)

(b) Released and already issued for works in the Division

(i) 12..... Dr.
To 16.2..... (for the difference)

(ii) 16.2 Cr.
To 14..... (for the difference value)

If the released assets are already sent to other Divisions or C.S.D., Bangalore for repairs or for other purposes, then the Units have to workout the difference separately for each type of such released assets sent during the entire period, (i.e. separately for transformers of capacity 25 KVA, 63 KVA, 100 KVA and so on..) and pass the following entries to account for the difference and send one AT for each type of such asset duly enclosing details to the AT being sent regarding the reference to previous AT No., Invoice No. and difference worked out against each AT already sent).

(a) 12. Dr.
To 16.2..... (for the difference in depreciation provision
worked out at revised rates).

(b) 16.2 Dr.
To 32 - IUA the location Code (of the Division to which AT sent)

(for the excess written down value transferred in respect of each specific released asset to a particular Division. Only one entry is enough for all the released assets of a specific type sent).

The above procedure has to be scrupulously adopted and the difference, if any, in the written down value of released asset and accumulated depreciation shall be removed immediately without fail.

146. No.CCA/AO(A/cs)/Sn.IV/Cys-173/94-95.

Dtd 23.3.95

Sub : Revised procedure w.e.f. 1.4.95 for accounting recovery of advances to staff at the Units and maintenance of Accounts & Register at Head Office.

To bring control over accounting of Advances paid to staff such as H.B.A., M.C.A. and M.A. a new procedure was evolved in respect of cheques issued and delivered to the employees vide Circular No.FA & CAO/CA/AO(A/cs)/Sn.IV/Cys.29/90-91, dated 28.5.90. As per instructions issued in this Circular, the cheques for payment of advances to staff are directly sent to employee concerned and debits are booked in the FA & CAO'S Office. Though the debits of Advances are properly accounted, the deficiency in the system in properly accounting the recoveries made from employees is engaging attention of this office from a long time. The main reason for this deficiency is that the Accounting Units are intimating recoveries made from employees to Head Office through a statement without properly incorporating and exhibiting the same in Accounts. In this procedure there is no counter check between amounts accounted as recoveries in Units and the amounts intimated as recovered to Head Office. Due to lack of maintaining any correlation between these two aspects, the recoveries posted against each employee's advance account in Head Office are also found to be not on sound basis and some times mere certificates and letters are relied upon as authenticated documents for posting recoveries. This situation has also lead to persistent comment from Accountant General that the Advance Accounts are not properly maintained and outstanding balances are not tallied to accounts.

After a thorough and careful examination of the issue and detailed analysis, it is decided that this deficiency in the system cannot be remedied unless the Accounting Units transfer recoveries to Head Office through Accounts i.e. by ATs only, instead of sending merely recovery statements. So also in the Head Office, the Advance Section shall respond to the transfers by giving acceptance through Accounts only, for having taken cognisance of recoveries intimated by the Units.

The new procedure is evolved in view of the above facts and shall be given effect to from 1.4.95 without fail.

NEW PROCEDURE

I. PRINCIPLE :

- 1) All the Accounting Units have to transfer the recoveries through accounts by sending Advice of Transfer duly operating head of Account 36.2 I.U.A. - Personnel - credit AT sent.
- 2) The Advance Section shall respond by accepting transfers through Accounts only and post in the schedule afterwards. (While accepting AT; A/c Code 36.3 shall be debited and 27.1.. credited).
- 3) The Advance Section shall render monthly Trial Balance separately; duly maintaining ledger accounts for debits and credits booked in the Advance Heads of Accounts.
- 4) The Accounting Units shall reconcile recoveries transferred to Head Office during the year with that of recoveries accepted and posted in schedule at Advance Section invariably at the end of each year.
- 5) A new Location Code "712" is allotted to Advance Section for this purpose.
- 6) The Units shall send ATs and statements to the address "The Chief Controller of Accounts, KEB, 7th Floor, Cauvery Bhavan, Bangalore-9".

II. ACTION TO BE TAKEN IN ACCOUNTING UNITS:

1. The Accounting Units shall credit initially relevant Heads of Accounts only and close the Accounts for the month, duly exhibiting recoveries in Trial Balance against following Heads of Accounts in respect of recoveries made from employees.
 - 27.101 - Loans and Advances to staff - Interest bearing House building /Purchase/Repairs.
 - 27.102 - Loans and Advances to staff - Vehicles
 - 27.103 - Loans and Advances to staff - Marriage.
2. After Trial Balance is prepared for the month, ONE credit Advice of Transfer for the amount shown in Trial Balance against all the above Account Codes shall be sent to Head Office by crediting Head of Account 36.2 (712) IUA- Personnel - Credit A.T. sent and debiting respective Advance Heads of Accounts. The amount transferred against each Account Code shall be specifically noted in the Advice of Transfer distinctly. This entry shall not be passed before Accounts are closed for the month.
3. A separate Account Codewise statement with details of name and amount of advance recovered from employees shall be enclosed to Advice of Transfer duly ensuring that the total of recoveries shown in each statement tallies to the amount transferred through Advice of transfer against each Account Code.
4. The amounts recovered from employees during a particular month shall be transferred to the Head Office in the immediately succeeding month. The amounts recovered in the month of March of each year shall be transferred to Head Office in the March(Final) Accounts of that year.
5. In the case of refunds made in Accounting Units under these Advance Accounts as per orders of

Head Office, a separate debit Advice of Transfer with details of refunds shall be sent. Under no circumstances the credit Advice of Transfer shall be sent for the net amount during the month in which a debit has also been booked. Separate ATs for credits and debits booked during the month shall be sent invariably.

6. In the case of Security Deposit recovered from employees and credited to Head of Account "46.920 - Deposit from employees", a credit Advice of Transfer shall be sent in similar manner. No debit Advice of Transfer need be sent to the Head Office wherever refunds are made in as much as the bill is passed and cheques are issued from the Head Office and directly debited to relevant Heads of Accounts.

III. ACTION TO BE TAKEN AT ADVANCE SECTION AT HEAD OFFICE

1. The balance outstanding against each Advance Account Code in Annual Accounts of the Board as on 31.3.1995, stands transferred to Advance Section for taking them as opening balance by corresponding debit or credit to Account Code 37.802.
2. The closing balance outstanding against all employees in the Advance schedule as on 31.3.95 shall be summed up under each Account Code and difference between the actual balance recoverable as per schedule maintained in the Section and balance shown as recoverable in Annual Accounts of the Board as on 31.3.95 and transferred to Advance Section, shall be frozen and kept separately both in the Ledger Account and Trial Balance against each Head of Account with suffix "1995" for reconciliation and clearance in due course.
3. On receipt of ATs from Units, the Advance Section shall accept the AT by making entries in the 'J.V. ANALYSIS REGISTER' to be maintained in the format given below duly assigning JV No. It shall be noted that no separate JV is required to be passed but the JV No. assigned in Register has to be invariably noted on AT for writing Acceptance. The entries in JV Analysis Register serve the purpose of passing JV as also analysis of transactions for posting general ledger account ultimately.
4. The advance section has to maintain separate schedule employeewise and Divisionwise for posting principal and interest w.e.f. 1.4.95. When the AT is received from Units in respect of recoveries made, the Advance Section shall pass entry as indicated vide 1 (2) above. After posting Principal and interest recovered into separate schedules the total amount so posted has to be tallied to the Divisionwise Dr./ Cr. available in Advance Reconciliation Register. Once the posting are thus tallied, the interest portion shall be segregated by passing following JVs, every month.

1. 28.230 Dr.
 To 62.210.....
2. 27.101/102/103 Dr.
 To 28.230

This entry shall be passed invariably every month for the interest portion recovered only.

At the end of each year, the Advance Section has to examine the cases wherein interest due has not been recovered during the year and for the total amount of such cases, the following reversible entry has to be passed.

- 28.230 Dr.
 To 62.210.....

This entry shall be reversed in the beginning of the next year. This procedure shall be followed for all cases irrespective of the period for which recovery was due.

J.V. ANALYSIS REGISTER FOR THE MONTH OF

J.V.		L.C. No.		A.T.		PART-A DEBIT				Others Total	
No.	Dt.	No.	Dt.	No.	Dt.	27.101	27.102	27.103	46.920	36.3	
1	2	3	4	5	6	7	8	9	10	11	12

Grand Total

PART - B - CREDIT

27.101	27.102	27.103	46.920	36.3	Others	Total	Initials of	
							Sr. Asst.	AAO AO
13	14	15	16	17	18	19		

Grand Total

For accepting a credit AT, the recoveries transferred have to be noted under relevant Advance Account Code in 'Part-B credit', duly noting the total debit under 'Head of Account 36.3 IUA - Personnel-clearance Account in "Part-A-Debit" in J.V. Analysis Register.

5) Immediately after accepting the AT through making entries in J.V. Analysis Register, the total credits transferred against each Advance Account Code shall be entered under the particular month in "Advance Reconciliation Register" against each Location Code of the Accounting Unit. This register shall be maintained separately for each Account Code in the following format.

ADVANCE RECONCILIATION REGISTER-ACCOUNT CODE (27.101/27.102/27.103...)

Location Code	April			May			Total	
	AT No. & Dt.	Amount Dr. Cr.	Posting verified by Sr. Asst & (initial) Dt.	AT No. & Dt.	Amount Dr. Cr.	Posting verified by Sr. Asst & (initial) Dt.	- do -	Dr. Cr.

Total

Note:- If credit AT is received, amount shall be noted under credit column and if Debit AT is received amount shall be noted under Debit column only.

It shall be noted that recoveries transferred are entered monthwise in this Register and at the end of year the total amount transferred for the entire year in respect of each Unit will be available for reconciliation of same with the statement sent from Units for this purpose.

The totals put up vertically in this Register under each month shall be tallied to the total available under each Account Code in the J.V. Analysis Register as also to the postings made in the General Ledger every month.

- 6) After posting the General Ledger from the J.V. Analysis Register, the balance shall be struck under each Account Code and the Trial Balance for the month prepared. The Ledger Accounts shall be opened and maintained for each Advance Account Code separately but not Location Codewise. So also a separate common ledger account shall be maintained for Inter Unit Account Code 36.3.
- 7) For Accounting payment of advances, a debit AT shall be sent every month by Administration Section, O/o the FA & CAO along with details of payments made. These ATs shall be accepted in the same manner as credit ATs are accepted.
- 8) The maintenance of Advance Schedules employeewise and Divisionwise as is being done at present shall continue and credits posted against employees of a particular Division every month shall be totalled separately in the schedule and tallied to the total under each month in the Advance Reconciliation Register. So also debits posted in a month shall be tallied to the total under each month in "Advance Reconciliation Register". Similarly the balance shown in the general ledger account in each account code should tally to the total of the balances struck in respect of all the employees at the end of the year.

IV. ACTION TO BE TAKEN AT THE ADMINISTRATION SECTION OF FA & CAO'S OFFICE.

- 1) As per existing procedure debits under each Advance Account shall be brought into accounts and accounts closed every month. After closure of accounts, the debits booked shall be transferred to Advance Section separately by an AT along with a statement showing the details of B.R.No., Cheque No., Name of the Employee, Name of the Vendor and amount paid, ensuring that the totals shown in statement tally to amount transferred in the A.T. Similarly, the credits booked on recovery of advances from employees in the section during the month shall be transferred by a credit A.T., separately duly tallying the totals of the recoveries in the statement to that of amount in the A.T., Account Codewise total recoveries shall be depicted in the A.T. (The procedure prescribed vide Paras II (1) to (6) above shall be followed for transferring recoveries made from employees).
- V. The above instructions shall be followed for all transactions from 1.4.95 and onwards. The ATs from all Accounting Units including Administration Section in FA & CAO'S Office shall be sent to Advance Section along with supporting statements duly operating new Location Code '712' within 10 days from closure of the month. It is also the experience of Advance Section that most of the Accounting Units are not bringing recoveries of advances made out of supplemental salaries, DCRG and Family Pension payments and cash into accounts by passing necessary adjustment J.V.s. Such omissions may be avoided as the recovered amount will be left unadjusted if not properly accounted. The above procedure applies to A/c Codes 27.105 & 27.106 mutatis-mutandis.

147. No. CCA/AOC(A/c)/Sn.V/Cys - 176/94-95

Dtd. 31-3-95

Sub : Dismantling of Assets - Major replacements.

Thousands of transformers of different capacities are being released and replaced by new transformers. These replacements are being done on Tentative work orders in most of the cases, which have not been regularised through regular estimates, that is under 77.550 producing details of transformers, lines etc., released during major replacements and the estimates are being sanctioned for labour charges only. It is better to avoid tentative work orders totally in all these cases and accord sanction to regular estimates under 77.550-Other Decommissioning costs, duly getting estimates to avoid delay and persuasion in getting the regular estimates. During the recent inspection of some O&M Divisions, it is seen that return of transformers, conductors etc., which are released from tentative work orders and also through regular estimates under dismantling of assets, are not being watched in the divisions, resulting in thousands of transformers and conductors going unaccounted causing heavy financial loss to the Board. To prevent this, every Division has to watch the return of these transformers, conductors etc., without fail. Therefore, I request you to arrange and open the cost registers invariably, duly noting the name of work and the materials one after the other with quantity to be returned back from the concerned A.E./J.E. and start writing letters to them intimating the name of the A.E./J.E. to return all the materials as per the estimates/tentative work orders. If they fail to return within a fortnight, there is no alternative except to recover the same out of their salaries at standard rate prevailing in the interest of Board finances. Any lapse in maintaining the cost registers and in not enforcing recovery in cases of default will be to the account of concerned Divisional officers. Action taken may be intimated.

148. No.CCA/AO(C)/Sn.V/Cys-175/94-95.

Dtd. : 31-3-95

Sub : Accounting of Released Assets properly.

During the verification of Annexures 1 to 8 prescribed for March Final Accounts by the team deputed to Accounting units, it is observed that some units are passing entries for written Down value only on release of the Assets, postponing the account of withdrawal of Accumulated Depreciation to year end, which is very irregular. The units shall work out written Down value and Accumulated Depreciation correctly as and when assets are released and pass the following entry simultaneously without giving room for any Omissions.

16.2.....WDV. of faulty/Dismantled Assets Dr.

12.....Depreciation provision(Categorywise)

OR

32.802 IUA FIXED Assets & Capital Expenditure H.O.

To 10.....Fised Assets(Categorywise)

To 32.802 IUA- Fixed Assets & Captial Expenditure.H.O.

149. No.CCA/AO(A/cs)/Sn.IV/95-96/Cys-6

Dtd. : 22-4-95

Sub : Simplification of Procedure for calculation of Family Benefit Fund.

While reviewing statements of Family Benefit Fund Payments (Annexures 10 and 10 (a)) during March Final accounts, it has been observed that the payments made out of Family Benefit Fund to

employees is either short or excess in almost all the cases due to erroneous calculations in arriving at Board's contribution as also interest payable from 1.11.92 and onwards. In order to avoid such mistakes, a format for calculation of F.B.F and a ready reckoner for the years 94-95 and 95-96 for calculation of interest are evolved & enclosed along with this circular for ensuring correct calculation and proper payments.

Guide lines for filling up calculation sheet for payment of Family Benefit Fund :

1. Items 1 to 4, A, B, C, F, H, I, J, K, M & O are self explanatory.
2. Item 'D' is also self explanatory. (However it shall be noted that F.B.F. scheme was commenced from 1.7.78, but the actual recovery from employees has been made from 1.7.1979. The Board has contributed Rs.120/- to the fund in respect of each employee for the period from 1.7.78 to 30.6.1979. Hence, this amount of Rs.120/- is to be considered as employee's contribution only and not as Board's contribution).

3. Item E: Board's contribution in old scheme has to be calculated upto 1.11.1992 only, as per the formula given in the format or by referring schedule II on page 829 of KEB Accounts Manual Volume II, Part - 'B'.

'Y' in the formula represents completed number of years as per item 'C' in the format.

'M' in the formula represents completed number of months as per item 'C' in the format.

By substituting the values for 'Y' and 'M' in the formula, the Board's contribution in the old scheme can be directly obtained.

4. Item G: The rate of Bank interest on S.B.Accounts in the Nationalised Banks from November 1992 are as follows:

(a) November '92 to June '93 (8 months) at 6% p.a.

(b) July '93 to October '94 (16 months) at 5% p.a.

(c) November '94 onwards at 4.5% p.a.

By applying interest rates noted above, the interest payable at the end of each month on the sums of employee's contribution and Board's contribution as on 1.11.1992 shall be arrived at. To facilitate easy calculation, a consolidated percentage which can be directly applied on the sum to arrive at the total interest payable is indicated in the ready reckoner. To calculate the interest payable, simply apply the consolidated interest percentage indicated against the particular month in which repayment of F.B.F. has fallen due, on "item F" of the format. The interest arrived at may be rounded off to the nearest multiple of ten paise.

5. Item L : Board's contribution in the new scheme (i.e., monthly contribution at Rs.50/-) can be calculated directly by substituting the values for 'Y' and 'M'.

Here 'Y' = Number of completed years as per the item 'J' in the format.

'M' = Number of completed months as per item 'J' in the format.

OR

The Board's contribution can also be calculated as per Annexure-I of the B.O.No.KEB/CLO/B14/3841/91-92 dated 17.11.1992.

6. Item N: In death cases only, the difference between Rs.50,000/- and item 'M' should be added.

The calculation sheet prescribed must be prepared for each case and preserved, for using the same to fill up Annexures (10 & 10(a)) of March Final Accounts.

The ready reckoner is prepared for the years 1994-95 and 1995-96 on the prevailing rate of interest from time to time. The ready reckoner enclosed shall be made use of upto 31.3.1996 provided the interest rate does not change. If there is any change in interest rates after April 1995, a separate ready reckoner will be issued, which should only be made use of. In the absence of ready reckoner, the actual interest rate may be ascertained & applied.

Ready Reckoner for calculation of interest payable on the sums of Employee and Employer's contribution as per old scheme in respect of payments due out of Family Benefit Fund during the period from 1.4.1994 to 31.3.1996.

Month	Consolidated percentage to be applied on the sums due as on 1.11.1992
April 94	8.166
May 94	8.583
June 94	8.999
July 94	9.416
Aug 94	9.833
Sept. 94	10.249
Octr. 94	10.666
Novr. 94	11.041
Decr. 94	11.416
Jan. 95	11.791
Feb. 95	12.166
March 95	12.541
Apr. 95	12.916
May 95	13.291
June 95	13.666
July 95	14.041
Aug. 95	14.416
Sept. 95	14.791
Octr. 95	15.166
Novr. 95	15.541
Decr. 95	15.916
Jan. 96	16.291
Febr. 96	16.666
March 96	17.041

CALCULATION SHEET FOR PAYMENT OF FAMILY BENEFIT FUND:

1. Name of the Employee & Designation :
2. Place of working :
3. Date of entry into service :
4. Date of retirement/Death :

A. Date of Closure of Old Scheme (i.e., contribution at Rs.10/-p.m.) : 01.11.1992

B. Deduct:
Date of entry into service or Date of commencement of FBF Scheme :
(i.e., 1.7.1978) whichever is later :

C. Total period of participation in FBF old scheme (A-B) :

D. Employees contribution in Old Scheme: item C x Rs.10/- p.m. :

E. ADD: Board's contribution in old scheme upto 1.11.1992.
 $= 12(y \times y) + 2YM + M$
3

F. Total of Employee and Employer contribution in Old Scheme (D+E) :

G. Interest payable on item (F) As per Chart enclosed. :

H. Date of retirement/Death

I. Deduct : Date of closure of old scheme : 31.10.1992

J. Total period of participation in FBF New Scheme (H-I) :

K. Employee's contribution in New Scheme (item J x Rs.50/- p.m.) :

L. Board's contribution in New Scheme upto the date of Retirement/Death
 $60 (Y \times Y) + 10 YM + 5M$
3

M. Amount of FBF payable on Retirement by Debit to 44,140
(totals of items F + G + K + L) :

N. Add: In case of death (Balancing figure of
(Rs.50,000/- item M) by debit to 75,860 :

O. Total amount payable by Board (item M + N)
AAO/AO/DCA

Note : Item 'N' shall be Zero in case of retirement

'Y' in item E is completed No. of years as per item C

'M' in item E is completed no.of months as per item C

'Y' in item L is completed no. of years as per item J

'M' in item L is completed no.of years as per item J.

The period for which contribution is not collected for full month during LWA shall be deducted out of items(C) and (J) above.

Sub: Accounting procedure in respect of Assets taken on lease from M/s. Infrastructure Leasing and Financial Services Ltd., (I.L & FS), Bombay.

The Board has entered into an agreement on 9.3.1995 with M/s. I.L. & F.S., Bombay for taking transmission line, transmission tower and allied support structures worth around Rs.50 crores on lease for a period of 8 years. As per the terms and conditions of the agreement, the Board has to make various payments like Management fee, Lease rent, Interest on advance payments made to manufacturers/suppliers/sellers of equipment, commitment fee on undisbursed amount, insurance on equipment, rates and taxes on the assets, late charges in case of default, license fee/surcharges/registration charges etc. The lease hold asset will not be an asset of the Board and the Lessor will be having the sole and exclusive ownership, right title and interest in the equipment, and at all time the asset remains property of the Lessor. The Board has to keep the equipment in good working condition and any expenditure incurred to ensure this towards cost of repairs, furnishing or obtaining all spare parts/devices and labour etc., shall be chargeable to Lessee's (i.e. Board's) account. The Board has to open an Escrow account in the Bank to make payment of lease rent periodically in time.

Taking into account all the above aspects and circumstances under the terms and conditions of the agreement entered into with M/s. I.L. & F.S. by the Board, following accounting procedure has been evolved to account all the activities arising out of the lease contract. While accounting the activities by Controller (B & R), the following procedure shall be followed.

Exclusive revenue expenditure head of accounts are opened for making payment of lease rent under one account code and all other payments under another head of account. One liability head of account is also opened to pass all payments to M/s. I.L. & F.S., through this account. It shall be noted that no payment is made to M/s. I.L. & F.S., unless liability is created initially and all payments to the Lessor is made through liability account only. A detailed schedule has to be maintained for the credits and debits booked under this liability account.

Following are the New Heads of Accounts opened w.e.f. 9.3.95.

77.3 - Lease Rents & Hire Purchase instalments

1) 77.310 : Lease Rent to M/s. I.L. & F.S. Only lease rent due to be paid to M/s. I.L. & F.S. as per terms and conditions of agreement NO.083 dated 9.3.95 shall be debited to this account, by crediting liability account code 46.420.

2) 74.111 : R & M and all other expenses on lease hold assets of M/s. I.L. & F.S. All expenditures other than lease rent narrated in the first para above shall be debited to this account. In case of any payment to be made to I.L.&F.S. it shall be made only by credit to liability account code 46.420.

3) 46.420 : Lease rent and all other dues payable to M/s. I.L. & F.S., Bombay.

A separate O.M. is being issued to open above new heads of accounts and incorporate the same in K.E.B. Accounts Manual vol.III.

If the imprest Advance facility from Lessor available under Clause 25 of agreement is utilised by Board under any circumstances, then the natural heads of accounts already available shall be used for accounting the transactions.

The Resources Section of Controller (Finance) shall exhibit the transfer of money from current account to Escrow account separately in the cash book of the specific Bank with necessary details by accounting the transfer as a contra transaction. Immediately on transfer of money from current account to Escrow account, the same should be shown as Receipt (Debit) to Escrow account exclusively in the column opened on the receipt side of the cash book. Payments made out of Escrow account to M/s. I.L. & F.S. and also the balance transferred back to current account shall be shown on payment (credit) side of the cash book in the column exclusively opened for this purpose. It has to be noted here that payments made to M/s I.L.&F.S. have to be debited to 46.420 and balance transferred back to current account is treated as contra entry. These entries have to be made on the basis of pass sheet obtained from the Bank. It shall be scrupulously examined and ensured that no additional money than the requirement as per agreement is transferred to Escrow account and also the Escrow account holds money for a period no longer than absolutely required as per lease summary schedule-2 of the agreement No.083, dated 9.3.95, since money resting in escrow account results in locking-up of funds and payment of interest on over draft, if over draft facility is being availed during that period.

151. NO.CCA/AO(A/cs)/Sn.IV/95-96/Cys-35

Dtd. : 3.7.95.

Sub : Accounting procedure for procuring lorries/jeeps/vans on Hire purchase from M/s. KSFC

Ref : B.O.No.KEB/B7/4597/94-95 /31.1.95

Agreement has been entered into with M/s. Karnataka State Finance Corporation (KSFC) for procuring lorries/jeeps/vans on hire purchase basis on 8.2.95 with an Hire Purchase Assistance of Rs.325 lakhs and a total Hire Purchase Price (HPP) of Rs. 487.50 lakhs. In the foregoing paras M/s. KSFC is referred as "THE OWNER" and KEB as "THE HIRER".

The Hire Purchase agreement stipulates that the Hire Purchase Assistance shall be repaid in 60 Equated monthly Instalments (EMI) of Rs.8,12,500/- each, apart from paying an amount equal to 4 months EMI as advance. The agreement covers purchase of 40 lorries, 38 jeeps, 8 tempos, 4 mini buses and 6 Nos. of Tata Sumo vehicles.

Apart from HPP of Rs.487.50 lakhs, other charges like compensatory finance charges, interest tax, Entry tax, tax on transfer, non-refundable hire purchase management fee of 1% on cash price of vehicle, insurance and commission etc., are also payable by the Hirer. To bring into accounts the transactions covering all activities regarding the above transactions, following procedure is evolved for implimentation.

The new Heads of accounts required for the purpose are also opened.

I. New Account Codes opened :

a) 17.231 - Deferred interest on Hire purchase of vehicles from M/s. KSFC as per B.O. dated 31.1.95.

b) 25.502 - Advance to M/s. KSFC for Hire purchase of vehicles.

c) 46.421 - Hire purchase price payable to M/s.KSFC for purchase of vehicles as per B.O. dated 31.1.95.

d) 78.588 - Interest on Hire purchase loan from M/s. KSFC.

II. Procedure to be followed in Central Stores Division, Bangalore.

All the vehicles procured under Hire Purchase with the assistance of M/s. KSFC are initially assigned to C.S.D., Bangalore. Immediately on receipt of a vehicle, following entry has to be passed in the Division to account vehicle on the basis of Receipt Voucher at Cash Price of vehicle mentioned in the Annexure to agreement. If the body is built separately, the body building cost of vehicle noted in Annexure shall also be included to arrive at the Cash price.

14.607 - CWIP - Vehicles	Dr. (At Cash Price)
To 37.2 (702) IUA - other transactions/adjustments- (Credit AT sent)	Dr. (At Cash Price)

A separate A.T. has to be sent to FA & CAO'S office with full details of vehicles procured. The details shall include the type and model of vehicle, chassis No., Engine No., Registration NO., Cash price etc.,

When the vehicle is put to use it shall be categorised as asset under respective account code.

III. Procedure to be followed in Controller (B & R) section, Bangalore.

a) Advance paid to M/s.KSFC at the time of execution of Hire purchase agreement which is equal to 4 months instalment (EMI) has to be debited to A/c Code 25.502.

b) Immediately on receipt of AT from CSD, Bangalore the following entry shall be passed to accept the .A.T.

37.3 IUA - Other transactions / adjustments (clearance)	Dr. (At cash price)
To 46.421 - Hire purchase price payable to M/s. KSFC for purchase of vehicles as per B.O. dtd., 31.1.95.	(At cash price)

Simultaneously another entry to create liability for the interest portion in EMI to be paid to M/s. KSFC has to be passed in respect of each vehicle. The entry is as follows:

17.231 - Deferred interest on Hire Purchase of vehicles from M/s. KSFC as per B.O. dated 31.1.95.	Dr. (Diffn. in HPP & Cash price)
To 46.421 - Hire purchase Price payable to M/s. KSFC for purchase of vehicles as per B.O. dated 31.1.95.	Cr. (Diffn. in HPP & Cash price)

So also the following entry has to be passed to reduce liability towards Hire purchase instalment by the advance paid in respect of each vehicle by credit to Advance account.

46.421 - Hire purchase price payable to M/s. KSFC for purchase of vehicles as per B.O. Dated 31.1.95.	Dr. (Amt. of 4 months instalments)
To 25.502 - Advance to M/s. KSFC for hire purchase of vehicles.	Cr. (Amt. of 4 months instalments)

For the interest portion included in the above advance payment following entry shall be passed to debit Revenue Expenditure by credit to A/c Code 17.231.

78.588 - Interest on Hire purchase loan from M/s. KSFC ... Dr.
 To 17.231 - Deferred interest on Hire purchase of vehicles from
 M/s. KSFC as per B.O. dated 31.1.95.

c) As and when EMI is due to be paid to M/s. KSFC the payment shall be made out of liability a/c code 46.421 - The transaction is

46.421 - Hire purchase price payable
 To M/s. KSFC for purchase of vehicles as per B.O. dated 31.1.95 ... Dr.
 To Bank.

Before the actual payment of EMI is made, it shall be ensured that the interest portion included in each instalment of EMI is debited to Revenue expenditure by credit to A/c Code 17.231 duly passing following entry.

78.588 - Interest on Hire purchase loan from M/s. KSFC ... Dr.
 To 17.231 - Deferred interest on Hire purchase of vehicles from
 M/s. KSFC as per B.O. dated 31.1.95.

Even if the actual payment which is due during the year is not made before the end of financial year for any reason, above entry shall be passed and reversed in the beginning of next accounting year.

(d) for all the Heads of Accounts namely 25.502, 17.231 and 46.421 schedule shall be maintained to show vehiclewise details.

(e) Following payments made in connection with procurement of vehicles on hire purchase or after procurement of vehicles, shall be debited to Heads of Account noted against each.

Sl. No.	Nature of payment	Head of A/c to be debited
1)	Compensatory finance charges.	78.867
2)	Commission incurred by M/s. KSFC towards purchase of vehicles	78.867
3)	Non-refundable hire purchase management fee	78.867
4)	Interest on overdue instalments	78.588
5)	Other payments due to M/s. KSFC	78.867
6)	Interest tax under interest tax Act	78.588
7)	Entry tax, tax on transfer	74.601
8)	Vehicle insurance & Registration, licence, road tax.	76.138

(f) If the Hire Purchase Price is altered subsequently as per the terms and conditions of agreement, then the liability under A/c Code 46.421 shall also be correspondingly increased or decreased as the case may be with due debit or credit to respective Asset Account Code and A/c Code 17.231.

The above procedure shall be followed strictly to account all the transactions emerging out of agreement entered into with M/s. KSFC for procurement of vehicles under Hire Purchase.

Sub : Maintenance of location Code - wise I.U.A ledgers accounts.

Ref : This Office Circular No.(1) Cys 52/93-94 dtd. 8.7.93.

(2) Cys 92 dtd. 16.9.93 (3) Cys 96 dtd. 18.9.93

(4) Cys 118 dtd. 4.11.93 (5) Cys 124 dtd. 10.11.93

In this Office circulars referred above, new procedure for accounting of I.U.A / es and maintenance of location codewise I.U.A ledgers has been intimated. In spite of intimation of the prescribed format for maintenance of I.U.A ledgers, the review of I.U.A ledgers maintained in some of the accounting units, reveal that the format is not properly drawn in the I.U.A ledgers and the following defects have been observed.

1. The required columns have not been provided in both the debit and credit side of the ledger.
2. The lines have been drawn in very haphazard Manner.
3. Monthly totals in both sides have not been put-up.
4. Monthwise balances have not been drawn to tally the ledger balances with the monthly trial balance.
5. Entries have been made in the wrong column.
6. The column provided in the ledger differs from the format prescribed.

In order to over come all the above deficiencies a copy of the printed format of all types of location code wise ledgers is enclosed herewith. Instead of drawing lines in the dummy registers purchased, the format may be got printed in the dummy size registers, and used for maintenance of I.U.A location code wise ledger Accounts correctly in future without any deviations and mistakes.

IUA Acceptance not received ledger (A/c code : 31-1)

Dr.		Location Code.....			Name of the Accounting Unit			Cr.
Month	TO 22.420		Amount	Month	By 31.3		Amount	
	A.T. No.	Date			Acpt. No.	Date		

IUA A.T. Not Received Ledger (Account Code : 31.2)

Dr.		Location Code.....			Name of the Accounting Unit			Cr.
Month	TO 31.2		Amount	Month	By 22.410		Amount	
	Accp. No. With Ref. A.T. No.	Date			R.V. No.	Date		Ref. Issue Invoice No.

IUA DEBIT A.T. SENT LEDGER (ACCOUNT CODE : 36.1 / 37.1)

Dr.		Location Code.....		Name of the Accounting Unit				Cr.
Month	Debit AT		Amount	Month	Acceptance Recd. for Debit A.T. sent		Amount	
	A.T. No.	Date			Acpt. No.	Date		

IUA CREDIT A.T. SENT LEDGER (ACCOUNT CODE : 36.2 / 37.2)

Dr.		Location Code.....		Name of the Accounting Unit				Cr.
Month	Acceptance Recd. for Credit A.T. sent		Amount	Month	Credit A.T. Sent		Amount	
	Ref. A.T. No.	Date			A.T. No.	Date		

153. No.CCA/SPA/CYS-49/95-96.

Dtd. : 25.7.95

CIRCULAR

Sub: Regarding various monthly and quarterly returns due to this Office.

The present Chairman has expressed his unhappiness over the abnormal delay in submission of the following returns to this Office by the Units.

- | | | | |
|-----|---|---|------------------------------------|
| 1. | Trial Balance | - | Due on 20th of succeeding month. |
| 2. | Inventory | - | " 15th " |
| 3. | D.C.B. | - | " 20th " |
| 4. | Capital Expenditure | - | " 20th " |
| 5. | Cash Balance Report | - | " 15th " |
| 6. | Statement of recoveries of various advances | - | Before the end of succeeding month |
| 7. | All I.U.A. Monthly Returns | - | Due on 20th of succeeding month . |
| 8. | All IUA Quarterly Returns | - | " Quarter |
| 9. | Monthly Sales Tax statements | - | Due on 5gh of succeeding month. |
| 10. | Status of pending Test Reports every month | - | " 20th " |
| 11. | Statement of Tentative Work-orders regularised. | - | " 20th " |

The Chairman desired that these returns shall at any cost be sent to this Office by all Units on or before the due dates fixed without fail to enable us to produce monthly management information and quarterly Trial Balance before the end of each quarter. In the meeting of CCAs, FA & CAO and CAs held on 13.7.95, he has expressed that there is no need to remind the Units every time in writing or over telephone to submit the returns in time as it is the primary duty of each AAO/AO/DCA and CA to get the required returns from Subordinate offices to their offices, compile and send the monthly or quarterly returns on the due dates without waiting for reminders. He has instructed me that the names of Officers who are defaulters shall be intimated to the Board from now onwards for taking necessary disciplinary action on such officers, as the Board needs the monthly management information and quarterly Trial Balance in the succeeding month itself for arriving at various management decisions. Therefore the EEs and AOs shall call for the meeting of the AEEs and Sr. Assistants including Store Keepers and Store Officers and inform them the desire of the Chairman and also have a monthly meeting in the Division office/Circle office/Zonal office to arrange for systematic work in the office to ensure completion of every day's work without any arrears strictly in future. If any Sub-division/Section/Store fails to send the Cash Accounts, DCB and Store Accounts within the due dates fixed by the Division, disciplinary action as per Rules must be initiated to prevent such delays. In addition to this the AAO/AO/DCA/CA has to proceed to such offices, camp there and get the returns personally in addition to resorting to disciplinary action on the erring staff. Further, the Chairman has observed the overall inefficiency and lethargy in most of the offices with much displeasure and he has warned of grave consequences if the same is repeated. He wants all the officers to function efficiently and desires that KEB should function as a commercial organisation and not like a Government Department.

I will be sending a list of defaulters who fail to send the returns on the due dates to the Chairman hereafter for necessary action, which may be noted.

154. No.CCA/AO(A/Cs)SnIV/Cys.51/95-96.

Dtd. : 28.7.95

Sub : Bhagya Jyothi Scheme - stopping of recovery of Capital Loan portion - Reg.

Ref : 1. Letter No. CEE(G)/REC/CYS 332 Dtd. 26.9.79 addressed to all C.E.Es., S.E.Es., etc enclosing there in BJ scheme report.

2. Ltr.No.AOR/Sn6/CYS 86/80-81 dtd :31.5.80 of the then C..C.A. K.E.B., addressed to all the concerned regarding Accounting procedure.

3. Board Ltr. No.KEB/B11/4333/83-84 dtd : 21.9.83 issuing instructions regarding demand collection,etc., in respect of all installations serviced since inception of scheme.

4. T.o.Ltr. No..CCA/AO(A/Cs)/Sn.iv/CYS 28/93-94 dtd :21.5.93 indicating rate of recovery of capital amount per installation including interest thereon.

BhagyaJyothi(BJ) installations have been serviced W.E.F. 15.9.1979 and onwards when the scheme was introduced in 1979. As you are aware, charges collected in respect of BJ installations consist of two parts namely,(a) Energy charges and (b) Repayment of Capital Loan. The Consumers are supposed to pay both these amounts every month. Energy charges and Capital Loan amount recoverable have been intimated from time to time in several circulars. As per terms and conditions of the scheme 80% of Capital Loan investment has to be recovered over a period of 15 years from the date of service from the beneficiaries as loan, where as remaining 20% is subsidised by Government of Karnataka.

Now that already 15 years are over from the date of commencement of the scheme as also servicing of many installations in 1979 and during earlier part in 1980, recovery of Capital Loan portion in respect of such installations is over and demanding of Capital Loan as far as those installations are concerned should have been stopped or has to be stopped immediately on completion of the stipulated period of 15 years from date of service.

Capital Loan portion which should have been recovered at different periods are noted below.

Installations serviced during	Rate of recovery of Capital Loan per installation including interest thereon.	
	Rs.	Ps.
Upto 31.3.1981	1.61 per month	
from 1.4.1981 to 3.9.1986	2.19	- do -
from 4.9.1986 to 3.6.1992	2.60	- do -
from 4.6.1992 to 29.1.1993	2.80	- do -
from 1.2.1993 and onwards	3.50	- do -

It shall be ensured that no Capital Loan portion is demand in respect of BJ installations which have completed 15 years from date of service, if capital loan portion in their cases has already been demanded at the rates specified above. Energy charges at prevailing rates only be demanded from the month succeeding after completion of 15 years and this has to be correctly monitored and ensured to avoid raising of excess demand. If any such excess demand has already been raised. The same may be withdrawn with the concurrence of AO(I/A) immediately. Such withdrawals do not require preparation of withdrawal statement and following of other procedures.

155. No.CCA/Ao(A/Cs)/Sn.14 cys.52/95-96

Dtd. : 28-7.95

Sub : Passing of reversal entry made in respect of withdrawal of Revenue Demand at Unit Offices.

Ref : T.O. Ltr.No.CCA/Ao(A/cs)/Sn.14/cys.136/94.95 Dtd 21.1.95.

Please refer to letter dtd 21.1.95 wherein entries were intimated for making provision for withdrawal of revenue demand during the year 1994-95 and onwards at the Units. Two entries were indicated for making provision one for withdrawal of Revenue demand of previous years and the other for withdrawal of revenue demand of current year.

The above entries shall invariably be reversed in the beginning of succeeding year in all Accounting Units without fail. It shall be specifically noted that the reversal entry for "BOTH" the entries indicated for making provision in "Circular dtd. 21.1.95, is the same as noted below.

23.8 - Provision for withdrawal of Revenue demand. Dr.
To 83.830 - withdrawal of Revenue Demand.

(NOTE: Account Code 61.2 should not be credited under any circumstances in the guise of passing reversal entry, since such entry would unduly increase income of current year).

156. No. CCA/AO(A/cs)/Sn.IV/Cys-71/95-96

Dtd. : 6-9-1995

Sub : Refund of contribution made by employees towards family Pension scheme
from 1-1-86 to 31-12-88

Ref : Board Circular No. KEB/CLO/B14/5003/82-83/26-5-95

The contribution made by employees towards Family Pension scheme 1971 from 1.1.86 to 31.12.88 becomes refundable owing to exemption accorded by Government of Karnataka from application of the scheme to all monthly rated employees, as per Board Circular dt. 26.5.95. Necessary guide lines have been issued for refund of only employee's contribution to Family Benefit Scheme for the said period. It has been specified what are the records to be relied upon for arranging refund. Both the employee's contribution and employer's contribution made by each unit to the R.P.F. Commissioner excluding F.P. and E.D.LI. benefits repaid by the R.P.F. Commissioner during this period has to be refunded to the Board by the Provident Fund Office and for this purpose a claim has to be put up. Irrespective of the employee's contribution due for refund is entirely refunded to the employees yet or not, the total amount of employee's and employer's contribution remitted to R.P.F.C. shall invariably be obtained back without any further delay. The details of the refund obtained in respect of employer's and employee's contribution along with the names of the employees against whom such remittances were made earlier has to be maintained as credit in a schedule against Account Code 28.110. The credit in respect of employee's portion only has to be refunded to the respective employee and the credit in respect of employer's portion shall be transferred to Advance Section, CCA's Office by a credit Advice of Transfer under Account Code 37.2 with details of employee's name and amount. In addition to this, the details of refund made to each employee against their portion of contribution to F.P. scheme for the said period shall also be sent to Advance Section, CCA's Office at the end of each month. This statement should contain employee's name, Check number, PF/FP Account NO., amount refunded, Cheque NO. and date for having refunded the amount.

A separate Schedule should be maintained for this purpose under account code 28.110 (RPF-PP). If any refunds have already been made debits shall be brought first into the schedule and respective credits posted after obtaining refund from RPF Commissioner.

157. No. CCA/AO(A/Cs)/Sn.IV/Cys-73/95-96

Dtd. : 18.9.95

Sub : Procedure for accounting transactions arising out of sale and lease back arrangement of Assets with M/s Vysya Bank Ltd., M/s. Global Trust Bank Ltd., M/s. Bank of Madura Ltd.

The Board has entered into an agreement with M/s Vysya Bank Ltd., M/s. Global Trust Bank Ltd., M/s. Bank of Madura Ltd., during the last week of March 1995 to sell specific Assets of the Board named in the agreement to these Banks and obtain the same Assets on lease from the Banks for a period of 72 months on payment of lease rent. The activity involves selling of specific assets, removal of these Assets from the gross block of the Assets of the Board, accountal of Loss or Gain due to selling activity, recovery of sale proceeds from the Banks, payment of lease rent and accountal of lease management fee, first month's lease rent and retention amount recovered out of sale proceeds payable by the Banks.

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

1)	28.144	Sundry Debtors for sale of Assets	M/s.Vysya Bank Ltd.,
2)	28.115	do	M/s Global Trust Bank Ltd.
3)	28.116	do	M/s. Bank of Madura Ltd.
4)	46.422	Lease rent payable to M/s Vysya Bank Ltd.	
5)	46.423	do	M/s Global Trust Bank Ltd.,
6)	46.424	do	M/s. Bank of Madura Ltd.,
7)	74.112	R&M expenses on lease hold Assets	of-M/s. Vysya Bank Ltd.,
8)	74.113	do	M/s Global Trust Bank Ltd.,
9)	74.114	do	M/s Bank of Madura Ltd.,
10)	78.811	Lease rent to	M/s Vysya Bank Ltd.
11)	78.812	do	M/s Global Trust Bank Ltd.,
12)	78.813	do	M/s Bank of Madura Ltd.,

The Accounting procedure is as follows.

I. Accounting of loss or gain due to selling of Asset and removal of Asset from the books of Accounts of the Board.

Several Assets like capacitors of various voltages, synchronous condenser systems, Automatic voltage controllers and automatic power cut-off devices in different Divisions have been sold to these Banks. The specific asset which has been sold, with the name of the Bank and details of the Assets will be intimated to each Division for calculation of loss or Gain and also for removal of the Asset either from the Asset Register maintained by them or for proposing entries, to remove Asset from the Asset Register maintained at the Head Office. The value at which the Assets have been sold will also be intimated to each Division separately for arrival at Loss/Gain due to this activity and also account of the same in their Units. The Loss or Gain has to be arrived at taking into account, the written Down Value of the Assets calculated on the basis of Original Value (O.V) of the Asset and date of commission, and the selling Price intimated from Head Office. The Depreciation earned shall also be removed from the Depreciation Provision Account simultaneously.

(A) Entry for account of Loss/Gain. If the Assets sold were commissioned on or after 1.4.85 and the Asset Registers are maintained in the unit:

(i) When Loss has to be accounted :

	Dr.	Cr.
28.114 Sundry Debtors for sale of Assets-M/s Vysya Bank Ltd.	(Sale price intimated from HO)	
28.115 Sundry Debtors for Sale of Assets M/s GlobalTrust Bank Ltd.,	- do -	
28.116 Sundry Debtors for Sale of Assets-M/s. Bank of Madura Ltd.,	- do -	
12.5 Depreciation Provision - Plant and Machinery		(To the extent of depreciation earned.)

77.730	Loss on-sale of Fixed Assets--Plants and machinery	Difference between selling price &WDV)
To	10.543 Other Transmission Plant; transformers, sub stations equipments and other fixed apparatus.	(Original value)

(ii) When Gain has to be accounted :

(a) When the Selling Price (SP) is more than written down value(W DV) but less than the original value of the Asset.

		Dr. Cr.
28.114	Sundry Debtors for sale of Assets-M/s Vysya Bank Ltd.	(Sale price intimated from H.O)
28.115	Sundry Debtors for Sale of Assets M/s. Global Trust Bank Ltd.	- do -
28.116	Sundry Debtors for Sale of Assets M/s .Bank of Madura Ltd.,	- do -
12.5	Depreciation Provision - Plant and Machinery	(To the extent of depreciation earned)
To	10.543 Other transmission plant, transformer kiosks, sub-station equipment and other fixed apparatus.	(original value)
To	62.4 Gain on sale of fixed Assets.	(excess realised over WDV)

(b) When the selling Price (SP) is more than the original value of the Asset:

		Dr. Cr.
28.114	Sundry Debtors for Sale of assets M/s. Vysya Bank Ltd.,	(Sale price intimated from H.O.)
28.115	Sundry Debtors for Sale of Assets M/s Global Trust Bank Ltd.,	do
28.116	Sundry Debtors for Sale of Assets M/s.Bank of Madura Ltd.,	do
12.5	Depreciation Provision-Plant and Machinery	(To the extent of Depreciation earned.)
To	10.543 Other transmission plant,transformer kiosks, sub-station equipment and other fixed apparatus.	(Original value)
To	62.4 Gain on sale of fixed Assets.	(excess realised over WDV but not exceeding (O.V)
To	56.2 Capital Reserve	(excess realised over O.V)

(b) Entry for accounting of Loss/Gain, if the assets sold were commissioned prior to 1.4.85. for which asset registers are maintained at Head Office.

In the case of Assets commissioned prior to 1.4.85, the Division has to intimate invariably the asset to be removed in the Asset Register at Head office giving full details such as the Date of Commission, Original Value, Written Down Value and Description of the Asset, after passing following entry in the unit.

(i) When loss has to be accounted:

	Dr.	Cr.
28.114 Sundry Debtors for Sale of Assets - M/s.Vysya Bank Ltd.,	(Sale price intimated from HO)	
28.115 Sundry Debtors for Sale of Assets - M/s Global Trust Bank Ltd.,	- do -	
28.116 Sundry Debtors for Sale of Assets - M/s.Bank of Madura Ltd.,	- do -	
77.730 loss on Sale of fixed assets - plant and Machinery	(Difference between SP & WDV)	
To 32.802 IUA-capital Expenditure & fixed assets		(WDV)

ii) When Gain has to be accounted:

(a) When the Selling Price (SP) is more than the written down value(WDV) but less than the original value of the Asset:

	Dr.	Cr.
28.114 Sundry Debtors for sale of Assets-M/s Vysya Bank Ltd.	(Sale price intimated from(H.O)	
28.115 Sundry Debtors for Sale of Assets - M/s. Global Trust Bannk Ltd.	do	
28.116 Sundry Debtors for Sale of Assets - M/s .Bank of Madura Ltd.,	do	
To 32.802 IUA capital Expenditure & fixed Assets		(WDV)
To 62.4 Gain on sale of fixed Assets.		(excess realised over WDV)

(b) When the selling Price (SP) is more than the original value of the Asset:

	Dr.	Cr.
28.114 Sundry Debtors for Sale of assets M/s Vysya Bank Ltd.	(Sale price intimated from H.O.)	
28.115 Sundry Debtors for Sale of Assets M/s Global Trust Bank Ltd.,	- do -	

28.116 Sundry Debtors for Sale of Assets	(Sale price intimated from H.O.)	
M/s.Bank of Madura Ltd.,		
To 32.802 IUA capital Expenditure & fixed Assets		(WDV)
To 62.4 Gain on sale of fixed Assets.		(excess realised over WDV but not exceeding O.V)
To 56.2 Capital Reserve		(excess realised over O.V)

After these entries are passed, another entry has to be passed as below to transfer the sale value to be recovered from each Bank separately:

37.1 (702) IUA-other transactions/adjustments	
(Debit AT Sent)	
To 28.114 Sundry Debtors for Sale of assets	
M/s Vysya Bank Ltd.	
28.115 Sundry Debtors for Sale of Assets	
M/s Global Trust Bank Ltd.,	
28.116 Sundry Debtors for Sale of Assets	
M/s.Bank of Madura Ltd.,	

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

(c) After 72 months the Board has got option to re-purchase the Assets now sold, if the lease period is not got renewed under the terms and conditions of the agreement. In case the Assets are so re-purchased, they have to be restored back in our Books of Accounts duly, by passing necessary entries. The required information and entries to be passed in such an event have to be ascertained from Head office after the completion of lease period i.e., in February 2001.

II. Accounting of sale proceeds received after recovery of Retention amount, first monthly lease rent and lease management fee from the respective Banks, in FA& CAO's Office.

(A) The net amount received in cash from Bank after recovery of retention amount, First monthly lease rent, and lease management fee shall be credited to respective Sundry Debtors for sale of Assets account namely 28.114/28.115/28.116.

For the amounts recovered by the Bank out of the total sale proceeds, following journal entry has to be passed immediately on receipt of net sale proceeds from the Bank.

	Debit	Credit
28.935 Deposit with others	(Retention amount)	
78.811/78.812/78.813	(1st monthly lease rent)	
78.867	(Lease management fee)	
To 28.114/28.115/28.116		

B) As and when the lease rent is due to be paid as per the terms and conditions of the agreement, the following journal entry has to be passed.

78.811/78.812/78.813
To 46.422/46.423/46.424. Dr.

C) When the lease rent is actually paid, the amount shall be debited to Account code 46.422 / 46.423 / 46.424

D) The Security section. O/O F.A. & C.A.O. has to obtain Advice of Transfer from each Division from which the asset has been sold to the Bank for the amount recoverable from the particular Bank in respect of specific assets sold and accept the Advice of Transfer by Debit to respective Sundry Debtors account i.e. 28.114/28.115/28.116 by Crediting the Account Code 37.3.

The total amount credited to Account Codes 28.114/28.115/28.116 by Security section as per instructions under para II-A shall be cleared completely, by obtaining Debit Advice of Transfers from all the units without fail.

158. No.CCA/AO(A/cs)/Sn.IV/cys.74/95-96.

Dtd. : 18.9.95

CORRIGENDUM

The corrections as noted below may be effected in the Circulars issued as indicated against each.

1. T.O.Ltr. No.CCA/AO(A/cs)/Sn.IV/95-96/cys.22/ 15.6.95

- (a) On Page 2 of the Circular the phrase "77.3 Lease rents and Hire purchase instalments" may be deleted.
- (b) On Page 2, line. 11, the Account Code 77.310 may be replaced by A/c Code 78.810. The description and other details remain unaltered.
- (c) The description against Account Code 74.111 vide item 2, on page 2 shall be changed as follows:
"74.111 R & M Expenses on lease hold assets of M/s. IL & FS" - "All other expenses other than lease rent and R&M expenses narrated in the first para above shall be debited to respective natural head of accounts. In case of any payment to be made to M/s.IL & FS, it shall be made only be credit to liability account code 46.420".
- (d) After Sl.No.3 on page 2 (i.e. after line 24) the following may be inserted.

" 4) 78.589 - Interest on advance payments made to M/s. IL & FS - Interest on advance payments made to manufacturers/suppliers & FS shall be debited to this account".

2. T.O.O.M.No.CCA/AO(A/cs)/Sn.IV/95-96/Cys.23/15.6.95

- (a) The first item reading "77.3 - Lease rents and Hire purchase instalments" may be deleted.
- (b) The Account Code "77.310" in the second item may be "changed as 78.810" and the Account Code 77.310 may be treated as deleted.

The Account Head and description remains unaltered.

(c) i) The Account Head against Account Code 74.111 may be changed as "R & M Expenses on lease hold assets of M/s. IL & FS".

ii) The description against Account Code 74.111 may be replaced by the following:

"Only R & M Expenditure on lease hold assets of M/s. IL & Fs shall be debited to this account".

3) T.O.O.M.NO.CCA/AO(A/cs)/Sn.IV/95-96/Cys.34/3.7.95

(a) i) The existing account head in respect of Account Code 17.231 may be replaced as follows:

"Finance charges Suspense account on hire Purchase of vehicles from M/s. K.S.F.C. as per B.O. dtd. 31.1.95".

ii) The Account Code 78.588 appearing in the description column of Account Code 17.231 may be changed to 78.867.

(b) The new Account Code 78.588 along with Account Head and description may be treated as deleted.

4) T.O. Ltr.No.CCA/AO(A/cs)/Sn.IV/95-96/Cys.35/3.7.95

(a) On Page 1 under item I (a) the Account Head against Account Code 17.231 may be changed as follows:

"Finance charges Suspense Account on Hire purchase of vehicles from M/s. K.S.F.C. as per B.O. dated 31.1.95".

(b) On page 2 under item I (d) the Account Code 78.588 and Account Head thereon shall be deleted.

(c) In the letter wherever Account Code 78.588 is appearing, the same may be replaced by Account Code 78.867.

(d) In the letter wherever Account Code 17.231 is appearing the Account Head may be changed as indicated in item (a) above.

5) T.O.O.M.NO.CCA/AO(A/cs)/Sn.IV/95-96/Cys.44/20.7.95

a) (i) The phrase "and all other" existing under Account Head against Account Codes 74.112, 74.113 and 74.114 may be deleted.

(ii) The existing phrase "All expenditures other than lease rent such as lease management fee, repairs and maintenance, insurance, sales tax, excise duty etc.," in the description against Account Codes 74.112, 74.113 and 74.114 may be replaced by "R & M Expenses in respect of lease hold assets".

b) (i) Account Codes 77.311, 77.312 and 77.313 may be replaced by 78.811, 78.812 and 78.813 respectively. The Account Head and description remain unaltered.

(ii) The Account Codes 77.311, 77.312 and 77.313 may be treated as deleted.

159. No.CCA/AO(A/cs)/Sn.IV/95-96/Cys.84

Dtd. 5.10.95

CORRIGENDUM

Ref : This Office O.M.No.CCA/AO(A/cs)/Sn.IV/95-96/Cys.23 Dated 15.6.1995.

Account Code 77.310 appearing in the description against Account Code 46.420 may be read as 78.810.

160. NO.CCA/AO(A/cs)/Sn.IV/95-96/Cys.95

Dtd 14.11.95

Sub : Accounting Procedure for regularisation of unauthorised installations in Mysore Division duly collecting Rs.3000/- from each consumer.

Ref : Letter NO.KEB/B11/3813/94-95 dtd. 13.7.95 from the Addl.Secretary, Bangalore addressed to the S.E.E., Circle Office, Mysore.

The accounting procedure to implement instructions conveyed in Board letter dated. 13.7.95 are as follows:

The amount of Rs.3000/- collected from each consumer shall be credited to new head of account "55.102-consumer's contribution towards regularisation of unauthorised installations".

The work should be taken up by sanctioning estimates under a/c codes "14.140 -CWIP.11KV Tr Lines - Extension" or "14.150-CWIP.11KV Tr.lines-improvement" or "14.400-CWIP-Service connections" as the case may be. It shall be ensured that the amount is collected from unauthorised consumers whose installations are being regularised before sanction of service connection estimate of each such installation, and a certificate is invariably recorded in the estimate duly giving reference to amount collected, cash receipt No. and date. In the case of amount of Rs.3000/- collected in instalments of Rs.1000/- initially and balance in 2 or 3 monthly instalments subsequently, the cash receipt No. & date for having collected initial instalment only shall be recorded in the estimate. The collection of further instalments shall also be watched by the J.T.A. of the Sub-Dvn/Section who maintains the estimate register, for the reason that opening of ledger account may be delayed in the existing situation and collection of balance instalments lost sight off. However the Assistant Executive Engineer, Elecl., of the Sub-Dvn, will be held responsible for any lapses in collection of balance instalments also regularly every month.

The installation shall also be billed for the back period without fail immediately after regularisation of unauthorised connection as per instruction of the Board dated 13.7.95 and back period arrears recovered accordingly. The collection of 3 MMD and other charges shall be as usual.

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

Dtd. : 14.11.95

Sub : Accounting procedure for servicing IP sets under Self Financing Scheme either by extension of line or by service mains only.

Ref : 1) B.O.No.KEB/B19/844/93-94, dtd. 18.7.95.

2) Board Circular No.KEB/B19/B11/855/85-86, dtd. 23.9.95.

The Board have issued instructions to service IP sets under self Financing scheme by collecting Rs.20,000/- or the estimate cost whichever is higher, wherever extension of lines are involved and by collection of Rs.5,000/- in case of extension of service mains only.

The accounting procedure for accountal of amount collected and for sanctioning of estimates, issue of work orders etc., are as follows.

The amount collected from consumers under this scheme shall be credited to new Head of Account "55.103.. Consumer contribution towards IP sets serviced under self Financing Scheme"

The estimate for taking up the work shall be sanctioned under existing Head of Account "14.320 CWIP- Power supply to IP sets (GP)" and the work executed.

It shall be ensured that the amount is collected well before the estimate is sanctioned besides recording a certificate in the estimate regarding the amount collected from the consumer with specific reference to cash receipt No. and Date.

The instructions issued vide this office letter No.CCA/AO(A/cs)Sn.IV/Cys.55/94-95, Dtd 30.7.94 regarding accountal of servicing of IP sets outside priority under "self financing scheme" as per Board Circular No.KEB/B19/877/93-94 dtd:16.7.94 stands amended subsequent to issue of Board letter No.KEB/B19/844/93-94 dtd:18.7.95 and revised instructions contained in this circular.

162. No.CCA/AO(A/cs)/Sn.IV/95-96/Cys.110

Dtd 25.11.95.

Sub : Accounting of capital spares at Generating stations.

I. The Electricity (supply) Annual Accounts Rules,1985 clearly prescribe the accounting policies in respect of capital spares at Generating Stations vide Rule.2.84 which are reiterated below, before giving certain specific instructions on the issue.

II The policies are:

1. The capital spares at Generating station should be treated as a capital asset.
2. Accounting shall be done together for the entire "lot" of the spares and not item by item.
3. The total cost of all the spares shall be capitalised.
4. No accounting shall be done at the time of issue of such spares for replacement in the generating plant.
5. However on the other hand, depreciation shall be charged on the total cost of the entire lot of spares.
6. For the purpose of charging depreciation, the estimated useful life of the spares shall be assumed to be equal to the estimated useful life of the generating plant.
7. On this basis, depreciation equal to 100% (not 90% as in case of other assets) of the cost of spares shall be charged by the time the generating plant is to be retired.
8. On expiry of the life, the spares will therefore be valueless.
9. The spares remaining un-utilised may be sold along with the retired generating plant. Entire sale proceeds should be treated as gain on sale of asset since 100% depreciation is charged in the past.
10. In respect of the stock of spares remaining unsold on retirement of the plant, no accounting shall be necessary.

11. If some spares are sold and some are not sold, the accounting is necessary only for spares sold i.e. treat the sale proceeds as gain on sale of assets.
12. If some spares are transferred by the generating station to another generating station requiring them, no accounting is necessary in such case.

III. Certain specific instructions for implementation of above policies are given below.

- a) The spares purchased along with the equipments of the generating station(duly including the same in the project cost originally) shall be treated as capital spares at generating station and accounted as such.
- b) Any spares subsequently purchased exclusively for maintenance of generating station shall be debited to Revenue expenditure maintenance cost only.
- c) Under A/c Group 11.3 a separate folio has to be opened in the asset register for capital spares after the asset folio of the relevant generating station and the entire "Lot" of spares shall be maintained as one asset in that folio, irrespective of the nature of individual spares maintained and their individual life period. The life period of the entire lot of spares be the life period of the generating station. Though one folio is maintained for entire lot of spares with cost, the details of each item of spares with cost of each such item shall be recorded on the subsequent pages after the folio of this asset in the asset register specifically. There should not be any lapse in this regard. Whenever the spares are utilised in the generating station, there is no necessity of reduction of cost in the spares folio, but however the released part shall be handed over to stores as scrap duly obtaining acknowledgement invoice.

The spares so accounted in the asset register shall be depreciated upto 100% and not 90% as in the case of other assets. The percentage to be reckoned for calculation of depreciation and heads of account to be operated shall be as applicable to that of generating station.

Whenever the generating station is either retired or sold, the entire lot of spares shall also be treated as retired or sold and necessary entries as passed in respect of generation station shall be automatically given effect to spares also.

- d) The capital spares shall not appear as stock both in numerical/pricing ledger and also physically in stores.
- e) A separate register viz "SPARE ACCOUNTING REGISTER" for recording the movement of spares shall be maintained at the site of generating station indicating each itemwise spare material in stock, date and purpose of issue, acknowledgement of engineer who has taken spares and reference to return of released materials with Ack.No. and date. The balance of spare item available at the generating station after such issue shall be struck and tallied to physical quantity available.

IV. The above specific instruction along with the general policies reiterated shall be followed in accounting of capital spares at generating stations. Any specific issue other than those dealt in this Circular may be referred to this office with full details for clarification.

Sub : Introduction of revised procedure for collection of Fuel Escalation charges.

Ref : Board letter No.KEB/B10/312/94-95,dated 14.11.95 addressed to the FA & CA/KEB.

The Board has introduced revised procedure in the matter of levy and collection of Fuel Escalation charges (FEC) from all HI consumers, with a view to collect the said charges in the same month in which it is paid to the Generating Companies. The procedure laid down and to be followed scrupulously by all the officers concerned is as follows:

1. The chief Engineer (EI) Projects should send the monthly D.G.P. Units generated/supplied etc., directly to the FA&CAO on or before 5th of every month.
2. All Superintending Engineers(EI) O&M Circles should submit the monthly Traiff-wise H.T consumption directly to the FA&CAO on or before 10th of every month through Speed Post/Telex.
3. The Superintending Engineer (EI) LDC should submit the bills of FEC directly to the FA&CAO on or before 10th of every month.
4. The FA&CAO should arrange to calculate the FEC rate, get it audited from CCA(I/A) and send the same to the Chief Engineer(EI) (General) on or before 15th of every month.
5. The Chief Engineer(EI) (General) based on (4) above should issue circular instructions to all Executive Engineers(EI)/Asst.Ex.Engineers(EI) O&M Units about collection of FEC on or before 20th of every month.
6. All the field officers should arrange to issue bills for FEC to all HT consumers within 25th of every month.

Consequent on introduction of above procedure, it is obligatory on the part of all concerned to see that bills for payment of FEC to all HT consumers are issued without fail before 25th of every month. Therefore, in order to ensure that the revenue Units raise demand of FEC without any delay and slip-ups, it is very essential to monitor this aspect by Divisional officers.

Hence, the Accounting Units which render monthly DCB statement to their respective jurisdictional Divisions shall furnish the following certificate in the DCB statement submitted every month to their controlling Division:

"Certified that Fuel Escalation charges for the month of..... at the rate ofintimated vide letter No.....dated..... of the Chief Engineer, Electricity (General) KEB has been demanded in the ledger and included in the total demand of the month and bills have been issued within 25th of the month"

In respect of such units wherein no HT installations exist, a certificate to the effect that no HT installations exist be furnished compulsorily. The Divisional officers shall invariably obtain the certificates on DCB every month without fail from all the Units in their jurisdiction. Similarly, a certificate shall be furnished on the overleaf of DCB statement of the Division sent to this office every month as under:

"Certified that Fuel Escalation charges for the month of at the rates indicated by the Chief Engineer, Electricity (General), KEB in his letter NO.....dated has been demanded against all HT consumers' ledger accounts of the Division and bills issued within 25th of the month".

If for whatever reason FEC of a month has not been demanded in the ledger, a separate Note has to be annexed to the DCB clearly intimating the reason, the amount involved, who are all responsible for the lapse etc., so as to enable this office to report the matter to the Board.

It may be noted that DCB statements for November '95 and onwards without the certificates will not be accepted by this Office. Therefore all the concerned officers are requested to exercise thorough check before the DCB statement for November '95, is despatched.

164. No.CCA/AO(A/Cs)/Sn-14/cys 115/95-96

Dtd :1.12.95

Sub : New Procedure for exhibiting clearance of transactions under account code 32-IUA-Capital Expenditure and Fixed Assets balances in the Accounts.

I. Background :

Encouraged by overwhelming response received from all the units in establishing firm control on monitoring and clearance of IUA balances in respect of account groups 31, 36 and 37 after implementation of procedure intimated vide this Office circular No.CYS-52/93-94 dated 8-7-93, a new procedure is evolved for exhibiting clearance of balance in "32-IUA-Capital Expenditure and Fixed Assets" in the Accounts. There has been continuous pressure on this Office by most of the Units in the field also to bring out a foolproof, self-monitoring procedure for clearance of balance in "32-IUA-Capital Expenditure and Fixed Assets" accounts also on the same lines of procedure evolved in 1993 for other three Inter-Unit Accounts. With the feed back and experience gained over 2 years in respect of new procedure ushered in in respect of three Inter-Unit Accounts, now a new procedure has been evolved to overcome all system deficiencies and establish firm control over the monitoring of balances in 32-Inter-Unit Accounts. This procedure shall be followed by all the Accounting Units with effect from 1st January, 1996 without fail. The details of the procedure are as follows:

II Principle:

1. The basic underlying principle is same as in the case of procedure prescribed for other three Inter-Unit Accounts groups namely 31, 36 and 37. However the account Group 32 has got peculiar nature of transactions imbibed in it. Unlike in the case of either account Group 31 or 36 or 37; the transactions in Account Group 32 are not either confined to store only or to journal voucher only.. It has both kinds of transactions necessitating splitting up of existing Account Code into five exclusive different Account Codes. This is because it is well known that the released assets pass through stores affecting Account Code 32 and the transactions pertaining to transfer of Fixed Assets, Capital expenditure and depreciation do not pass through stores but occur through journal voucher only, affecting Account -code 32.

2. The principle behind the new procedure evolved here also is that the unit which creates the transaction under 32 IUA shall invariably be held responsible for clearance of corresponding balance. This clearly indicates the responsibility on the Accounting Unit which generates an "Inter-Unit Account Debit or Credit balance" under Account Code 32 and sends advice of transfer to obtain the acceptance of transfer from transferee unit and ensure clearance of balance.

3. The aspect of clearance of balance shall be depicted in the books of accounts and Trial balance of the Accounting Unit, which generates transactions. The Accounting Unit shall also maintain Location code wise accounts in the Inter-Unit Account ledger for uncleared balances exhibited in its Trial Balance and accounts.

4. The Accounting Unit has to pass a Journal Voucher on receipt of acceptance for the Advice of transfer sent by them to ensure depiction of clearance of balance in its books.

5. The new procedure evolved is applicable only to account code "32-IUA-Capital Expenditure and Fixed Assets" and "not to account code 32.802". The existing procedure in respect of 32.802 shall be continued for furnishing data to Head Office and monitoring of clearance of balances.

III. New Procedure:

1. The new procedure shall be given effect to from 1st January 1996 invariably and no postponement is allowed.

2. The following are the new heads of accounts opened:

- a) 32.1(L.C)-IUA-Released Assets-Acceptance not received.
- b) 32.2.(L.C)-IUA-Released Assets-A.T. not received.
- c) 32.3.IUA-Released Assets/Capital Expenditure/Fixed Assets/depreciation-Clearance.
- d) 32.4(LC)IUA.Capital Expenditure/Fixed Assets/depreciation-Debit AT sent.
- e) 32.5(LC).IUA-Capital expenditure/Fixed Assets/depreciation-Credit AT sent.

3. The existing account code "32-IUA-Capital Expenditure and Fixed Assets" is renamed as "32-IUA-Capital Expenditure and Fixed Assets (1995)" with effect from 1-1-96 and the entire balance under "32-IUA-Capital Expenditure and Fixed Assets" as on 31-12-95 shall be transferred to "32-IUA-Capital Expenditure and Fixed Assets (1995)". Further clearance of balance in respect of previous transactions shall be watched under "32-IUA-Capital Expenditure and Fixed Assets(1995)" only. Any transaction originating on or after 1-1-96, be it either an issue or receipt of Released Asset on transfer /receipt of Fixed Assets/Capital Expenditure/Depreciation shall not be debited or credited to "32-IUA-Capital Expenditure and Fixed Assets (1995)". However transactions which have already originated or originate on or before 31-12-95 and awaiting clearance on or after 1-1-96 may have to be debited or credited to "32-IUA-Capital Expenditure and Fixed Assets(1995)" depending upon each case for the purpose of clearance. Following entries have to be passed in respect of transactions originated before 31-12-95 and coming up for clearance on or after 1-1-96.

a) When the Acceptances are received on or after 1-1-96. for Advice of transfer sent on or before 31-12-95.(both in respect of transfer of Released Asset and Fixed Asset/Capital Expenditure/Depreciation)

i) In respect of Acceptances received for Debit ATs sent:

32.3 IUA-Released Assets/Capital Expenditure/Fixed Assets/Depreciation-(Clearance) Dr.

To 32 IUA -Capital Expenditure and Fixed Assets (1995)

ii) In respect of Acceptances received for Credit ATs sent:

32 IUA-Capital Expenditure and Fixed Assets (1995).....Dr.

To 32.3 IUA-Released Assets/Capital Expenditure/Fixed Assets / Depreciation-(Clearance).

b) when the released Asset is received and accounted in stores on or before 31-12--95 but A.T. received on or after 1-1-96 for acceptance.

32. IUA-Capital Expenditure and Fixed Assets (1995).....Dr.

To 32.3. IUA-Released Assets/Capital Expenditure/Fixed Assets /Depreciation-(Clearance).

c) When the released assets are invoiced on or before 31-12-95 but received and accounted in stores on or after 1-1-96.

i) When the Receipt voucher is accounted (on receipt of Released Assets in stores).

16 series Dr.

To 32.2(L.C) IUA-Released Assets-A.T. not received

ii) When the AT is received and accepted.

32.2 (L.C)-IUA-Released Assets/Capital-A.T. not received..... Dr.

To 32.3 IUA Released Assets / Capital Expenditure/Fixed Assets/Depreciation-Clearance.

d) When the Capital Expenditure/fixed Asset/Depreciation is transferred through A.T. by transfer or division on or before 31-12-95 and A.T. received in transferee division for acceptance on or after 1-1-96.

i) When Debit A.T. is received for acceptances

10 Series.....Dr.

12 Series.....Dr

14 Series.....Dr

To 32.3.IUA-Released Assets/Capital Expenditure/Fixed Assets

/Depreciation-Clearance.

ii) When Credit A.T. is received for acceptance.

32.3 IUA-Released Assets/Capital Expenditure/Fixed Assets

/Depreciation-Clearance...Dr.

TO 10 Series.....

" 12 Series.....

" 14 Series.....

4. The following are the entries to be passed for all transactions generated on or after 1-1-96 in the Transferor division.

A. i) When Released Assets are transferred and AT sent.

32.1 (L.C) IUA-Released Assets-Acceptance not received..Dr.

To 16 Series.

- ii) When acceptance is received for the above A.T. sent.
32.3- IUA-Released Assets/Capital Expenditure/Fixed Assets / Depreciation-Clearances.Dr.
To 32.1 (L.C.) IUA-Released Assets-Acceptance not received.
- B. i) When Capital Expenditure/Fixed Asset/Depreciation is transferred by debit A.T.
32.4 LC.) IUA- Capital Expenditure /Fixed Assets/Depreciation-Debit A.T. sent ... Dr.
To 10 series
12 series
14 series
- ii) When acceptance is received for the above A.T.
32.3 IUA - Released Assets /Capital Expenditure/Fixed Assets/Depreciation - Clearance ... Dr.
To 32.4 (L.C.) IUA - Capital Expenditure/Fixed Assets/Depreciation - Debit AT sent
- C. i) When Capital Expenditure /Fixed Assets Depreciation is transferred by Credit A.T.
10 series Dr.
12 SeriesDr.
14 SeriesDr.
To 32.5 (L.C.) IUA - Capital Expenditure/Fixed Assets/Depreciation Credit AT sent.
- ii) When acceptance is received for above A.T.
32.5(L.C.)IUA - Capital Expenditure/Fixed Assets/Depreciation-Credit A.T.sent...Dr.
To 32.3 IUA - Released Assets/Capital Expenditure/Fixed Assets/Depreciation - Clearance.

Note:1. It shall be noted that whenever released assets are transferred and such assets are maintained as released assets only for further issue to works or repairs, then the transfer of released asset value shall be at "**Written Down Value**" only.

Note 2: In the case of transfer of Fixed Assets from one Division to other Division due to any reason, such Asset shall be transferred at "**Full Original Value**" of the Asset by a Debit A.T. duly transferring "**Depreciation Provision**" also exclusively by Credit AT in respect of such Asset.

Note 3: In the case of movable Assets like lorry, Jeep and other vehicles which are passed through stores of both sending and receiving Division, such Assets shall be transferred at written down value only. However, though the depreciation is not transferred by sending Division, the provision for depreciation shall be re-created at the receiving Division on the basis of details like Original Value, Written Down Value and Depreciation obtained from sending Division duly ensuring that the Depreciation provision in respect of such asset is withdrawn in the transferor Division. While creating depreciation, the debit shall be given to respective Asset Account Code 10 series and not to Revenue Expenditure. This has to be done to maintain the Original Value of the Asset at full value in the Asset Register.

5. The following are the entries to be passed for all transactions generated on or after 1.1.96 in the Transferee Division.

- a) i) For Accounting of Released Assets received in stores.
16 series ...Dr.
To 32.2(LC) IUA - Released assets - AT not received.
- ii) When A.T. is received for the above
32.2. (L.C) IUA-Released Assets - A.T. not received ... Dr.
To 32.3 IUA - Released Assets Capital Expenditure/Fixed Assets/Depreciation - Clearance.

b) When Debit A.T. is received in respect of Capital Expenditure/Fixed Asset/Depreciation.

10 Series ...Dr.

12 Series ...Dr

14 Series ...Dr.

To 32.3 IUA - Released Assets / Capital Expenditure/Fixed Assets/Depreciation - Clearance.

c) When Credit AT is received in respect of Capital Expenditure/Fixed Asset/Depreciation.

32.3 IUA - Released Assets Capital Expenditure/Fixed Assets/Depreciation

- Clearance... Dr.

TO 10 series

" 12 series .

" 14 series .

6. For the Account Codes 32.1, 32.2, 32.4 and 32.5 separate IUA Location Code wise ledger accounts shall be maintained in similar manner to that of Account Codes 31.1, 31.2, 36.1/37.1 and 36.2/37.2 respectively, in the formats already prescribed.

7. The monthly returns for each account code namely 32.1, 32.2, 32.4 and 32.5 shall be sent along with T.B. in the same formats that of corresponding account codes under account groups 31 and 36/37. Similarly quarterly returns shall be sent giving full details AT-wise in respect of Accounts Codes 32.1, 32.4 and 32.5 and giving details Receipt voucher-wise with reference to Issue Invoice No. and date in respect of Account Code 32.2 in the formats already prescribed for corresponding account codes.

The dates prescribed for receipt of monthly return and quarterly return remains same as that of other existing IUA accounts.

8. All the procedures prescribed for existing IUA Accounts in respect of sending returns, writing ATs, passing Journal Vouchers on receipt of acceptances, maintenance of IUA Location code-wise ledger accounts, putting monthly abstract of each IUA Location code-wise ledger account depiction of IUA Accounts in Trial Balance, Tallying of IUA Location code-wise abstract to T.B. and monitoring of clearance of balances in IUA Accounts apply mutatis-mutandis to the newly operated IUA ledger accounts under Account Group 32 in this circular. The following circulars already issued in respect of 31, 36 and 37 are to be referred in this regard.

a) No.CCA/AO(A/cs)/Sn IV/CYS-52/93-94/8-7-93

b) No.CCA/AO(A/cs)/Sn IV/CYS-92/93-94/16-9-93

c) No.CCA/AO(A/cs)/Sn IV/CYS-96/93-94/18-9-93

d) No.CCA/AO(A/cs)/Sn IV/CYS-118/93-94/4-11-93

e) No.CCA/AO(A/cs)/Sn IV/CYS-124/93-94/10-11-93

f) No.CCA/AO(A/cs)/Sn IV/CYS-39/95-96/13-7-95

IV. Immediately after arriving at the balance under "32 IUA-Capital Expenditure/Fixed Assets (1995)" as on 31.12.95, all the Accounting Units shall send a detailed statement of ATs sent by them upto 31.12.95, but acceptances not received yet on that date in the format prescribed below.

Statement of ATs pending as on 31.12.95 under Account Code "32".

Name of the Accounting Unit:		Location Code:			
Sl. No.	Name of the Accounting Unit	A.T. No. & Dt	Amount	Debit or Credit A.T.	Relates to Transfer of fixed Assets /CWIP/Deprn./Released Assets

Similarly all the Units shall send a statement showing details of AT's received by them under "32 IUA-Capital expenditure and Fixed Assets" but acceptances not sent as on 31.12.95 in the format prescribed below:

Statement showing the AT received but not Accepted as on 31.12.95 under Account Code "32".

Name of the Accounting Unit:		Location Code:			
Sl. No.	Name of the Accounting Unit	A.T. No. & Dt	Amount	Debit or Credit A.T.	Relates to Transfer of Fixed Assets /CWIP/Deprn./Released Assets

V. The above procedure should be scrupulously implemented and effect from 1.1.96 without any lapse by all the Accounting Unit. The Deputy Controller of Accounts, Accounts Officers and Assistant Accounts Officers (Accounts) shall evince special interest in studying this circular and implementing the new Procedure.

165. No. CCA/AO/(A/CS/Sn-IV/Cys.141/96-97

Dtd. : 6.2.96

Sub : Operation of In-transit accounts for "Remittance of money to Head Office from Units" and "Transfer of funds from Head Office to Units/Division".

On introduction of Commercial Accounting Systems w.e.f. 1.4.85 exclusive Heads of Accounts have been assigned for accounting remittances to Head Office from Units and Funds transferred from Head Office to Units vide Account Heads 33 and 34 respectively. These accounts take care of accounting of such remittances and transfers, provided the remittances have already reached the Main Bank at Head Office and similarly funds transferred have been credited in the Operative Banks of the respective Units/Divisions. However the remittances and funds "In-Transit" during the year are left unaccounted at the Head Office and at the Units if the same have not reached their destination banks before the closure of accounts of the year. This is pointed out by A.G. also several times in the past. Hitherto adhoc entries were passed by Units/Divisions to account funds transferred from Head Office to Units/Divisions but not accounted during the same year, at the time of preparation of March Final Accounts. To eliminate the lacuna in the system and to account properly the money in-transit either way, the "IN-TRANSIT" Account codes which are available already but not operated have been put into operation with immediate effect. The procedure to operate

these accounts is detailed below:

The respective Head of Account Under Account Group "24.5 - Remittance to Head Office In-transit Account" pertaining to the specific bank shall be operated by Resource Section in FA & CAO's office to account for all the remittances made by various branches of Banks to main bank account at Bangalore, but not account in the respective main banks during the same year.

The journal entry to be passed is as follows:

24.5 (Series) Remittance to head office In-transit Account ... Dr.
To 33 IUA - Remittances to Head Office.

The above entry has to be reversed at the beginning of the succeeding year to enable themselves accounting of actual receipts of money in respective banks subsequently.

The respective head of account under 24.6 pertaining to the specific bank shall be operated in the Accounting Units Divisions to account for all the Funds transferred from Head office during the current year but not received and accounted in thier respective operative banks in the same year.

The journal entry to be passed is as follows:

24.6 (series) Transfers from Head Office In-transit account Dr.
To 34 IUA - Funds transfer from Head Office.

The above entry has to be reversed at the beginning of the succeeding year to enable themselves accounting of actual funds received in respective banks subsequently.

These entries shall be passed wherever necessary and applicable; in Resource Section in FA & CAO's office and in Units/Divisions and incorporated in Mar(Final) Accounts from this year and onwards invariably.

The necessary Account Codes for each bank to account for "Remittances In-transit" and "Funds transferred IN-transit" are issued separately. The new Account Codes are as follows:

I. Head of Accounts in respect of "Remittances In-transit"

- a) 24.501 - Remittance to Head office In-transit account - State Bank of Mysore.
- b) 24.502 - " " " - State Bank of India
- c) 24.503 - " " " - State Bank of Hyderabad.
- d) 24.504 - " " " - Canara Bank
- e) 24.505 - " " " - Syndicate Bank

II. Head of Accounts in respect of Transfers from "Head Office In-transit account"

- a) 24.601 - Transfer from Head Office In-transit Account - State Bank of Mysore.
- b) 24.602 - " " " - State Bank of India.
- c) 24.603 - " " " - State Bank of Hyderabad
- d) 24.604 - " " " - Canara Bank
- e) 24.605 - " " " - Syndicate Bank

The above instructions shall be implemented without fail, to depict transactions properly in the Accounts of the Board.

Sub : Procedure for clearance of balance under A/c Code 22.450 - Materials transfer within the Division.

Several instructions have been issued to all the O & M Divisions and Accounting Units to clear balance outstanding under A/c Code 22.450 in the meetings conducted and in exclusive letters written to each Accounting Unit/Division. In spite of this, the response is found to be very poor and on the contrary, the balance under this account code has alarmingly increased during 1994-95 as compared to previous year. The Accountant General has also observed in the Audit Report for 1994-95 that many of the Divisions visited for audit of Final Accounts are continuing to show huge sums of uncleared balance in this account. This situation cannot be allowed to continue for any more time and the Accounting Units/Divisions have to wake up to reality and ensure immediately that balance against A/c Code 22.450 is brought to "NIL" or maintained at lowest possible minimum i.e. relating to transactions of last one week at any time.

To enable Accounting Unit/Divisions to accomplish this task of reducing balance under A/c Code 22.450, a new procedure is evolved for immediate implementation. The procedure is as follows:

It is a known fact that the Pricing ledger accounts of all Sub-Divisional stores in the Division and that of Divisional stores are maintained in the accounts section of the Division office. All the staff dealing with this job will be sitting side by side and their work is also supervised by a Senior Assistant. In the new procedure evolved, immediately on issue of materials from one store to another store in the same Division, the Junior Assistant of issuing store shall record the details such as name of the store, invoice number and date and amount of the invoice on a page exclusively reserved for each store to which the material is issued, in a separate register maintained for this purpose. As the materials are sent to another store within the Division, the same has to reach the destination store on the same day or on the next day at the latest. Therefore the Junior Assistant looking after the pricing ledger of issuing store should ask for Receipt Voucher Number and date from his colleague who will be looking after the transactions of the destination store for the materials sent and recorded by him in the register maintained, within two or three days after issue. In the Register so maintained the R.V.No. and date and Amount shall be invariably recorded by each Junior Assistant for all the materials issued from their respective stores and received in other's stores in the above manner. If the delay in accounting of store materials is found to be more than a week by the Junior Assistants maintaining pricing ledgers, they should bring the delay to the notice of the Senior Assistant and Asst. Accounts Officer (A/cs). The Senior Assistant and AAOs shall in respect of such cases take immediate action to ensure account of materials in the destination store without any further delay. In addition to this, the Senior Assistant should review the register maintained by Junior Assistants for this purpose on every alternate day and affix his signature for having reviewed. The AAO (A/cs) shall review the register on every Monday for taking stock of the situation upto the end of previous week and give necessary instructions to account and clear unaccounted transfers among the stores. Similarly the Accounts Officer should review the registers on the last day of the month and ensure prompt clearance of balance without fail.

The format in which the register has to be maintained by Junior Assistants of Pricing Ledger is as follows. For this purpose any blank or demi sized ruled register shall be used.

Name of the Destination store
(Store to which materials are issued)

Sl. No.	Inv. No. & Date	Amount	Reference to vehicle/torry No.in which materials sent	Name of the person with designation who has acknowledged the receipt of materials.
1	2	3	4	5

R.V.No. & Date in which materials accounted at destination store.	Amount	Difference if any	Action taken to clear the items.
6	7	8	9

A statement in the following format has to be sent to this office before the end of succeeding month for the balances outstanding as on the last day of the preceeding month. Any lapse or delay in sending this statement to this office will be seriously viewed and the AAO (A/Cs) and AO of the Division Unit will be held personally responsible.

Statement showing storewise details of pending items against A/c Code 22,450 in ... Division as at the end of

Part A: Name of the store.....

Sl. No.	Inv.No. & Date	Amount	Name of the Destination Store
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Total of Part A :

Part B: Name of the store.....

Sl. No.	Inv.No. & Date	Amount	Name of the Destination Store
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Total of Part B :

Continue for each store separately as above under Part name C, D..... etc.

**ABSTRACT OF STOREWISE BALANCES UNCLEARED AGAINST ACCOUNT CODE 22.450 AS
AT THE END OF PERTAINING TO DIVISION**

Part No.	Name of the store	No. of items not cleared	Amount
A			
B			
C			
TOTAL			

The details should be furnished for each store in separate part as shown above and an Abstract in the format prescribed shall also be put up. The total amount of the Abstract should tally to the Trial Balance.

168. No.CCA/AO(A/cs)/Sn.IV/95-96 Cys.153

Dtd. : 26.2.96

Sub : Watching of materials such as transformers, conductors, etc., pertaining to major replacements.

The following circulars issued on the above subject may be referred.

1. C (A/cs)/AO(A/Cs)/Sn.IV/Cys.131/91-92, dated 1.2.92.
2. -do- Cys.124/91-92, dated 24.1.92
3. -do- Cys.125/91-92, dated 24.1.92
4. Board ltr. No. B19/345/85-86, dtd. 29.4.95
5. CCA/AO(C)/Sn.V/Cys.176/94-95, dtd. 31.3.95

Inspite of clear instructions, it is observed during my inspection of various Divisions that no control is exercised to watch the return of transformers, station equipments, conductors and other materials released from works as per the estimate prepared under "Decommissioning of Assets". The Member (Technical) has been persistently asking in all the CEE's meeting whether the return of released transformers and conductors in respect of works taken up under major replacements as per estimates sanctioned for decommissioning of assets, are being watched and controlled. He has also pointed that released transformers are openly seen everywhere in the field without being returned to store houses. The materials released are very costly and normally be reusable and therefore they have to be returned to stores with return article invoices and brought on to accounts invariably. To accomplish this, it is very necessary to open and maintain cost register for all works duly noting name of the work with work order no. and date, name of the material, and the quantity returnable as per estimate in the cost register with name of AE/JE who has to return these materials to stores. Wherever materials are not returned immediately after release, the concerned Field Officers shall be addressed to return the same without delay. If no response is received for the letters written to Field Officers, the Exe. Engineer shall arrange for recovery of the cost of the returnable materials at written down value or at the prevailing standard rates on the date of recovery. The Accounts Officer shall put an abstract of cost of such materials not returned from each Field Officer to the Executive Engineer, on the last day of every month by a special note and inspite of it, if the cost is not ordered to be recovered, the Executive Engineer, will be personally held responsible for the loss incurred by Board. Any failure on the part of any case workers or supervisory staff or officers will be to their personal account which may be noted.

Sub : Accounting of lines and other assets taken over by the Board from the promoters of layouts.
Ref : Notification No.KEB/B11/B10/6948/90-91/16.1.1992.

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 (EL) 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 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 Dr.

(for 11 KV. lines)

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.

New Heads of A/cs Issued after 1-4-85

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
10.5 Plant & Machinery				
1.		10.578	Computers	New Sub-Account Code opened with the following explanation "The cost of installation of computers will be debited to this account head".
14. Capital Work-in-Progress				
2.		14.110	CWIP-Transmission lines	
3.		14.120	CWIP-Step down stations	
4.		14.130	CWIP-Load Despatch and Communication	
5.		14.140	CWIP-Extension	
6.		14.150	CWIP-Improvement	
7.		14.160	CWIP-Reduction of losses in lines	
8.		14.200	CWIP-REC Plan Schemes	
9.		14.220	CWIP-SPA Schemes	
10.		14.240	CWIP-System improvement (REC)	
11.		14.300	CWIP-Village Electrification (GP)	
12.		14.320	CWIP -Power supply to IP sets (GP)	All cost of assets under construction under installation shall be recorded in this accounts. The cost shall be transferred to appropriate asset head in Account Group 10 or 11 on commissioning of Assets
13.		14.340	CWIP-Tribal Area Electrification (GP)	
14.		14.350	CWIP-Bhagyajyothi Schemes	
15.		14.400	CWIP-Service connections	
16.		14.450	CWIP-Generating Stations	
17.		14.502	CWIP-Buildings	
18.		14.607	CWIP-Vehicles	
19.		14.708	CWIP-Furniture and fixtures.	
20.		14.809	CWIP-office equipment	
21.		14.900	CWIP-Acquisition of licensees.	
22.		14.910	CWIP-Survey & Investigation expenses on projects	
23.		14.925	CWIP-Schemes outside the State sector (Sub-Accounts for each project of scheme outside the state sector eg. 14.935, 14.936, 14.945, 14.946 for each specific project may be opened. etc.,) (G.P. = General programme of Board).	

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
15. Other Accounts for assets at construction stage.				
15.1 Contracts in progress				
				These accounts will record payments on contracts for execution of capital works. The payments will be transferred to capital work in progress accounts under Account Group 14, only when the property in the assets passes to the Board on installation / erection of the assets as per the terms of the contract.
24.		15.120	CIP-Transmission Lines	
25.		15.122	CIP-REC-Plan Scheme	
26.		15.124	CIP-SPA Scheme	
27.		15.126	CIP-Village Electrification (GP)	
28.		15.128	CIP-Buildings CIP-Other civil works.	Explanation as given in the chart of Accounts against Account Group No.15
27.2 Loans and Advances to Staff-Interest Free				
29.	27.205		Advances to staff against expenses	New Sub-Account Code opened with the following explanation. "Advances paid to staff on Proforma bills to meet expenses towards vehicle repairs, demurrage, warfage, payments for obtaining goods / services etc., are debited to this account. On receipt of vouchers and competent approval this account will be cleared". The transactions in respect of "other Loans and Advances to staff" will now be accounted for under a New Head 27.206 detailed below.
30.	27.200		Other loans and advances to staff	Same as given in the chart of accounts against this head.
46.9 Sundry liabilities for provisions				
31.	46.965		Miscellaneous liabilities (OLD)	This head is opened to Book corresponding transactions accounted for prior to 31st March 1985 under D6-Misc. Deposits. Please also see procedure on change over to be new chart accounts. D6 - Misc. Deposits.
61.9 Miscellaneous Charges from consumers				
32.	61.903		Public Lighting Maintenance charges	New Sub-Account Code opened with the following explanations. "Charges recovered towards maintenance of public Lighting will be credited to this account".
33.	61.905		Delayed payment charges from consumers	This account will show the amount charged by the Board to consumers for payment of bills beyond the due dates.
34.	61.906		Other Receipts from consumers	"Receipts from consumers other than these mentioned above are credited to this account". This replaces the existing Account Code 61.905.

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
62. Income from Loans, Advances and Investments etc.,				
35.	62.250		Delayed payment charges from consumers.	Deleted as the account head is now provided for 61.905
35A.	27.868		Loan to KEB Societies	Ghataprabha O&M Division
36.	27.869		Loan to KEB Societies	Bailhongal
37.	27.870		Loan to KEB Societies	Bagalkot
38.	27.871		Loan to KEB Societies	Raichur
39.	27.872		Loan to KEB Societies	Bellary
40.	27.873		Loan to KEB Societies	Chitradurga
41.	27.874		Loan to KEB Societies	Sirsi
42.	27.875		Loan to KEB Societies	Chickballapur
43.	27.876		Loan to KEB Societies	Bidar
44.	27.877		Loan to KEB Societies	Bangalore Rural
45.	27.207	Education Advance to Staff		<p>This account will record the advances made to the employees whose pay does not exceed Rs.1003/- (inclusive of MDA) PM. Education Advance payments to the employees are debited to this account. This account is cleared based on refund or recovery out of salary. The balance in this account represent balances of advances yet to be recovered. This account is backed by employee wise details and account maintained at the division office in the same manner as that prescribed for 27.203 Festival Advance.</p>
46.	27.208	Loans and Advances to staff-Education Loan to staff		<p>This account will record the amount advanced as Education Loan to employees in group C & D categories. This account is debited with the loan taken by the employees. Recoveries made in the employees pay bill towards the loan are credited to this account. The balance in this A/c thus, represents balance of loan yet to be recovered from the employees. This loan account will be maintained in the office of FA & CAO.</p>
47.		14.810	CWIP-Tools & Tackles	Tools and Tackles each costing more than Rs.500/- be debited to this account.
48.		24.120	Postage stamps on hand	In column No.4 "and Revenue Stamps" is deleted.

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
49.		24.130	Revenue Receipt Stamps on hand	The purchase usage and stock of Revenue Receipt stamps be booked under this Account Head.
50.		44.330	Ex. Gratia payable	The total Ex.gratia payable to the employees drawing Rs.1,600/- & above is credited to this account and actual payment of Ex. Gratia is debited to this account.
51.		47.605	Voluntary Loan Contributions from I.P. consumers	Voluntary loan contribution received from consumers is to be credited to this A/c.
52.		48.330	Interest payable on voluntary loan contributions	This account will record the liability on account of interest payable to voluntary loan contributions made by the I.P. consumers and payments thereon.
53.		75.530	Ex. Gratia	Ex. Gratia payable to the employees drawing Rs.1,600/- & above is debited to this account.
54.		76.115	Revenue Receipts Stamps	Amount spent on Revenue Receipts Stamps is debited to this account.
55.		78.650	Interest on Voluntary Loan Contributions	Interest payable to consumers on voluntary loan contributions is debitable to this account.
56.		28.814	Receivables - REC - IP Rectification work	Expenditure incurred for improving the efficiency of I.P. sets (energy conservation) to be re-imbursed by REC.
57.		22.520	Stock Incidentals (Old)	This head of account is opened to book the transaction for the period prior to 31st March 1985 and its clearance.
58.		44.130	Leave contribution (Old)	do
59.		28.112	Sundry Debtors - Corporation	This account record debtors for various trading activities of the Board in respect of Corporations. The balance under this account will show the amount due to the Board.
60.		47.305	Deposit Contribution Works - Others	Deposit received from the other organisations for works and refund thereof whenever due, shall be booked to this account.
61.		47.310	Deposit contribution works - Schemes outside the State Sector	Deposits received from other state for Inter-State Line Works and refund thereof whenever due shall be booked to this account.

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
62.		46.966	Miscellaneous Deposits	Deposit received in Cash / recovery through Bills be credited to this account (other than the items specified in the Chart of Accounts). This account will be debited when refunds are arranged.
63.		83.830	Withdrawal of revenue demand of previous years	Revenue Demand raised during the previous years, but withdrawn during the current year in which the entry is made is to be recorded in this account.
64.	1	70.170	Power purchase-Madras Atomic Power Project, Kalpakkam	This account reflects the cost of power purchase from the Madras Atomic Power Project Kalpakkam.
65.	1	41.107	Sundry Creditors for purchase of power - Madras Atomic Power Project, Kalpakkam	This account reflects the amount due to the Madras Atomic Power Project, Kalpakkam.
66.	3	74.104	Repairs and Maintenance-Plant and Machinery - Telecommunication Division	Expenses incurred for the repairs and maintenance of plant and machinery at Telecommunication Division will be booked under the categories mentioned separately under 74.104.
67.	4	70.180	Power purchase-Neyveli Lignite Corporation, Neyveli	This account reflects the cost of power purchase from the Neyveli Lignite Corpn.
68.	4	41.108	Sundry Creditors for purchase of power - Neyveli Lignite Corporation, Neyveli	This account reflects the amount due to the Neyveli Lignite Corporation.
69.	5	23.9	Provision for bad and doubtful debts.	Provision for Bad and doubtful debts pertaining to consumers / Suppliers / Contractors etc. is credited to this account.
70.	7	53.6	Inventory Loan from REC	All payments made by REC against Inventory Loan will be accounted in this Head of Account.
71.	6	48.340	Interest payable on consumer Security Deposits	This account will record the liability and payment thereon on account of the interest payable to consumers on Security Deposits.
72.	6	78.660	Interest to consumers on Security Deposits	Interest to consumers on Security Deposit is debitible to this head of account.
73.	8	76.164	Secret Service Grant	The payment of Secret Service Grant made to Superintendent of Police, Vigilance, KEB from time to time may be booked under this account.

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
74.	10	39.	I.U.A. (old SA.IV) Inter-Divisional transfer prior to 1.4.1985).	This account will reflect the balances under the old SA.IV Account as on 31.3.85 and further clearance against this account will be recorded under this head.
75.	12	27.878	Loans to KEB Societies- O&M Division, Haveri	This account represents loans paid by KEB and the payment recorded under this account. This account will also be credited with the amounts of recovery from the Society.
76	13	48.350	Interest payable to consumers on Meter Security Deposits	This Account will record the liability on account of interest payable to consumers on meter Security Deposits and payments thereon.
77.	14	83.850.	Other expenses relating to prior periods	All other expenses relating to prior periods not specified in any of the Account Codes from 83.1 to 83.840 are debit to this A/c.
78.	16	23.120	Sundry Debtors - Amalgamated Electric Supply company	
79.	16	23.121	Sundry Debtors - TBHE Board	
80.	16	23.8	Provision for withdrawal of Revenue Demand	
81.	16	28.113	Sundry Debtors - IDBI	
82.	16	28.291	Income accrued but not received (old)	The balances in these accounts indicate amounts payable / receivable by the company Board. These accounts are operated by the office of the Financial Adviser and Chief Accounts Officer
83.	16	28.292	Sundry Debtors for rebate on REC loan	
84.	16	28.815	Receivable - Govt. amount recoverable from beneficiaries towards Bhagya Jyothi works	
85.	16	28.816	Receivable - Amount recoverable from Government towards Bhagya Jyothi works.	
86.	16	28.821	Income Tax paid in advance	
87.	16	28.822	REC loan paid in advance	

Sl. No.	Amendment No.	A/c Code	A/c Head	Description	
88.	16	28.823	Inventory loan paid in advance		
89.	16	28.824	Differential rate of interest payable by Govt. as Interest subsidy.		
90.	16	46.425	Outstanding liabilities capital (old)		
91.	16	46.957	Employees Provident Fund and Departmental share of PF payable account.	The balances in these accounts indicate amounts payable / receivable by the company Board. These accounts are operated by the office of the Financial Adviser and Chief Accounts Officer	
92.	16	46.967	Janatha Personal Accident Fund		
93.	16	46.968	Compensation to Licensees		
94.	16	46.969	Government grant for special component works.		
95.	16	55.4	Contribution from participating industries in the Diesel Generating Cell Project.		
96.	16	78.891	Interest on belated payments in respect of power purchase from KPC.		
97.	15	46.964	Provision for loss or write off of shortages found on physical verification of stocks.		
98.	The sub-account code No.46.967 may be read as 23.9 in the above Official Memorandum in respect of the Account Head "provision for Bad and Doubtful Debts".				
98A.	17	28.403	Cash found short due to theft etc., - pending investigation		Cash found short due to theft, etc., where the responsibility cannot be fixed on any employee of the Board is debitible to this account pending investigation.
99.	18	26.604	Transformers / Meters, etc., issued to contractors / suppliers for repairs / replacement		This account reflects (i) the written down value of transformers and (ii) standard rate of meters issued to contractors / suppliers for repairs or for replacing during guarantee period. This account will be debited on issue and credited on return from contractors / suppliers.
100.	19	28.817	Differential rate of interest recoverable from State Govt. in respect of REC loans for energisation of IP sets.	The amount due from State Government towards differential rate of interest of REC loan is debitible to this account and on recovery this account is credited.	

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
101.	19	28.818	Amount recoverable from Provident Fund Trust-KEB	The amount recoverable from KEB Provident Fund Trust and amount recovered may be accounted under this head of account.
102.	20	44.140	Provision for Family Benefit Fund	The Family Benefit Fund recoverable from employees may be credited to this Head of Account. Family Benefit Fund payments may be regulated as under. i) In case of retirement / resignation of an employee, the entire amount payable to him shall be debited to this account. ii) In case of death of an employee, this Account Code may be debited to the extent of employee's contribution till his death and also the matching contribution of Board. The balance amount payable has to be debited to Account Code 75.860 Family Benefit Fund contribution.
103.	20	24.140	Embossed Agreement forms on hand.	The cost of embossing and collection of the cost of embossed agreement forms may be booked under this Head of A/c.
104.	20	75.870	Contribution to KEB Life Cover Scheme 1987	The inspection charges payable to Regional Provident commissioner at 0.02% on basic wages including (MDA + DA) may be debited to this account.
105.	22	47.306	Deposit Works	Deposits received from private parties / consumers / other organisations etc., and refund thereof, in respect of capital works which are handed over to the consumers / organisations etc., after execution, for their use.
106.	23	53.960	Loan from Power Finance Corporation Ltd.	Loan received from Power Finance Corporation will be recorded in this A/c.
51.1 Repayments due				
107.	23	51.127	Inventory loan from Rural Electrification Corporation.	The amount due for repayment to REC on inventory loan will be recorded in this A/c.
108.	23	51.128	Loan from Power Finance Corporation	The amount due for repayment to Power Finance Corporation on loan will be recorded in this account.

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
51.2 Interest accrued and due				
109.	23	51.227	Inventory loan from REC	The interest due as on date will be recorded by opening an individual ledger A/c.
110.	23	51.228	Loan from Power Finance Corporation	The interest due as on date will be recorded by opening individual account.
78.5 Interest on other loans				
111.	23	78.545	Interest on inventory loan from REC	Interest on loan is booked under this A/c.
112.	23	78.584	Interest on loan from Power Finance Corporation	-- do --
113.	24	57.2	Development Fund	The Balance in this Account will represent the surplus of past years appropriated from Net Revenue Account.
114.	25	27.879	Loan to KEB Societies O&M Division, Madhugiri	This account represent Loans paid by KEB and the payment recorded under.
115.	25	27.880	Loans to KEB Societies O&M Division, Gadag.	this account. This account will also be credited with the amounts of recovery from the Societies.
116.	26	63.130	Grant-in-aid for survey and investigation	Grants received from State Government to cover the survey and investigation expenses on projects either wholly or partly will be accounted for under this Head of Account
117.	27	75.880	Compensation under KEB Life Cover Scheme, 1987.	Lumpsum payment of Rs.10,500/- paid to legal heirs of the deceased employee shall be debited to this account.
118.	28	75.890	Pension and leave contribution charges of employees on deputation	The pension and leave contribution charges of employees on deputation from Government / Local Bodies / Boards / other institutions should be debited to this head of account.
119.	30	76.154	Factory Licence Fees	Factory Licence fees paid to the Inspector of Factories are debitable to this account
120.	32	46.470	Duty and taxes payable to Government	This account will record the amount collected and payable to Government in respect of any other duty / taxes (i.e., other than Excise Duty and royalty). They get cleared on payment to Government.

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
121.	34	47.604	Revenue suspense	The amount collected from consumers towards energy charges but not traceable to definite RR. Nos. / installation are to be credited to this account. Receiptwise details to be recorded in the schedule maintained at sub-division. Immediately on tracing the details, the amount should be cleared by credit to appropriate final Account.
122.	33	47.606	Revenue collection pending classification over Sundry Debtors	The collections from consumers towards revenue and tax only, pending classification as per DCB statement shall be credited to this Account. The amount should be cleared on passing DCB entries for the month. No balance should be outstanding under this account thereafter
123.	35	28.620	Rural Electrification subsidy / Grant Receivable	Rural Electrification subsidy / grant receivable from Government towards RE loss is accounted in this account.
124.	35	58.223	Contribution to Investment Allowance Reserve	This account will record the contributions made during the year to the Investment Allowance Reserve Account.
125.	37	46.927	Sales tax deducted at source and payable to Department	Sales tax deducted at source from the bills of Civil Contractors and others shall be credited to this account. The amount deducted should be remitted to sales tax department on the next working day by debit to this head of account.
126.	39	14.360	CWIP Kuteera Jyothi Schemes	All Capital expenditure incurred in respect of Kuteerajyothi works shall be debited to this account.
127.	38	27.881	Loans to KEB Societies O&M Division, Belgaum	This account represents loans paid by KEB and the payments recorded under this account. This accounts will also be credited with the amounts of recovery from the societies
128.	40	61.315		Revenue from sale of power - Commercial purpose HT-2B.
129.	40	61.320		Revenue from sale of power - Public Water Supply & Sewerage Pumping (HT-1)

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
130.	40	61.350		Revenue from sale of power - Temporary Power Supply (HT-5)
131.	40	23.123		Sundry Debtors for sale of power-public Water Supply & Sewerage Pumping (HT-1)
132.	40	23.122		Sundry Debtors for sale of Power - Commercial purposes (HT-2 (b))
133.	40	23.124		Sundry Debtors for sale of power - Temporary Supply (HT-5)
134.	41	28.825	HKDP Receivable from State Government (HKDB)	All the expenses incurred in Gulbarga Zone towards Hyderabad Karnataka Development Programme (HKDP) shall be debited to this head of account. On receipt of grant against these works from the State Government (i.e. HKDB - Hyderabad - Karnataka Development Board) at head office, this account shall be credited by the head office.
135.	42	22.731	Cost of Materials and labour in respect of Temp. Power Supply Works	The materials issued for temporary power supply works and labour charges booked shall be debited to this A/c. and the cost of materials returned shall be credited. The debit balance against each completed work order shall be transferred to A/c. Head 74.511, only if the returnable materials are returned as per estimate. The cost of returnable materials short returned shall however be debited to personal account of the concerned Work Order wise 'C' Register and Schedule shall be maintained.
136.	42	74.511	Temporary Power supply cost absorbed	The debit balance against each completed work order under 22.731 after the returnable materials are returned and / or the cost of returnable materials short returned is transferred to personal account, is debited to this account for absorption in revenue expenditure, since the service charges collected is credited to 23.7 - Sundry Debtors - Miscellaneous receipts from consumer.
137.	44	27.810	Seed Capital to KEB Canteen, Cauvery Bhavan, Bangalore	Seed capital to K.E.B. Canteen Cauvery Bhavan, Bangalore shall be debited to this Account Head.

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
138.	45	23.522		Dues from permanently disconnected consumers-Commercial Purposes (HT.2(b))
139.	45	23.523		Dues from permanently disconnected consumers - Public Water Supply & Sewerage Pumping (HT.1)
140.	46	23.422		Provision for unbilled revenue - HT Commercial
141.	46	23.423		Provision for unbilled revenue - Public Water Supply and Sewerage Pumping
142.		76.103	Expenses incurred towards security arrangement at Generating stations / Transformer Centres / and other Board Offices	The expenses incurred towards security arrangements at Generating stations, Receiving stations and Transformer Centres and other Board officer in respect of police / army personnel are debitible to this account.
143.	49	14.111	CWIP - Transmission Lines KPP - I	The expenditure in respect of World Bank Aided Projects - Karnataka Power Projects I & II under transmission lines and step down stations shall be booked under these Heads of Accounts. The cost shall be transferred to appropriate General asset head in Account Group 10 & 11 on commissioning of Assets
144.	49	14.112	CWIP - Transmission Lines KPP - II	
145.	49	14.121	CWIP - Stepdown stations KPP - I	
146.	49	14.122	CWIP - Stepdown Stations KPP - II	
147.	52	14.370	CWIP - Border Area Development Programme		The expenditure on Border Area Development Scheme shall be recorded under this Account. The outlay shall be transferred to appropriate Asset Account after completion of all the works in a particular Taluk.
148.	56	63.140	Grant for HKDP-works	The assistance received from State Government towards electrification of Tandas, Hamlets, Harijan Bastis etc., under HKDP and treated as grant shall be credited to this Account.
149.	57	27.882	Loans to K.E.B. Societies O&M Division, Davangere	The Loans drawn from KEB by K.E.B. Co-operative Societies and the repayments of loan by the Societies are accounted under these Heads of A/c.
150.	57	27.883	Loans to K.E.B. Societies M.G.H.E. Jogfalls	

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
151.	57	27.884	Loans to K.E.B. Societies O&M Division, Udipi	The Loans drawn from KEB by K.E.B. Co-operative Societies and the repayments of loan by the Societies are accounted under this heads of A/c.
152.	57	27.885	Loans to K.E.B. Societies O&M Division, Bijapur	
153.	58	27.886	Loans to K.E.B. Societies O&M Division, Hassan	The Loan drawn from K.E.B. by K.E.B. Employees Co-operative Society and the repayment of loan by the Society is accounted under this Head of Account
154.	64	70.190	Transmission charges to Power Grid Corporation of India Limited.	The transmission charges payable to Cen- tral Power Grid Corporation of India Ltd., for the transfer of power from various Central Electric Power Generating Stat- ions i.e. N.T.P.C., N.L.C. Ltd., etc. to K.E.B. is 'Debitable' to this Head of A/c.
155.	64	41.109	Sundry Creditors for purchase of Power Power Grid Corporation of India Limited	This Account will reflect the transmission charges due to Power Grid Corporation of India Limited.
156.	I. Renamed Heads of Accounts :			
	As existing		Renamed as	
	1. 31. IUA - Materials		31. IUA (1993) - Materials	
	2. 36. IUA - Personnel		36. IUA (1993) - Personnel	
	3. 37. IUA - Other Transactions / Adjustments		37. IUA (1993) - Other Transactions / Adjustments	
	II. New Heads of Account Opened :			
	(a) (i) 31.1 (L.C.) IUA - Materials - (Acceptance Not received)			
	(ii) 31.2 (L.C.) IUA - Materials - (A.T. not received)			
	(iii) 31.3 (L.C.) IUA - Materials (Clearance)			
	(b) (i) 36.1 (L.C.) IUA - Personnel - (Debit A.T. sent)			
	(ii) 36.2 (L.C.) IUA - Personnel - (Credit A.T. sent)			
	(iii) 36.3 IUA - Personnel (Clearance)			
	(c) (i) 37.1 (L.C.) IUA - Other Transactions / Adjustments (Debit A.T. sent)			
	(ii) 37.2 (L.C.) IUA - Other Transactions / Adjustments (Credit A.T. sent)			
	(iii) 37.3 IUA - Other Transactions / Adjustments (Clearance)			
	(Amendment No. 68)			
157.	69	56.630	Reserve - Others	Balance amount appearing under A/c code 46.947 (i.e.) Consolidated Fund of the State is considered as other Reserve on par with Tariff Reserve

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
158.	70	79.9	Foreign exchange rate variation and related debits charged to capital works	The portion of the Foreign exchange rate variation on the loan borrowed for construction and other related expenditure chargeable to capital works shall be transferred to capital works through this A/c. (This A/c will be operated in Head office only)
159.	71	23.129	Sundry Debtors for sale of power - Industries with CD of 50 MVA and above and which are 100% export oriented	This reflects 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 from theft of energy and any other miscellaneous recoveries.
160.	71	61.316	Revenue from sale of power Industries with CD of 50 MVA and above and which are 100% export oriented	This reflects the revenue earned by the Board from sale of power. This will show the total value of bills raised for revenue only by various offices.
161.	71	23.429	Provision for unbilled revenue- Industries with CD of 50 MVA and above which are 100% export oriented.	This account represents the value of unbilled revenue provisionally credited to revenue account at the end of the year, which shall be reversed in the next year.
162.	71	23.529	Dues from permanently disconnected consumers- Industries with CD of 50 MVA and above which are 100% export oriented.	This account represents the amount due from permanently disconnected consumers. Individual consumers balance in the Sundry Debtors for sale of power account or in the other Sundry Debtors A/c shall be transferred to this Account on effecting disconnections.
NOTE : The Account Codes 23.122, 61.315, 23.422 and 23.522 are revived for operation w.e.f. 1.8.93 and shall be utilised for booking transaction in respect of HT2(b) - Commercial.				
163.	73	10.203	Buildings containing Diesel-Electric Generating plant.	This A/c will include the cost of improvements & cost of structures used in connection with Diesel Electric Power generation to House, support or safeguard property or persons including the cost of initial clearing of land. The cost incurred on fixtures, permanently attached to and made a-part of the structures will also be included in this account.
164.	73	10.508	Auxiliaries in Diesel Electric Generating Plant	This account includes the cost of auxiliaries like governors, pressure regulators, metering and recording instruments, Generator cooling system, Fire extinguishing equipments etc.,

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
165.	73	10.516	Oil storage tanks / oil handling plant and equipments	This account includes the cost of installed oil storage tanks, oil handling plant and equipments associated with production of electricity.
166.	73	10.530	Diesel Electric Generating power plant	This account will include the cost of installed Diesel Electric Generating Units associated with production of electricity.
167.	73	10.533	Plant foundation for Diesel Electric Generating Plant	This account includes the cost of foundation for Diesel Electric Power Generating Plant.
168.	73	The existing description of the account Code 10.101 is amended as follows :		This account will include all costs associated with acquisition of land used in connection with Hydro-Electric Power Generation, and diesel electric power generation. Cost incurred for resettlement of displaced persons and costs of protection to and removal, renovation and reconstruction of roads, streets and other property already existing will also be included in this account.
169.	77	53.971	Loan from M/s. Peerless General Finance and Investment Company, Calcutta	Loan received from M/s. Peerless General Finance & Investment Co., Calcutta will be recorded in this A/c.
170.	77	51.130	Repayment due on loan from M/s. Peerless General Finance and Investment Company, Calcutta	The repayment due on the loan shall be recorded in this A/c.
171.	77	51.230	Interest accrued and due on loan from M/s. Peerless General Finance & Investment Co., Calcutta	This A/c will be operated to record total amount of interest due on borrowing.
172.	77	78.586	Interest on loan from M/s. Peerless General Finance & Investment Company, Calcutta	Interest on loan obtained from M/s. Peerless General Finance and Investment Co., Calcutta is to be booked in this A/c.
173.	77	28.858	Interest due from Govt. of Karnataka in respect of loan obtained from M/s. Peerless General Finance & Investment Company by KEB.	Interest to be reimbursed by Govt. of Karnataka in respect of loan taken by KEB from M/s. Peerless General Finance & Investment Co., shall be recorded in this A/c.

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
174	78	24.307	Collecting Bank (Non-operative) - Public Deposit A/c	The transactions under the Public Deposit A/c maintained at Deputy Director of Treasury, Urban District, B'lore shall be recorded under this account. This Account shall be operated only by the FA & CAO's office.
175	79	27.106	Loans & Advances to staff- Computer purchase	This account is debited with the loan taken by employees for purchase of computer for personal use. Recoveries made towards the loan are credited. The balance under this A/c represents balance of loan yet to be recovered from the employees. The employeewise loan Account shall be maintained by the Advance Section, O/o FA & CAO on the lines; HBA / MCA etc. Accounts.
176	80	24.417	Disbursement Bank (Operative) Account Bank of Baroda	The transactions by R.E. Zone KEB, Bangalore with Bank of Baroda in respect of OECF (Overseas Economic Co-operation Fund) shall be booked against this Account. This Account shall not be operated by any other Accounting Unit.
<p>NOTE : The cheques should be jointly signed by Accounts Officer (R.E. Zone) and the Controller (B&R or Controller (F) in the absence of Controller (B&R). If the value of the cheque exceeds Rs.10 lakhs, the cheque will be jointly signed by Controller (B&R) or in his absence Controller (F) and F.A. & C.A.O. as per existing Board procedure as per letter No. C(B&R)/AO/BII/AAO/Sn.VI/OECF/2190, dtd. 3.9.1994 from Member (Finance), K.E.B.</p>				
177	83	27.889	Loans to KEB Societies Jamkhandi	The loan drawn from KEB Employees' Co-operative Society and the repayment of loan by the Society is accounted under this Head of Account.
77.3 Lease rents and Hire Purchase Instalment				
178	84	77.310	Lease rent to M/s. I.L. & F.S.,	Only lease rent due to be paid to M/s Infrastructure Leasing & Financial Service Ltd. Bombay shall be debited to this Account.
179	84	74.111	R&M and all other expenses on lease hold assets of M/s. I.L. & F.S.	All expenditure other than lease rent, such as management fee, Interest on advance payments made to manufacturers / suppliers / sellers of equipment, commitment fees on undisbursed amount insurance on equipment, Rates & taxes on the asset, late charges in case of default, Licence fee / surcharge / registration charges etc., paid in respect of lease hold asset shall be debited to this Account

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
180.	84	46.420	Lease rent and all other dues payable to M/s. I.L. & F.S.	Lease rent and any other expense on lease hold assets due to M/s. I.L. & F.S., Bombay shall be credited to this Account by debit to 77.310 or 74.111 as the case may be. On arranging payment to M/s. I.L. & F.S. this account shall be debited.
181.	86	55.101	Sub-Station Augmentation charges collected from consumers	Charges collected from consumers towards augmentation of Sub-Station wherever contract Demand is more than 1000 KVA and supply arranged at lower voltages at the request of the consumer instead of arranging supply at higher voltage depending on the system net work existing in the area shall be credited to this account. The charges collected from consumers is not refundable under any circumstances. (Refer B.O. No. KEB / B11 / B10 / 6948 / 90-91 Dtd. 11.7.94 for prescribed rates of sub-station augmentation charges to be collected).
182.	87	17.231	Deferred interest on Hire purchase of vehicles from M/s. KSFC as per B.O. Dtd. 31.1.95	The difference between Hire purchase price and Cash price of each vehicle shall be debited to this a/c by credit to 46.421 after vehicles are received. Every month this account has to be credited to the extent of interest element included in the payment of EMI by debit to 78.588. So also in respect of interest element in the 4 months EMI paid as advance and subsequently cleared. This entry will be passed every month only in Controller (B&B) Section. A schedule shall be maintained to show vehiclewise details.
183.	87	25.503	Advance to M/s. KSFC for Hire purchase of vehicles.	Advance of 4 months EMI paid to M/s. KSFC is debited to this account and subsequently cleared by debit to 46.421 immediately on receipt of vehicle. B.O. Dtd. 31.1.95.
184.	87	46.421	Hire purchase price payable to M/s. KSFC for purchase of vehicles as per B.O. dtd. 31.1.95	The total Hire Purchase Price (HPP) which includes Cash price of vehicles and interest on Hire Purchase shall be credited to this account immediately on receipt of vehicles, by debit to 14.607 CWIP-Vehicles to the extent of Cash price of each vehicle and by debit to

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
				17.231 to the extent of difference in HPP and Cash price as mentioned in Annexure-1 to agreement entered with M/s. KSFC on 10.2.95.
				The advance already paid in respect of each vehicle shall be debited to this account immediately after the vehicle is received by credit to Advance Account 25.502. Since advance represents 4 months EMI, payment out of this account in respect of each vehicle shall be stopped at the 56th instalment. Reference B.O. No.KEB/B7/4597/94-95, dtid, 31.1.95.
				EMI paid regularly every month to M/s. KSFC shall be debited to this account.
185	87	78.588	Interest on Hire purchase loan from M/s. KSFC	Interest element included in payment of EMI shall be debited to this account, by credit to 17.231. Ref.:B.O. No.KEB/B7/4597/94-95/31.1.95.
186.	88	28.114	Sundry Debtors for sale of Assets-M/s Vysya Bank Ltd.	The amount due in respect of Sale proceeds on sale of capacitors of various voltages (541.0 MVAR) as indicated in CEE (PFC/ADB), B'lore invoice No.CEE/PFC/ADB/LF/1/28.3.95. shall be debited to this account. On recovery of the amount balance in this account shall be cleared.
187.	88	28.115	Sundry debtors for sale of Assets - M/s Global Trust Bank Ltd.,	The amount due in respect of sale proceeds on sale of Synchronous condenser systems, Automatic voltage Controllers, Automatic power cut off devices as indicated in CEE (PFC/ADB) B'lore invoice No.CEE/PFC/ADB/LF/2/28.3.95, shall be debited to this account. On recovery of the amount, balance in this account shall be cleared.
188	88	28.116	Sundry debtors for sale of Assets - M/s Bank of Madura Ltd.	The amount due in respect of sale proceeds on sale of Automatic power cut off devices as indicated in CEE (PFC/ADB)/B'lore invoice No. CEE/PFC/ADB/LF/3/30.3.95, shall be debited to this A/c. On recovery of the amount, balance in this account shall be cleared.

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
189	88	46.422	Lease Rent payable to M/s. Vysya Bank Ltd.,	Lease rent and other expenses on lease hold assets (Capacitors of various voltages - 541. OMVAR) due to M/s. Vysya Bank Ltd., shall be credited to this account by debit to 77.311 every month on the due date. On arranging payment to M/s. Vysya Bank Ltd., this account shall be debited.
190	88	46.423	Lease Rent payable to M/s. Global Trust Bank Ltd.,	Lease rent and other expenses on lease hold assets (Synchronous condenser systems, Automatic Voltage Controllers, Automatic power cut off devices) due to M/s Global Trust Bank Ltd., shall be credited to this account by debit to 77.312 every month on the due date. On arranging payment to M/s. Global Trust Bank Ltd., this account shall be debited.
191	88	46.424	Lease Rent payable to M/s. Bank of Madura Ltd.,	Lease rent and other expenses on lease hold assets (Automatic Power Cut off devices) due to M/s. Bank of Madura Ltd., shall be credited to this account by debit to 77.313 every month on the due date. On arranging payment to M/s. Bank of Madura Ltd., this account shall be debited.
192	88	74.112	R&M and all the expenses on lease hold assets of M/s. Vysya Bank Ltd.,	All expenditures other than lease rent such as lease management fee, repairs and maintenance, insurance, sales tax, excise duty etc., shall be debited to this account in respect of lease hold assets of M/s. Vysya Bank Ltd.,
193	88	74.113	R&M and all other expenses on-lease hold assets of M/s. Global Trust Bank Ltd.,	All expenditures other than lease rent such as lease Management fee, repairs and maintenance, insurance, sales tax, excise duty etc., shall be debited to this account in respect of lease hold assets of M/s. Global Trust Bank Ltd.,
194	88	74.114	R&M and all other expenses on lease hold assets of M/s. Bank of Madura Ltd.,	All Expenditure other than lease rent such as lease Management fee, repairs and maintenance, insurance, sales tax, excise duty etc., shall be debited to this account in respect of lease hold assets of M/s. Bank of Madura Ltd.,

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
195	88	77.311	Lease rent to M/s. Vysya Bank Ltd.,	Lease rent due to be paid to M/s. Vysya Bank Ltd., in respect of capacitors of various voltages (541.0 MVAR) taken on lease shall be debited to this account.
196	88	77.312	Lease rent to M/s. Global Trust Bank Ltd.,	Lease rent due to be paid to M/s. Global Trust Bank Ltd., in respect of Synchronous condenser systems, Automatic voltage controllers, Automatic power cut off devices taken on lease shall be debited to this account.
197	88	77.313	Lease rent to M/s. Bank of Madura Ltd.,	Lease rent due to be paid to M/s. Bank of Madura Ltd., in respect of Automatic power cut off devices taken on lease shall be debited to this account.
198	89	25.502	Advance to IOCL for Oil (interest free)	Advance payment made to M/s. IOCL for supply of Heavy fuel oil, HSD Oil and Lub Oil used in Diesel Generating Station is debited to this account. As and when final bills are passed this account shall be credited.
199	89	71.150	Cost of HFO (Furnace/LSHS Oil consumed) - Diesel power Generation.	Cost of Furnace / LSHS Oil consumed in Diesel Power Generation shall be debited to this Account.
200	89	71.151	Cost of HSD Oil consumed- Diesel Power Generation.	Cost of HSD Oil consumed in Diesel Power Generation shall be debited to this Account.
201	89	71.152	Cost of Lub Oil consumed- Diesel Power Generation.	Cost of Lub Oil consumed in Diesel Power Generation shall be debited to this Account.
202	90	46.441	Guarantee Commission payable to Government	The Guarantee Commission payable to Govt. on State Government loans and other Guarantees shall be credited to this Account, by corresponding debit to A/c Code 78.868. On payment this A/c is debited.
The existing description in the Head of Account "78.868 - Guarantee Commission payable to Government may be changed to "Guarantee Commission to Government"				
203	91	78.589	Interest on Advance payments made to M/s. I.L. & F.S.	Interest on advance payments made to manufacturers / suppliers / sellers of equipment as per terms of agreement entered into with M/s. IL & FS shall be debited to this account.

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
204	92	14.155	CWIP - Additional Street Lights / Street Lights in cities/ towns / villages	Capital Expenditure incurred in respect of Additional street lights/street lights which are not covered under electrification of villages / Hamlets / Tandas / Tribal colonies and not included in such estimates at the time of electrification in these schemes shall be booked under this head of account. The cost shall be transferred to appropriate asset head in Account Group 10 on commissioning of Asset.
205	92	14.115	CWIP - 33 KV Transmission lines.	Capital Expenditure incurred on 33 KV Transmission Lines shall be exclusively booked under this Head of Account. The cost shall be transferred to appropriate asset head in account group 10 on commissioning of Asset.
The existing Heads of Accounts 14.110, 14.140 and 14.150 stands amended as follows.				
206	92	14.110	CWIP - 66KV to 440KV Transmission lines	Capital Expenditure incurred on 66 KV to 400 KV Transmission lines shall be booked under this Head of Account. The cost shall be transferred to appropriate asset head of Account Group 10 on commissioning of Asset.
207	92	14.140	CWIP-11KV Transmission lines - Extension	Capital Expenditure incurred on extension of 11 KV Transmission lines shall be booked under this Head of Account. The cost shall be transferred to appropriate asset Head in Account Group 10 on Commissioning of Asset.
208	92	14.150	CWIP-11KV Transmission Lines - Improvement	Capital Expenditure incurred on Improvement to 11 KV Transmission lines shall be booked under this Head of Account. The cost shall be transferred to appropriate asset Head in account group 10 on commissioning of Asset.
NOTE : The progressive Capital Expenditure shown against A/c Codes "14.110 CWIP - Transmission lines", "14.140-CWIP - Extension", and "14.150 CWIP - Improvement", as on date in respect of different categories for which separate Account Codes are issued above, shall be allocated among new Heads of Accounts and further booking shall be made accordingly. The estimates shall also be sanctioned scrupulously under new Heads of Accounts without fail.				
209	92	14.125	CWIP - 33 KV / 11KV Step down stations.	Capital Expenditure incurred on 33 KV / 11 KV step down station shall be booked under this Head of Account. The cost shall be transferred to appropriate asset head in Account Group 10 on commissioning of Asset.

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
The existing Head of account 14.120 stands amended as follows :				
210	92	14.120	CWIP-66 KV to 400 KV step down stations	Capital Expenditure incurred on 66 KV to 400 KV stepdown stations shall be booked under this Head of Account. The cost shall be transferred to appropriate asset head in Account Group 10 on commissioning of Asset.
NOTE : The progressive Capital Expenditure shown against A/c Codes "14.120 CWIP-Step down stations" as on date shall be allocated among new heads of accounts and further booking shall be made accordingly. The estimates shall also be sanctioned scrupulously under new Heads of Accounts forthwith without fail.				
211	92	14.165	CWIP - Installation of capacitors (G.P.)	Capital Expenditure incurred on installation of capacitors under General Programme of the Board shall be booked under this head of Account. The cost shall be transferred to appropriate asset head in Account Group 10 on commissioning of Asset.
212	94	55.102	Consumers' contribution towards regularisation of unauthorised installations.	Amount collected from consumers towards regularisation of unauthorised installations against specific approval of the Board only shall be credited to this Head of Account. The work shall be done under extension/improvement / service connection as the case may be
213	94	55.103	Consumer's contribution towards IP sets serviced under Self Financing Scheme	Amount collected from consumers for IP sets serviced under Self Financing Scheme either by extension of line or by service mains as per Board Lr. No. KEB / B19/877/93-94/16.7.94, B.O. No. KEB/B19/844/93-94/18.7.94 and Board Circular No.KEB/B19/B11/855/85-86 Dt. 23.9.95 only shall be credited to this account. The work shall be done under respective capital expenditure heads of accounts available.
214	95	I. Renamed Heads of Accounts :		
		As existing		Renamed as
		32 IUA capital expenditure and fixed Assets		32 IUA - capital expenditure and fixed Assets (1995)
		II. New Heads of Account Opened :		
		1) 32.1 (LC) - IUA - Released Assets - Acceptance not received.		
		2) 32.2 (LC) - IUA - Released Assets - AT not received.		
		3) 32.3 IUA - Released Assets / capital expenditure / Fixed assets /depreciation - clearance.		
		4) 32.4 (LC) - IUA - Capital expenditure / Fixed assets / Depreciation - Debit AT sent.		
		5) 32.5 (LC) - IUA - Capital expenditure / Fixed assets / Depreciation - Credit AT sent.		

Sl. No.	Amendment No.	A/c Code	A/c Head	Description
215	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
		As existing		Re named as
216	97	24.601	Transfer from Head office	Transfer from Head Office. In-transit account - State Bank of Mysore
217	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) A/cs. The entry so passed shall be reversed in the beginning of next accounting year.
218	97	24.502	Remittances to HO In-transit A/c - State Bank of Hyderabad	
219	97	24.503	Remittances to HO In-transit A/c - State Bank of India	
220	97	24.504	Remittance to HO In-transit A/c - Canara Bank	
221	97	24.505	Remittance to HO In-transit A/c - Syndicate Bank	
222	97	24.601	Transfers from HO In-transit A/c - State Bank of Mysore	
223	97	24.602	Transfers from HO In-transit A/c - State Bank of India	
224	97	24.603	Transfers from HO In-transit A/c State Bank of Hyderabad	These accounts shall be operated by the Units / Divisions to account for the transfer of funds from Head Office during the current year but not read and accounted in their respective Operative Banks in the same year. These Accounts will be Debited by crediting account code 34 during March (Final) accounts the entry so passed shall be reversed in the next accounting year.
225	97	24.604	Transfers from HO In-transit A/c Canara Bank	
226	97	24.605	Transfers from HO In-transit A/c Syndicate Bank	
227	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 employee's 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.

NEW LOCATION CODES ISSUED FROM 1.4.85 TO 28.2.96

Sl. No.	Sl. No. in Vol. III	Name of the Accounting Unit	LOCATION CODE	
			Transmission	Distribution
III. Divisions O&M (Inclusive of Receiving Stations) :				
1.	44	Rural (South) Division K.R. Circle Bangalore	344	444
2.	45	Central Division, Malleswaram Bangalore	345	445
Note: Location Code No. 307 and 407 assigned to bangalore Rural may be continued for the Rural (North) Divn. Bangalore				
III. Divisions O&M (Inclusive of Receiving Stations) :				
3.	46	Master Plan Division, KEB, K.R. Circle Bangalore		446
IV. Zones and Offices				
4.	11	Financial Adviser and Chief Accounts Officer, (Compilation Branch)	802	
III. Divisions O&M (Inclusive of Receiving Stations) :				
5.	47	Hoody Receiving Station O&M Division, KEB, Hoody, Bangalore	347	
III. Divisions O&M (Inclusive of Receiving Stations) :				
6.	48	Central Stores and Workshop Division		448
7.	49	K A R W A R	349	449
8.	50	C H A N N A R A Y A P A T N A	350	450
9.	Amend No. 59	P U T T U R O & M D I V I S I O N	351	451
10.	Amend No. 61	K O L A R O & M D I V I S I O N	352	452
11.	Amend No. 63	Chief Engineer Electricity (Major Works)	711	
12.	Amend No. 65	Advance Section O/o CCA	712	
13.	Amend No. 66	O&M Circle, Mangalore	209	259
14.	Amend No. 67	O&M Division, Pandavapura	353	453
15.	Amend No. 72	M.T. Division, Bangalore		454
16.	Amend No. 81	Chief Engineer (Elec.) (Projects)	713	
17.	Amend No. 82	Chief Engineer, Elect., PFC / ADB Cell	714	
18.	Amend No. 85	Chief Engineer (Electricity), Major works (North), Davangere	715	
19.	Amend No. 93	Executive Engineer (Elect), 400 KV Station & Lines	611	

CLASSIFICATION OF ACCOUNTS

The Accounts are basically classified into four categories i.e., Assets, Liabilities, Income and Expenditure.

The Income, Expenditure, Assets and Liabilities of the Board are accounted on accrual basis i.e., as and when they accrue.

The Groupwise Classification of Accounts are as follows:

A) ASSET ACCOUNT GROUP:

All these account groups should always carry DEBIT BALANCE with exception in respect of Account Codes: 22.510, 22.810, 23.113, 23.114, 27.101, 27.102, 27.103, 27.104, 31.2, 32.2, 32.5, 36.2, and 37.2.

10. Fixed Assets
14. Capital Work-in-Progress
15. Assets at construction stage
16. Assets not in use
17. Deferred costs
20. Investments
22. Stock related accounts
23. Sundry Debtors - (Revenue from sale of power)
24. Cash and Bank
25. Advance to Suppliers
26. Advance to Contractors
27. Other Loans and Advances
28. Sundry Debtors (Trading)
- 31 to 39 Inter Unit Accounts

B) LIABILITY ACCOUNT GROUP:

All these account groups should always carry CREDIT BALANCE except in respect of 44.110, 44.120 and 44.140.

12. Accumulated Depreciation
41. Liability for Power Purchase
42. Liability of Supplies/Works
44. Staff related liabilities and provisions
46. Other liabilities and provisions
47. Deposit for works

- 48. Deposits from consumers and interest payable on deposits
- 50. Borrowings for working capital
- 51. Payments due on capital liabilities
- 53. Capital liabilities
- 54. Funds from State Government
- 55. Contributions, Grants etc., towards cost of Capital Assets
- 56. Reserves
- 58. Surplus

C) INCOME ACCOUNT GROUP:

All these account groups should always carry CREDIT BALANCE.

- 61. Revenue from sale of power
- 62. Other income
- 63. Subsidies and Grants (Revenue)
- 65. Prior period income

D) EXPENDITURE ACCOUNT GROUPS:

All these account groups should always carry DEBIT BALANCE except in respect of the account codes 71.9, 74.9, 75.9, 76.9, 76.282, 77.9, 78.9, 79.110, 79.9 etc., which are exception to Revenue Expenditure Account.

- 70. Power Purchase
- 71. Cost of Generation of Power
- 74. Repairs and Maintenance
- 75. Employee Costs
- 76. Administration and General Expenses
- 77. Depreciation and Other related costs
- 78. Interest and Other Finance Charges
- 79. Other Debits to Revenue Accounts
- 83. Prior Period Expenses

NOTE : The Account Groups left out in the above list as compared to chart of Accounts are not being operated at present.

CHECKS TO BE EXERCISED BY ACCOUNTING UNITS WHILE SENDING MARCH FINAL ACCOUNTS

In addition to the checks prescribed for ensuring quality in monthly Trial Balance, the following checks are to be exercised specifically while the March Final Accounts are prepared and sent to Head Office.

1. Ensure that all entries for outstanding liabilities and prepaid expenses passed during previous year are reversed in the accounts of succeeding year. Ensure that the funds transferred / cheques issued during the year but not accounted in the same year in the accounting unit are brought under in-transit-accounts and incorporated in the accounts in the same year and reversed in the succeeding year.
2. Ensure that the provision for Unbilled Revenue is made only for HT installations.
3. Ensure that DCB statements are prepared as per the instructions issued in this office Circular No. Cys-7, dated 13-4-1988. All the five statements in respect of consolidated consumption, Revenue Demand, Revenue collection, Tax Demand and Tax collection for the year should invariably be prepared and enclosed to March Final Accounts. The B & E statement for March Final shall be separately submitted, wherever adjustments are passed / made effecting Electricity tax in the March Final.
4. Ensure that the interest on consumers' deposits is correctly calculated and provided as per instructions given in this office Circular No.118, dated 2-3-1990. **HOWEVER, THIS PROVISION ENTRY SHALL NOT BE REVERSED AS IN THE CASE OF OTHER ENTRIES.**
5. Ensure that there should not be any balance under Account Codes 28.932 and 48.2, as per this office Circular No. Cys-73/91-92, dated 7-9-91 except the deposit amount collected from consumers in the form of Bank Guarantees / fixed deposit accepted as per orders of any Court of Law or the competent authority of the Board.
6. Ensure that the balances under the following Account Codes are brought to barest minimum on the lines of instructions issued from time to time. 22.450, 22.720, 22.710, 22.810, 22.820, 27.205, 31.1, 31.2, 32.1, 32.2, 32.4, 32.5, 36.1, 36.2, 37.1 and 37.2.
7. Ensure that no case of withdrawals of Revenue and Tax approved by various authorities are left unaccounted.
8. Ensure that all FA & CAO's cheques and funds transferred during the year are correctly accounted.

9. Ensure that in Major Works Divisions / Major Works Circles / C.E.E.(Projects) / C.E.E.(Major Works) the provision made during the year for Bonus / Ex-gratia are capitalised and that the entry passed for provision of Bonus and Ex-gratia are reversed in the beginning of next year.

10. Ensure that in Major Works Divisions:

i) The assets created during the year are transferred to respective O&M Divisions and that these transfers are accepted by O&M Divisions and the provision for depreciation is made in transferee Division.

ii) The assets created during the year are transferred to the respective O&M Divisions in the same year. If the O&M Division has already submitted the March Final Accounts before the March (Final) Accounts of Major Works Division is finalised (which shall be ascertained by concerned Major Works Division contacting the respective Divisions) such Assets need not be transferred to the respective O&M Divisions during the year.

11. The paid acquittance rolls for all the payments made till 31st March shall be obtained from all Sub-Divisions / Sections and charged off in the Cash Book of the Division Office invariably before closure of the Cash Book for the year in view of reducing the suspense to the minimum extent.

12. **22.610:** Ensure that all stock related accounts are closed and balance transferred to Account Code 22.610 and closing balance of stock as per Accounts tallied to the related Annexure.

13. Credits / Debits booked during the year in respect of store counting for the year shall have been cleared obtaining final orders.

14. Contra Account Codes: 22.660 / 42.301, 15.5, 14.350 / 42.501, 22.680

As these are Contra Account Codes, the debit balance under one Account Code must be equal to credit balance against the other corresponding Account Code. (Except provision entry passed for creating liability in respect of Bhagyajyothi bills on hand at the year end).

15. 44.320 and 44.330 :

Except in Major Works Division / Circle, C.E.E. (Projects) and C.E.E.(Major Works) these account codes should not exhibit any balance in March Final Trial Balance, which may be ensured.

16. 28.820 and 46.430 :

If no balance is shown in these Accounts, it indicates that no prepaid expense or outstanding liability exists in the Unit as at the end of the year. Is it true?, Otherwise pass necessary entries for accounting prepaid expenses / outstanding liability.

17. 46.911:

In case, any entry is passed in respect of unissued cheques, the amount credited to this Account

should tally with amount debited to Account Group 24.4 and shown separately in Cash Balance Report.

18. 48.340 and 48.350 :

- i) The credit balance under these Account Codes should not be less than the amount debited to Account Codes 78.660 and 78.640 during the year respectively, shown in Part-B of March Final Trial Balance.
- ii) The balance under these Account Codes should exhibit only the interest provision made for the year payable in April and onwards of next year.

19. 75.860 :

Balance under this Account in Part-B of Trial Balance should tally to the amount shown in related Annexure of the March Final Accounts.

20. 77 :

Ensure that depreciation provision made and debited to these Account Codes tally with the amount shown in relevant Annexure of March Final Accounts.

21. Classification of Account Codes under Part A, B, C and D:

Ensure that the Account Codes are classified correctly and brought under each part as prescribed.

22. Tallying in Part-E and arriving at Closing Balance of 37.802:

- i) Ensure that the Grand Total of debits and credits of Part A, B, C and D tally with totals brought forward in Part-E separately.
- ii) Ensure that the Closing balance of Account Code 37.802 is correctly arrived at in Part-E.

23. YEAR END ENTRIES:

It may be noted that certain Account Codes are to be operated only at the year end (i.e., March Final Accounts) to make provision for Outstanding Liabilities and account of prepaid expenses. Such Heads of Accounts / Account Groups are:

15.5	Provision for completed works
22.660	Materials pending inspection
22.680	Materials-in-Transit Account
23.4	Provision for Unbilled Revenue
23.5	Dues from permanently disconnected installations
24.5	Remittances to Head Office In-Transit Account

24.6 Transfers for Head Office In-Transit-Account

28.820 Prepaid Expenses

42.301 Provision for Liability for supply of Materials

42.501 Provision for Liability to Contractors

46.430 Provision for Liability for Expenses

46.911 Unissued Cheques

78.640 Interest to Consumers on Meter Equipment Deposits

78.660 Interest on Consumers Security Deposits

ADVANCE ACTION TO BE TAKEN BY ACCOUNTING UNITS IN PREPARATION OF MARCH FINAL ACCOUNT

1. The units shall chalk out plan of action to submit March Final Accounts by **15th May** at the latest in exceptional circumstances and by **30th April** under normal circumstances.
2. The officers should invariably go through the "Guidelines for preparation of March Final Accounts" and "Instructions for preparation of March Final Trial Balance" issued every year.
3. The list of Annexures to March Final accounts issued shall serve as guideline to ensure enclosure of all Annexures and Appendices to March Final Accounts of the unit.
4. The provision for "Doubtful Dues" and "Provision for withdrawal of Revenue Demand" have to be made at the Units only. (Refer T.O. Circular Nos. cys-145/94-95, dated 1-2-95 and cys-136/94-95, dated 21-1-95)
5. The balance in respect of IUA accounts (31, 32, 36 and 37 series) will be reviewed at the time of acceptance of March Final Accounts and hence the Units should bring all connected "IUA Location Codewise Ledger Accounts" and respective quarterly statements to Head Office along with March Final Accounts and show 'NIL' balance or 'MINIMUM BALANCE' in all the Inter Unit Accounts.
6. Obtain paid acquittances from all the Sections/Sub-Divisions upto March before closure of cash book for March and charge off in the cash book to reduce the cash suspense to the bearest minimum.
7. Obtain Bank Reconciliation statement for March immediately after closure of March and pass necessary entries regarding remittances made to Main Bank Account. Also see that no balance is retained at the Bank without transfer to the Main Bank Account.
8. Obtain detailed statement of interest on Meter Equipment Deposit and Consumer Security Deposit from all the Sections and Sub-Divisions in the Division in the FIRST WEEK of March and make necessary provision for interest on Meter Equipment Deposits and Consumer Security Deposits in March Accounts itself without fail.

Also make sure that previous year's provision is cleared by crediting interest to consumer's accounts without fail.

9. Ensure that "Outstanding Liability" and "Prepaid Expenses" statements are ready on the last day of March and pass necessary entries for suitable provisions immediately after closure of last day's transactions in March and incorporate these entries in March Accounts only, if possible. Any outstanding liability crystallised afterwards but before rendering March Final accounts, may be incorporated in

March Final Accounts. If March Final accounts are already submitted and items of outstanding liability are perceived subsequently such amounts may be immediately intimated to Head Office with details of nature and period of liability.

10. Obtain DCB for March from all Sections/Sub-Divisions on 1st or 2nd day of April so that the compilation of Final Accounts could be finished early.
11. Obtain statement of recoverable amounts considered doubtful of realisation from each Section/Sub-Division well before 31st March for making provision for Bad and Doubtful Debts at the unit as per instructions vide item-4 above.
12. Obtain statement of excess demands proposed for withdrawal but not withdrawn yet and amount identified for withdrawal but withdrawal process not initiated yet, with details required for filling up Annexure to March Final Accounts as also to make provision for withdrawal of Revenue demand as per item-4 above.
This may also be obtained well before 31st March without fail.
13. Obtain details of disputed claims pending before Appellate Authorities and courts which are not included either in Provision for withdrawal of revenue demand or in Provision for Bad and Doubtful Debts for filling up Annexure 15(c) which is introduced from this year. This may also be obtained well before 31st March without fail.
14. Obtain "statement of arrears outstanding in respect of permanently disconnected installations, from all Sections/Sub-Divisions well before 31st March as the same is required to be furnished along with March Final accounts.
15. Obtain statement of categorywise pendency of Test Reports unopened with date of service and connected loads, from all the Sections/Sub-Divisions before 31st March for consolidation and enclosing the same to March Final Accounts.
16. Obtain details of jeeps/cars from Sections/Sub-Divisions to furnish details in Appendix-I, so also obtain details of Guest Houses.
17. Ensure that Fuel Escalation charges are demanded from time to time as per the direction of CEE(G) and obtain details from Sections/Sub-Divisions wherever F.E.C. is not claimed to fill up Annexure.
18. Ensure that reversal entries for the provisions made in the previous year are passed wherever necessary.
19. Ensure that consolidated statements for energy consumption, revenue demand, revenue collection, tax demand and tax collection pertaining to DCB upto the end of February are prepared in advance; preferably before second week of March and kept ready for filling up details from March DCB and also March Final Accounts, if any.

20. Unless stock accounts for March are compiled without any delay, the March Final Accounts cannot be finalised. As per codal rules the store accounts from each store have to be obtained every day and pricing/compilation done. It is observed that this is not being followed for obvious reasons in many of the Divisions and they are in the habit of obtaining store accounts once in 3 days/weekly/fortnightly. Though this is regularly affecting submission of monthly Trial Balance, this procedure has got a devastating effect on compilation of March Final accounts and becomes one of the major bottlenecks causing delay in finalisation of Final Accounts. Therefore the Accounts Officers should make it a point to note and monitor that the store accounts upto 15th March have been received in the Division on 15th itself at the latest, and the store accounts from 15th March onwards are invariably obtained everyday positively. The compilation of stock accounts on day to day basis in the Division office also shall be ensured in the same manner and arrangements shall be made to complete the compilation of stock accounts either on the last day of March or on the 1st day of April positively.
21. Ensure that categorisation of all service connection works upto February and of completed works in respect of other works is done before 10th March and only journal entries are left to be passed. The categorisation in respect of service connections/other completed works during March shall be done on the last day of March and consolidated entry shall be passed to this effect either on 31st March or on 1st April so that no delay is caused owing to this work.
22. Ensure that depreciation is calculated on all the assets outstanding at the beginning of the year and entries incorporated atleast in the 1st week of March, if the same has not been done earlier as per standing instructions.
23. Ensure that the accumulated depreciation in respect of released assets are calculated correctly with the help of ready reckoner sent. This aspect will be verified at the time of acceptance of March Final Accounts.
24. The Major Works Division shall ensure transfer of assets commissioned during the year to the concerned Divisions and also confirm that such assets are taken into account in the Division to which the assets are transferred, during the year only. Similarly the O&M Divisions also should make sure that such assets transferred from Major Works Divisions are brought into accounts before closure of Account for the year.
25. The Accounts Officers and Assistant Accounts Officers shall personally examine the balances under the following Suspense Accounts and ensure clearance of maximum balances, so that minimum balance is exhibited in the March Final accounts.
 - a) 22.450 - Material transfer within the Division
 - b) 22.710 - Workshop Account
 - c) 22.810 - Stock Excess pending investigation
 - d) 22.820 - Stock shortage pending investigation
 - e) 27.205 - Advance to staff against expenses

- f) 28.401 - Amount recoverable from employees
- g) 28.749 - Claims for loss/damage to Capital Assets - others
- h) 31.1, 31.2, 32.1, 32.2, 32.4, 32.5, 36.1, 36.2, 37.1 and 37.2 - IUA accounts
- i) 47.604 - Revenue Deposits

26. The Accounts Officers and Assistant Accounts Officers in the Unit shall note that the preparation of March Final accounts is continuously taken up from 1st day of March itself, seriously. As and when the statements/returns are prepared/completed, such statements/returns shall be got audited by Accounts Officers (Internal Audit) concurrently/simultaneously. There should not be any letup in this regard and the Accounts Officer (Internal Audit) be involved in this work from the beginning and throughout preparation of Final Accounts.

**CHECKS TO BE EXERCISED BY THE ACCOUNTING
UNITS TO ENSURE QUALITY IN MONTHLY TRIAL BALANCE**

1. Ensure that the Account Codes under the following Account Groups are having only Debit Balances. 10, 14, 15, 16, 17, 22, 23, 24, 25, 26, 27, 28, 70 to 83 except in the case of account codes 22.510, 22.810, 74.9, 75.9, 76.9, 77.9, 78.9, 79.9, 76.282, 79.110, 23.113, 23.114, 27.101, 27.102, 27.103, 27.104, 31.2, 32.2, 32.5, 36.2, and 37.2
2. Ensure that the Account Codes under the following Account Groups are having only Credit Balances. 12, 41, 42, 44, 46, 47, 48, 61, 62, 65, 71.9, 74.9, 75.9, 76.9, 77.9 and 78.9 except 44.110 and 44.120.

ACCOUNT GROUP / CODEWISE POINTS TO BE OBSERVED

ACCOUNT GROUP 10 & 12

- i) The balances under these Accounts exhibit the value of fixed Assets and Accumulated Depreciation respectively.
- ii) Subsidiary Register:- Asset Register
- iii) Whether Abstract is put up, taking the original value of the Asset and Accumulated Depreciation as per Asset Register and balance under each Head of Account tallied to Trial Balance.

ACCOUNT GROUP 14

- i) Whether the Categorisation is taken up every month from the beginning of the year and amount categorised is entered in the Categorisation register for passing entries at the year end.
- ii) Whether the CWIP Balance is very abnormal as compared to Capital Programme of the unit (may be compared with Average Capital Expenditure of previous year), and if yes, analyse reasons for such abnormal balance.
- iii) Subsidiary Register:- 'C' Register.
Whether 'C' Registers are being posted regularly.
- iv) 14.400: The Service Connection works: Work-in-progress booked during the year in respect of all works shall be categorised every month immediately after posting the "Abstract-cum-'C' Register" for service connection works. Refer this office circular No.C(A/Cs)/AO(A/Cs)/Sn.IV/Cys.140/91-92, dated 24.2.1992. Works with extension of lines under Service Connection are also normally completed within 2 to 3 months and hence most of the expenditure shall be categorised.

- v) Account Codes 14.609, 14.708, 14.809 and 14.810: Normally the items under these Accounts are drawn for use immediately on receipt of the same or within a reasonable time after receipt. Therefore, the tallying of balance under these Accounts with that shown in pricing ledger under respective folios has to be ensured.
- vi) In case the balance under any CWIP Account is constant beyond a reasonable period, action is required to enquire about the status of incomplete Capital works.
- vii) All other CWIP accounts: No works in the Board are having gestation period of more than one year (except in Major Works). Works commenced during previous year must have been completed. Hence major portion of the opening balance in these Accounts shall be available for categorisation during the year. Ensure categorisation of this portion of Opening Balance in addition to categorisation of completed works of the current year.

ACCOUNT GROUP 15

Account codes 15.203 to 15.206: Ensure 'NIL' balance under these Accounts, as the Revenue Expenses are to be capitalised and allocated to respective CWIP Accounts concurrently or at the end of the month without fail.

ACCOUNT GROUP 16

- i) Subsidiary Register: Dismantled Asset Register and Pricing Ledger.
- ii) Whether the balances under these Accounts agree to balance as per Dismantled Asset register as also pricing ledger under respective folios.
- iii) In case, constant balance is continuing under any of the Account beyond a reasonable time, the correctness of the same and reasons for not issuing / disposing off the released Asset has to be analysed.

ACCOUNT CODE 17.3

- i) Normally operated at Major works offices.
- ii) Whether the register / Schedule is maintained correctly and amount transferred to Final Heads of Account as per the provisions vide Regulation 2.3 in KEB Accounts Manual VOL-III on page 6.

ACCOUNT GROUP 20

- i) Normally operated at FA & CAO's Office.
- ii) Whether the Schedule / Registers are maintained properly and tallied to the balance under this account.

ACCOUNT GROUP 22

- i) Material Stock related Accounts: Whether the closing stock as per Accounts (by transferring the balance under related accounts to Account Code 22.610 notionally for the purpose of tallying) agrees to balance arrived at in Stock Analysis Register as also Pricing Ledger (Cost Balance).

ii) Account Code 22.450

- a) Ensure that no adverse balance (Credit) exists.
- b) Schedule is maintained properly and posted upto date.
- c) Ensure that the Balance is at the bearest minimum level.
- d) Ensure clearance of items as per this office Circular No. Cys-152 dated 23-2-1996 also at the pricing level.

Account Code 22.710

- a) Subsidiary Register: C-Register and Schedule.
- b) Whether the Work Accounts of completed jobs are being closed correctly and net balance transferred to Material Cost Variance.
- c) Ensure that no adverse balance exists.

Account Code 22.731

- a) Subsidiary Register: C-Register.
- b) Whether the Work Accounts of disconnected Temporary Power Supply Works are being closed correctly and net balance transferred to Account Codes 28.401 or 74.511 as the case may be.

Account Codes 22.810 and 22.820

- a) Whether Schedules have been maintained correctly and posted upto date.
- b) No adverse balance shall exist. If it exists, examine and rectify. Otherwise specify reasons.
- c) Whether the cases are being pursued effectively with concerned Store keeper / Officer / Officials.
- d) Except wherever enquiries are pending, ensure clearance of entire opening balance, if any. If not, explain.

Account Group 23

- i) Sub-Accounts under Main Account Group 23.4, 23.5 and 23.9 are to be operated only in March Final Accounts.
- ii) Whether Balance under each Sub-Account Code 23.1 in Trial Balance agrees to 'closing balance' shown against respective tariff in DCB Statement for the month.
- iii) Similarly balance in 61 series as per Trial Balance including UBR adjustments shall tally to total demand of the year in DCB statement. Likewise tally Electricity Tax also in respect of 23.2/46.300.

Account Group 24

- i) Whether the Balance under 'Cash on Hand', 'Imprest with Staff', 'Disbursement Bank Account' as shown in Trial Balance and Cash Balance Report agrees with Cash Book under respective columns.

- ii) Ensure charging off of all the paid acquittances within the shortest possible time and clear the suspense balance to the maximum extent.
- iii) Whether the Balance under 'Collecting Bank Account' (Account Codes 24.301 to 24.305) is at the bearest minimum and the Banker is transferring the amounts to Main Account in time promptly.
- iv) Ensure that entries for transfer of funds from non-operative Bank Accounts to Main Bank Account at Head Office, are passed regularly at the end of each month, based on Bank Reconciliation statement of Sub-Divisions.
- v) The Banker should transfer the remittances twice in a week or immediately on balance exceeding Rs.25,000/-. Hence the Accounts should not exhibit balance beyond this limit. To ensure this, keep in touch with concerned Banker and prevail upon them to comply with this.

Account Group 25

Whether the total of Supplierwise Advances paid as per Sundry Creditors Ledger agrees to balance under this account.

Account Group 26

- i) Subsidiary Registers: Schedule / Register

- ii) Account Codes 26.601 and 26.602:

Whether the Advances paid to Contractors are recorded in a separate schedule / Register and total of unadjusted Advance tallies to Balance under this Account.

- iii) Account Code 26.603

Whether Schedule is maintained properly recording materials issued to contractors (debit) and recoveries (credit) correctly.

- iv) Account Code 26.604

Whether Schedule is maintained correctly and posted upto date and the balance represents the value of Transformers / Meters yet to be returned by Supplier / Contractor.

ACCOUNT GROUP 27

- i) Account Codes 27.101 to 27.103

Recoveries made from employees shall be transferred to CCA's Office every month by Advice of Transfer after the Trial Balance for the month is drawn up.

- ii) Account Code 27.201

Whether this Account depicts debit balance?. Otherwise the reasons for credit balance has to be analysed. In case, the adverse balance is due to non-receipt of debit AT's from other units immediate action has to be initiated to obtain the same and clear the adverse balance.

iii) Account Codes 27.202, 27.203, 27.204 and 27.207

Whether schedules are maintained properly and posted upto date. In case of Festival Advance also schedule should be maintained and posted monthly and tallied to Trial Balance.

iv) Account code 27.205

a) Whether the Schedule is maintained properly.

b) The maximum advance to be given under this Account is Rs.5,000/- and the same should be regularised within 30 days of drawal. Hence, except advances made in previous month, no other items shall be outstanding as balance. All other items should have been regularised.

c) Is there any over due items outstanding and the action taken for regularisation of the same.

v) Account Code 27.210

Whether the Schedule is maintained properly and the items outstanding beyond a reasonable period pursued with the concerned Board Personnel effectively.

ACCOUNT GROUP 28.

i) Account Codes 28.103 to 28.113

Whether demand entry for receivables under this Account is passed in advance and these Accounts depict debit balance only.

ii) Account Codes 28.401 to 28.403

Whether Schedules are maintained properly and posted upto date and recoveries being watched properly.

iii) Account Codes 28.721 to 28.749

Whether register / Schedules are maintained properly and the claims lodged with the concerned parties promptly in time. The items should be pursued effectively till finality. As the debit balance under these accounts represents amount recoverable from outsiders, each outstanding item shall be reviewed and appropriate action taken for recovery of the amount or transferring the amounts to final heads of account, as the case may be.

iv) Account Code 28.810

Whether proper claims have been lodged with the Supplier / Contractor to recover the expenses / excess payments etc.,

v) All other Account Codes under Sub-Account Group 28.8 are normally operated at Head Office only.

vi) Contra Account Codes: 28.930 / 46.102, 28.932 / 48.2

As these are Contra Account Codes, the debit balance under one Account Code must be equal to credit balance against the other corresponding Account Code.

ACCOUNT GROUP 31 TO 39

- i) Account Group 31, 32, 36 and 37
 - a) Whether the IUA Ledgers are being maintained in accordance with the new procedure implemented from July 93 in respect of 31, 36, 37 and from 1-1-96 in respect of 32 and location codewise Accounts closed every month and balance tallied to Trial balance. Whether clearance of balances are watched continuously by Accounts Officer.
- ii) Account Code 32.802

Whether these Accounts are being operated keeping in view the guidelines issued for preparing Annexure - 8 and the details of Released assets commissioned prior to April 1985 are recorded in a separate register for the purpose of reconciliation and preparation of related Annexures of March Final Accounts.
- iii) Account Code 33

Whether the entries in respect of remittances transferred from Non-Operative Accounts to Main accounts at the Head Office are passed correctly based on the Bank Reconciliation statement.
- iv) Account Code 34

Whether the Funds transferred from Head Office and cheques of one lakh and above (sent from Head Office) have been accounted properly and tallied to monthly statements sent by FA & CAO's office.

ACCOUNT GROUP 41

- i) These Accounts are operated at LDC only.
- ii) Whether the Control registers are being maintained properly and balances tallied to Accounts.

ACCOUNT GROUP 42

- i) Account Code 42.101

Whether the abstract of uncleared items as per RVR is put up at the end of every month and total tallied to balance under this account.
- ii) Account Code 42.201 and 42.401

Whether the balance under these accounts represent the value of supplier and contractor bills passed respectively but not paid. This aspect may be verified with reference to Sundry Creditors ledger and control register maintained for admitting contractor's bills.

ACCOUNT GROUP 44

- i) Account Codes 44.110 and 44.120

Whether the gratuity and pension paid are being debited to these accounts directly. (since the provision is made centrally at Head Office debiting the revenue expenditure accounts and crediting these provision accounts.)

ii) Account Code 44.140

Discussed while explaining under Account Code 75.860.

iii) Account Codes 44.210, 44.220, 44.320, 44.330

Whether Schedules are maintained properly in respect of these accounts and balances tallied to Trial balance.

iv) Account Code 44.310

This being a payable account, should exhibit only credit balance. Ensure charging off of all the paid acquittances within the shortest possible time and clear the salary suspense under this account.

ACCOUNT GROUP 46

i) Account Code 46.101 and 46.910

a) Whether Schedules are maintained properly and balances tallied to Accounts.

b) Whether the items outstanding for more than three years are being credited to Miscellaneous Recoveries observing the usual Board formalities.

ii) Account Code 46.300:

a) For tallying purpose and also ensuring correctness a consolidated statement of Tax Demand (monthwise and tariffwise) has to be prepared which also facilitates year end reconciliation of Tax Demand. b) Whether the progressive total of Tax Demand as per the statement referred in (i) above agrees to balance under this Account.

iii) Account Code 46.410

a) The balance under this account represents Suspense amount in respect of Travelling allowance.

b) Whether Schedule is maintained properly and the T.A. Suspense is maintained at the bearest minimum level by obtaining and charging of all paid rolls of T.A.

iv) Account Codes 46.440, 46.450, 46.924, 46.925 and 46.927

a) The balance under these Accounts represent the Taxes, Charges etc., payable to Government.

b) Whether Register / Schedules are maintained and remittance of the amounts to Government within the statutory time limit ensured.

v) Account Code 46.922

a) Whether Schedule is maintained properly and necessary adjustment entries are being passed correctly on disposal of Scrap / Stores.

b) In case the amounts are outstanding beyond the reasonable period, further analysis to find out reasons is required.

ACCOUNT GROUP 47

- i) Account Codes 47.601, 47.603, 47.604
- a) Whether the revenue Units are maintaining the register properly (which can be ensured by obtaining monthly abstract as already prescribed.)
- b) Whether the items outstanding for more than three years are being transferred to miscellaneous recoveries regularly (except 47.603)
- ii) Account Code 47.606
- Whether the revenue collections accounted under this Account temporarily is cleared in full after passing entries every month in respect of DCB.

ACCOUNT GROUP 48

- i) Account code 48.1
- Whether the Register is being maintained (at Sub-Division) properly.
- ii) Account Code 48.340 and 48.350
- Whether the provision made in respect of interest on consumer Deposits is cleared by passing on the credit to consumer account through Adjustments.

ACCOUNT GROUP 50, 51, 52, 53, 54, 55, AND 56

- i). As these Accounts are operated at FA & CAO's Office only (except 55.1 and 55.3). No detailed explanation is given here.
- ii) Account Code 55.3:
- Where the works are taken up under Border Area Development programme, whether the grants received is accounted under this account and the expenditure booked under Account Code 14.370 correctly and the expenditure does not exceed the grant received.

ACCOUNT GROUP 61

- i) The revenue from sale of power (ie., Revenue Demand as per DCB) is accounted under these Accounts.
- ii) Whether the progressive revenue demand as per Statement of revenue Demand (monthwise and tariffwise) and also DCB agrees to balance under these Accounts.

ACCOUNT GROUP 62

- i) Account Code 62.210 should not be operated at the Unit level as the interest is calculated and accounted at Head Office Centrally.
- ii) In case Account Code 62.4 is operated, whether the gain has been calculated correctly as per instructions given on page 147 of KEB Accounts Manual Vol III and related regulation.
- iii) All other Account Codes - no specific comments.

ACCOUNT GROUP 65

- i) Whether these Accounts are operated to account prior period income or excess provision for Revenue Expenditure in previous years only.
- ii) The balance under these Accounts is not abnormal (except specific instances to be explained)

ACCOUNT GROUP 70 AND 71

These accounts are being operated at LDC and Generating Divisions only.

ACCOUNT GROUP 74

It has to be ensured that the expenditure under these Accounts are not abnormal.

ACCOUNT GROUP 75

- i) Ensure that the Expenditure under these Accounts are not abnormal.
- ii) Account Code 75.763

Whether the Board's contribution to labour welfare fund is made as per statute in December of each year.

- iii) Account Code 75.860

Whether the refund under Family Benefit Fund (ie., Rs.50,000/-) in case of death is segregated among Account Codes 44.140 and 75.860 correctly.

- iv) Account Code 75.880

Whether the compensation under KEB Life Cover Scheme, 1987 is debited to this Account and the balance under this Account is in multiples of Rs.10,500/- (with exception if any).

ACCOUNT GROUP 76

No specific comments except ensuring that these Accounts depict debit balances only and there is no abnormal Expenditure under any Account.

ACCOUNT GROUP 77

- i) Whether depreciation has been worked out correctly on the Assets in use at the beginning of the year at the relevant rates.
- ii) Whether losses relating to Fixed Assets if any, has been worked out and accounted correctly.

ACCOUNT GROUP 78

No specific comments.

ACCOUNT CODES 74.9, 75.9, 76.9, 77.9 and 78.9:

In Chief Engineer, Major Works Office, Major Works Circles / Divisions ensure that the total revenue expenditure under 74, 75 etc., series tally with the amount capitalised and shown against 74.9, 75.9 etc., respectively.

ACCOUNT CODE 77.550

Ensure that only labour charges on decommissioning of Asset is booked under this Account and no debits / credits in respect of released assets received / issued is booked.

ACCOUNT GROUP 79

Whether losses, Bad Debts etc., if any has been accounted properly.

ACCOUNT GROUP 83

- i) Whether all expenses relating to previous years (crystallised during current year) are booked under these Accounts.
 - ii) Also to ensure that these Accounts are not operated as a routine accounting entry. (for eg. such as making provision again and again for interest on Consumers Deposits, in respect of previous year's provision and debiting Account Code 83.7 for the shortfall of interest, owing to the facts that the provision during previous years was not made on sound and proper basis but by adhoc and arbitrary basis)
-

Approval is hereby accorded for adoption of new procedure for preparation of estimates for capital works (both for new works associated with dismantling of the existing assets or works where only dismantling of assets is involved) in the manner indicated below to facilitate allocation of expenditure in line with the revised accounting policies.

- (a) Estimates shall be prepared in the forms given in Annexures-1, 2 and 3 enclosed. Separate estimates as per Annexure-1 should be prepared for each of the categorised assets. A consolidated abstract is to be prepared as in Annexure-2. As usual the general report justifying the scheme has also to be prepared.
- (b) Estimates are to be sanctioned as before under the usual headings shown in the budget such as Transmission lines, Step-down stations, Extension and Improvement, Village Electrification, Service Connections, etc. The relevant Account Code No. as per the new chart of accounts has to be affixed.

The advantage of the new formats is that it is simpler and the following charges need not be worked out separately.

- (1) Stock Incidentals,
- (2) General Establishment Charges,
- (3) Construction Establishment Charges,
- (4) Pension and Leave Contribution,
- (5) Bonus,
- (6) Travelling Allowance,
- (7) Transportation charges,
- (8) Tools and Plant Charges.

In lieu of the above lumpsum over-heads are to be included as follows:-

- (1) "Employees' cost of works unit" at 60% on the cost of labour in respect of capital works taken up under KEB Programme.
- (2) "Employees' cost of works unit" at 100% on the cost of labour in respect of capital works financed by REC.
- (3) "Employees' cost and other expenses" at 10% of the works cost in respect of Capital works carried out by Major Works Divisions.
- (4) "Employees' cost and other expenses" at 20% of the works cost in respect of works taken up under Deposit Contribution.

(C) Deposit Contribution works :

- (i) Inter-State line and other works also are to be classified as "Deposit Contribution" under the head 47.310.

(ii) Deposit Contribution works for other organisation shall be booked under the head 47.305.

(iii) Deposit Contribution works for service connection may be sanctioned under the head "47.305 Deposit Contribution Works for Service Connection of HT/LT consumers". In this case the asset created would get vested in the Board.

(d) Dismantling of existing Assets:-

The procedure for preparation of the estimates for dismantling of assets has also been simplified and estimates for this purpose are to be prepared in format indicated in Annexure-3, and should be complete with sections A, B & C duly filled-in. Expenditure on dismantling (de-commissioning of the asset as it is called) should be debited to the "Revenue Account" and instructions given in Section-A of Annexure-3 should be taken note of. Full particulars of the assets to be dismantled, together with the year of their commission should be furnished. If the year of the commissioning is not known, it can be assessed and the basis for assessment should be recorded in the estimate.

After the work is completed, these assets will be removed from the "Asset Register" which will be maintained in future at the Divisional/Circle-Level. Final adjustment of values in the asset Register will be carried out by the Accounts Wing of the Division/Circle Concerned.

Annexure-1 to B.O.No. KEB/B19/345/85-86,

Dtd. : 28-6-85

Estimate :

(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 date sheet or as estimated. (a) Labour charges. (b) Contribution to P.F.etc., at 9.5% on (a).				
*3.	Employees cost at 60% on cost of labour/employees cost at 100% on cost of labour.				
4.	Electrical Inspectorate charges.				
5.	Contingencies.				
6.	Works cost (total of 1 to 5)				
**7.	Employees cost & other expenses at 10% on works cost/employees cost & other expenses at 20% on works cost.				
8.	Total cost of the estimate.				

Note : * Employees cost at 60% and 100% on cost of labour shall be provided in the estimate for Capital works under KEB programme and REC. Schemes respectively.

** Employees cost and other expenses at 10% and 20% on works cost shall be provided in the estimate for capital works carried out by Major Works Divisions and deposit contribution works respectively.

Annexure-2 to B.O.No.KEB/B19/345/85-86

Dtd: 28.6.85

ABSTRACT

- Part 'A' : Lines
- Part 'B' : Transformers
- Part 'C' : Lightning Arrestors
- Part 'D' : Switchgear
- Part 'E' : Service Lines
- Part 'F'
- Part 'G'
- Part 'H' : etc., are to be separately prepared asset-wise as per VII th schedule.

NOTE : GOS, HG fuses & DOLO cutouts of 11 KV shall be brought under asset 'lines' instead of 'Switchgear'.

Report of the Estimate :

Annexure-3 to B.O.No.KEB/B19/345/85-86

Dtd: 28.6.85

ESTIMATE FOR DE-COMMISSIONING OF ASSET

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, DL1, etc.

NOTE : (a) In case of labour charges incurred by department, it will be debited to "Employees Costs". Only labour charges payable to outside 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 as assessed.
 - (iii) Month /Year of dismantling.
- (value need not be given for item (i) above).

**C). DATA TO BE FURNISHED BY ACCOUNTS SECTION
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 :

ORDER NO.KEB/B19/345/85-86.

Dtd. 16.9.1986

1. Approval is hereby accorded to adopt the enclosed formats on Annexure I to IV in place of the format 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

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' : Lightning 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 asset-wise as per VII th schedule.

Note : G.O.S. HG fuses and DOLO cutouts of 11 kV shall be brought under assets "lines" instead of "switchgear".

Report of the estimate

Form of estimate for REC works only

Annexure - II

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' : Lightning 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 asset wise as per VII th schedule.

NOTE : GOS, HG fuses & DOLO cutouts of 11 KV shall be brought under asset 'lines' instead of 'Switchgear'.

Report of the Estimate :

Form of estimate for Capital works of Major Works Division

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 item 1 to 4)				
6.	Total cost of the estimate.				
<hr/>					
Total					

ABSTRACT :

Part 'A' : Lines

Part 'B' : Transformers

Part 'C' : Lightning 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 asset-wise
as per VII th schedule.NOTE : GOS, HG fuses & DOLO cutouts of 11 KV shall be brought under asset 'lines' instead of
'Switchgear'.

Report of the Estimate :

Form of estimate for deposit contribution works

Annexure - IV

Name of Works :

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 Nos.1 and 2.				
4.	Electrical Inspectorate charges				
5.	Contingencies on item 1 to 4 at 3%				
Total					

Report :

CLARIFICATIONS ISSUED

Ref : Board Order No.B19/345/85-86 dated 28.6.1985 Revised formats for the preparation of estimates.

ANNEXURE-VII

Reference made by the Field Officers	Points raised	Clarification
SEE/MZ/T/16230 Dtd. : 2-12-85	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.	<p>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 28.6.85, is already worked out and included in the cost sheet to facilitate easy preparation of estimates.</p> <p>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.</p> <p>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.</p>

**Reference made by
the Field Officers**

Points raised

Clarification

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.
- (5) Bonus.
- (6) Travelling Allowance.
- (7) Tools and Plant.

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.

4) Confirm, is there any necessity of providing 15% of labour towards supervision charges.

5) Whether P.F. at 9.5% and labour charges as per B.O. should be included in the Estimates.

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 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.

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.

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. Now, a separate format for REC works is being issued indicating these items as well as contingences.

4) Not necessary.

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
Elect. Mangalore
Letter No. 1902-5
Dated 4-10-85

Reference made by the Field Officers	Points raised	Clarification
Executive Engineer Elect. O&M Division 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 charges at 20% on the works cost of estimate.	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 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. 9) Lightning Arresters, Switchgear, Transformers - whether individual sub-work order is necessary.	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 Mannual Vol.II, separate sub-work 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.

Reference made by the Field Officers	Points raised	Clarification
	<p>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 date sheet for the year 1985-86.</p>	<p>10) Please see the clarification for item (1) above.</p>
	<p>11) Further, Electrical Inspectorate, charges are to be provided to REC Works or the same will be met out of contingencies.</p>	<p>11) Yes, to be provided separately, since unforeseen expenses can only be met out of contingencies.</p>
	<p>12) Whether labour provision has to be made in repairs and maintenance estimates.</p>	<p>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.</p>

Approval is accorded to adopt the procedure for dismantling of assets as in Annexure. This shall come into force with effect from 1st of April 1985.

PROCEDURE FOR DISMANTLING OF ASSETS

DATE OF EFFECT 1st APRIL 1985

PREAMBLE :

1. With the introduction of Uniform Commercial Accounting System, the existing procedure for dismantling of Assets and accountal thereof, in the connected account records required modifications. Existing procedure in this regard suffers from several deficiencies, such as:
 - (i) Proper distinction is not made between Revenue and Capital.
 - (ii) Dismantled Asset is taken to stock at original Book value, thus inflating gross assets.
 - (iii) Loss or gain in disposal of assets is not reflected in the accounts.
 - (iv) Due to incomplete particulars in the estimates, value of released assets along with accumulated depreciation is often not removed from the gross assets etc..
- 1.2. In order to eliminate the above deficiencies, a revised procedure in supercession of paras 252 to 261 and 486 to 495 (applicable to transformer and other items except meters) of Karnataka Electricity Board, Accounts Manual Vol.II as amended from time to time prescribed in the following paragraphs shall come into force with effect from 1.4.1985.
- 1.3. Consequent on adoption of Commercial Accounts-System with effect from 1.4.1985, the Asset Accounts will be maintained at Divisional level.
- 1.4. Assets may be decommissioned or dismantled for various reasons, e.g. frequent break-down, obsolescence, assets becoming surplus for certain reasons etc., In any of these cases, the assets decommissioned, may be replaced by new equipments.
- 1.5. Replacements may be classified into two categories i.e., Major and Minor. Expenditure on Major replacements will be treated as 'Capital' expenditure, while expenditure on Minor replacements will be charged off to the Revenue of the year. Broadly, if any, "replacement" results in prolonging the life of the Assets or increase the earning capacity/productivity, such a replacement, may be treated as Major replacement and expenditure incurred thereon may be capitalised. With effect from 1.4.1985, separate fixed asset records are maintained for 'Individual Assets' in certain categories and for 'Group Assets' in other categories. In general, replacement of any individual Asset or part of a 'Group Asset' which will have the effect of extending the life of the group asset, shall be considered as Major replacement. eg., Replacement of faulty/burnt out transformer/equipment by new transformer/equipment of the same capacity. All other replacements of parts of assets, required to be carried out in the course of normal operations shall be treated as minor replacements and charged off to the Revenue of the concerned year.

1.6. Expenditure on Major replacements may be booked in the Capital Section under the head of Account 14.150 - CWIP - Improvement, while the expenditure on 'Minor replacement' may be charged off to the Revenue under the Account group 74 - Repairs and maintenance.

1.7. This revised procedure may be read in conjunction with Board order No.KEB/B19/345/85-86 dated 28.6.85, in which a new procedure for preparation of estimates for decommissioning of assets has been prescribed.

2.0. DISMANTLING OF ASSETS :

2.1 Dismantling of an asset involves removal of the asset from use. Dismantling of an existing asset i.e., line/equipment may become necessary for its replacement before the normal prescribed life of the asset, for some reasons or for discarding the asset after prescribed period.

3.0 REPLACEMENT OF ASSETS :

3.1 Replacement of an asset means substitution of one fixed asset by another. Replacement may be a Major replacement or a Minor replacement.

3.1.1 MAJOR REPLACEMENT:

In the light of the principles enunciated in the preamble, a few examples of Major replacements are given below for guidance:-

(i) Replacement of faulty/burnt out transformer/equipment by new transformer/equipment of the same capacity.

(ii) Replacement of lower capacity transformer/equipment by higher capacity transformer/equipment or vice-versa.

(iii) Replacement of an existing line by another line for improvement of its capacity.

(iv) Replacement of an existing line by another line, of the same or higher capacity in its place by changing its present location.

(v) Replacement of any component of a large equipment.

3.1.2 MINOR REPLACEMENT:

Replacement of a part of any asset is a minor replacement such as :

(i) Replacement of poles, pole supports, insulators cut-outs, cross-arms, belts and nuts etc.,

(ii) Reconditioning of snapped conductors.

(iii) Replacement of insulating oil.

3.2 Pursuant to the introduction of Commercial Accounting System and Procedures, the original cost and the accumulated depreciation of the old replaced assets should be withdrawn from Gross Block and accounted, under "16.2 WDV of dismantled or faulty assets" and the expenditure on the new asset be capitalised. In the case of assets discarded permanently as well, the cost of the assets and the

depreciation of the assets dismantled should be transferred to Account Group "16.2 WDV of dismantled/faulty assets" and the cost of dismantling should be charged to the Revenue Account. In view of this, the Board has issued a simplified form of estimate and guidelines vide Board Order No.KEB/B19-345/85-86 dtd. 28th June 1985. The implications of the new procedure in the preparation and sanction of estimates in respect of assets dismantled either for replacement or for discarding permanently are outlined below:

3.3. ESTIMATES

3.3.1: In the case of major replacements, estimates shall be prepared separately for erection of new assets and dismantling of the existing assets, assigning separate work orders with cross references in the estimate. In the case of minor replacements, a single estimate for the net amount is sufficient.

3.3.2: ESTIMATE FOR ERECTION OF AN ASSET.

An estimate for erection of a new asset shall be sanctioned under the budget head 'Improvement' in the Capital Section. The net expenditure on Minor replacement shall be charged to revenue under the Account Group '74 Repairs & Maintenance'.

3.3.3 : ESTIMATE FOR DISMANTLING OF AN ASSET :

- (i) Estimates for dismantling of assets shall be sanctioned under the Account Group '77.5 Asset - De-commissioning cost' irrespective of whether the dismantling of asset is due to replacement or otherwise.
- (ii) The labour charges included in amount of the estimate is debitable to 'employee cost' under the appropriate head of account under the group head '75 other charges like transportation charges etc., are debitable to the Accountant Group '77.5 - Asset De-Commissioning cost' (Category-wise).
- (iii) Particulars of assets dismantled, year of commissioning and month/year of dismantling of assets shall be furnished in the estimate. If the year of commissioning is not known it should be assessed and the basis for assessment recorded jointly by Executive Engineer, (Elect.), and Accounts Officer of the Division in the estimate.
- (iv) The Accounts Section in the Division Office shall furnish in the estimate the following particulars: (1) Original cost/ assessed value of the assets to be dismantled.
 - (2) Depreciation earned.
 - (3) Written down value of the assets dismantled.
- (v) If the original cost is not available, the cost shall be assessed on the basis of the Standard Rate/ Purchase Rate of the year or any other data available after adding estimated labour and indirect charges.
- (vi) The report of the estimate should contain the following particulars in addition to the usual particulars as are required vide para 233 of the Accounts Manual Volume II.

1. Spot Inspection certificate.
2. Reasons for the deterioration of asset earlier than the expected time.
3. Circumstances related to failure.
4. Whether the materials released now could be used elsewhere for temporary and other works.

4.0: ACCOUNTING PROCEDURES OF DISMANTLED ASSET :

- 4.1 : On dismantling of an asset, it shall be returned to Stores with a Regular Return Invoice.
- 4.2: On receipt of the dismantled asset at Stores, Whether it is good/faulty/Scrap, the Store Keeper shall acknowledge the receipt of the dismantled asset and draw a receipt voucher and take the item to stock.
- 4.3: On drawing a voucher, the details shall be entered in a separate dismantled Asset store Ledger, and sent to the Division Office along with other Store Receipt Vouchers and Issue Invoices. The existing ledger form may be utilised for this purpose.
- 4.4: On receipt of the voucher, the Pricing Ledger Section shall furnish the written down value of the asset and enter the amount and other particulars in the dismantled Asset pricing Ledger, which is to be maintained separately in future.
- 4.5: The Accounts Section will transfer the original asset cost and accumulated depreciation to the Account Group "16.2 Written down value of faulty/dismantled assets".
- 4.6: The Accounts Section shall maintain a Register for dismantled Assets in the form as given in the Annexure-I which contains the details of Original asset cost, depreciation till date, written down value of asset and the manner of disposal of the asset.

Note: In Board Order No.KEB/B7/1969/81-82 dated 1.4.1985 vide Annexure-8 a proforma for entering the details of such dismantled assets has been prescribed vide Annexure-III to the Annexure8. This form has been slightly modified and re-numbered as Annexure-I.

5. RELEASED ASSETS FOUND USEFUL/REPAIRABLE / NOT USEFUL

5.1: RELEASED ASSETS FOUND USEFUL:

The released assets which could be used elsewhere without carrying out any repairs shall be kept along with the other fresh materials. Whenever such materials are drawn for works such released good materials of the asset are expected to be drawn first, for use in other works and hence the materials in that ledger are cleared. The issue invoice shall be valued in such cases at written-down value and entered in the pricing ledger in the Division Office.

5.2: RELEASED ASSETS FOUND REPAIRABLE:

- 5.2.1: The released assets such as distribution/power transformers, circuit breakers and other equipments found faulty and repairable shall be sent to the Meter testing division through a Regular Invoice and advice of Transfer with written down value giving details of asset description, Sl.No. year of installation, original cost, depreciation till date.

Note: Released assets such as 220 KV breakers, 11 KV breakers and certain 66/33 KV transformers repairable at the Division need not be sent to M.T.Division, Bangalore. But M.T. Division shall arrange for repair of these released assets at the Division. The released assets shall be issued to the Officer-in-charge of repair on numerical account. The repair shall be carried out on a separate estimate sanctioned under Account Group "74.101 Repairs and maintenance to P & M - M.T.". After repair, the repaired asset shall be returned to the concerned store on numerical account.

5.2.2: The M.T.Division will acknowledge the Invoice and accept the Advice of Transfer in the usual manner and record the particulars of the transferred assets in their respective Dismantled Asset Registers and also debit the value to the respective account heads in the General Ledger.

5.2.3: The M.T.Division will do necessary tests and a report will be furnished in respect of the oil level of the transformers, condition of winding, condition of the bushings etc. Further, the assets such as transformers/equipments received at M.T.Division which could be repaired, shall be retained for reconditioning departmentally or repairs by a private agency. Other transformers/equipments which are not repairable, will be sent to the Central Stores Division at the written down value, with all the particulars and report through Regular Invoice under Inter-Unit Account.

5.2.4: After effecting necessary repairs the M.T.Division will allocate the cost of repair to the repairs and maintenance head of account i.e., "74.101 Repairs and Maintenance to Plant and Machinery M.T."

5.2.5: If the repairs are carried out by an outside agency or department, the expenses will be debited to '74.110 R & M to P & M - others.

5.2.6: These repaired transformers/equipments will have to be issued to various divisions under allotment from the Superintending Engineer, (Elect.), Material Management Cell.

5.2.7: The transformers/equipments returned to the Central Stores Division as irreparable will have to be disposed of by auction after draining out the transformer oil. The transformer oil drained out from the transformer should be taken under a separate head "used transformer oil" at Nil value and stored in tankers and will be issued for filtering/reclaiming as the case may be at M.T.Division. The released transformer oil has to be accounted for.

(a) at M.T.Division in respect of transformers retained for reconditioning.

(b) at Central Stores Division in respect of transformers received for disposal by auction.

5.3: RELEASED ASSETS FOUND NOT USEFUL:

Released assets found not useful will be treated as scrap.

5.3.1: Scrapping of Assets:-

Upon scrapping of assets (returned to stores as dismantled assets) by the field officers, a "Certificate for scrapping of Assets" shall be prepared in triplicate by the Officer concerned and two copies given to Stores. This procedure applies in the case of dismantled assets classified as scrap by the M.T.Divisions and sent to C.S.D. for disposal.

5.3.2: The Accounts Section on receipt of the above document and store invoice will transfer the written down value of the asset from the Account Group "16.2 Written down value of faulty/dismantled asset" account to the Account Group "16.1 written down value of obsolete /scrapped asset" account and also transfer the particulars and value of the asset from, the Dismantled Asset Register (Annexure-I) to the Scrapped Asset Register (Annexure-II).

5.3.3: DISPOSAL OF SCRAPPED ASSETS:

- (a) The items appearing in the Scrapped Asset Register will be placed before the competent authority for approving the scrapping of the assets.
- (b) On approval, the scrapped assets which are not disposed at Division shall be sent for disposal to the Central Stores Division, K.E.B. Bangalore, through Regular Invoice under Account Group "32.703 Inter Unit Account - Capital Expenditure and fixed Assets, with written down value.
- (c) On receipt of scrapped Assets, the C.S.D. shall account the same by drawing a regular receipt voucher, posting the details of transactions to the scrapped Asset Ledger and sending the voucher in the usual manner to the Accounts Section of the Chief Engineer, Electricity (MM & P).
- (d) On receipt of receipt voucher in the Accounts Section of the Chief Engineer, Electy.(MM & P), they shall value the receipts at the written down value as indicated in the invoice of the sending Division.
- (e) On sale of scrapped assets the same shall be invoiced to the concerned purchaser under the Account Group "16.1 written down value of obsolete scrapped asset".
- (f) Sale proceeds of scrapped assets shall be credited to 28.105 Sundry Debtors for other miscellaneous income".
- (g) The gain or loss on sale of scrapped assets shall be treated as Revenue. However, gain, if any, in excess of the accumulated depreciation shall be treated as a Capital gain and credited to Capital Reserve.
- (h) The scrapped asset for which no scrap/salvage value is realised (loss on sale) the written down value of such assets shall be charged to "77.710 Written down value of assets scrapped."

5.4.: As far as meters are concerned, the present practice is to be continued as laid down in the Accounts Manual, Volume II and Circular instructions that are issued in separate Board Orders.

The total of the amount in the dismantled Assets or scrapped Assets Registers shall be tallied with the respective accounts in the General Ledger at the end of each quarter.

6.0 SHIFTING AN ASSET TO ANOTHER PLACE:

Any expenditure incurred on shifting assets from one place to another place will regardless of the amount of expenditure, be charged to revenue in the year in which the expenditure is incurred.

Accounting entries are furnished in the Annexure-III.

ACCOUNTING ENTRIES

ANNEXURE - III

When an asset is dismantled it should be invariably sent to the nearest store where its condition should be examined. If it does not require any repairs, it may be issued to any other work undertaken in the same division either immediately or in future. However, if the asset requires repairs it should be sent to the M.T. Division for repairs. After repairs, it may be sent back either to the original Division or to any other division requiring the asset.

On the other hand, if the asset is not repairable it may be sent to the Central Stores Division where it should be declared as scrap and disposed of.

The accounting entries to be passed under each of the situations mentioned above are set out below.

ACCOUNTING ENTRIES

Sl.No.	Date	Head of Account	LF	Debit	Credit
1. ENTRY TO BE PASSED AT DIVISION ON RELEASING OF ASSETS.					
1.	16.202 to	Written down value of faulty/			
	16.209	dismantled Assets (categorywise)			
	12.1 to	Provision for Depreciation on fixed assets (category-wise)			
	12.9				
		To -10.101 to -10.904 - Fixed assets (categorywise)			
<p>(Entry to be passed for removing the value of an asset from the asset account and the depreciation thereon are transferred to a new account entitled WDV of faulty/dismantled assets).</p>					
2. ENTRY FOR DRAWAL OF RELEASED ASSETS FOUND USEFUL FOR WORKS.					
14 Capital work-in-progress (CATEGORYWISE)					
	To 16.202 to	writtendown value of faulty/dismantled			
	16.209	assets (category-wise).			
<p>(on drawal of released Assets for works, the Accounts Section will pass this entry on the basis of a Store Invoice to clear the items in the written down value of faulty/dismantled asset A/c).</p>					
3. RELEASED ASSETS FOUND REPAIRABLE					
(a) 32 (L.C.) I.U.A. Capital expenditure & Fixed Assets.					
	To 16.202 to	Writtendown value of faulty/dismantled asset A/c.			
	16.209				
(Entry to be passed for sending assets for repairs to M.T. Division)					
	(b) 16.202 to	Writtendown value of faulty/dismantled asset A/c.			
	16.209				
TO. 32 LC I.U.A. Capital Expenditure & fixed Asset A/c.					
(Entry to be passed by M.T. Division on receipt of assets for repairs).					

4. SENDING OF ASSET BACK EITHER TO THE ORIGINAL DIVISION OR TO ANY OTHER DIVISION REQUIRING THE ASSET.

(a) 32 (L.C.) I.U.A. Capital Expenditure & Fixed Assets A/c.

To 16.202 to | Written down value of dismantled asset A/c.
16.209

(Entry to be passed at M.T. Division for sending the Assets to the needy division)

5. SENDING OF RELEASED ASSET FOUND IRREPAIRABLE TO CENTRAL STORES DIVISION.

32.703 I.U.A. Capital Expr. & Fixed Asset A/c.

To 16.202 to | Written down value of faulty / dismantled asset A/c.
16.209

(Entry to be passed for sending Assets irreparable to the Central Stores Dvn.)

SCRAPPING OF ASSETS

16.102 to | Written down value of obsolete / scrapped assets.
16.109

To 16.202 to |
16.209 | Written down value of / dismantled faulty assets
(Entry to be passed for scrapping of Assets when they are certified as obsolete or scrap by the specified authorities at O&M Division / Central Stores Division).

6. WRITE OFF OF SCRAPPED ASSETS

77.710 Written down value of scrapped assets.

To 16.102 to | - Written down value of obsolete / scrapped asset.
16.109

(Entry to be passed to write off the written down value of scrapped assets found to have nil scrap / salvage value)

SALE OF SCRAPPED OR OBSOLETE ASSETS TO ACCOUNT LOSS

28.105 Sundry Debtors for other Misc. Income

77.730 to | Loss on sale of Fixed Assets (Category-wise)
77.734 -

To 16.102 to |
16.109 | - Written down value of obsolete / scrapped Assets (category-wise)

(Entry to be passed to bring into account the loss on sale of scrapped or obsolete assets).

(b) TO ACCOUNT GAIN

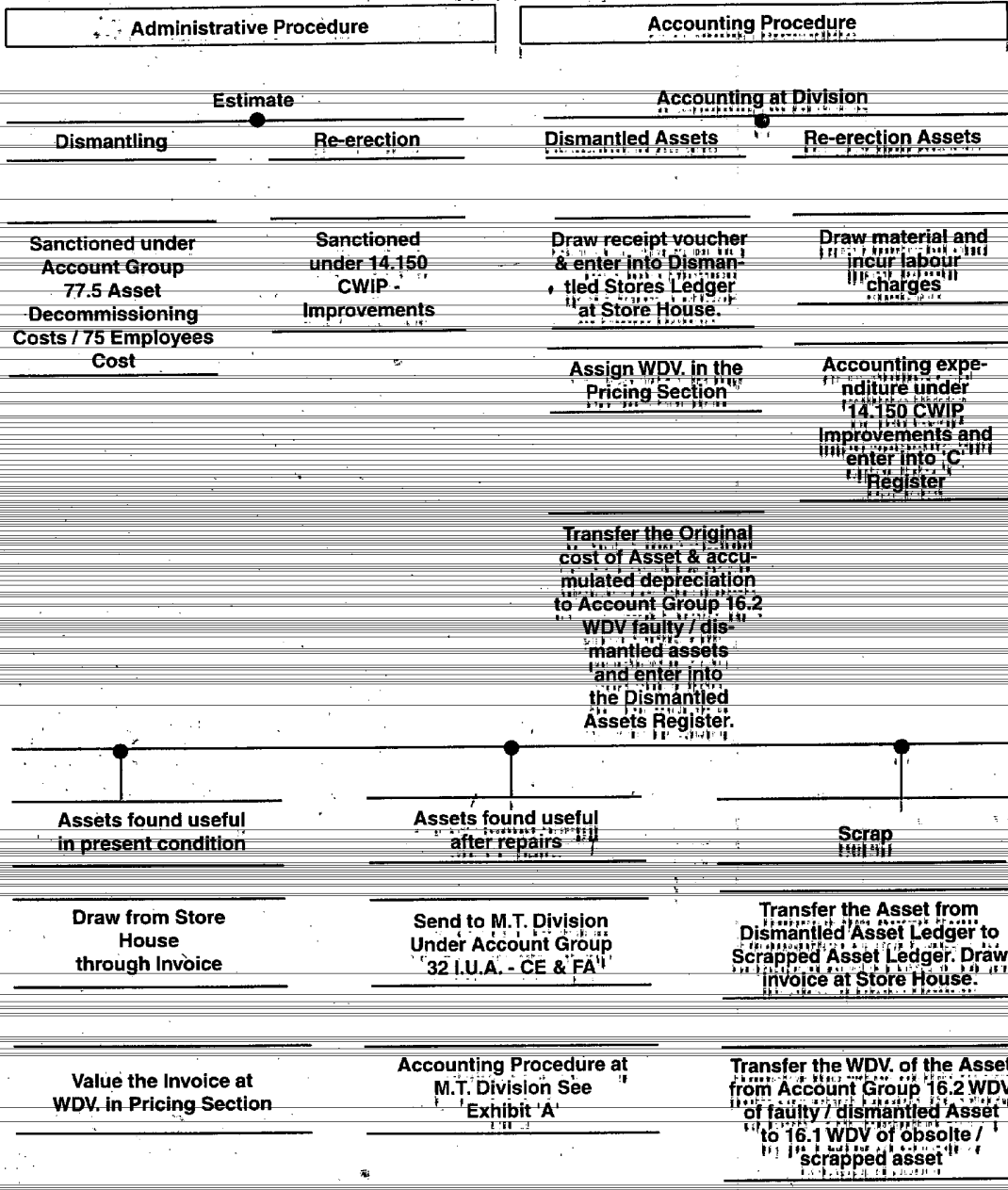
28.105 Sundry Debtors for other Misc. Income

To 62.4 to | - Gain on sale of fixed asset. Capital reserve.
56.2

16.102 to | - Written down value of obsolete / Scrapped assets (category-wise)
16.109

(Entry to be passed to bring into account the gain on sale of scrapped or obsolete assets) If the amount realised from the sale is more than the written down value of the Asset, there is a gain, otherwise a loss on fixed assets. On realisation of the amount due, the sundry debtors account (28.108) will be cleared by corresponding debit to Cash / Bank, if the sale value is more than the accumulated depreciation such difference will be credited to capital reserve (56.2) and the balance of depreciation will be taken as gain on sale of fixed assets (62.4)

FLOW CHART - I
**PROCEDURE FOR DISMANTLING AND REPLACEMENT OF ASSETS
 MAJOR REPLACEMENT**



Enter the details in the dismantled Asset Register in Accounts Section with entry to transfer from Account Group 16.2 WDV of faulty / dismantled asset to account group 14 - CWIP

Disposal at Division

Sent to CSD under Account Group 32 - IUA CE & FA if not disposed in the Division

Enter into 'C' register

Accounting Procedure at CSD - See Exhibit 'B'

FLOW CHART - 2

PROCEDURE FOR DISMANTLING AND REPLACEMENT OF ASSETS

Minor Replacement

Administrative Procedure

Accounting Procedure

Estimate for dismantling and re-erection

Return the released materials to stores and treat like any other material for accounting and disposal. Draw materials and incur labour for re-erection of part of the asset

Sanctioned under Account Group 74 - Repairs and maintenance

Account the expenditure under Account Group - 74 Repairs & maintenance

EXHIBIT 'A'

EXHIBIT 'B'

Accounting Procedure at M.T. Division

Accounting Procedure at CSD & CEE
(MM&P) Office

On receipt of materials from the divisions draw receipt voucher & enter into Dismantled assets Store Ledger at Store House and account under 16.2 WDV of faulty / dismantled assets at Accts. Section

On receipt of scrapped assets from divisions and / or M.T. Division. Draw receipt voucher at Store house and allocate to Account Group 16.1 at Accounts Section in CEE (MM&P) Office.

Repairable

Not repairable

Loss to be accounted under 77.7 losses relating to fixed assets

Gain to be accounted under Head of Account 52.4 gain on sale of fixed assets and 56.2 capital Reserve

Prepare an estimate under 74.101 R&M to P&M M.T. Division

Transfer the cost of asset from account group 16.2 to 16.1

Book the expenditure under the head of a/c 74.101 R&M to P&M - MT

Transfer asset to C.S.D. under Account Group 32 IUA C.E. & F.A.

After repairs sent to the Needy Dvn. under Account Group 32 duly noting in the Dismantled asset Register

Procedure at C.S.D. Exhibit 'B'

No.KEB/B10/5015/85-86

Dtd. : 15.04.1989

CIRCULAR

Sub : Interest on consumers' Security Deposit - Dismantled installations.

As per Regulation 33.07 and 33.08 of K.E.B. Electricity Supply Regulations, 1988, if an installation is under disconnection for non-payment of dues for a continuous period of not less than three months, the Board has to serve three months' notice on the consumer to get the installation reconnected after payment of dues, failing which the power supply agreement shall be deemed to have been duly terminated from the date of expiry of the said notice. The supply lines have to be dismantled and action for recovery of dues initiated. As per Regulation 33 (f) ibid, the consumers' Security deposit will not earn any interest after termination of the agreement.

In order to have better control over the dues recoverable from permanently disconnected consumers and to avoid the possibility of giving interest on the deposits of such installations beyond 6 months from the date of disconnection, the following instructions may be strictly followed by the field officers.

1. It should be ensured that 3 months' notice is served on the consumer, immediately after the installation is under disconnection for 3 months.
2. After the expiry of 3 months' notice mentioned above, the lines should be dismantled and action for recovery of dues initiated.
3. At the same time the revenue arrears outstanding in the ledger accounts of these consumers should be transferred to a separate ledger called 'Dues from the permanently disconnected consumers' from the existing revenue ledgers by giving cross reference in both the ledgers.
4. The balances outstanding against the names of these consumers on the date of transfer should be adjusted against the security deposits held by them and the net balances recoverable / payable shown in these ledgers.
5. If any amount is recoverable as above, action as per supply regulations should be initiated for the recovery of those amounts.
6. While rendering the monthly DCBs the sub-Divisions should include dues from permanently disconnected consumers also as amounts recoverable from consumers and shown against respective categories.
7. In the DCB for March every year, the net amount due from the permanently disconnected consumers after adjustment of deposit should be shown separately under each category of consumers. This will help the Division to consolidate the amount due from the permanently disconnected consumers under the Account Head 23.5.
8. While working out the interest payable to consumers at the end of the year, the sub-divisions should exclude the permanently disconnected consumers from the calculation of interest.

No.KEB/B7/7660/89-90

Dtd. : 16-3-90

Sub : Rental from Staff Quarters / others - Demand and Recovery.

It is observed that the present procedure followed in demand and recovery of rent from the Staff Quarters / others is not in accordance with the accounting principles adopted by the Board. In all the Accounting Units, the rent actually recovered from the salary of the Employees or paid in cash by others, itself is taken as the amount due and demand is raised in the Accounts, only to the exact amount of

recovery. This procedure of raising demand on the basis of actual recovery is wrong. This does not show the amount outstanding to be recovered on this account. In fact, the demands should be raised as and when rent recoverable becomes due and the recoveries should be watched against such demands. The present procedure has also resulted in depiction of inconsistent figures of income from rental from Staff Quarters in the accounts of the Board, every year.

As per Para-286 of the KEB Accounts Manual Vol.I remission of rent is admissible only when the building becomes uninhabitable. Any Building / Quarters in habitable condition should fetch rent to the Board.

The following instructions regarding raising of demand and recovery of rent from Staff and Others should be strictly followed with immediate effect:

- 1) Ledger Account for each Quarter should be maintained separately on the similar lines of Revenue Ledger, at the Accounting Units in which the Quarters are maintained.
- 2) The Accounts should contain permanent details such as the Quarter Number, Capital Cost of Building, fittings available in the Building and Municipal Tax payable on the Building.
- 3) The incumbency of each Officer / Official in the Quarter should be noted immediately on occupation and vacation of the Quarters.
- 4) On occupation of the Quarter by an Official, the date of occupation, his salary and other Allowance, the Office in which he is working and the rent recoverable from him every month shall be noted.
- 5) If the Quarter is allotted and occupied by an Employee, who is eligible for rent-free accommodation, the details as prescribed in Item-4 above should be noted, besides the fact that the Employee is eligible for rent free accommodation. There will be no recovery of rent in such cases. The salary of such Employees from time to time shall be closely watched, to see whether they could be recovered under the rent chargeable category on increase in their salary.
- 6) In the case of designated Quarters, the post of the Official / Officer for whom the building is reserved shall be noted.
- 7) The Charge List for handing over the Quarter to the Official on occupation and vice-versa on vacation should be obtained and filed in the file relating to the particular Quarters for records. Any loss which is to be made good to the Board by the Employees vacating the Quarters shall be immediately recovered at the time of vacation of Quarters.
- 8) The demand should invariably be raised on the salary disbursement day of every month in the Ledger and incorporated in the Accounts by - passing the following journal entry;

28.104 - Sundry Debtors for rental from property	Dr.
To 62.901 - Rental from Staff Quarters	
62.902 - Rental from Others	Cr.

In respect of others, the entry should be made on the first working day of every month.

- 9) The recoveries made from the salaries shall be watched against the demands and posted in the Ledger under 'Recovery' Column after and recoveries are brought into accounts. If recoveries are made from Divisions / Units other than the Division in which Ledger Account of the Quarters are maintained, recoveries transferred from other Accounting Units through ATs, shall be watched and posted in the Ledger Account on receipt and acceptance of AT. Cash Receipts towards rent should be posted in the Ledger.

Recovery of rent by any means shall be credited to the Account Head 28.104 - Sundry Debtors for rental from property. If recoveries against demand from property are not regular, the same shall be pursued by taking necessary action.

- 10) There should not be any loss of rent in the case of designated Quarters. The incumbent should pay the rent even if he/she does not occupy the Quarter for the period of his/her incumbency in the Office at the place. The demand in the name of the incumbent should be raised in the Ledger Account and recovery - enforced without fail. The concerned Head of the Office will be held responsible if the rent is not recovered in such cases. In case of any doubt about procedural aspects further clarification may be sought from the Financial Adviser and Chief Accounts Officer.

The above instructions should be strictly implemented by all the concerned Officers with immediate effect so as to avoid loss of revenue to the Board.

No.B19/345/85-86

CIRCULAR

Dtd : 29.4.1993

- I. Though exhaustive instructions are issued vide Board Order No.KEB/B19/345/85-86, dated : 18-6-1987, regarding preparation of estimates and execution of works under major and minor replacements, there is still some confusion in the field regarding the heads of accounts under which such estimates are to be sanctioned and the powers of sanction of the various heads of the offices in sanctioning estimates and issue of work orders.
- II. In respect of replacement of major equipments like Power Transformers, current Transformers Switchgear, control panel and potential transformers etc., approval of the Board to take up such work is required. In such cases, the Board is already getting proposals from the field officers and also according approval for specific replacement works depending on the requirement and necessity. Further, preparation and sanction of estimates shall be done by respective heads of offices as per foregoing guidelines.
- III. In view of clarifying the doubts and eliminating the confusion prevailing in the field in these matters, the classification of works, budget heads under which the works are to be sanctioned and the powers of sanction of the heads of the offices relating to these works are again reiterated below.
- IV. The works are classified as major replacements and minor replacements.

Major Replacements :

A. Classification

The following guidelines and principles shall be applied to classify a work as major replacement.

- i) Replacement of faulty / burnt out transformer / equipment by new transformer / equipment of the same capacity.
- ii) Replacement of lower capacity transformer / equipment by higher capacity transformer / equipment or vice-versa.
- iii) Replacement of an existing line by another line for improvement of its capacity.
- iv) Replacement of an existing line by another line of the same or higher capacity in its place by changing its present location.
- v) Replacement of any component of a large equipment.

B. Preparation of Estimates and Budget Head

Two separate estimates shall be prepared as follows :

- 1) For dismantling of the existing asset, under Head of Account "77-550 - Other De-commissioning cost", duly indicating the details of the assets released and to be accounted under Written down value.
- 2) For erection of new asset in the place of released asset under Head of Account "14.150 - CWIP - Improvement" (i.e., Budget Head - Improvements).

C. Powers of sanction :

- i) Powers of sanction as delegated vide Sl.No.J(1) and (2) on page-4 of the "Manual of Financial Powers of Sanction" approved vide B.O. No.KEB/B5/B410/77-78, dated : 22.8.1990 shall be exercised by various Officers for sanction of estimates under 77.550 - Other In-commissioning cost.
- ii) Powers of sanction as delegated vide Sl.No.A(1) on page-2 of the "Manual of Financial Powers of sanction" approved vide B.O. No.KEB/B5/3410/77-78, dt. 22.8.90 shall be exercised by various Officers for sanction of estimates under 14.150 - Improvement.

V. Minor Replacement :

A. Classification

The following guidelines and principles shall be applied to classify a work as Minor Replacement.

- (1) Replacement of a part of any asset.
- (2) Replacement of poles, pole supports, insulators, cut-outs, cross-arms, bolts and nuts etc.,
- (3) Reconditioning of snapped conductors
- (4) Replacement of insulating oil, etc.,

B. Preparation of Estimate and Budget Head

Only one estimate has to be prepared and sanctioned for the net amount duly showing the released portion of the assets as credit with written down value in the same estimate itself. The estimate shall be sanctioned under A/c Group "74-Repairs and Maintenance (Categorywise)".

C. Powers of sanction :

The powers of sanction as delegated Vide Sl.No.K on page-5 of the "Manual of Financial powers of Sanction" approved vide B.O. No.KEB/B5/3410/77-78, dt.22.8.1990 shall be exercised by various Officers for sanction of estimates under A/c Code series "74. Repairs & Maintenance (Categorywise)".

The above guidelines shall put all the confusions and doubts in this regard at rest.

KEB/B19/8033/83-94

Dtd. : 17-8-93

Sub : Failure of Distribution Transformers

Ref : Board Circular of even No.dated 29.8.91, 2.7.92, 3.7.93

Analysis of the failure of distribution transformer, which failed during 1992-93, has revealed that over 45% of the transformers have failed due to fault on the secondary lines. This is mainly due to improper manner in which the secondary lines are being constructed. The works carried out of late through contractor are not properly supervised by the concerned officers, once the materials are issued. At each stage of execution, the work should be supervised and only after the supervisory Officer is satisfied that the work has been carried out satisfactorily as per codal practice, permission given to complete balance work.

Improper maintenance of existing secondary lines is also another cause of failure. Many circulars have been issued regarding maintenance of Secondary lines, providing adequate protection to transformers both on LT side and HT side, but of no avail. These instructions should be followed strictly. The Zonal CEE's should verify the failure report, and action should be taken on the concerned if the failures are due to faulty secondaries.

Many failed transformers are being repaired through private agencies, which are failing within the guarantee period. Progress of repair work should be supervised by EE, M.T. Division, at each stage and satisfy the work carried out.