

**ANDHRA PRADESH STATE CIVIL SUPPLIES CORPORATION LIMITED**

Regd. Office: 6-3-655/1/A, Civil Supplies Bhavan, Somajiguda, Hyderabad – 500 082.

Adhar Sinha, IAS  
VICE CHAIRMAN & MANAGING DIRECTOR

ACCOUNTS CIRCULAR No.16

No.Accts. 19 B/2005-2006.

Dt. 22<sup>nd</sup> March 2006.

Sub: APSCSCL – Compilation of accounts for the year 2005-2006 – Certain guidelines – Issued – Reg.

As you are aware that the closing day of the Accounting Year 2005-2006 is fast approaching and the Annual Accounts of the year are to be prepared for finalization at Head Office. All the District Managers / Zonal Managers are requested to furnish the Accounts in the NIC Accounting package i.e final Trial Balances and SLS for the year 2005-2006 before 30.04.2006 without fail as per the commodity-code numbers. In addition to the guidelines earlier issued from time to time. In this regard, the following instructions on some important items are issued now.

- 1) In respect of OE IV and OE V Financial tallies of NIC, rate wise analysis has to be submitted.
- 2) DMs / ZMs have to see the accounts, verify the correctness and sign the Trial Balance and all Schedules. The original copies of the Trial Balance, SLS and schedules to be submitted to HO. The DMs and ZMs have to review the position of Miscellaneous / Other Advances and Tour Advances as why they are pending since long time.
- 3) Some districts are not calculating the gratuity / EL value to the District Managers on the plea that the Service Registers of the DMs are not available at their districts. In this connection, District Managers are advised to contact the HO Personnel Section and obtain the required details well in advance and calculate the gratuity / EL value.
- 4) IOG confirmation certificates from all the DMs / ZMs must be obtained and have to enclose the copies to the Trial Balance.
- 5) Schedule for the FP Shop dealers margins on free rice distribution.
- 6) SLS for all commodities including empty gunnies.
- 7) BRS for all Bank Accounts including in-operative and Closing Balance Certificates for the balances as on 31.3.2006 and certificates for OYT Deposits.
- 8) Schedule for expenses and income on heavy vehicles and schedule for miscellaneous income.
- 9) The Zonal Managers concerned have to certify the correctness of accounts. It is the responsibility of the District Manager to obtain the certification of the concerned ZMs.
- 10) Finally the Assistant Manager (Accounts) must verify the correctness of the accounts and certify it before taking the signature of the District Managers / Zonal Managers. The AM (Accts.) should invariably attend HO for submission of final accounts.

1. **Trial Balance** : The Trial Balance and SLS to be furnished through the data fed to the computer through NIC package only.

2. a) **DEPRECIATION:** The Depreciation is to be calculated on the W.D.V. only. Following are the depreciation rates:

Sl. No.	Name of the Asset	Percentage of Depreciation	Sl. No.	Name of the Asset	Percentage of Depreciation
1.	Land	-	13.	Xerox Machines	13.91
2.	Buildings	05.00	14.	Weighing Machines	13.91
3.	Work-in-Progress	-	15.	Other Equipment	13.91
4.	Furniture	18.10	16.	Motor Car	25.89
5.	Intercom	13.91	17.	Jeep	25.89
6.	Electric Fans & Installation	13.91	18.	Duplicator	13.91
7.	Air-Conditioner & Fridge	13.91	19.	Typewriter	13.91
8.	Accounting Machines	13.91	20.	Auto Rickshaw	25.89
9.	Mini Bus	30.00	21.	Motor Cycle	25.89
10.	Trucks	30.00	22.	FAX Machine	13.91
11.	Cycles	20.00	23.	Generator	13.91
12.	Computers	40.00			

Depreciation should be calculated on pro-rata basis i.e., from the date of purchase of asset in case the asset's purchase value is beyond Rs.5000/- otherwise 100% depreciation must be calculated. (Ex. If 10 chairs are purchased @ Rs.4500/- each, the total purchase bill will be Rs.45000/-. But each item costs less than 5000/-. So the calculation of depreciation should be 100%.) Item-wise schedule of assets should be enclosed to the Fixed Assets Schedule in respect of each type of Asset. The location and physical verification certificate as on 31.03.2006 is to be appended to the T.B. duly signed by the DM / ZM and in H.O. by GM (A&V).

## 2. b) MAINTENANCE OF ASSETS REGISTER

The Assets Register in the District Office and Head office should be invariably maintained in the proforma. All the Assets available in the district should be entered in the register and it should be tallied with the Assets Schedule given with the Trial Balance.

Name and Description of the Assets:

Sl. No	Date of Purchase	Bill No & OE II No	Description	Amount	IOAT recd.	IOAT sent	Location	Sign.of the inspecting officer at the year end

A Certificate to the effect that all assets purchased and received are entered in the Assets Register should be appended to the Trial Balance.

## 3. SUNDRY DEBTORS:

The DMs / ZMs have to review the position of realization of Sundry Debtors case wise and take necessary action for early realisation. The abstract of Sundry Debtors and Accounts Receivable should be prepared as under (however details of each case should be furnished):

S.No.	Age of debt	Amount	Good Debts	Bad Debts	Doubtful Debts

Debts over 3 years if considered not realizable, must be reported to Head Office separately, carefully making out a case wise detail and write-off proposals must be examined both by the District Manager and Zonal Manager of the zone concerned.

In Sundry Debtors, only Trade-Debtors are to be included and Dues Receivable from employees should not be included therein but are to be shown separately in Accounts Receivable. Instances have come earlier to the HO notice of such clubbing and therefore, it is now cautioned against such inclusion.

- a) Out of the total Sundry Debtors, the particulars of court cases, amount involved in RR Act and the present stage of cases may be furnished in the following proforma:
- b) In case of misappropriations, the amount as per the file should tally with single cost with book figure in final accounts.
- c) The short collection of sales at MLS points are not being reviewed years together and are not being realized. DM / ZM should concentrate on this topic.

Sl. No.	Name of the party	Amount involved		Brief history of the case	Latest stage of the case
		Court Cases	RR Act		
1	2	3	4	5	6

#### 4. **CONFIRMATION LETTERS – SUNDRY DEBTORS:**

The Photostat copies of the confirmation letters from the concerned debtors for the amount due as on 31.3.2006 to the Corporation should be enclosed. Agewise break up to Sundry Debtors to be given.

#### 5. **BANK RECONCILIATION:**

On verification of Bank Reconciliation Statements it is noticed that there are excess and short-debits and credits in the statements. The date of rectification of such entries should be made without fail. Further, they must ensure that all the DDs presented in the bank are credited to the account within the month. The District Managers must adopt a special drive and ensure that all the DDs are obtained from MLS points are credited to our account very quickly duly recognizing the time value of the money. Further, they must see that the DDs on hand are brought down to a minimum. When the DDs are inevitably shown as on hand (as on 31.3.2006), the actual date of present into Bank and date of credit must be indicated. Further, the stale cheques should be transferred to Sundry Creditors. A copy of the Closing Balance Certificate obtained from each Bank must be enclosed.

#### 6. **DETAILS OF LIABILITIES:**

The liabilities such as Excess Collections, FSD, EMD, Estimated Liability, Security Deposits should bear the name of the party, nature of liability and year to which it pertains. While preparing the estimated liabilities proper care should be taken to ensure that all expenditure pertaining to the year is taken into consideration with accuracy.

7. Party-wise schedule in respect of Excess collection hither to submitting to HO alongwith TB may be dispensed with. However, particulars may be exhibited in the final accounts in the following proforma:

**SCHEDULE FOR EXCESS COLLECTIONS FOR THE YEAR 2005-06**

Sl. No.	Commodity	Opening Balance	Additions during the year	Adjustment during the year	Closing Balance
1)					
2)					
3)					

**8. TRADE DEPOSITS:**

The details of trade deposits transaction during the year shall be shown in the following proforma.

Opening Balance	Receipts during the year, if any	Payments during the year, if any	Closing Balance

**9. (a) PADDY:**

Separate SLS for Grade A and common variety shall be prepared. As already informed vide HO Accounts Circular No.Accts. 19 B(1) / 2000, dt.23.12.2000, all the expenditure pertaining to paddy procurement should be shown separately and should not be clubbed with other commodities. Paddy account and milling account should be furnished in the prescribed proforma.

**9 (b) CUSTOM MILLING**

In respect of Custom Milling of paddy undertaken during the relevant year i.e.Khariff & Rabi, the Dist.Managers are advised to take into account that in respect of sale to FCI , the sale value is to be booked as per cost structure and Gunny Cost (Payable to Miller) separately and Gunny Cost to be credited to Sundry Creditors. The sale value of rice should be booked in accordance to the Circular instructions given vide H.O. Endt. Lr. No. Proc. 13 (3) / 2001-2002 / Paddy dt.3.12.2001 and Lr. No. Proc. 13 (13) / 2001 / Paddy, dt.27.12.2001.

Separate SLS for new gunnies and once used gunnies should be prepared as it is essential for calculation of Closing Stock valuation of gunnies. The gunny SLS should contain the following particulars.

## 1) Receipts:

- a) Purchases
- b) Transfer-in from other districts (specify the name of the district)
- c) Received from Millers

## 2) Issues:

- a) Sales
- b) Transfer-out to other districts (specify the name of the district)
- c) Issued along with stocks (Paddy & Maize)

## 3) Closing Balances (Receipts – Issues)

- a) Gunnies with stocks
- b) Empty gunnies
- c) with miller

**9 (c) R.D Cess / Market Fee**

The F.C.I while settling the custom milling rice bills they have recovered / with held the R.D cess / Market Fee for the both current / previous Marketing seasons. Hence a separate statement should be enclosed in the Proforma. Actual RD Cess & Market Fee due to CSC from FCI should be booked as Sundry Debtors. Market Fee payable should be shown as liability.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl.No.	Month in which Rice sold to FCI / cost realized	Name of the Marketing season	Variety	Qty. sold	Rate	Value	RD Cess recovered for the month

(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RD cess withheld for the previous marketing season	Market fee recovered if any	Market fee withheld if any for the previous season	Amount (7-(8+ 9+ 10+11)	Cost of gunnies Paid by FCI	Transport of Rice / Paddy paid by FCI	Quality Cuts / S.Exp.	Net amount paid by FCI (12+13+14)-15)

**9. (d) I - Shortages recovery from millers**

Month	Pertains to crop year	Qty. of shortages	Grade	Rate at which recovered	Amount

**II - Grade difference recovered**

Month	Pertains to crop year	Qty. of Rice difference of Grade	Rate at which recovered	Amount

**9. (e) Grade difference paid to millers**

Month	Pertains to crop year	Qty. of Rice difference in Grade	Rate at which paid	Amount

**Milling statement (Marketing season wise)**

Qty. of Paddy handed over to millers		Resultant Rice to be received		Actual		Net shortage		Net gain		Excess		Short	
Gr.A	Common	Gr.A	Common	Gr.A	Common	Gr.A	Common	Gr.A	Common	Gr.A	Common	Gr.A	Common

**10. QUANTITATIVE AND FINANCIAL TALLY:**

The Month-wise, rate-wise and variety wise abstract of financial tallies taken from NIC package for purchase and sale of all commodities should be enclosed to the T.B. However, a yearly abstract of quantitative and financial tally for the year should be shown beneath the Financial Tally.

11. Regarding LPG, separate SLS and financial tallies should be prepared and enclosed for purchases made from outside the State and within the State for domestic & commercial for different capacities along with separate Opening Balances for 2004-05 for each item.
12. Sales Tax provision need not be exhibited in District Office accounts as this subject is centralized at HO. Only other commodities purchased from outside the State may be shown separately.

13. **TRANSPORT CHARGES (Commodity wise & Varsity wise.)**

Statements showing commodity-wise month-wise transport charges (stage-I and stage II) for rice, sugar, wheat, P.Oil, and redgram dall paid to the contractors (including amounts payable) to be furnished in the Trial Balance in the proform as under:

Sl. No.	Month	Name of the commodity	Quantity Purchased	Transport charges Stage-I	Quantity Sold	Transport charges Stage II
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14. **PRICE EQUALISATION FUND ON LEVY SUGER:**

A separate statement showing reconciliation between the quantity, purchase cost and Stage-I transport charges as exhibited in the Accounts and as per PEF Statements should be enclosed. The Trial Balances sent to HO without the above schedule will not be accepted. A copy of the statement should be handed over to the concerned A.M. (LSPEF). All the District managers are requested to follow Govt. of India Lr.No.18-2/95-SPY.D.II. Dt.22.2.2000 regarding revision of margins for wholesalers and retailers of levy sugar in the State of Andhra Pradesh.

15. **VEHICLES UNDER CENTRALLY SPONSORED SCHEME**

All the District Managers shall follow the circular instructions issued vide Accounts Circular No.9(2)/99, dt.8.12.99 and also corrigendum given to it on 24.12.99. They shall account for the income received / earned on account of transportation of various commodities through Corporation vehicles under Stage-I and Stage-II etc., and debit to commodity-wise transport and other respective heads as given in the circular. The expenditure incurred on the vehicles shall be debited to separate heads of accounts as communicated in the circular. In case of Inter Office transactions, where vehicles of one district are utilised for movement on behalf of other districts, IOGs should be exchanged and properly accounted for and transactions accounted for as detailed in the Circular. As these vehicles are purchased with Central Government assistance, the earnings on account of the vehicles have to be repaid to the Government. Hence Vehicle wise Expenditure & Earnings are to furnished.

16. **SALE OF SCRAP / GUNNIES/ BARRELS:**

The sale proceeds of scrap/ torn-out and once used gunnies other than Paddy and old drums etc. should be shown under miscellaneous income with proper schedule.

17. Income Tax deducted by FCI from storage bills should be passed on to HO through IOG along with original tax deduction certificate as the IT subject is centralized at HO only.

18. **INTER OFFICE REMITTANCE (I.O.R.)**

The I.O.R. statement should be prepared month-wise and bank-wise. The horizontal and vertical totals should be tallied. **Both debit and credit (i.e., amount received from HO and amount sent to HO ) should be shown in the Trial Balance separately.** A copy of the IOR statements to be handed over to the Assistant Manager (Compilation) at HO separately. No Xerox copies of IOR are to be enclosed to Trial Balance. Only typed copies are to be enclosed to Trial Balance.

19. **I.O.G., I.O.A.T., TRANSFER OUT**

The confirmation certificates for IOG, IOAT and transfer-out, schedules should be obtained from the concerned District Managers and Photostat copies of the same should be enclosed to the Trial Balance. **Besides, copies of IOG, IOAT, IOCPF to be handed over to the Assistant Manager (Compilation) /A.M.(CPF) at HO separately at the time of handing over the Trial Balance.**

20. **N.P.N.S.P.E. Scheme (National Programme of Nutritional Scheme Support Programme for Education)**

The District Managers are requested to note that the NPNSPE transaction should not be clubbed with PDS rice, and a separate SLS for NPNSPE should be submitted. They have to furnish a statement showing OB, quantity received, quantity issued, CB. The District Managers have to exhibit the expenditure on NPNSPE i.e Stage-I, Stage-II and handling charges pertaining to NPSNPE and have to provide for FP shop dealers margins.

21. **PHYSICAL VERIFICATION**

The physical verification of stocks at all MLS points, petrol bunks and LPG outlets etc., should be conducted at the end of 31.3.2006 (i.e. financial year ending) as per the guidelines issued and copies of the physical verification certificates (as on 31.3.2006) should be enclosed to the Trial Balance without fail. Apart from the PV certificates for all other assets should be enclosed. The D.M should counter sign all the P.V. Reports. The year ending physical verifications is in addition to the regular perpetual physical verification done during the year.

22. **STOCK LEDGER SUMMERY**

The Stock Ledger Summery for all commodities have to be furnished in the NIC package. For each commodity godown wise details have to be furnished.

23. **CLOSING BALANCE CERTIFICATE**

The Closing Balance Certificate as on 31.3.2006 for cash, bank balance, postage and revenue stamps and stocks should be obtained. The photostat copies are to be enclosed to the Trial Balance submitted to Head Office keeping original copies with District Manager's office.

**24. EMPLOYEES PARTICULARS**

Particulars of the staff working in the district office and field should be furnished including daily wage employees. The CPF No., should invariably shown against each employee.

APSCSCL employees	Officers	Staff
S.C. / S.T.		
B.C.		
O.C.		
Deputationists		
Daily Wages		
Total		

**25. PARTICULARS OF EARNED LEAVE OF EMPLOYEES**

The days should be calculated upto 31-03-2006 and miximum days are 300 instead of 240.

Sl. No.	Name of the employee	Designation	CPF No.	No. of days of Earned Leave to credit as on 31.3.2006	Salary as on 31.3.2006 including pay, Spl.Pay, DA, HRA & CCA	Value of Earned Leave (Col.5 / 30 x Col.6)
1	2	3	4	5	6	7

**26. PROVISION FOR GRATUITY IN DISTRICT OFFICE**

The District Managers are requested to work out gratuity to the employees who are working under their control (including Daily Wage employees) and who have completed 5 years of service in the following proforma for the year 2005-2006 may be append to the Trial Balance without making any provision in the accounts. HO will make the provision after consolidating the information of all districts:

Sl. No.	Name of the employee	Designation	CPF No.	Date of entry into service	No. of years service completed	Salary as on 31.3.2006 (Basic Pay+ Spl.Pay+ D.A)	Amount of gratuity (Subject a maximum of Rs.3.50 lakhs)
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**Formula for calculation of Gratuity:**

$$\text{Salary as on } \underline{31.03.2006} \times \frac{\text{No. of years Service}}{26} \times 15$$

The fraction of a year exceeding 6 months to reckon to next year it is to below 6 months to be ignored.

**27. CONTINGENT LIABILITIES**

Any claim raised by any party and not accepted by the district as liability and pending before any legal or administrative authorities for decision, either way, has to be reported by way of a special note just below the Trial Balance quantifying the disputed amount.

**28. CHECKLIST TO BE ENCLOSED:**

The checklist communicated vide this office letter No.Accts.19 (b) / 99-2000, dt.2.9.2000 should invariably be filled in, duly signed by A.M. (Accts.) / D.M. and enclosed to Trial Balance.

**29. ROLE OF AUDIT ZONES**

Recently sufficient AMs are posted to ZM offices. It is the responsibility of Audit Zones to ensure correctness of the Trial Balance, Schedules and observation of legal provisions by the District Managers in their respective zones. The Zonal Manager should certify the Trial Balance after thorough verification and after ensuring that the Trial Balance is containing all the schedules and is prepared on the basis of guidelines issued from HO from time to time. The Zonal Manager should also countersign the checklist enclosed to the Trial Balance.

The District manager and Assistant manager (Accounts) are requested to follow above guidelines and see that the Trial Balance should be submitted to HO on or before 30.4.2006.

**30. CERTIFICATION**

Instructions have been issued to take prints of all OEs from I to IX, GL and SLS, keep them in bounded form for the purpose of audit in order to ensure that the OEs are kept in tact. All the District Managers / Zonal Managers have to furnish a certificate along with the Final Accounts stating that we have obtained hard copy of OEs from OE I to OE IX along with posting sheets GL and SLS of all commodities and kept bounding books for verification.

**31. CPF CD**

All the District Managers / Zonal Managers have to submit the CPF information for the year 2004-05 in the CDs sent to DMs with prescribed format loaded therein.

A copy of this circular is available on our website.

Sd/-  
VICE CHAIRMAN & MANAGING DIRECTOR

To  
All District Managers, A.P.S. Civil Supplies Corporation Ltd.  
All Zonal Managers, A.P.S. Civil Supplies Corporation Ltd.  
Copy to the PS to VC & MD.  
Copy to all General Managers in Head Office for information.

//T.C.F.B.O.//

GENERAL MANAGER (FINANCE)